Hi everyone!
The 2015 World Conference on Quality and Improvement in Nashville, TN, has come and gone, and as always it was jam packed with technical sessions, courses, and tutorials with something for everyone no matter the professional and/or technical area of interest.

We had a tremendous amount of traffic at our booth and we thank everyone for stopping by. There were old faces and new faces and we welcomed several new members to the Audit Division.

As always, our Audit Division Management Committee was in attendance at our booth, meeting, greeting, and engaging with everyone who passed by. If you did not get the opportunity to meet with any or all of us, you can contact us any time. Our information is available on the Audit Division website asq.org/audit.

For those of you who are also member leaders, I hope you had a chance to attend the member leader training that took place prior to the conference. I personally participated in several very lively discussions and actually learned a lot of new things. It’s not easy to develop new training sessions for members who have been active for 20 or more years!

Our very popular free webinar series continues with our next webinar on July 26 from 11:00 a.m. – noon (Eastern Daylight Time) with “An Auditor’s Review of Risk Management, Lean Improvement and Data Analysis,” presented by Lance B. Coleman. Follow this link to register for the webinar. https://attendee.gotowebinar.com/register/3052327108604756737.

If you have missed any of our webinars, you can access them from the Audit Division home page at asq.org/audit and scrolling down to “Featured Content.”

To date we have “Advanced Audit Interviewing Techniques,” “A Risk Based Thinking Model for ISO 9001:2015,” and “ISO 9001:2015 Update – Internal Audit Challenges.”

If there are any topics you would like to see presented, please let us know so we can deliver important and timely webinars that are of interest to our members.

We are currently filling Audit Division leadership positions for the 2016-2017 term. In addition to our existing committees we have a new social responsibility chair position opening up this year. To be considered for a position, you must be a member of the Audit Division. If you would like to volunteer for a position or get more information on the responsibilities of a position, contact our incoming Audit Division chair, Cindy Bonafede, at bonafede_cindy@bah.com.

Please join us in welcoming Bryon Mattingly to our leadership team as digital media chair. Mattingly will be helping us enhance our website to provide timelier and easily accessible content for our members. He will also be working his magic at our 24th Annual ASQ Audit Conference in Reno, NV, October 29 – 30, using social media tools and new techniques to enhance the attendee experience.

If you need to become a Certified Quality Auditor (CQA), the next public offering of the CQA Certification Preparation course will be held October 26 – 28, just before...
Audit Division Vision
To be the pre-eminent body for providing expertise on auditing and defining expectations for the audit profession.

Audit Division Mission
To develop the expectations of the audit profession and auditors. To promote to stakeholders auditing as a management tool to achieve continuous improvement and to increase customer satisfaction.

The Audit Report is published four times a year as a chief information resource for members and friends of ASQ’s Audit Division. Information about the ASQ Audit Division may also be found at asq.org/audit.

Reminder: All ASQ Audit Division endorsed communication and/or use of the Audit Division’s logo must be approved by the Audit Division chair.

Audit Conference
- 2015 Audit Conference Preview
- Audit Conference Preview
- Feature Article: Auditing in a Software Environment, by Kurt Stuke
- Advanced Interviewing Techniques, by Kevin Posey
- Servant Auditing, by Kurt Stuke
- Recap of ASQ’s World Conference and open topics
- Training, certification, back-to-school, and open topics

The class will available at our reduced conference price of $895 for the two-and-a-half-day course. You can then take the CQA exam immediately after the conference on Saturday, October 31, before you forget what you learned!

For more information, or to register for this course, please go to the conference registration page at http://asqauditconference.org/Refreshe... or directly through ASQ certification at http://asq.org/training/certifiedqualityauditingcertificationpreparation_CQAR.html.

You can take the CQA Certification Preparation course, take the exam, and attend the conference all in one trip!

We look forward to seeing all of you at the 24th ASQ Audit Conference in Reno at the Peppermill Resort Spa Casino. For those of you who have attended previous Audit Conferences at the Peppermill, you know that this is one of our preferred venues, as we are able to deliver a comprehensive, all-inclusive learning experience at a reasonable price, and you get recertification units (RUs) for attending.

