

Lecture 6



Quality assurance programs in Logistics



When Implementing a QA Program

Begin by identifying the critical business tasks, processes, or systems and documenting instructions. Use the instructions for training and day-to-day reference. A QA program will reduce the:

- Number of errors
- Waste of time and materials associated with errors
- Number of customer complaints
- Number of problems to fix
- Time spent on giving day-to-day instructions
- Time needed to improve processes and systems (by establishing a stable base)

When Implementing a QA Program

Following a widely-accepted quality standard program, such as the ISO 9000 system, initially will save you time and money if you become certified. The implementation plan should include:

- Quality coordinator
- Discipline task teams
- Quality team
- Policy development—quality and operational
- GAP analysis
- Map processes
- Quality manual development
- Communication/education/training
- Audit procedures
- Accreditation (optional)

Quality Control Approach

- **Plan:** Establish the objectives and processes necessary to deliver results in accordance with the expected output. Making the expected output the focus, differs from what would otherwise be. The completeness and accuracy of the specification is part of the improvement.
- **Do:** Implement the process developed. Perform tasks as designed and expected by management, reinforced by training and guidance from key stakeholders.
- **Check:** Measure, monitor and evaluate the implemented process by testing the results against the predetermined objectives and compare the results to ascertain any differences.
- **Act:** Analyze the differences to determine their cause. Apply actions necessary for improvement if the results require changes. Determine where to apply changes that will include improvement.
- **Improve:** Improvement incorporates the tracking of individual processes with statistics on performance compared to stated objectives. This information can be used to work with internal stakeholders, customers, and suppliers to improve interconnected processes to enhance overall business performance.

Benefits of Quality Assurance

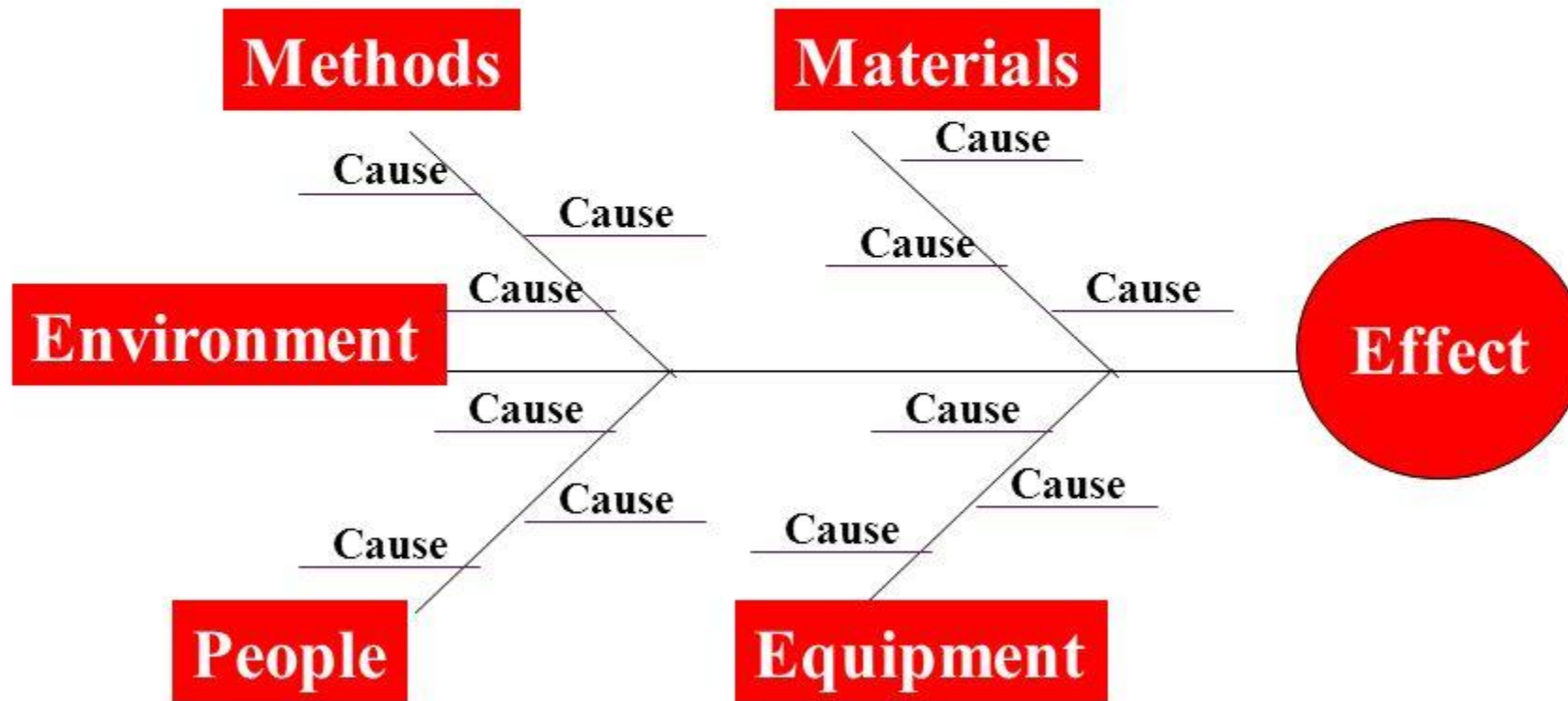
- Reduces cost
 - Product is right the first time, there are no rework costs, no waste of material, no waste of manpower, and no disruptions in the production process.
 - Fewer claims for warranties and guaranties.
 - Cost of poor quality goes down.
 - Operating costs reduced, resulting in increased profits.
- Improves reputation
 - Market reputation improved with organization's ability to produce good quality products that are made according to the requirements of the customers.
 - Satisfied customers are easier to retain and generate more business.
 - Solid reputation helps attract new customers. New customers equal an increase in revenue.
- Reduces execution time - Quality processes reduce the cycle time to complete orders and allows for more production time.

