



PRACTICAL QUALITY OF THE FUTURE: WHAT IT TAKES TO BE BEST IN CLASS (BIC)

AUTOMOTIVE AUDITS

Principles and Practices

D. H. Stamatis



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Automotive Audits

Practical Quality of the Future: What it Takes to be Best in Class (BIC)

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In memory of my colleague and good friend
Anthony Roark



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Preface

Over the last 30 years, I have been giving training seminars and conducting audits all over the country and the world. It has been an experience that has enriched me in many ways while it has also given me an opportunity to learn much about many different organizations, cultures, and the process of auditing. When I train, one of the first questions I ask the participants is: “why do we have a quality management system (QMS)?” The response is all over the map, but most of them reply with the classic responses of: Well, we have to standardize processes, produce quality parts, achieve customer satisfaction, maintain effective and efficient operations, and so on. I have never heard the answer of: to *make a profit*. How unfortunate! We have become afraid to admit that the profit (of course, other things are important as well) is a key driver in any organization including the Not-For Profit organizations. The profit is what makes things happen. Without it, there is no need to have an organization. It seems, particularly in the automotive world, we have demonized that word to the point we are afraid of recognizing that every organization has to make money. What else is the purpose of a quality management system if we cannot make money? In every auditor class I have ever taught, I made it a priority to communicate the importance of what we auditors do and placed an emphasis on the purpose and value of audits for any organization.

It is disheartening to see and hear sad stories about the wastefulness of time in performing audits. It is sometimes discouraging to hear claims – even from management – that we do audits to satisfy the third-party auditors; they are no value to productivity; or they are a total waste; *etc.* I am not one of those individuals who think auditing is a waste of time and do not provide a rewarding experience for all concerned. I do believe and that is why this book is written that audits offer a great opportunity to improve by (a) fixing things that present a *gap* from where you are now and where you have to be and (b) present opportunities for new challenges. A well-designed and implemented quality management system **will** provide substantial benefits in both productivity and morale for the employees. That QMS, however, has to be validated, and that is where an audit and the auditor come into the picture.

A successful audit depends on a good auditor who knows (a) the process being audited and (b) has the knowledge of the auditing discipline. From my experience, I have developed five rules that successful auditors must have. They are as follows:

1. Like (enjoy doing) it. If you are not comfortable with asking people to explain what they do, how they do it, and how it is effective, auditing is not for you.
2. Like people. If you are not a people person, one who naturally likes people and can get along with others, auditing is not for you.
3. Believe in the process. If you do not believe in audit process and what it does for the organization, auditing is not for you.

4. Like to learn. If you do not like to learn about how other departments or processes work, auditing is not for you.
5. Care about the organization. If your passion and faith in the company is missing, auditing is not for you.

Therefore, I have tried to present in this book some issues that an auditor needs to know for an effective audit in any industry, but primarily in the automotive industry. Hopefully, I have been successful. Specifically, I have covered the following towards the goal of convincing management that audits are important, and that there is a methodology to conducting an excellent audit. So, each chapter presents the following information:

Chapter 1: Legitimate Concerns about Audits: This chapter addresses that “why” audits are necessary.

Chapter 2: Preassessment Preparation: This chapter addresses what are the prerequisites for a “good” audit.

Chapter 3: Risk Considerations in an Audit: This chapter discusses some of the risks that are possible with and without an audit in any organization.

Chapter 4: Audits: This chapter gives a detail explanation with the essentials of what audits are all about with specificity.

Chapter 5: Mandatory Auditing Items: This chapter addresses the mandatory and non-mandatory documents/records of standards and industry requirements.

Chapter 6: Acronyms: This chapter provides a lengthy list of common acronyms used in the automotive industry.

Chapter 7: Methodologies/Tools That the Auditor Should Be Familiar With: This chapter presents a variety of methodologies/tools that any auditor should be familiar so that s/he can ask questions relevant to the situation.

Chapter 8: Performance beyond Specifications: This chapter presents material that any auditor should be pursuing in order to accomplish the role of a “change agent” towards continual improvement.

Chapter 9: Quick View of Auditing: This chapter gives a practical approach to auditing focusing on the primary drivers (indicators) of quality: quality, delivery, cost, and responsiveness.

Chapter 10: Process Approach to Auditing: This chapter focuses on the layered process audit and some other types of audits as derivatives of the LPA.

Epilogue: It summarizes the main points of the audit.

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Mr. P. Biswas who was kind enough to give me permission to use some of his checklist questions, which were based on Mr. Art Lewis’ work as well as many others and websites like advisera.com and many others.

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Mr. S. Mitchell who has spent many hours discussing the issues and concerns about auditing and especially third-party auditing. I have included some of his ideas in this work.

Perhaps one of the most influential persons for this work is Dr. P. Panson who enthusiastically pushed me to write this book but also gave me many insights in the context of the material. In fact, he was the one that suggested strongly to close the book with some kind of an outline emphasizing the supply chain and how the auditor can help. I took his advice and have it as the last chapter.

As always, all my work has been supported by my wife Carla who has been an enthusiastic supporter but also a tough editor for my ideas, style of writing, and quite a few times the order of content. I cannot thank her enough.



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