You can also attend our annual Audit Division business meeting, for which you receive additional RUs.

Register for the conference at http://asqauditconference.org/Registration.html and we’ll see you in Reno!

Nancy Boudreau
2014–2015 Audit Division Chair

Article:
- In the Next Issue:
  - Chair’s Message
  - Let From the Editor
  - Feature Article: Auditing in a Software Environment, by Kurt Stuke
  - Advanced Interviewing Techniques, by Kevin Posey
  - Servant Auditing, by Kurt Stuke
  - Recap of ASQ’s World Conference and open topics
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Advertising Rates:
- Full page: $500 U.S. per issue
- Half page: $250 U.S. per issue
- Quarter page: $125 U.S. per issue

For submissions or questions, contact Lance Coleman, lance@fullmoonsconsulting.net.
Letter From the Editor

Hello Everyone:

Once again I return from the 2015 World Conference on Quality and Improvement energized and full of ideas! This year the event was held at the fabulous Opryland Resort & Convention Center and had more than 3,000 attendees from 49 different countries.

In this issue of our newsletter, the feature article is “Measuring the Effectiveness of Your Audit Program,” by Angelo Scangas and Roderick Gray. In this issue’s “Tips From the Trenches” we will look at “How to Review a Validation Report,” presented by myself. We will also include an article on “Mitigation in the Moment of Truth,” by Janet Bautista Smith. Our webinar chair, Angelo Scangas, continues to provide our membership with free webinars on diverse topics of interest. The July 16 webinar is on “Advanced Quality Auditing: An Auditor’s Guide to Risk Management, Lean Improvement and Data Analysis.” More details and registration information can be found in the News Bytes section of this newsletter. If you have any suggestions for webinar topics or presenters, email Angelo@qualitysupportgroup.com.

We are getting closer and remain excited about the relaunch of our annual conference after a year break for planning and retooling of equipment. Online conference registration is now available at http://asqauditconference.com/Registration.html. The conference will be held October 29 – 30 in scenic Reno, NV, at the Peppermill Resort Spa Casino. Check out the website for preconference tutorial, conference concurrent sessions, and keynote descriptions, and to register for the early-bird discount. I hope to see you there!

Finally, thanks to all of you for taking the time to read our newsletter. Please continue to let us know how we are doing, what you like, and what we can do better. Hope to see you on the road or hear from you in 2015!

Kind regards and safe travels,

Lance B. Coleman
Newsletter Editor
lance@fullmoonconsulting.net

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Measuring the Effectiveness of Your Audit Programs

How do you know if it is adding value?

by Angelo Scangas, President, Quality Support Group, Inc., and Roderick Gray, Compliance Manager, Flextronics Corporation

World-class organizations understand customer value and focus their key processes to continuously increase it. The ultimate goal is to maximize value to the customer through a series of value creation processes that absolutely minimize waste all while engaging executive management in their business management system (BMS). Thus, it is critical to identify the value streams for analysis and optimization. A value stream is defined in the APICS Dictionary as “the processes of creating, producing, and delivering a product or service to the market.” A value stream may be internal to a company, or it may include external processes (suppliers) and in some cases may consist or at least integrate with external customer processes. The objective of an internal auditing process is to add value to the organization. The Institute of Internal Auditors Standard defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It supports the organization in accomplishing its objectives by bringing a systematic, independent, and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The auditing process can be documented with a procedure, a flowchart, or simply a process map as shown on the next page.

