

# The Value of APQP

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# Introduction



**Michael Mallen**  
**Business Consultant**  
**QAD**

# Agenda

- Disruption and change
- Challenges facing manufacturing
- Impact of failures
- Inherent benefits of APQP
- Enhanced benefits of APQP plus EQMS
- Summary and next steps
- Questions and answers

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# Disruption and Change

# Disruption and Change

**Ever changing demand by the customer**

**Ever increasing demand for quality standard compliance**

**Increased supplier dependency by OEMs**

**Challenging priorities for investment**

**Short production duration demands**

**Scarcity of available skilled resources**

**Unprecedented change in technology**

**Higher public awareness**

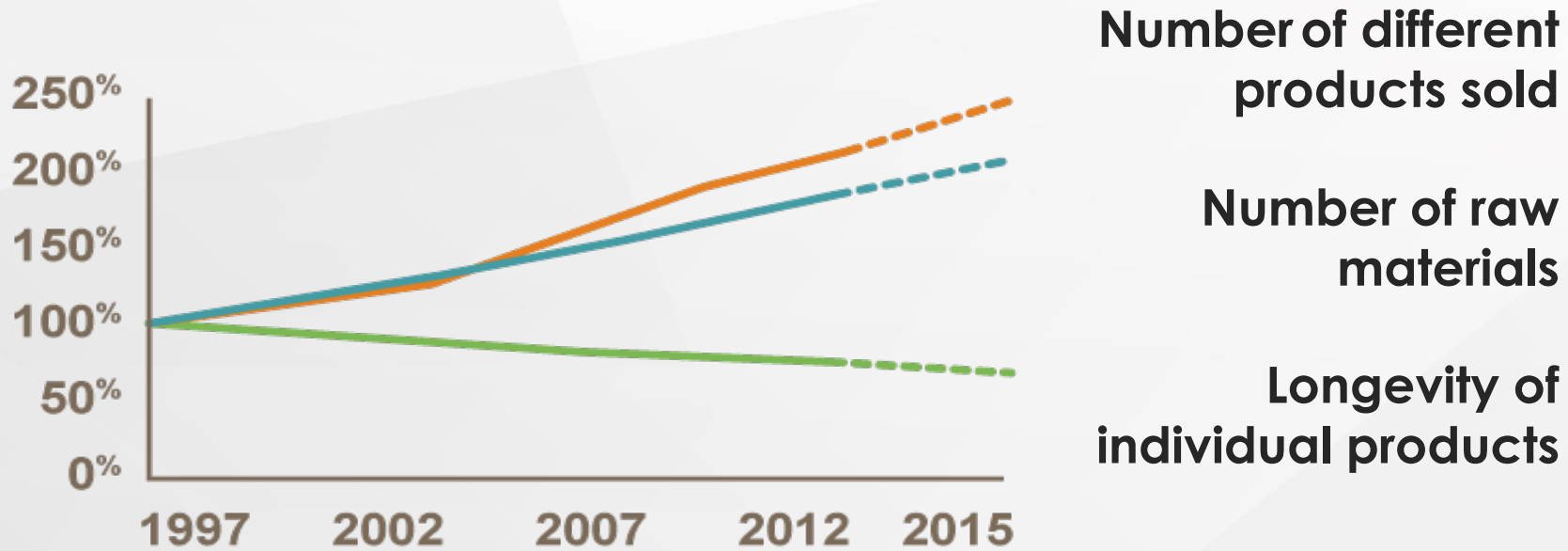
**Increased manufacturing complexity**

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# Challenges Facing Manufacturing

# Challenges Facing Manufacturing

## PRODUCT COMPLEXITY CHANGES



**150%** INCREASE  
in manufacturing complexity over the last 15 years



# Challenges Facing Manufacturing

- Additional challenges
  - Customization at scale
  - Design integrity
  - Speed to market
  - Social media impact
  - New competition

