Building a Culture of Continuous Improvement Through Nonconformance Corrective Action and Audit

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In this white paper we examine why linking nonconformance and corrective action to an effective audit program can deliver organizational improvement in terms of financial performance and the development of a learning and open culture that promotes continuous improvement.

INTRODUCTION

No process or product is ever perfect, but organizations should always endeavor to improve. Reviewing process or product performance and addressing issues with either corrective or preventive measures takes discipline and teamwork. A well-designed corrective action process integrated with an effective audit system helps streamline work and allows for efficient use of resources and effective improvement of the process and/or product. This leads to improvements in customer satisfaction and business performance.

WHERE TO START: CORRECTIVE ACTION OR AUDIT?

Sometimes it is difficult to decide which should come first: The audit process that finds all the issues and nonconformities, or corrective actions which drives the audit process. In most cases the best answer is “both.” Every nonconformance is an opportunity to learn and grow. Every audit is an opportunity to identify areas for improvement. The system is a closed loop that continually improves performance. Strategically, therefore, organizations need to develop a culture where:

- Nonconformities are recognized as improvement opportunities – not failures
- Corrective actions provide opportunities to eliminate root causes – not apply band aids
- Audits provide value added time to critique – not criticize

Employees should feel empowered to identify and report issues without fear of recrimination. Management must ensure that follow-up actions are taken to address the issues identified. The entire organization should work together to improve business performance.

CAN SOFTWARE HELP?

Software for non-conformance management, corrective action and audit management can help create a culture where the values stated above can thrive. An effective audit system should support the following types of audits to ensure that all sources for opportunities are identified – in priority order from highest to lowest:

- **Product audits** – audits of the finished product that evaluate if the product conforms to requirements
- **System audits** – an audit of the quality system’s ability to meet the requirements of a specific standard
- **Process audits** – an audit designed to evaluate the effectiveness of a process to meet its defined objectives
- **Layered process audits** – quick checks of key process characteristics and/or controls conducted at different frequencies depending on the management team conducting the audit

Well-designed audit solutions allow organizations to effectively plan and perform each type of audit based on the actual performance of the organization. The software assists in collating the results and ensures that the audits can be designed to uncover opportunities for improvement.
Linking the audit program to an effective nonconformance and corrective action solution helps auditors and management ensure that the most effective type of action is taken to address the issue(s) identified. Actions may be one of two types:

1. A correction that can implemented immediately to address a minor finding or opportunity for improvement
2. Escalating the issue to a full corrective action requiring the following steps:
   - In depth root cause analysis conducted for occurrence, escape and systemic root causes
   - Development and approval of corrective action plans
   - Assignment, tracking, implementation and testing of corrective actions
   - Verification actions taken to ensure the effectivity of the corrective action to prevent reoccurrence
   - Development and propagation of lessons learned shared within the organization

CLOSING THE LOOP

The audit system can be utilized to ensure that the corrective actions implemented become institutionalized. Having an integrated system that identifies the non-conformances/corrective actions for a particular process or product allows auditors to follow up on these actions and ensure that the gains are not lost as the organization adapts the new methods put in place. This ensures the maintenance of a “Plan, Do, Check, Act” cycle which contributes to the evolution of the organization in terms of a learning and improvement-based culture.

SUMMARY

Whether an improvement is derived by identifying a process issue or through an observation in an audit, organizations that implement a well-designed, structured nonconformance and corrective action system linked to a flexible audit management and execution system will see improvements in process performance, customer satisfaction and bottom line. A software application that places the relevant information at users’ fingertips, supplies insights to team members and automates the management process allows the organization’s most valuable assets, its employees, to concentrate on the value-added efforts of observing, learning and acting on the issues at hand. Organizations that embrace this culture are the ones that will not only survive but flourish in today’s fast-paced and everchanging manufacturing environment.

For more information on how QAD can help your company, contact QAD at +1-805-566-6100 or email info@qad.com.