

Webinar

# Improving Quality & Efficiency through Supplier Collaboration

**QUALITYDIGEST**

 Sparta Systems

## Before we begin

- All attendees are muted upon entry to the event
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- All attendees will receive a copy of today's webinar.

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# Today's Presenters



Joby George  
Product Manager  
Sparta Systems



Dirk Dusharme  
Editor-in-Chief  
Quality Digest


# What we'll discuss

- Manufacturing ecosystem expansion
- The impact on quality and efficiency
- Catch problems early
- Build quality into processes
- Be proactive

# The manufacturing ecosystem is expanding

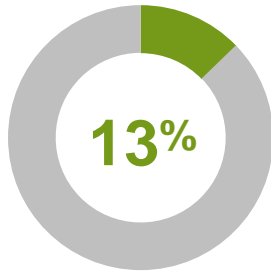


**80%**   
of ingredients to make  
drugs for the US market  
originate offshore

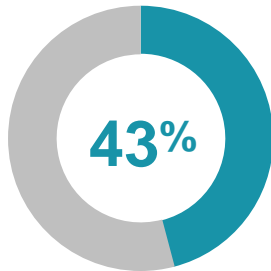
**68%**   
of F&B companies  
outsource to  
contract vendors

**51%**   
of supply chain  
partners help with  
innovation

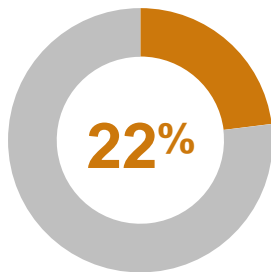
# Supply chain visibility impacts risk



of manufacturers have 'complete' visibility past Tier 1 suppliers<sup>1</sup>



of manufacturers have limited or no visibility into their supply chain<sup>1</sup>



of companies see quality as an integrated function of their supply chains<sup>2</sup>

<sup>1</sup> *Global Manufacturing Outlook*. KPMG. May 2016.

<sup>2</sup> *Quality: The Missing Link in Your Supply Chain Strategy*. Gartner, S Jacobson. January 2015

# The impact of poor quality



**+135%**

product recall increase 1999-2011<sup>1</sup>

**9-15%**

of total revenue spent on returns<sup>2</sup>

**52%** recalls due to supplier/vendor issues<sup>1</sup>



<sup>1</sup> Recall Execution Effectiveness Report. Deloitte, GMA, FMI and GS1. May 2010

<sup>2</sup> Reverse Logistics: Driving improved Returns Directly to the Bottom Line. Aberdeen Group. February 2010.

How are supplier-related quality events traditionally captured?





## Supplier communicates with Manufacturer regarding a quality event

- Supplier sends email or fax to Manufacturer with basic explanation and attaches a (non-standard) form with details
- Generally, notification is lacking required information
- Phone call or email follow-up generally required from Manufacturer

### Timeline





# Manufacturer reviews information and initiates internal process

- Manufacturer reviews submitted information
- Manufacturer manually creates record in internal enterprise quality management system (EQMS) and hopes for no transcription errors
- Manufacturer starts their own process and sends a detailed notification to the Supplier via email or fax

## Timeline





Supplier required to track and close issue within a defined deadline (e.g. 30 days)

- Manufacturer then lets the Supplier know (via fax or email) and the clock finally starts ticking
- The Supplier has 30 days (for example) from this notification to execute their own quality process

## Timeline



# Additional records created and Manufacturer tracks issue to completion

- Once the Supplier has completed their investigation, they email or fax the Manufacturer with results, findings and corrective actions, if necessary
- Unfortunately, these records are rarely complete and typically require re-work and further activity between the Supplier & Manufacturer
- No tracking of the activities, audit trail, or evidence of activities exists except for the emails and fax

## Timeline





# Manufacturer to run metrics on Supplier performance

- A request is sent for a report
- Multiple systems, including paper-based, need to be referenced to roll up different metrics around a Supplier
- A couple of weeks later, a report (which may be outdated) is delivered and action can be taken

