



What does Quality Management bring to logistics?

A small defective switch gave rise to the biggest ever recall action in the history of US car manufacturer Ford. In the US, the company had to recall around 16 million vehicles constructed between 1992 and 2003 because of a cruise control component that might have triggered a fire.

The switch - supplied by US-based Texas Instruments - only cost around 20 dollars if reports are to be believed. The total cost of the recall action would, however, run into billions of dollars, not taking into account qualitative costs such as the damage incurred by the brand image. This is a rather dramatic example of the costs that can arise as a result of the inadequate quality of a product or service. However, what is the situation like for Quality Assurance in logistics? And why is this so important?

Due to an increasing awareness of the importance of quality on the part of consumers and a market situation that is characterized by heightened competition among suppliers, companies are more frequently being required to produce the required level of quality with regard to their products and services. Systematically organized Quality Assurance systems, which are widespread in industrial production sectors, are still uncommon in logistics. As yet, there are no objective assessment standards.

As an interdisciplinary function within and between companies, logistics is responsible for ensuring smooth process flows right from the supplier market to production and on to the customers that make up the buyers' market. This process is shaped by the permanent progression of external and internal customer/supplier relationships. The logistics quality to be provided is determined by the interests and requirements of the customer. The aim is to provide quality in an economical manner with, for example, regard to logistic aims such as delivery reliability and flexibility.

One operational prerequisite is logistics-oriented process quality that is based on data and the information that can be gleaned from that data. In addition, a logistics Quality Management system must be integrated as a strategic goal within the company. Thus, it is particularly important to convince all employees who carry out operational logistics processes on a daily basis of the necessity and advantages of a logistics Quality Assurance system. This also applies to the upper management, since in order to implement a long-term logistics Quality Management system, the system itself must be demanded and promoted by the people at the top.

So, what does a functioning Quality Management system bring to logistics? What are the advantages? Realistic effects include lower costs, happier customers, and - perhaps - more satisfied employees! However, a Quality Management system costs time and money to implement and operate. Still - anyone who wants a good harvest has to sow the seeds first!

Yours,
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