The process map includes:

| Inputs:          | – Materials/Equipment/Environment  |
|                 | – Methods/Documentation           |
|                 | – Management                      |
|                 | – Competence/Skills               |
| Outputs:        | – Created by the process that is of value to the customer/business |
|                 | – Evidence that work has been completed |
| Process Owner:  | – Person responsible for the effective execution of the process |
| Measurement:    | – Indicators that the process is effective and adds value to the business/customers |

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Assessing the effectiveness of the audit process requires a multidimensional perspective, which involves breaking down the key elements of auditing and asking questions such as:

1. Are desired auditing outcomes clearly defined, understood, and aligned with company objectives?
2. Does the internal audit process have clear ownership and performance requirements?
3. Is effectiveness measured to ensure value creation and thus the achievement of business objectives?
4. Is there clear correlation to customer and business satisfaction indicators?
5. Who determines the effectiveness measures?
6. How engaged is executive management in developing a risk-based audit plan to support key business processes?
7. Does executive management support training to ensure qualified resources and do they allocate the time to ensure effective audit outcomes? Are they truly engaged with the value of the internal audit process?

*Key questions: What are the most relevant methods/measures that could be used to measure the effectiveness of audit programs? How can we identify the key trends that will influence the internal audit activity in the future?*

Many organizations do not measure the effectiveness of the internal or external audit programs, and the organizations that do have measures include performance to an audit schedule and time for issuing completed audit reports. Both of these measures speak to the efficiency of the audit process (audits are getting done within the allowable time) but miss on the opportunity to evaluate the effectiveness. Are the audits adding any value to support the key business initiatives and also ensure customer satisfaction?

Currently, organizations are looking to maximize the effectiveness of their resources and are very interested in identifying the most relevant methods for evaluating internal/external audit process effectiveness.

Several people over the years have proposed using the balanced scorecard in evaluating the internal audits. Frigo M.L. (2002) presented the balanced scorecard approach with the following concepts:

- Internal audit customers (management, process owners, customers)
• Internal audit process—key indicators for quantifying the audit performance
• Audit process capabilities and continuous improvement

Based on our combined experience of more than 60 years working and consulting in many organizations, following is a list of audit performance measures used to measure the efficiency and effectiveness of the audit programs.

1. **Satisfaction survey results** – A brief survey (three to four questions) is distributed to the process owner and other auditees after the audit is complete and the audit report submitted.

   It is here when the process owner or auditees independently can give feedback on the effective use of their time. Feedback can of course vary but here are some responses from previous surveys:
   • “This audit was a real value-add to my process. I learned how to think deeper into things that really matter to our operations.”
   • “The findings were well documented and I know exactly what I need to do for corrective action. I do not have to guess.”
   • “Thank you for your report … very helpful! I appreciate the specificity.”
   • “I may not agree with the finding but I see the requirement clearly documented and an important deliverable to the customer.”
   • Or, “This audit was a waste of my time and resources. The auditors were not prepared and the findings not well documented.”

2. **Number of major audit findings** – Major audit findings are a systemic issue or a high risk to the organization that can transition to a customer, safety, or regulatory problem. Thus, it is important to identify and resolve.

3. **Percent of audit recommendations (opportunities for improvement) suggested and implemented** – This can vary from suggestions by the employees to best practices and benchmarking observations by the auditors. Once identified, it is important to assess and evaluate the business need. Feedback as to the status is important.

4. **Performance to the audit schedule** – Completed versus planned audits. Important to ensure that we are meeting schedules and deadlines.

5. **Number of repeat findings** – A previous finding that had a corrective action completed is now again identified as a finding in the current audit. Repeat findings related to the audit process, the corrective action and/or the verification of the corrective action should be evaluated for systemic preventive action.

6. **Percent of qualified or certified auditors in the audit pool** – This can be an indication of auditor competency, which should transition to better audits. In addition, what is the company’s process for determining the competency of its auditor pool?

7. **Time from audit completion to report issuance** – This is important to ensure that the findings are quickly transitioned to corrective actions, and containment action is implemented soon to protect the customer/business.

8. **Estimate of potential dollar savings based on the audit findings** – This metric can support cost reduction initiatives as well as avoidance costs.

9. **Number of audit findings accepted by the process owner and implemented** – This measure can signal value of the findings as seen by the process owner.

10. **Number of complaints about audits** – This measure can point to customer (process owner) dissatisfaction.