## Timeline



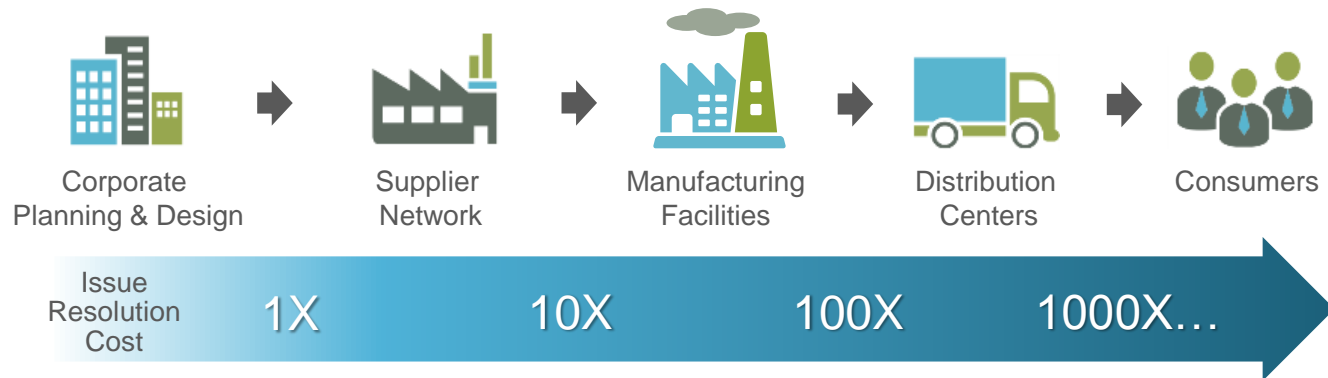


Improving Quality & Efficiency through

# Supplier Collaboration

- Catch problems early
- Build quality into processes
- Be proactive

# Identifying quality issues early



# Notify Suppliers/Manufacturers when issues occur

## Create Change Notification

\*To (Customer)

Sparta Systems, Inci

\*Short Desc.

Adding a new manufacturing site location

\*Description

Our company is expanding to a new manufacturing location for your product. This change notification is to make you aware of this change

\*Due Date

11/25/2016



Type

Product

Reason for Change








Per our agreement, we are to alert you of changes.

Cancel




Save



# Notify Suppliers/Manufacturers when issues occur

<input type="radio"/> <a href="#">5236</a> 	5069		Global	Supplier Investigation	Material Particulate Investigation
<input type="radio"/> <a href="#">5237</a> 	5232		Global	Supplier Investigation	Investigate Raw Material
<input type="radio"/> <a href="#">5238</a> 	5069	1,128	Global	Supplier Investigation	Investigate Raw Material
<input type="radio"/> <a href="#">5245</a>		1,134	Global	Change Notification	Change to MBR for Our product
<input type="radio"/> <a href="#">5247</a> 	3747	1,135	Global	Supplier Audit	Scheduled Site Audit, Aperture Science, Facility AS-289
<input type="radio"/> <a href="#">5249</a> 	5247		Global	Supplier Findings	Area of Strength: Supplier is ISO-9001:2015 Certified
<input type="radio"/> <a href="#">5250</a> 	5247	1,140	Global	Supplier Findings	Room labels are too small
<input type="radio"/> <a href="#">5251</a> 	5247	1,141	Global	Supplier Findings	SOP index is inadequate, missing full curriculum for specific job functions.

