

How to evaluate Supplier Quality Assurance The nine-step SQA process and how it's measured

Supplier quality assurance (SQA) is the process that ensures a supplier reliably provides goods or services that satisfy the customer's needs. This process is collaborative to make certain the supplier's offerings meet the agreed-upon requirements with minimum inspection or modification.

Effective quality assurance should incorporate a combination of process and product audits that manage external and internal checks and focus on supplier management, quality conformity of the product through its life cycle, production and equipment quality and effectiveness, and pre-shipment inspections. We'll take a high-level look at the overall SQA process and discuss key considerations that affect it. Note that although SQA applies to both products and services, we'll simplify the topic here by addressing only product-related processes.

The nine-step SQA process and how it's measured

According to Joseph Moses Juran, the renowned quality management expert, the supplier quality assurance process can be divided into nine steps, as follows:

1. Define the product's quality requirements.
2. Identify and evaluate available suppliers for the necessary parts.
3. Choose the most reliable suppliers that fit the productions' needs.
4. Conduct joint quality planning.
5. Establish cooperation and collaboration during the relationship period.
6. Validate compliance to requirements and regulations.
7. Certify qualified suppliers.
8. Conduct quality improvement plans.
9. Develop and implement supplier ratings/scorecards.

Among these steps, key metrics must be applied to evaluate and score supplier quality assurance, even before delivery. Common metrics include: the percentage of products that are in *compliance within quality specifications*, percentage of products that are delivered *on time and are complete*, and *new product introduction*, which measures the percentage of new products that meet time, volume, and quality standards.



Benefits of quality assurance for suppliers

Ensuring quality in a competitive industry is not only a requirement, it also has important benefits that affect the entire manufacturing process. Here are just a few examples of the high-level benefits to suppliers:

- **Provides cost savings** by eliminating waste of defective production and minimizing product failure rates
- **Reduces cycle times** by streamlining the quality assurance process of a company's global network of suppliers
- **Shortens time to market** by optimizing manufacturing procedures that are managed with the quality assurance process
- **Protects companies from liabilities** by error-proofing processes and producing defect-free products
- **Minimizes a company's risk** of regulatory noncompliance and legal liabilities

Supplier quality assurance across industries

In our era of globalized networks, many organizations must continuously evaluate the supply chains to meet requirements that go beyond cost. In order to identify opportunities for improvement within the supply chain, organizations should apply a risk-based approach that examines both *the criticality of a supplier* and the *probability of failure of a supplier*. This can be achieved by implementing standardized risk and **audit tools** through an enterprise-wide quality management system. Original equipment manufacturers (OEMs) and other end user-direct sellers manage the quality of parts received from suppliers, and they bear most of the liability for any quality or safety issues related to their products. As such, suppliers must provide product quality and performance assurance to those organizations, which can be achieved through a comprehensive quality system. Such systems help evaluate the parts or raw materials that come from upstream suppliers, as well as ensure that all final products satisfy requirements.

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