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# Impact of Failures

## Impact of Failures



- Lost revenue
- Profitability impact
- Recall potential
- Market impact

# Impact of Failures

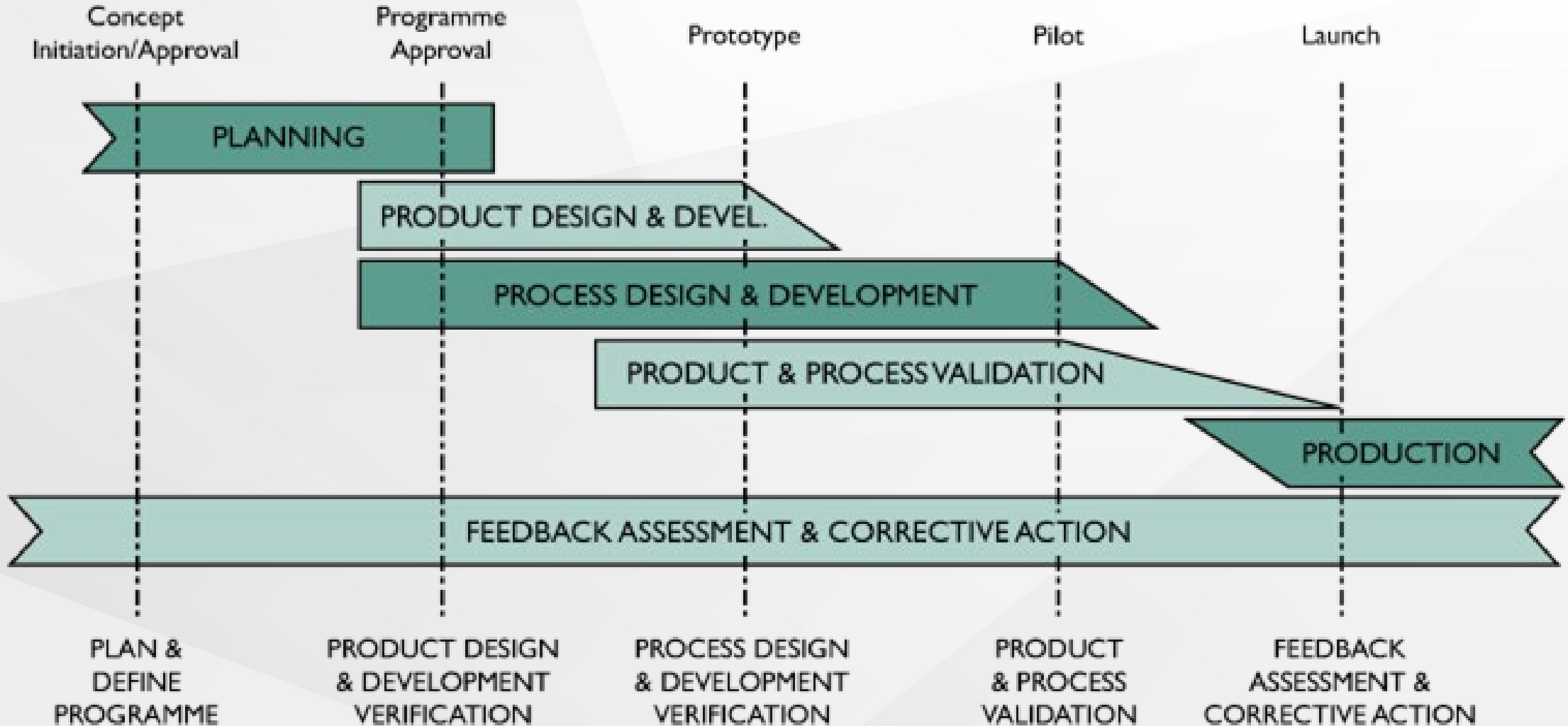


- Physical injury
- \$1.1B market value impact
- Lost reputation

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# Inherent Benefits of APQP

