

QUALITY IMPROVEMENT

Use VA to prompt vendors on quality

PONTIAC, MICH.—Don't overlook value analysis as a way to meet a new quality mandate. Two rules of thumb: Suppliers have an important role to play in the process, and vendors with a solid track record on reliability deserve first consideration.

That's the VA philosophy at GM's Pontiac Motor Div., where a value engineering department was formed in September 1980. Quality-oriented vendors are now given display space for their products right on Pontiac's premises.

"When the general manager and his staff gave me the departmental charter," notes VE manager John M. Sawruck, "I was told to keep the effort keyed to quality improvement and not just cost reduction."

However, says Sawruck, who described Pontiac's program to his colleagues at a recent seminar held by the consulting firm Value Analysis, Inc., economies naturally follow a quality-keyed VA program. "The cost takes care of itself. It's always better to do things right the first time."

Since suppliers have so much to offer any VA program ("We're not here all by ourselves," notes Sawruck), the ties between the VE department and purchasing at Pontiac are close ones. In fact, divisional buyer Bruce Jones has been on loan to the group since last December—just three months after it was formed.

Jones' assignment: Identify the suppliers who perform on quality. "What we're looking for are suppliers with a real commitment to quality," says Sawruck. "That means those who meet not just the letter but the intent of the law."

Finding the finest. To find such suppliers, Jones taps several information sources, but there's a considerable amount of interdisciplinary judgment, too. For example, he digs into how many parts

from a source have been rejected in the past. "I can go back three model years," he notes, "and I can also check rejections corporate-wide. But you have to consider the volume of parts a supplier has been furnishing, too. You expect better performance from a supplier shipping, say, six parts a year, than from one shipping 46,000."

Jones also gets reports from the staffers in the company's SPEAR group—an acronym standing for "source performance evaluation and reporting." These are the specialists who conduct on-site audits of vendors' quality control practices. And, of course, he regularly confers with his fellow buyers on an individual basis.

Since April, says Sawruck, such investigation has unearthed six innovative and reliable sources who were invited to set up product exhibits in a lobby adjacent to the main Pontiac cafeteria. Commodities already displayed have included rubber parts, steel, decorative items, car components, tooling,

and instrumentation.

Under this part of the program, each supplier is invited one at a time, for two weeks. He doesn't have to compete with other exhibitors for the attention of Pontiac staffers. The displays are publicized in the daily company newsletter, which also notes that a supplier rep will be on hand Wednesdays, 1:00 to 5:00 p.m., to man the exhibit and answer questions.

"We see value engineering as affecting all our operations," stresses Sawruck, noting that the strategic location of the vendor displays assures that they're seen not only by technical personnel, but by other specialists ranging from finance to sales service.

Quality-oriented VA teams at Pontiac also include a variety of departments. And the suppliers who are invited to set up in-house displays are also invited to serve on VA teams.

Sawruck cites a common reaction when a supplier salesman comes into Pontiac and sees that one of his competitors is being given display space. "He'll ask why he wasn't invited. And we'll tell him."

Adds Jones: "We're teaching quality awareness." —*Somerby Doust*



Quality-oriented suppliers are given two weeks' display of their products at Pontiac Motors, and are invited to serve on VA teams.