

Supplier Quality Assurance

Supplier Quality Assurance is a tool to assess the capability of a supplier to provide materials to the specification, on a consistent basis. SQA traditionally uses Vendor Surveys, which are Quality Systems Audits, conducted by a customer on their supplier, to an agreed and predetermined standard.

However, with the rise of third party certification, it has become hard for most companies to justify the cost of conducting their own audits besides these conducted by the professional agencies.

Increasingly, however, SQA is becoming the practice of establishing close relationships with suppliers, which provide benefits for both parties without being an imposition on either.

The Audit

The following comments apply if, for some reason, an organisation still feels it appropriate to carry out second party quality system audits on suppliers.

The most important step in carrying out an audit is to agree on the quality standard. A useful guideline is to use the International (Australian endorsed) standards, as they are available to all companies, and appropriate to all industries. However, there is no compulsion to adopt one of these standards, and an organisation with its own unique requirements should document them, either by:

- è Identifying the deviations from a specified standard, or
- è Defining its requirements in full.

Once the standard is established, the next step is to develop a questionnaire that evaluates performance against it. The questions should ask the questions "Who?", "How?", and "When?", not simply "Do you?".

When conducting the audit, ask each question of the person best suited to know how the task is done (not necessarily the CEO or the Quality Manager), and write the answer down. If there is a need to interpret the answer, ask the person if your interpretation is accurate. If

appropriate, use a flow-chart to chart the system directly.

Finally, once the audit is completed, the report is prepared. This should:

- ➔ Present the facts of any deficiencies
- ➔ List any requirements for corrective actions
- ➔ Set out the Supplier Rating (if used).

Reliability of Prediction

Quality performance does not only rely on a supplier's quality system. Other aspects are also important - management commitment and attitude, personnel skills, technology, etc. The result is that correct predictions are made in only about 50% of cases; negative predictions (the system is inadequate, therefore the performance will be inadequate) align with results in 34% of audits, positive predictions (the system is good, therefore the performance will be good) align with results in only 17%. The remainder show a discrepancy. This can be seen in the diagram below.

Ability of Supplier Audits to Predict Actual Performance