# Inherent Benefits of APQP





## Inherent Benefits of APQP

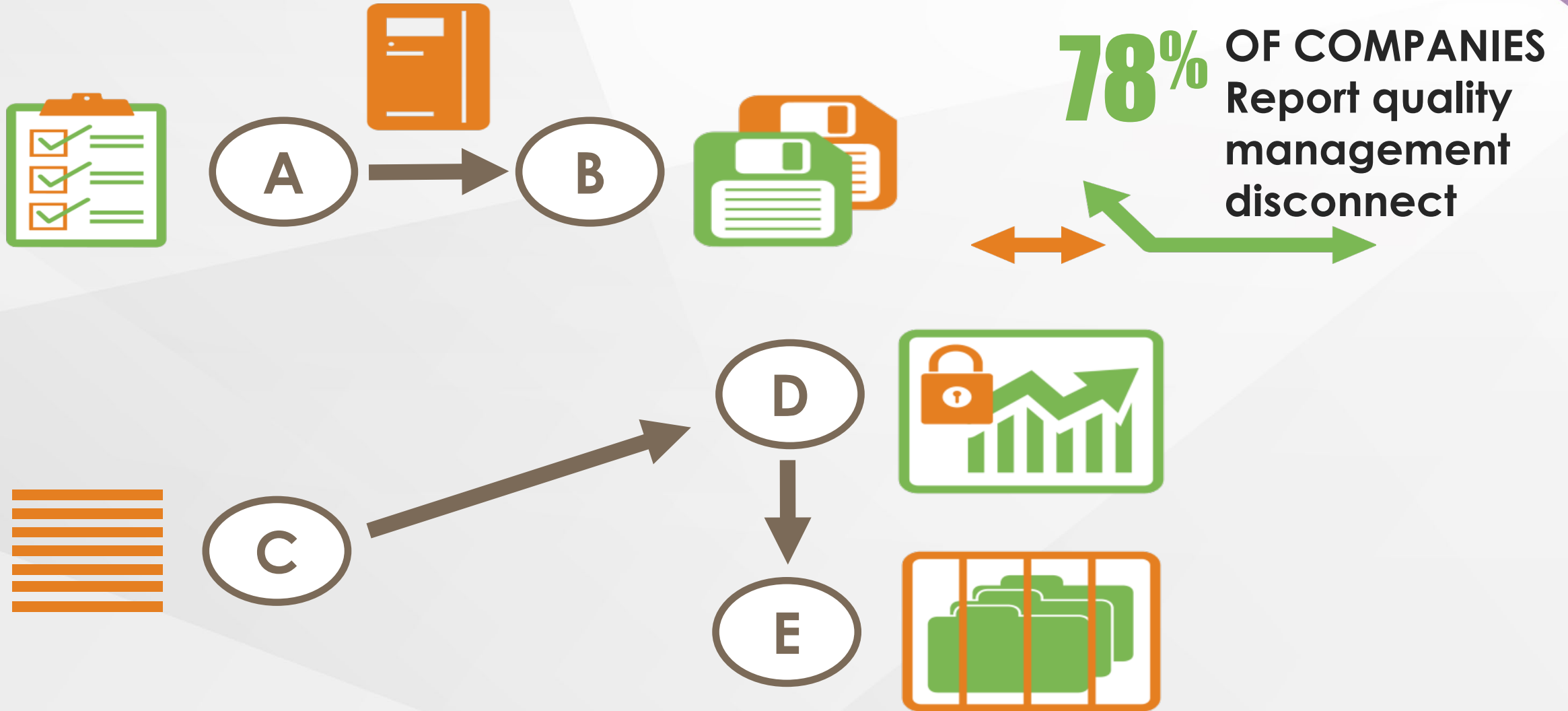
- Enhanced product quality
- Increased process efficiency and capability
- Reduced new product introduction lead time
- Enhanced team communications
- Lower design change costs
- Improved cash flow
- Improved customer satisfaction
- Increased revenue

