Is Your Management Review Process Adding Value?

Techniques to Assure That It Does

Presented by:
Angelo Scangas
President
Quality Support Group, Inc.

What's Going On?

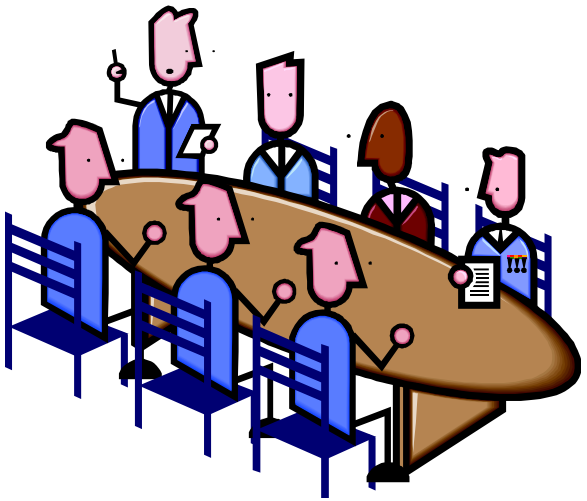
(Topic 1)

Whatôs Going On?

What's happening at Management Review at your companies?

Problem #1 - Malicious Compliance

- ñDonôt Take Too Much Timeò
- Management Shows Up
- Team Goes Through the Motions
- Discussion Is The Result Of The Review
- There Are Some Action Items

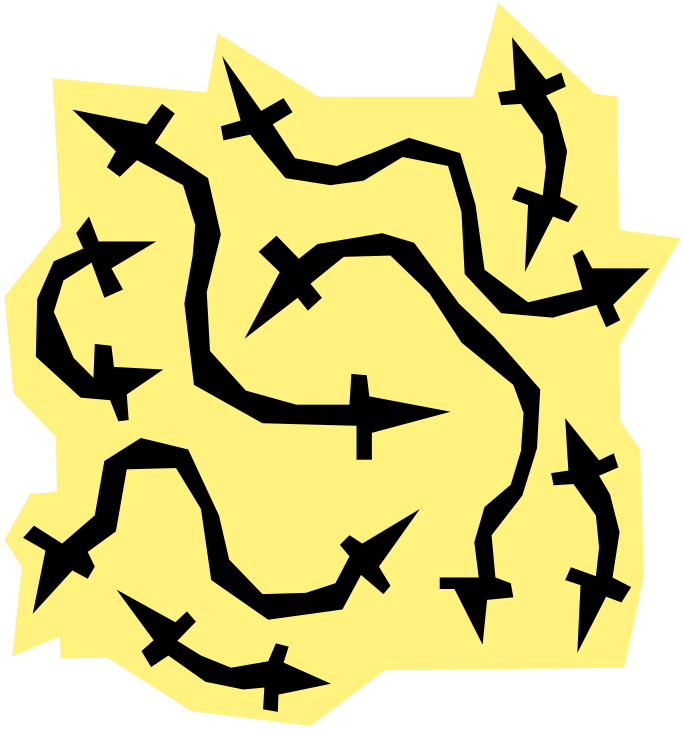


Problem #2 ï Viewed As Just A Quality Meeting

- ñThereôs No Connection to What I Doò
- ñPulling Teethò To Gain Attendance
- Rush Through Meeting
- Action Items Result
- No Resources Given

Problem #3 ï Miss The Big Picture

- Team Talks About The Details
- Action Items Based On Single Event
- Long Meetings



Problem #4 ï Defensive Posture

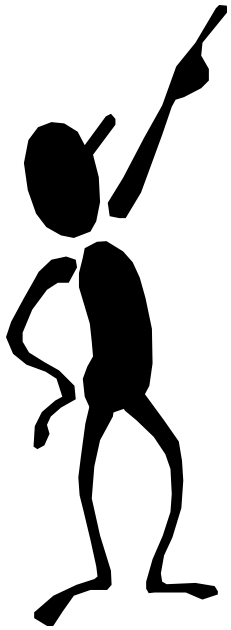
- CYA, CYA, CYA
- Problems = Blame
- Stories About ñWhyò
- Justify The Way Things Are
- Wear Down The Opponent
- No Action Results

Problem #5 ï Donôt Report Performance

- Not Metrics Driven
- No Relationship To Business
- Feel-Good Stories
- ñItôs Just The Right Thing To Doò
- Action Items Donôt Accomplish Real Improvement

Another Questioné

Does this sound familiar?



