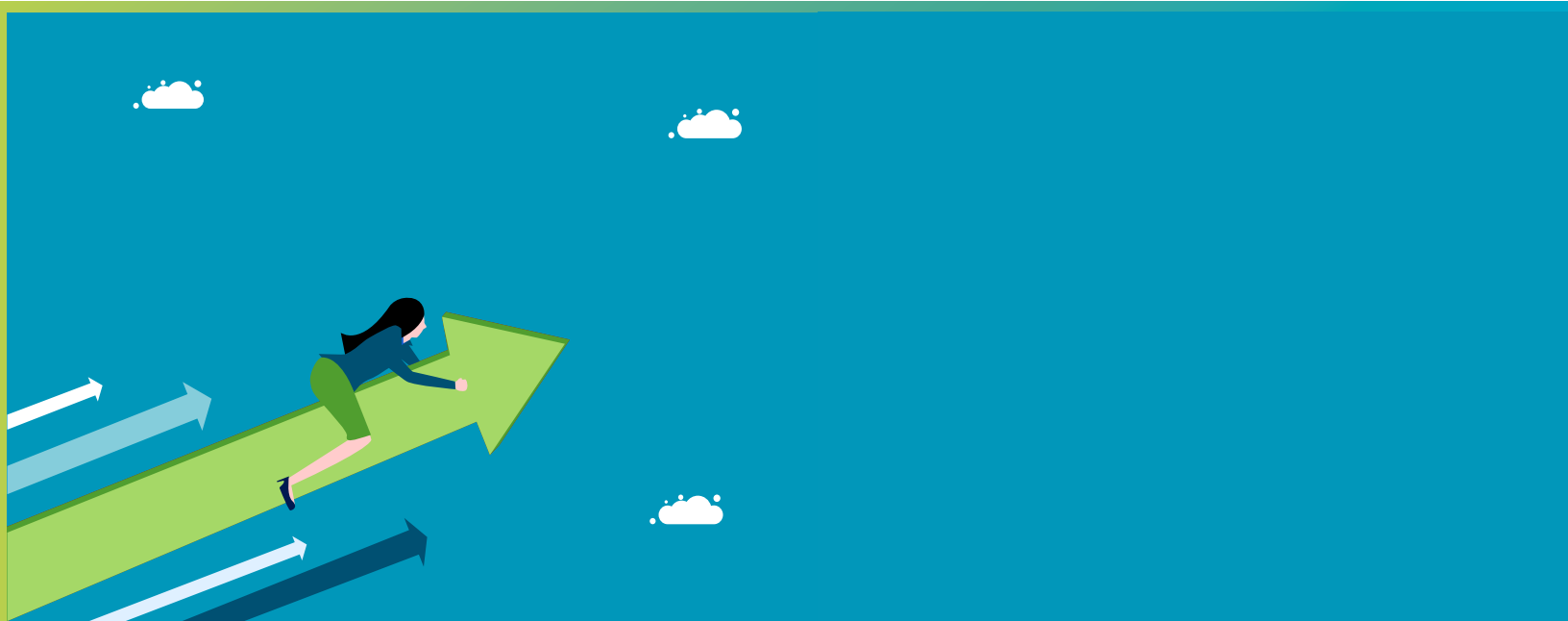




Transform



The fourth phase of the Quality Journey is Transform. While you are reaching the full potential of how Quality can transform an organization, driving a culture of quality to all corners, now is not the time to let up. Quality becomes more strategic, and you go from being a cost center to being a profit center. With continued success comes more opportunities to expand.

By having an overarching view of the organization and its goals, Quality plays an ever-growing role in its success. Whether you are reducing inventory and rework costs, becoming more productive solving problems, or helping drive revenues, expansion opportunities will continue to present themselves. It's exciting when you think about "culture of quality" as not something special or off to the side, but as the way the organization operates daily. Everyone just gets it.

Current state

Being in the Transform phase of the Quality Journey means you've built the foundation, you've expanded throughout the organization, you've integrated systems, and you've got your suppliers working with you. Many organizations, however, still have multiple quality systems for a variety of reasons: geographic differences, different divisions, acquisitions, etc. Now is the time to think about how all these quality system work together (or don't) and what it would mean to have a single, global quality system for consistent processes and quality reporting.

You have reporting and analytics to show operationally how you are performing, although these reports may be inconsistent across locations and business units, potentially not exploiting the best ideas and insights available.

When you get to the Transform phase, your employee and supplier access to policies, training and tracking to maintain compliance are best-in-class.

Now is not the time to take your foot off the gas.



It's exciting when you think about 'culture of quality' as not something special or off to the side, but as the way the organization operates daily.

Recommendations

When you reach the Transform phase, you have even greater opportunities for Quality to make a difference within the organization. Your team, your leadership, and your partners all understand the value quality brings to existing processes and to the organization. There are key areas where you can focus for the future:

- Harmonization
- Expansion
- Supply Chain
- Analytics
- Driving ROI
- Harmonization

It's time to harmonize your quality systems across all your locations. There are many benefits from not just aligning your quality systems but consolidating them as well.