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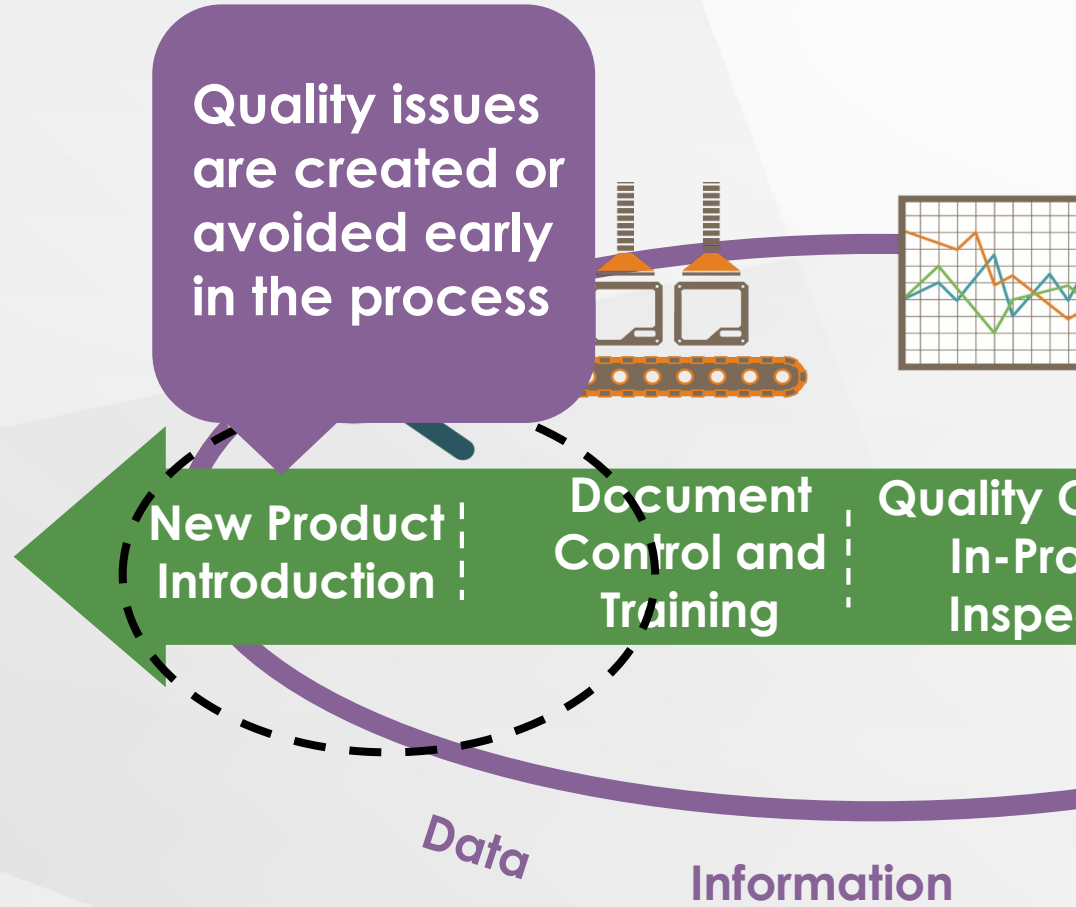
# Enhanced Benefits of APQP Plus EQMS



# Enhanced Benefits of APQP Plus EQMS



# Enhanced Benefits of APQP Plus EQMS



## Documented Benefits

- Data consistency
- One source of the truth
- Move from containment to avoidance
- Pro-active avoidance action
- Dynamic access to changes
- Velocity to knowledge
- Reduced system complexity
- Reduced cost of quality / improved margins

## Enhanced Benefits of APQP Plus EQMS

- All the benefits of APQP
  - Enhanced product quality
  - Increased process efficiency and capability
  - Reduced new product introduction lead time
  - Enhanced team communications
  - Lower design change costs
  - Improved cash flow
  - Improved customer satisfaction
  - Increased revenue

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# Enhanced Benefits of APQP Plus EQMS



## Enhanced Benefits of APQP Plus EQMS

- Leverage re-usable product and process knowledge
- Standardization of work
- Reduced new product introduction lead time
- Full control from prototype to prelaunch to production
- Increased speed and efficiency of key documentation creation
- Ease of PPAP generation and management
- Living FMEA's with imbedded corrective and preventive action
- Integrated change management and training
- Reduced nonvalue administrative work

## Summary

### Implementing APQP and EQMS

- Avoids containment and costly corrections
- Moves to planning and prevention
- Provides organization and communication
- Reduces costs / increases margins
- Increases customer satisfaction
- Increases revenue
- Reduces non-value add work

## Next Steps

- Visit us at the Demo center
- Review your current processes and performance
  - New product introduction
  - Change implementation processes
  - Cost of poor quality
  - Customer satisfaction
- Decide if APQP could improve your current state
- Commit to change
- Call QAD CEPOS for help