QMS Requirements

(Topic 2)

Management Review

(ISO 9001:2008 par 5.6.1)

- Top management shall review the organization's quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. This review shall include assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives.

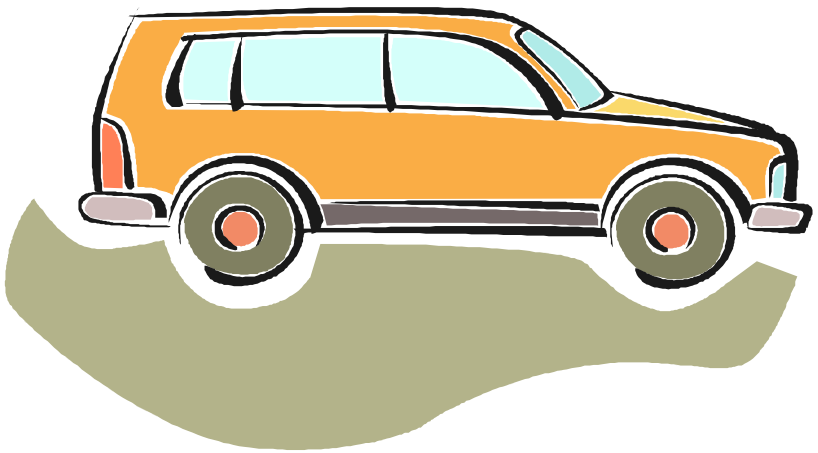
- Records from management reviews shall be maintained (see 4.2.4).

Review Inputs
(ISO 9001:2008 par 5.6.2)

- The input to management review shall include information on
  - results of audits,
  - customer feedback,
  - process performance and product conformity,
  - status of preventive and corrective actions,
  - follow-up actions from previous management reviews,
  - planned changes that could affect the quality management system, and
  - recommendations for improvement.

TS-16949 Requirements

- Trend Analysis
- Cost of Poor Quality
- Quality Objectives
- Analysis of Actual and Potential Field Failures



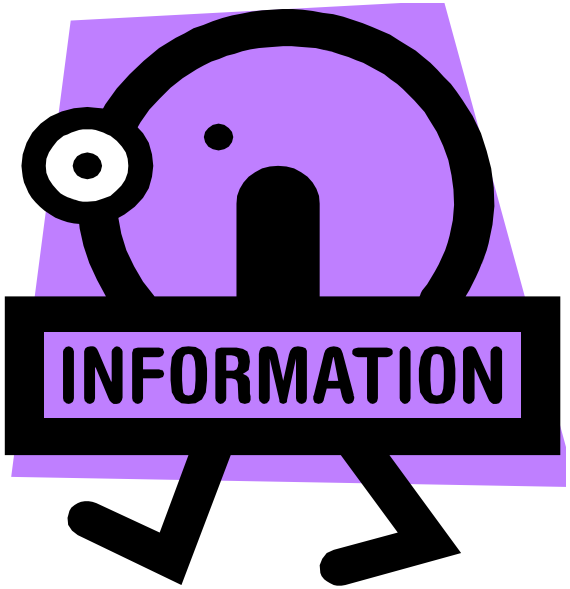
But thatôs not allé

- Quality Policy
  (*“reviewed for continuing suitability”)*

Review Outputs
(ISO 9000:2008 par 5.6.3)

- The output from the management review shall include any decisions and actions related to
  - improvement of the effectiveness of the quality management system and its processes,
  - improvement of product related to customer requirements, and
  - resource needs.

And finallyé



Factual Approach

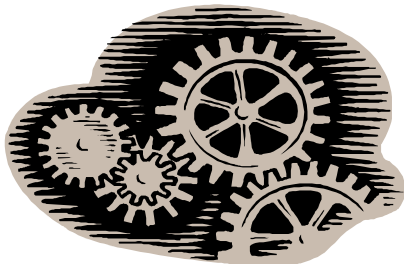
- *Effective decisions are based on analysis of data and information.*

QMS Planning

(Topic 3)