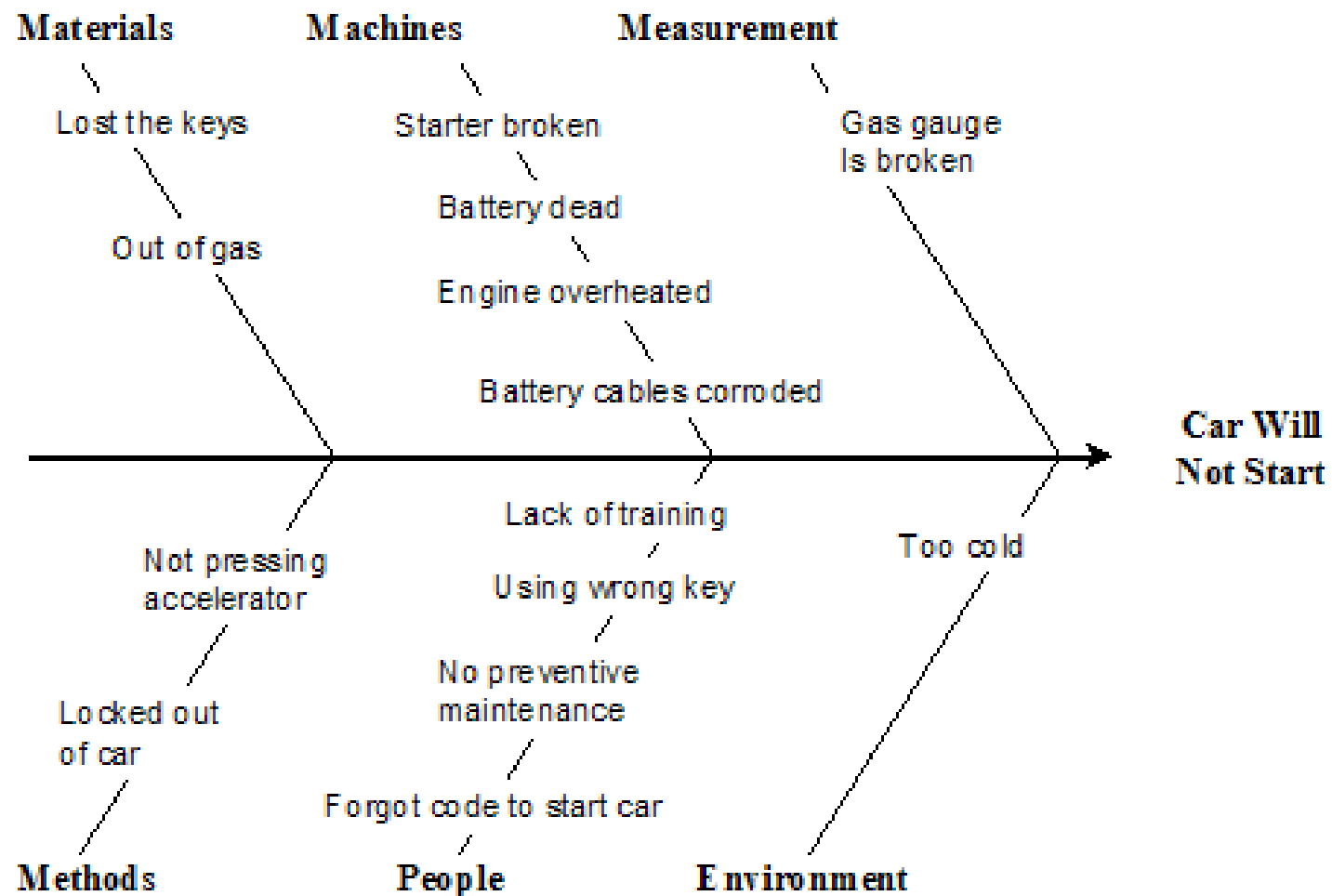
Key Takeaways from This lecture

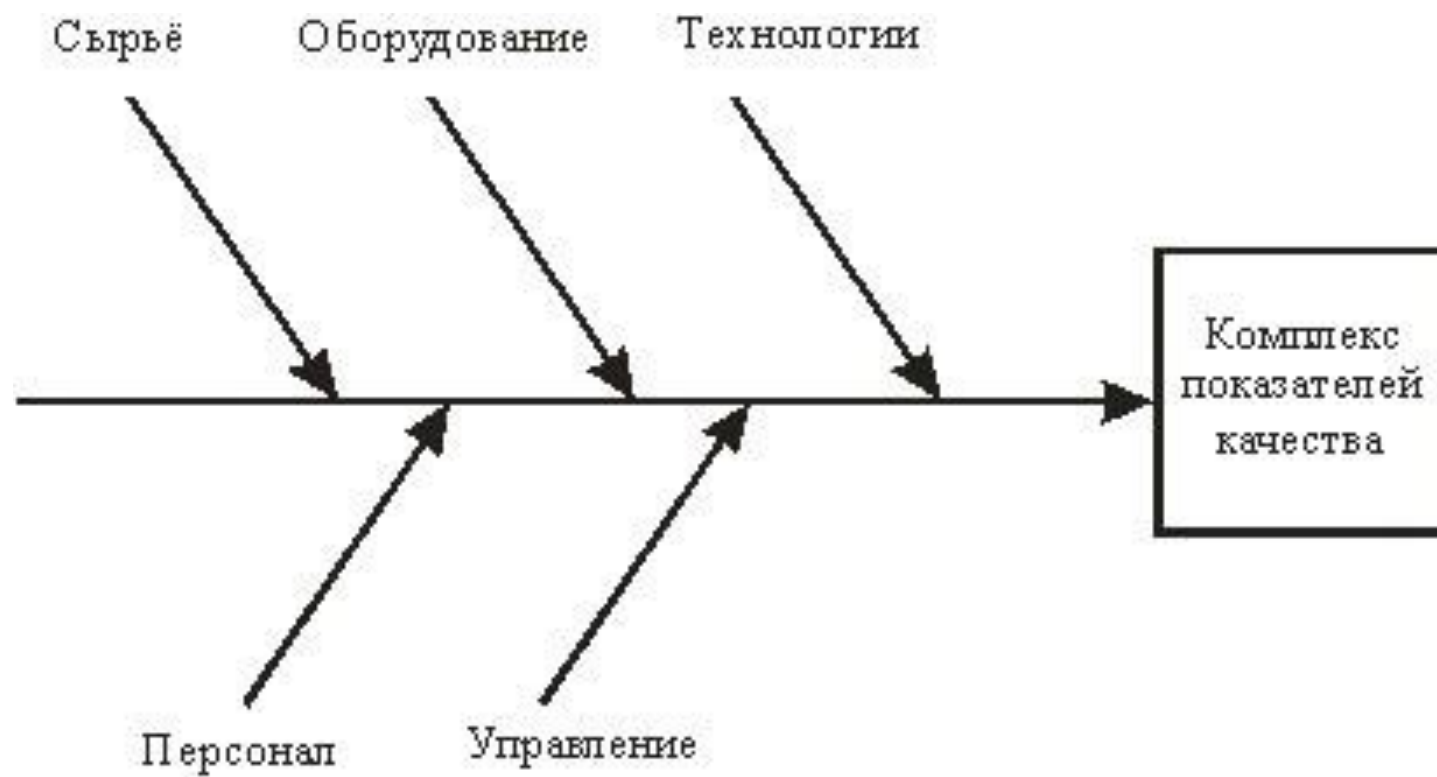
- Without quality, your company will not survive.
- Use a written quality program to ensure you can offer your customers consistent products.
- Provide consistent products to keep production costs down and increase revenue.



Cause-and-Effect Diagram







Exercise

1. Find the lowest quality products.

1. Prepare suggestions for their improvement.