## Highlighted Sessions

**A Case for Quality**

**David Rendel**  
**Tuesday 3:00 PM – 4:00 PM**  
**Rhythms 1**

**EQMS Case Study:  
Transformation from  
Manual to EQMS**

**Michael Winters, PPG Aerospace**  
**Kim Dusch, QAD CEBOS**  
**Wednesday 1:30 PM – 2:30 PM**  
**Rhythms 2/3**



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# Questions & Answers

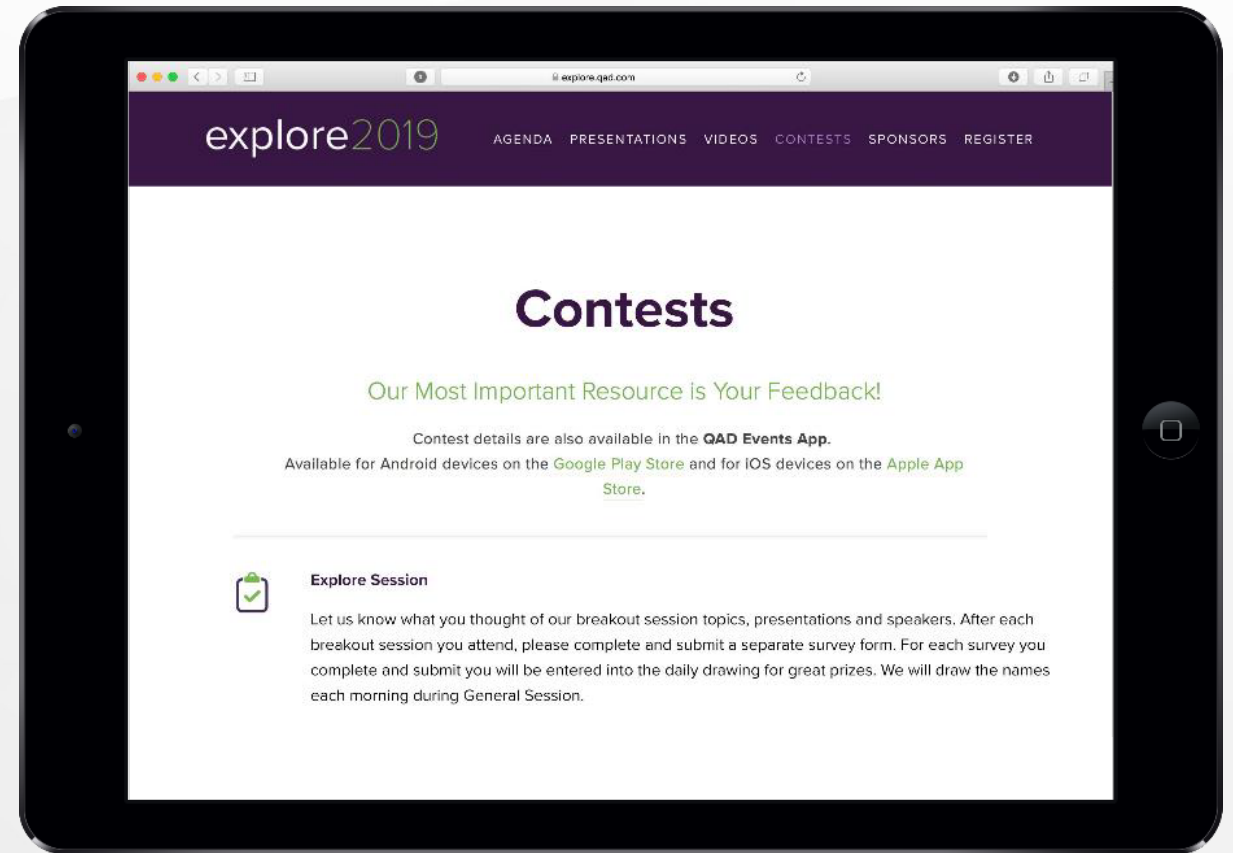


**Michael Mallen**  
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**QAD**

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