Process Approach

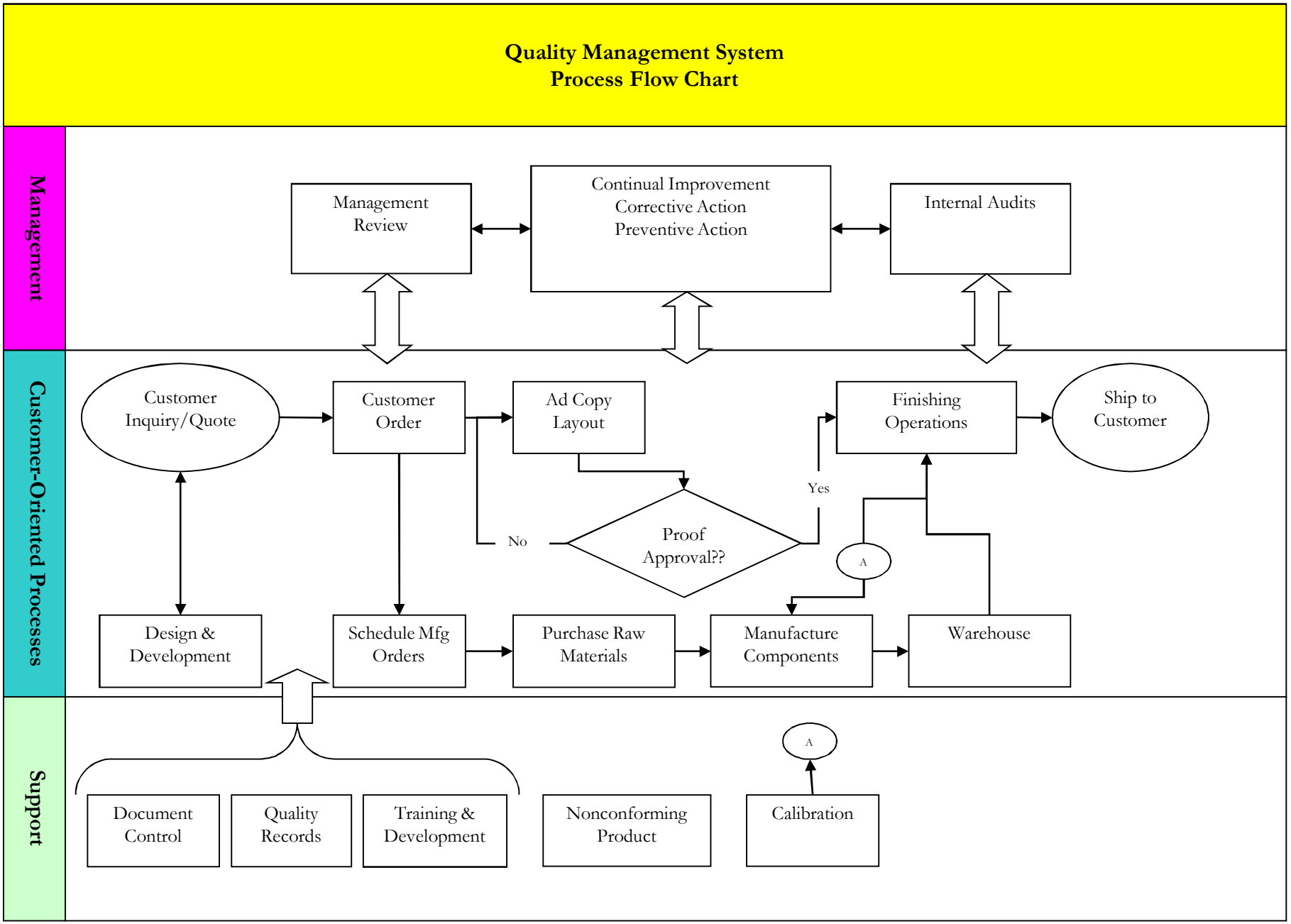
- A desired result is achieved more efficiently when activities and related resources are managed as a process
  - A process is simply a set of interrelated or interacting activities which transform inputs (resources and information) into outputs.
  - Measurable objectives should be established as a basis for assessing.