### Change Notification Details

<p><b>Supplier Contact:</b> Janet Bridges</p> <p><b>Type</b> Product</p> <p><b>Effective Date of Change</b></p> <p><b>Description</b> </p> <div style="border: 1px solid gray; padding: 5px; min-height: 20px;">Deviation from Spec for product 1234</div>	<p><b>Customer Contact</b></p>  <p><b>Completion Required By</b>  <input type="text" value="06/23/2016"/>  <span style="border: 1px solid gray; padding: 2px 5px;">Now</span></p> <p><b>Reason for Change</b> </p> <div style="border: 1px solid gray; padding: 5px; min-height: 20px;"></div>
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# Build quality into processes

- Ensure quality visibility, traceability, and accountability
- Speed event identification to resolution, avoiding costly delays, rework & product waste

## Traditional Timeline



## Collaborative Timeline



# Support supplier collaboration through automation

1215 - Facilities Audit

## 1216 - Missing update SOPs

Finding with Sparta Systems, Inci

Details Timeline


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### General Information

External ID  
5345

Description  
during audit, certain SOPs were missing

CAPA Required  
No

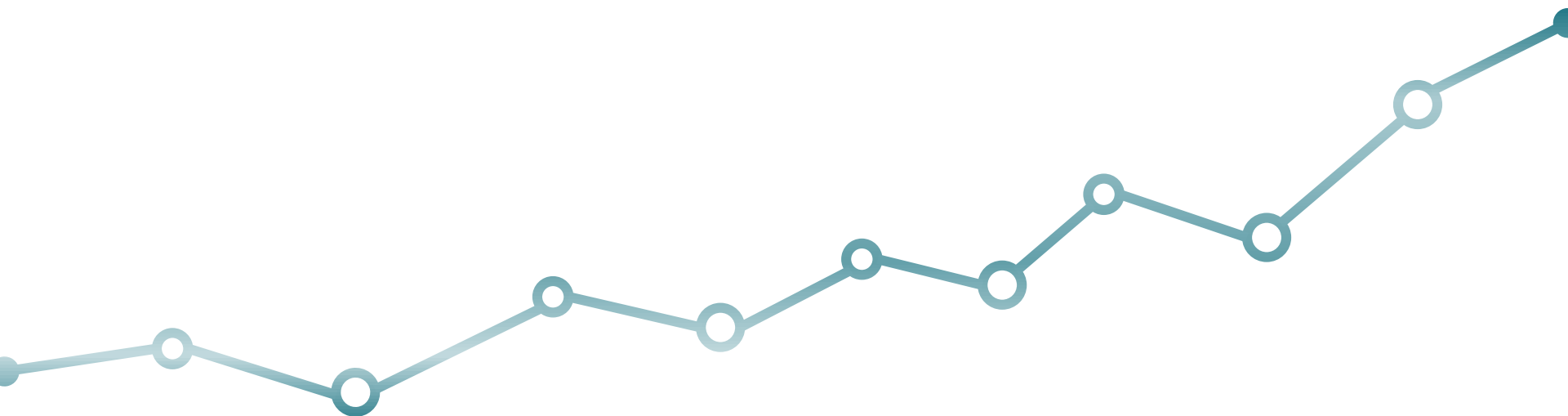
Originator  
 Joby George

Supplier Auditee  
Jed I Knight

Opened Date  
Jul 12, 2016 at 12:21 PM

## Be proactive

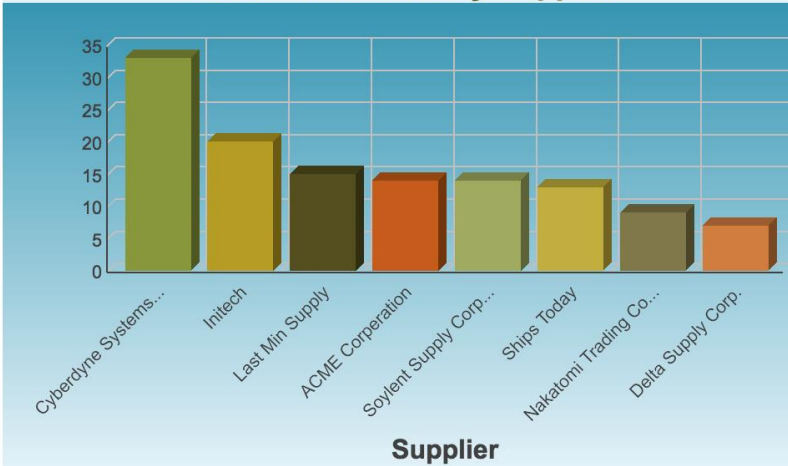
- Measure & maintain quality issues, providing standard, consistent dashboards & reports
- Gain insights by analyzing supplier performance history and identify trends.
- Increase compliance of quality agreement, increasing utilization & top line growth



