



**IQS**  
iqs.com

---

# QUALITY SYSTEMS & SUPPLY CHAIN DISRUPTIONS

---

**PRODUCED BY:  
OUR SUBJECT MATTER EXPERTS.**

# QUALITY SYSTEMS AND SUPPLY CHAIN DISRUPTIONS

## QUALITY SYSTEMS AND SUPPLY CHAIN DISRUPTIONS.

Supply is critical to the continued operation of any manufacturing process. Any delay or disturbance along this chain can either slow or even halt operations. Quality systems, especially those with real-time performance analytics, can mitigate these risks and help increase the robustness of a company's supply chain.

## DISRUPTIONS.

According to the Business Continuity Institute's report on supply chain resilience, slightly more than 90% of the manufacturers surveyed indicated that they experienced at least one incident of supply chain disruption due to product quality. Aside from this, supply can also be interrupted by adverse weather conditions with power and IT outages. These interruptions have not abated but have actually increased.

In the 2012 annual report on supply chain resilience, the top five challenges to achieving a manufacturing company's desired level of resilience that many manufacturers pointed out were:

1. Strategy and policy in place by management and procurement
2. Availability of resources and budget constraints
3. The organization's structure and complexity
4. Information and cooperation from supply chain partners
5. Limitations arising from location, monopolies and specialist providers

This drives home the importance of monitoring performance of not only a company's tier 1 suppliers but the succeeding tiers as well.

## MANAGING RISKS.

Accurate evaluation of each supplier's performance is necessary in improving the supply chain. A system that logs each incident of nonconformance and the action taken to correct it will help greatly. Real-time monitoring will help manufacturers measure how reliable each of their suppliers is. Monitoring can also be used to identify patterns that are a prelude to instances of nonconformance or disruption in the supply chain.

Tangible data is critical to any decision-making process. Change is inevitable. Once-reliable suppliers may be affected by calamities that force them to close down, or there may be a change in their management that results in a decrease in the quality of service they provide. The company must either look for a replacement from the next tier of suppliers or choose an entirely new one.

Having regular audits and supplier scorecards on hand can make the process easier and more reflective of what is actually happening. If the problem lies with company policies instead of the suppliers, consistently high ratings in supplier performance will indicate this. Decisions are then no longer haphazard but are rather based on facts and numbers. The efficacy of changes instituted to improve the supply chain and supplier performance can also be evaluated.

Supplier scorecards also have the nice side effect of encouraging suppliers to improve the quality and reliability of their service. It is also tangible evidence that can be used in the event that a company decides to get its raw materials from another source.

## **BOTTOM LINE.**

Mitigating the risks to a company's supply chain and ensuring business continuity is an ongoing process. Every year new challenges arise and supplier performance changes. Having access to reliable, real-time information through a quality management system will aid in making decisions that are appropriate to every situation.

“ Supply is critical to the continued operation of any manufacturing process. Any delay or disturbance along this chain can either slow or even halt operations. Quality systems, especially those with real-time performance analytics, can mitigate these risks & help increase the robustness of a company's supply chain.

# IQS

 [info@iqs.com](mailto:info@iqs.com)

 440.333.1344

 24950 Country Club Blvd. #120, N. Olmsted, OH 44070 - USA

800.635.5901

[iqs.com](http://iqs.com)



ENTERPRISE  
EQUALITY  
MANAGEMENT  
SOFTWARE