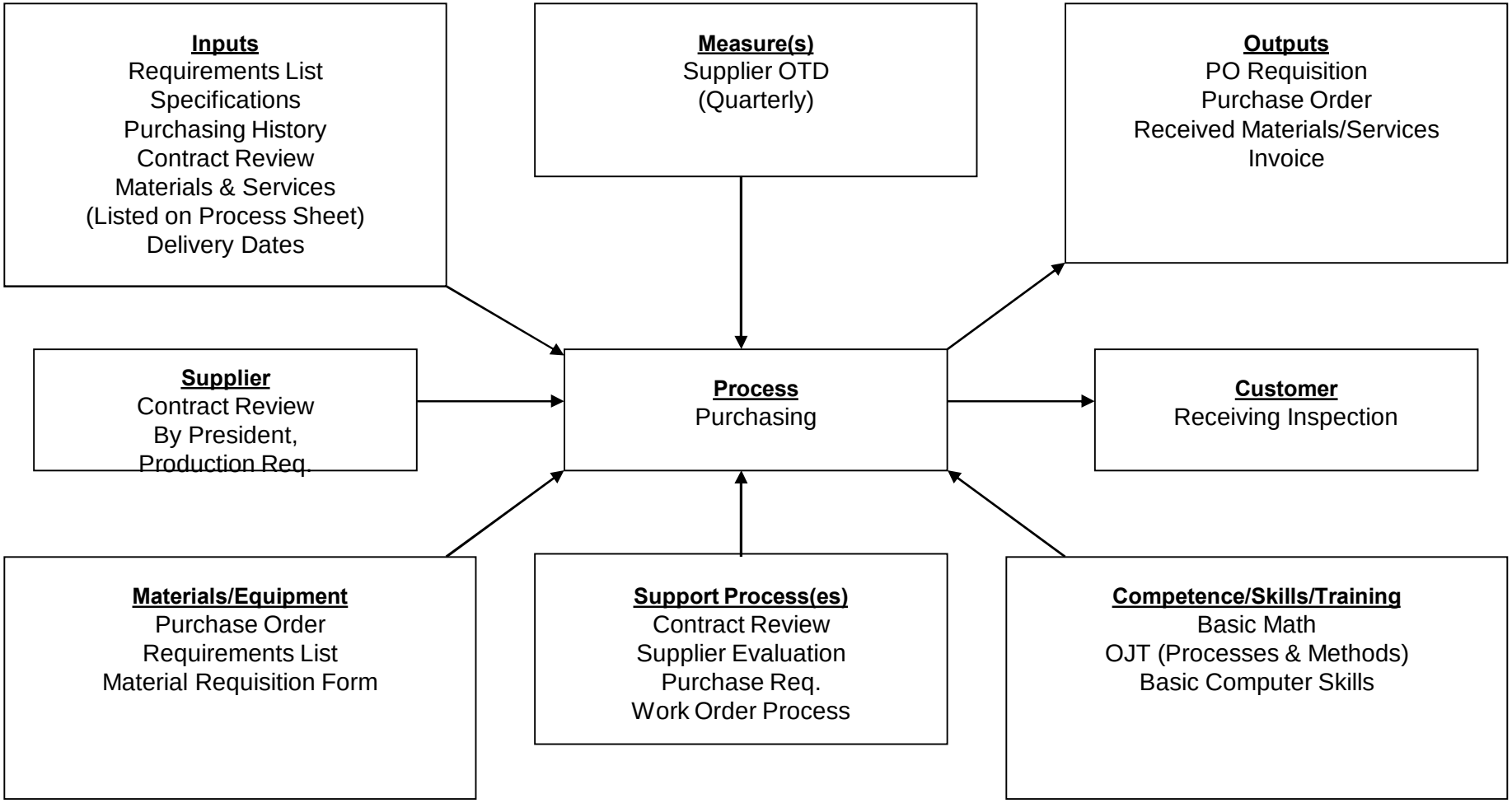
COPôs, MOPôs & SOPôs

- The Quality Manual must provide a description of the interaction between processes:
  - Customer Oriented Processes (COPôs): focused on fulfilling a customer requirement. Designed to create satisfied customers.
  - Support Processes (SOPôs): focused on supporting COPôs. Designed to limit liability.
  - Management Processes (MOPôs): focused on reviewing the quality management system. Designed to create a return on investment.

Quality Management System
Process Flow Chart



Example: Turtle Chart



Cost of Quality – Definition

What is your Cost of Poor Quality?

$$COQ = \frac{IF + AP + PC + EF}{TMC}$$

COQ = Cost of Quality
IF = Internal Failure
AP = Appraisal
PC = Prevention Cost
EF = External Failure
TMC = Total Mfg. Cost

Internal Failure (IF)

- **Scrap**
- **Rework**
- **Supplier Scrap/Rework**

Appraisal (AP)

- **Audits**
- **Equipment Maintenance**
- **Inspection**
- **Testing**

External Failure (EF)

- **Customer Cost**
- **Warranty Cost**
- **Returned Material**
- **Customer Service/Complaints**

Prevention (PC)

- **Quality Planning**
- **Training**
- **Process Control**
- **Process Planning**