# Insights for both manufacturer and suppliers

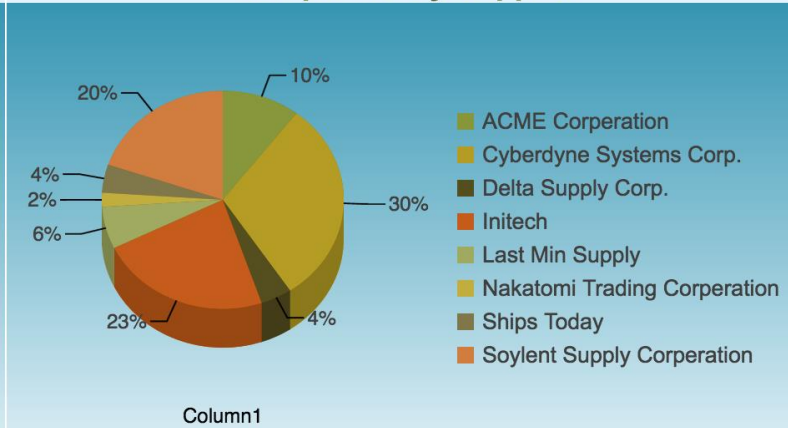
Sum

### Deviation/NCMRs by Supplier



Sum

### Complaints by Supplier



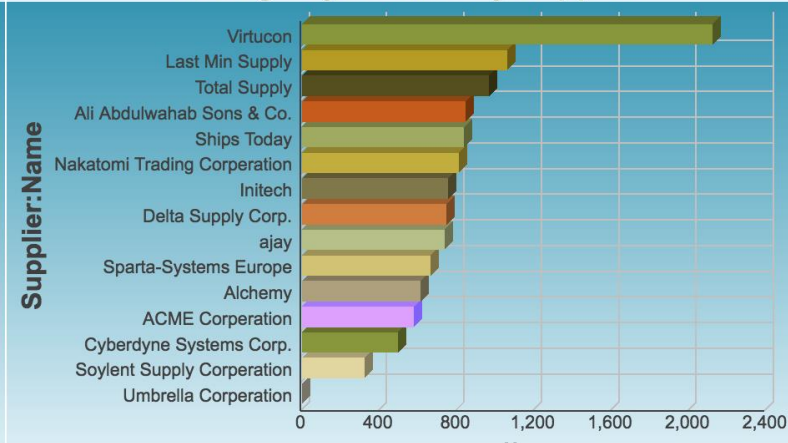
Sum

### Changes by Supplier

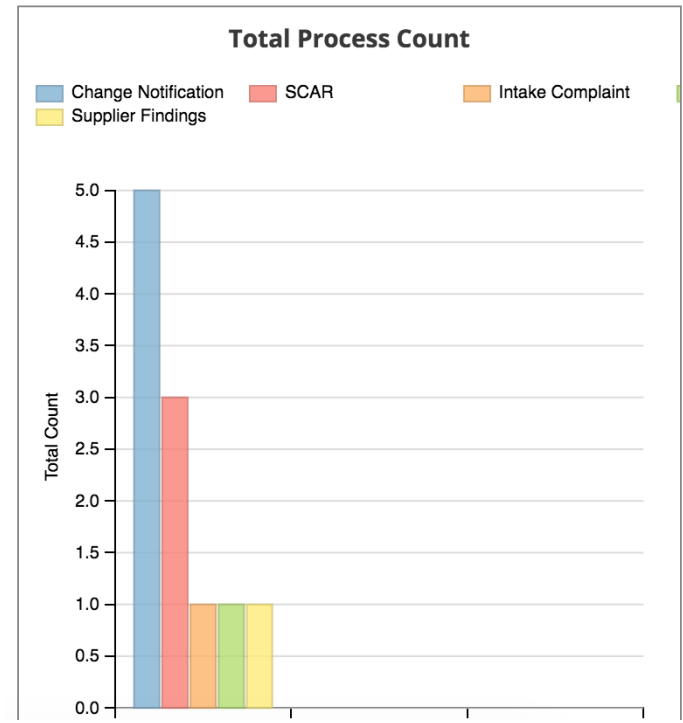
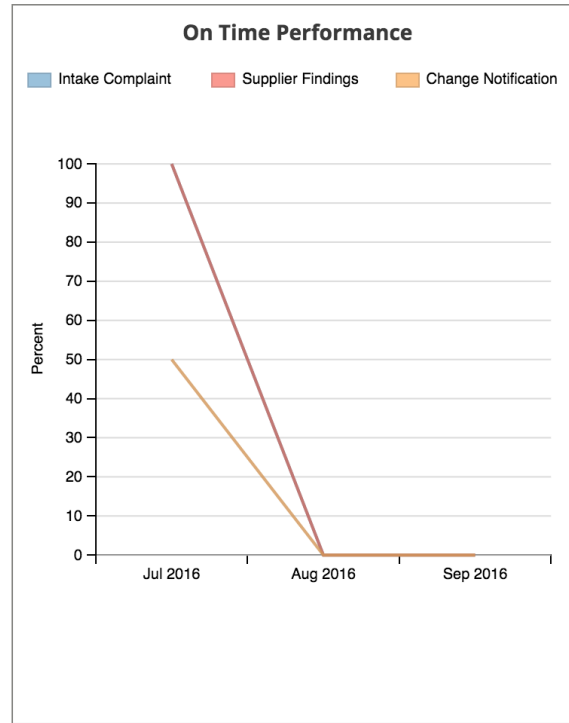
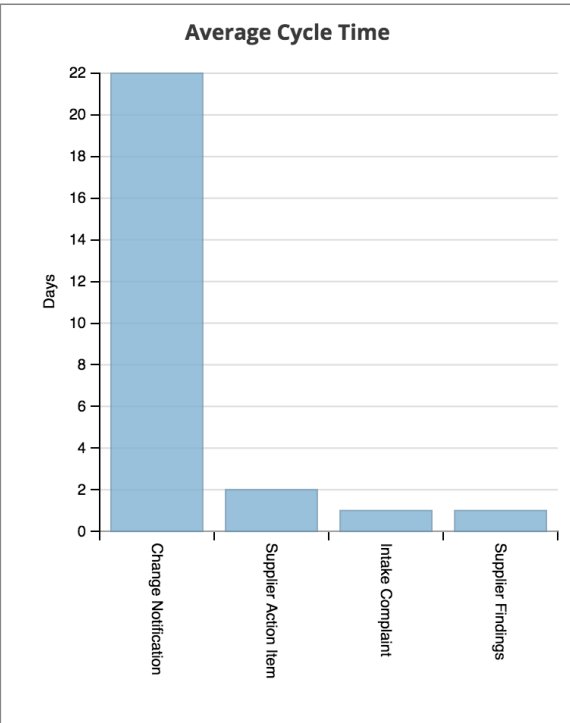


Sum

### Average Cycle Time by Supplier



# Insights for both manufacturer and suppliers



# Effective supplier quality management through collaboration



**Visibility** - Identify issues early before they become costly quality incidents



**Traceability** - Understand the root cause and source of quality issues in your supply chain



**Accountability** - Ensure supply chain partners understand issues and resolution requirements in a timely manner



**Profitability** - Mitigate quality related financial risk and improve supply chain efficiency

Thank You

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A decorative graphic at the bottom of the slide consisting of several overlapping, semi-transparent green triangles and polygons of various shades, creating a layered, abstract geometric effect.