- You and your IT team will have fewer systems to manage. There is a cost savings with fewer environments, fewer applications. The savings from hardware and maintenance alone can be significant.
- Even more significant than managing fewer system will be the ability to manage your quality processes in one place. The QMS should have flexible workflow management so you can adjust for regional differences, but having a single location to manage all policies and procedures can avoid inconsistencies and concerns about using the "right" version of a policy.

Expansion

You can find additional value by not just expanding and harmonizing your quality processes across all locations but also by reaching beyond quality into harmonized safety, risk management and industrial transformation initiatives. If you haven't already, you should be integrating advanced quality analytics into all your quality and safety programs. Predictive analytics will allow you to proactively identify, prioritize, and investigate potential product quality and safety issues and reduce manual effort by identifying and investigating problems in a more automated and targeted way.

Once you have your core quality system in place, look for expansion opportunities beyond your core product design, manufacturing, and supplier quality processes. Your entire product lifecycle has an impact on your cost of quality and the perception of your goods and services. For example consider the quality implications of your distribution and service network. The core tenants of quality management and continuous improvement should be applied to every phase of the product lifecycle.

As you expand, a key area to keep front and center is risk management. Make sure you have assigned risks across processes and track these risks worldwide. This will actually help you be more adaptable when conditions change, as you will understand the risks associated with different approaches and actions.

And as you have seen value in integration, continue to look for additional processes that can be streamlined between the QMS and other systems, such as the ERP, HR, PLM, CRM, etc.

Supply Chain

You've been able to bring your suppliers into your QMS to be part of the workflow when you need to address corrective actions. Your suppliers really are your partners. The more your suppliers are in alignment with your processes, the more effective and productive you will be in day to day operations and with audits. At this point, you may have an opportunity to ask suppliers to use your quality management system or have a higher level of integration with the QMS they are using.

A key initiative will be to provide supplier performance data to suppliers and to your procurement team so they can hold suppliers accountable if there are issues. Supplier quality should be the responsibility of everyone who deals with suppliers. With a comprehensive QMS, your quality practices can transform your supplier practices. An agile system ensures you can adapt to outside market forces while also maintaining local policies.

Having an agile supply chain is critical these days, as events outside your control can impact the suppliers and availability of materials overnight, as we have learned. Think about having backup suppliers and don't be afraid to make a change if a supplier can't or won't perform to your expectations.

“ The more your suppliers are in alignment with your processes, the more effective and productive you will be in day to day operations and with audits.

Analytics

At the end of the day, having a fully integrated system where you can access data as needed will help drive quality throughout the organization. This data comes from your quality operations as well as other parts of the organization. You want to be able to push a button if a question comes up from management, an audit or a supplier, and easily have the answer at your fingertips.

Your QMS should be able to provide ongoing, real-time stats on how you are progressing with quality. Advanced quality analytics will help you monitor training and identify areas for further improvement. You can track findings across locations to take advantage of key local learnings. With the right data, you can address long-standing issues and focus on advancing the state of quality in your organization. For example, tagging your corrective actions allows you to spot trends and identify systemic issues.

An advanced analytics capability not only helps the quality team, but also demonstrates the value of quality across the entire organization and clearly shows the tangible ROI for your quality initiatives.

Driving ROI

Organizations that reach the Transform phase usually understand the value that their quality processes drive. Rather than just thinking about CAPAs, nonconformances and the like, you need to think in business terms. It's time to quantify the impact quality is having on your organization.

When you reach this goal, you will find that 1) it will be easier to get quality projects approved, and 2) management may start asking you what else you can do before you ask to do it. Quality won't be thought of as some extra function, but it will be part of how everyone operates.

From efficiencies in managing documents, corrective actions and audits, to tracking employee training, nonconformances and suppliers, you are better prepared for change as outside forces (market, political, social, etc) push you in new directions.



ETQ quality journey stages

Ignite



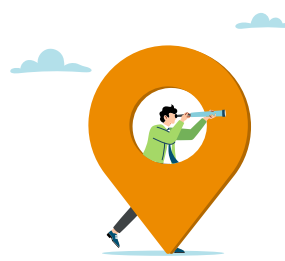
Build a strong quality foundation, streamline processes, and manage documents and training.

Accelerate



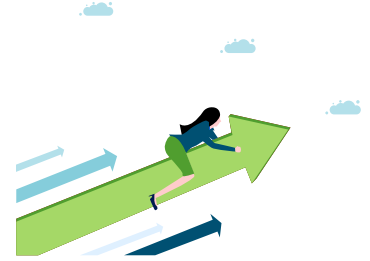
Enable process flows between functions and systems, capture data at its source, leverage everywhere, produce actionable information.

Expand



Integrate internal and external stakeholders in the quality process, extend to

Transform



Provide competitive advantage by becoming proactive, making quality strategic, with a consistent global deployment.



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Hexagon is a global leader in digital reality solutions. Learn more about Hexagon (Nasdaq Stockholm: HEXA B) at hexagon.com and follow us [@HexagonAB](https://twitter.com/HexagonAB).