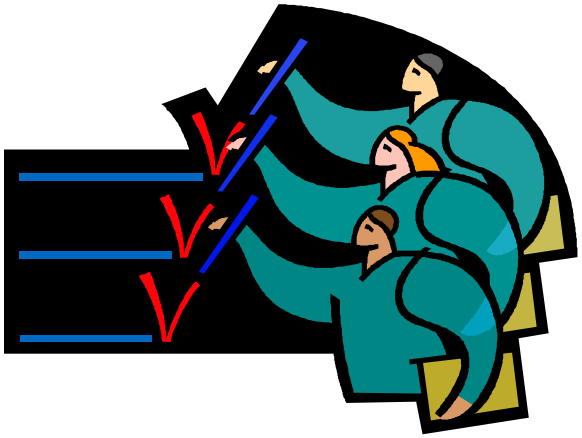
Meeting Planning

(Topic 4)

Who Should Attend?

- Senior management
- Process owners

Who Owns the Agenda?



- Management Representative
- Quality Manager
- Senior Management

Depends on company structure and company culture.

Agenda Planning
(Best Practices)

- Create a planner checklist using
  - Processes and their interactions from the Quality Manual
  - Process Documentation (Turtle Charts)
- List on the checklist
  - Management Review Input Item
  - Measure/Method used to review
  - Owner of the report to Senior Management
  - Date of Review for each item

Planning Checklist

MANAGEMENT REVIEW CHECKLIST

YEAR 2006

TOPICS	MEASURES	NAMES	Review Date(s) 3/5/2006	7/15/2006	10/31/2006
General					
Quality Policy	N/A	Paula	X	X	X
Quality Objectives	Achieve ISO Registration by 1/06 Reduce RM Inventory from 2yr to 6mo by 12/04	John	X	X	X
Customer Satisfaction	Customer Complaints Warranty Issues OTD	John	X	X	X
Internal Audit Results	N/A	Paula		X	X
Corrective Action	N/A	Paula	X	X	X
Preventive Action	N/A	Paula			X
Continual Improvement	N/A	John			X
Action Items from Previous Reviews	N/A	Paula		X	X
Changes Effecting QMS	N/A	Paula	X	X	X
Recommendations for Improvement	N/A	Paula	X	X	X

Planning Checklist (cont.)

Process Performance					
Customer Inquiry/Quote	Order History Report Quote Report	Cindy	X		
Customer Order	Incoming Orders Report	Cindy	X		
Design & Development	% Sales New Products over "X" years		X		
Ad Copy Layout & Proof Approval	Internal Audits		X		
Schedule Manufacturing Orders	Stock Status Report Stock Outs	Paula		X	
Purchase Raw Materials	On-Time Delivery Supplier Returns Annual Premium Freight	Paula		X	
Manufacture Components	Backlog Report - Waiting for Stock Waiting for Stock Comparison	Rose		X	
Warehouse	Inventory - Days on Hand Inventory - Accuracy	Rose		X	

Planning Checklist (cont.)

Finishing Operations	On-Time Delivery	Rose			X
	Make-Up				
Shipping	On-Time Delivery	Rose			X
Document Control	N/A	Paula			X
Quality Records	N/A	Paula			X
Training & Development		Paula			X
Preventive Maintenance					X
Calibration			X		
Product Performance					
Nonconforming Products	Scrap	Rose			
	Rework		X	X	X
	Returns				

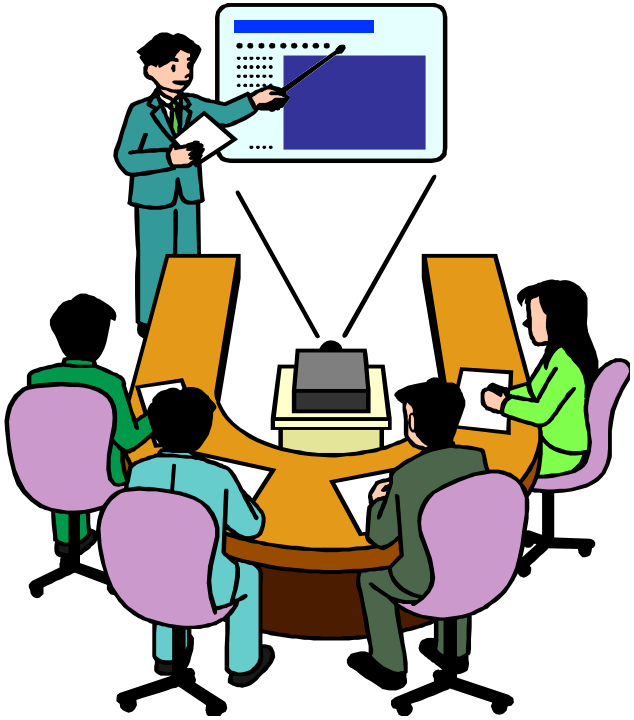
How Often?

