



2009 QNET Excellence Conference – GET FOCUSED

Quality & Effectiveness

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Quality

Quality Management Principles

- System Approach to Management
 - Identifying, understanding and managing interrrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving it's corporate objectives
- Process Approach
 - A desired approach is achieved more efficiently when activities and related resources are managed as a process.



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Value Added Auditing

- Systematic, disciplined approach to evaluating and improving the effectiveness of risk management and business processes focused on meeting corporate and quality objectives.



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Value Added Auditing Goals

- Assess Operational and Quality Effectiveness - auditing to specification and customer's requirements
- Identify Business Process Efficiencies
- Identify Business Risks
- Identify Cost Reduction Opportunities
- Identify Waste Elimination



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Process Audit Requirements

- Analyze performance metrics to determine process capability
- Improve performance through assessment of critical process inputs and outputs
- Identify operational and other business risks



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Process Audit Requirements

- Evaluate process metrics against business i.e. Key Results Areas (KRA`s), Key Performance Indicators(KPI`s) Review and evaluate business objectives
- Analyze metrics to determine process capability.
- Improve performance through corrective and preventive action.



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Process Metric Examples

- Number of incorrect order entries
- Number of contract errors
- Number of engineering changes per document
- Number of errors found in design verification and validation.
- Downtime because of parts shortage



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Process Metric Examples

- Cycle time from purchase request until receipt
- Amount of scrap and rework
- Percentage of parts scrapped
- Cycle time to get corrective action
- Billing errors

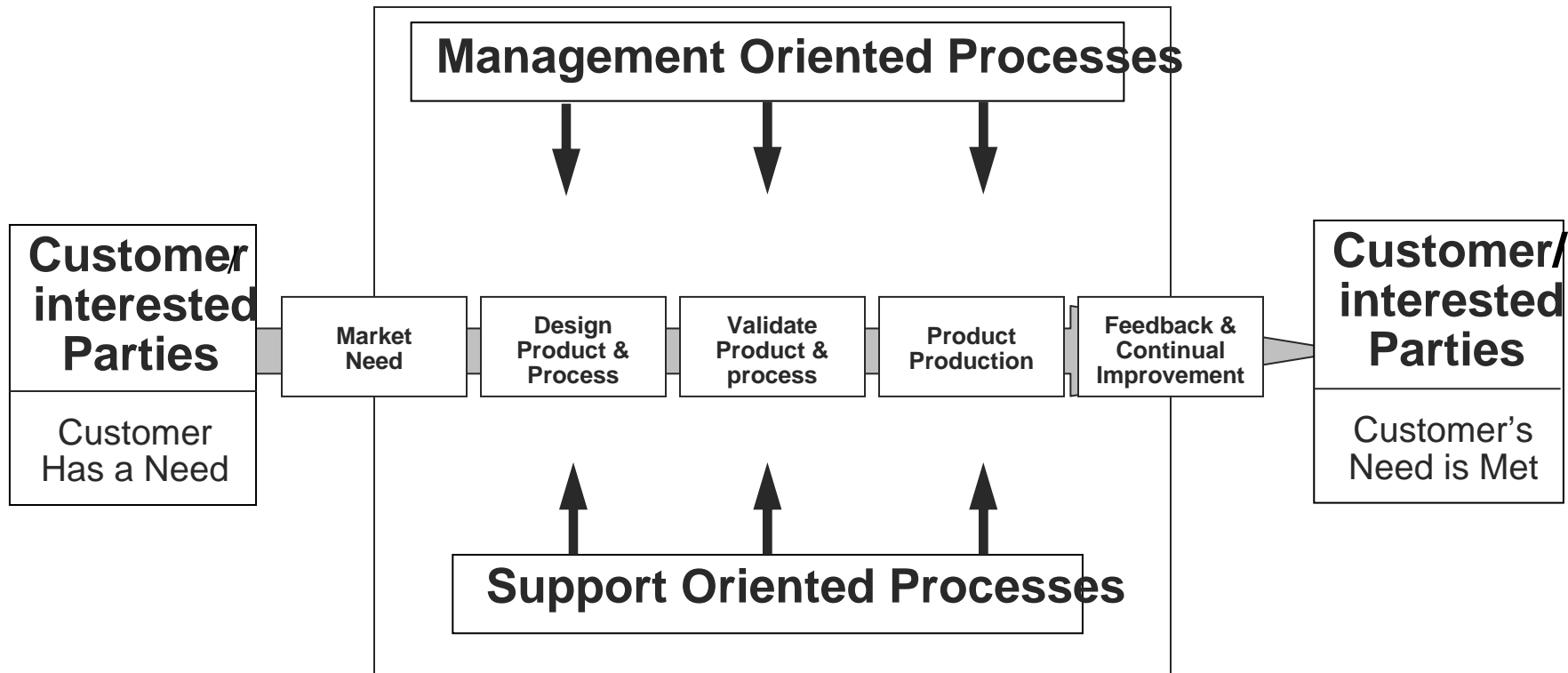


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Process Audit Elements



*Customers may be Internal as well as External
Product Realization Processes are CUSTOMERS of both
Top Management & Support Processes*

Support Processes are also customers of Top Management Processes

Process Audit Approach

- What are the company's operational or quality objectives? How are they communicated in the organization
- What process (or operation) are you a part of? What documentation is in place as instruction? Where do the procedures reside?
- What is your particular job?
- Are you the owner of that process?



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Process Audit Approach

- If a product (or part of one) is made or a service provided in your process how is it monitored and measured?
- What records are kept & by whom & who reviews them?
- What monitoring and measuring devices are used in your processes?
- What training have you received?



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Process Audit Approach

- What performance objectives are in place for this process and how are they measured?
- Who is responsible for the measurements?
- Who reviews the measurements?
- How are these measurements or a summary of them, reviewed by top management?



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Process Audit Approach

- What action is taken from these reviews?
- How does the organization address nonconformance control, corrective action, preventive action and continual improvement?
- How is continual improvement being addressed in your process?



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How to Get Focused

- Review or prepare process maps on core business processes i.e. management, human resources, sales, design, purchasing ,manufacturing and or service delivery
- Develop and implement an internal audit instrument by process utilizing questions provided in this session.



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Conclusion

- Process Auditing can play a significant role in assessing and developing the business processes to ensure you are operating at maximum effectiveness.
- Identifies the value added processes and those which do not add value reducing redundant activities and processes with real cost savings.



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Tools

- Summary notes available at www.qnet.mb.ca
- Contact **Fred B. Andersen**, CMC, Principal, The F. B. Andersen Group at fred@fbandersen.com and/or (204)793-1879
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