



Quality Management

PQM vendor and product quality management for Dynamics NAV

A key element of operating a successful business today is ensuring product quality. If you have a product that's substandard in house, that's a problem. If you ship that substandard product to a customer, that's a disaster.

Whether goods are bought in or built, you need to be able to track their quality before they end up as expensive mistakes – costing you money and perhaps even your reputation. PQM provides a high level of control over all aspects of the quality management process ensuring your quality standards are maintained.

Introducing PQM

It's never been more important to have a quality ethos.

Customers have so much choice in terms of supply that maintaining your reputation as a supplier of quality is crucial to maintaining the business you get from your repeat customers.

Quality costs – well, at least the lack of it does. Apart from the risk to your hard won reputation, there is also the real cost of managing bad quality products that find their way into the supply chain.

The cost of handling returns, of raising the paperwork, of issuing credits are all very real costs to your business.

Add to these the cost of delayed payment on valid debt because of the small number of faulty products delivered and you can understand the financial case behind investing in some sort of quality control system.

Built to run alongside Dynamics NAV, PQM is a functionally rich system that manages quality control for goods that come to you through your own internal manufacturing process or via third party suppliers.

The PQM Vendor and Product Quality Management module provides you with all the tools needed to analyse and evaluate both vendor and production quality.

The system covers the following processes:

- Quality control on goods receipt from suppliers of raw materials, parts or finished goods.
- Quality control as part of the booking in process for sub-assemblies, part-made or finished goods from in-house manufacturing.
- Quality control procedures, based on ISO 2859, allowing you to decide to accept or reject any production lot.
- The ability to rate your suppliers based on their ability to deliver quality raw materials or finished goods.

Product Quality Control

Product quality control, for purchased goods or manufactured items, starts at goods-in.

It starts when the user raises a sampling document, which can be based on a pre-prepared template, that shows all the sampling rules and tests that different products must undergo before being passed.

On receipt of products from vendors – raw materials, parts or finished goods – or at booking into stock on completion of the manufacturing process, the system allows you to produce the appropriate sampling documentation, quickly and efficiently.

Sampling Documents

Using these sampling documents your warehouse or quality control teams are armed with all the inspection procedures they need to keep standards high.

Not just the tests that need to be passed by each product type, but also the analytic methods they need to follow, the tools they have to use and the quantities to be sampled during inspection.

Once you have completed your inspection, the results from the sampling document can be entered into the system for further analysis.

The real hard work is done when preparing the sampling templates – these can be generic, grouped by product type or specific to a single product.

By setting up the system carefully, and maintaining it behind the scenes, you ensure the use of the control system places the minimum burden on operational staff.

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Quality-assured Products

As part of the efficient use of the system, the module allows you to differentiate between goods received from vendors where a level of quality has been agreed or guaranteed as opposed to those where checks are required.

A product is "agreed quality" when there is a contractual commitment by the vendor to meet certain quality standards.

With these types of product the vendor will often provide you with a C-of-C or Certificate of Conformity.

On receiving this type of accreditation with the products there is no further need to test them – these can be passed straight through once the documentation has been recorded.

Products with no C-of-C will be assigned an inspection template for testing at goods receipt and a sampling document automatically produced when they are booked into stock for the first time.

Manufacturing Quality Control

People often say that quality is 'built-in'. Well now you can make sure that this is true about your products using PQM.

Manufactured products can be tested at any stage. When leaving the manufacturing area for the main warehouse as finished goods a sampling document can be produced.

Alternatively, you can incorporate the sampling document as part of the routing for any product.

Routing Quality Control

It is easy to set up an element in any route that includes quality testing. Once set up, it will trigger the production of a sampling document whenever that product is made.

In addition, when you release a works order into manufacturing, you can print all the shop floor documentation you need including the sampling documents needed at each stage.

These sampling documents will help you to build up all the statistical data required for quality control.

As well as dictating to staff how the tests should be applied, how information should be recorded, the system allows the addition of comments to offer further explanation of the results found.

Sampling Documents

The sampling document includes all the necessary information to inspect a single 'lot' of products.

The quality controller simply enters the values into the system, identifying which lots are good and which are not.

The settings within PQM allow you to configure the system so that it will suggest a lot's acceptance or rejection depending on the number of faults found, the type of faults and the severity.

If the whole lot is rejected all units will go directly to scrap.

If only some of the lot is rejected then these bad ones will be scrapped whilst the rest may be sent for rework, re-classification or for acceptance as a partial lot.

- Scrapped items are moved to a designated 'scrap' location in the warehouse by the system. These will sit in this location until they are returned to the vendor or a decision made on what to do with the physical goods.
- Reclassified items will be removed from inventory and a new item will be created, perhaps a 'seconds' item number for similar goods with lesser quality.
- Reworked goods are sent back into manufacturing with a new works order being raised.
- If all items in a lot are adjudged as being no good then these can be automatically removed from inventory.

When entering the quantity to rework, perhaps to be made into a smaller or different product, the new item number and its conversion factor must be entered.

Vendor Quality Control

The collection of data about vendors happens as a natural part of the quality control process.

The 'incidents and claims register', recording all types of incidents of quality problems, together with details of all returns to a vendor are the key elements in this recording process.

As part of the returns processing users can choose what happens when a fault in a supplier's goods is found.

They can:

- Send all rejected items to the returns diary.
- Raise a vendor claim on the register.
- Request that the vendor resend the goods.
- Reclassify the item as a lesser product and notify the vendor, requesting an adjustment in price.
- Register a return and ask for a credit from the vendor.

Vendor quality control allows you to evaluate and select vendors for products based on their quality performance.

This is done using a vendor evaluation form and it takes into account a range of factors that you can weight according to your own needs.

Using the factors and the weightings, PQM will automatically recommend the best supplier for a particular item.

The factors used to judge vendors include:

- Number of recorded faults from a supplier (incidents).
- Number of claims made against a supplier.
- Number of returns to a supplier and their value.

Advanced Quality

The advanced quality option builds on the basic function in PQM by offering the ability to include tables and forms that will establish standards of quality based on quality AQL norms (Acceptable Quality Levels).

For companies wishing to implement quality controls based on ISO 2859 for Acceptance Quality Levels, the AQL module allows you to calculate the NCA of manufactured or acquired products

Summary

Taking quality seriously can reduce costs and add significantly to your bottom line profits.

Implementing PQM will help you to build and keep a reputation for quality goods, making customers happy and ensuring they stay loyal.

This is an add-on to Dynamics NAV that really does pay for itself.

For more information about our products and services, please call: **01675 432400**, email us at: **sales@metaphorix.co.uk** or visit our website: **www.metaphorix.co.uk**

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