- You set the schedule
- You are required to have at least one review of the entire quality management system each year
- It is good practice to have a management review prior to the 3rd party assessor arriving

Conducting

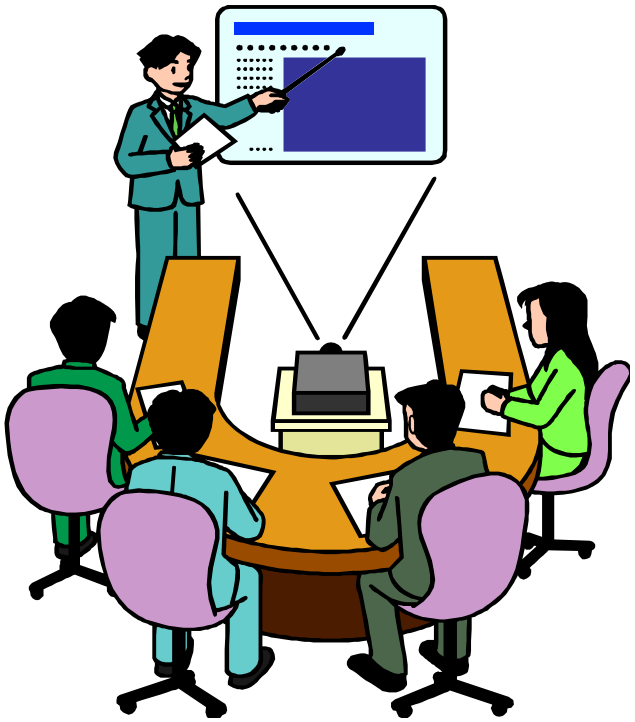
(Topic 5)

Use Normal Meeting Rules



- Come Prepared
- Do not waste time
- Only one person speaks at a time

Reporting at the Meeting



- Reports are made by Process Owners *(identified on Planning Checklist)*
- Owner of Agenda should gather all info prior to the meeting
- Reports can be distributed prior to the meeting if requested

Reporting at the Meeting
(Best Practice)

- Hold off on agreeing to action items until the end of the meeting.
- Use a ñparking lotòfor potential action items

Reason: 1) You may see a bigger picture as the meeting progresses. 2) You may not have the resources to complete all of the action items.

Reporting at the Meeting
(Best Practice)

- Once Action Items are agreed upon, discuss the resources needed to accomplish them.

Reason: There can be no "unfunded mandates"

Reporting

(Topic 6)

The Management Review Report

- Agenda
- Meeting Reports
- Meeting Presentations
- Action Item & Decision List

Meeting Minutes are not required.

Action Item List
(Best Practice)

- Running List of
  - Items
  - Review Dates
  - Proposed Actions
  - Type of Actions (CA, PA or CI)
  - Champion
  - Resources
  - Date Due
  - Comments

Used as follow-up actions from previous management reviews.

Action Item List

Management Review Action Item List

Review date: 1/13/2006

Denotes item is closed

Item #	*Mgmt Review Date*	*Action Item*	*Action Type CA, CI, N/A*	*Responsibility*	*Resources*	*Due Date*	*Status / Comments*
1	13-Jan-06	Modify current Quality Policy by eliminating second paragraph and last sentence of first paragraph.	CA	Bill	1.) New Posters with Quality Policy (see Jamie in Sample Dept), 2.) Change all framed QP's (see Selva), 3.) Communicate QP in Employee Communication meetings of 1/19/06 & 1/26/06 (T. Gray)	27-Jan-06	2/16/06: QM Rev. 4 - Waiting for 1 approval to be completed on 2/16/06.
2	13-Jan-06	Hardcopy summary report of downtime report for next Management Review Meeting on 2/16/06	CA	Ken	1.) Renee for data, 2.) John T. for graphs, 3.) Use Syspro Report	16-Feb-06	2/16/06: report passed out during meeting. Item closed. Casting downtime information on ISO boards to be updated to include primary contact person and action plan(s).

That’s a wrap!
Thank you!

Any further questions?