

Alarming developments: Manufacturers rethink quality management to keep risk out of new product intros

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To combat global competition during the U.S. economic downturn, some manufacturers have been reevaluating their quality management strategies. Executives at these companies believe consistently high product quality will be the key differentiator in achieving competitive advantage.

Obviously this strategy offers more merit for some industries over others. Companies in electronics, for example, know that being first to market often establishes market position, says Simon Jacobson, a senior analyst with Boston-based [AMR Research](#). Any company in a market that places a premium on new product introduction should work to minimize risk by improving quality management—not just within the enterprise but throughout the supply chain—by encompassing multiple-tier suppliers and contract manufacturers, he says.

“The value of adopting this approach is obvious due to the far-reaching impact,” says Jacobson. “The sooner a company completes basic testing, the easier and less costly it is to incorporate product or manufacturing design changes. If a company can complete testing and make needed changes in the prototype stage, it won’t impact either finished goods or WIP [work-in-process]. This enables a dramatic cost savings as well as improved time-to-market—both of which are vital in today’s manufacturing environment.”

A number of solution suppliers have offerings that address these challenges, including [CIMTEK](#), a vendor of quality life-cycle management (QLM) solutions that include test system development, software applications, and professional engineering services.

Developed for electronics manufacturers facing pressure created by volatile demand and consumer expectations for continuous product innovation, CIMTEK’s Magellan Quality Lifecycle Management software enables users to gather test, process, and quality data from globally distributed locations, perform correlation and analysis, and improve predictive real-time decision-making capabilities.

The benefit, says Stan Smith, CEO of CIMTEK, is major electronic OEMs are able to increase production yields and reduce both direct labor and material costs while

maintaining high quality standards. Those companies typically report substantial reductions in new product introduction cycles and test times, with the potential to save millions of dollars across a single product line.

“Globalization, outsourcing, and the race to market wreak havoc with manufacturers’ ability to cost-effectively deliver quality products,” says Smith. “QLM software enables manufacturers to address those challenges because they can integrate quality and performance information from the beginning of the product life cycle through return and repair.”