11. **Who is giving out the audit report** – The auditor or auditee? This can have a significant effect on the quality system overall effectiveness. First, it forces auditor/auditee collaboration during the finalization of “the audit report.” It also engages the auditee in his/her process in a unique dynamic approach. It ensures auditee (process owner) understanding of the audit findings.

12. **Assessing accounts payable as part of the audit plan** – Not many organizations look to this depth—some may be uncomfortable looking this deep! But assessing this process can lend to real partnership with the finance organization and the suppliers. Accounts payable turns the supplier into a customer in this transactional process. Our repeated observation through the years has been an effective step to improved and real partnership, which can be found by measuring and discussing this audit metric during the management review process. It forms linkage to the quality policy, which usually states all processes shall meet zero defects.

   It is logical that customer satisfaction is always an attribute of audit process effectiveness that needs to be evaluated. Internal audit results must address the customer (internal and external) requirements. An excellent partnership is critical in both customer relations and supplier relations. Internal customers are the board of directors, the management team, and the process owner. All internal customers are looking for value and effective use of resources. We

Continued on page 6
must measure how well we perform in this area. Thus, measures #1 (survey results), #8 (estimate of potential dollar savings from the implementation for the findings), and #9 (percent of audit findings accepted), speak directly to internal customer satisfaction.

External customers (customers who receive the product or service, regulatory authorities, and legal entities) want an audit program that minimizes any escapes for product issues, safety, and regulatory issues. Thus, #2 (number of audit findings), #3 (percent of audit recommendations implemented), and #6 (percent of qualified auditors) speak directly to the organization’s ability to detect and prevent escapes.

Performance to audit schedule (#4), along with time to audit report completion (#7), are metrics that speak to the efficiency of the audit process and also the utilization of resources. The audit program needs to be efficient to complete the audits documented.

It is understood that collecting data for the above metrics, analyzing the data, and taking action to improve each metric requires time and resources. So, we need to have a minimum number of performance indicators that will provide the critical information needed to improve auditing performance.

In our opinion, the following four metrics have the most value:

1. Satisfaction survey results
2. Percent of audit findings accepted and corrective action implemented
3. Performance to a risk-based audit schedule
4. Repeat audit findings

These metrics address both the efficiency and effectiveness of the audit program. More importantly, these metrics will produce the action items required for continuously improving the internal audit program.

If customers are not satisfied, we need to listen as part of our voice of the customer process and understand their concerns. The audits are designed to add value to the customer, not take away resources (time and people) that are very scarce during these difficult economic times.

If the audit findings are not accepted and corrected, the auditors wasted their time and created a cultural issue between the auditor and auditee. This speaks to the competency of the audit pool to ensure value-add findings are identified and presented.

If the audit schedule is not adhered to, we create inefficiencies and confusion as the importance of the audit program. Audits become an afterthought to other more important activities and we create a negative culture concerning the importance of audits.

If we have repeat findings across multiple audits, it proves that our corrective action system is “broken” not only on audit findings but other high-risk problems.

Conclusion

Taking into account the competitive economic conditions, it is obvious that companies need to execute their processes to meet all requirements at the lowest possible cost. Even though auditing is not a product/service realization process, it allows the organization to improve all the core realization processes. Tracking the effectiveness of the audit program with value-add metrics can ensure that the organization is benefitting and thus improving.

We have documented a number of metrics that can be used, but the selection really depends on the organization culture and business objectives. Please remember that metrics take time to execute and thus must be actionable. If a metric is not actionable, it has no value.

About the authors:

Angelo Scangas is president of Quality Support Group, Inc., an international consulting and training organization. Scangas has worked in the automotive, chemical, electronic, and medical industries for close to 30 years, holding positions in engineering, operations, and quality. He has a bachelor of science degree in chemical engineering, a master of science degree in manufacturing engineering, an MBA, and is a Senior member of ASQ.

Rod Gray has more than 45 years of experience as a quality professional/consultant including managing domestic/international startups, creating/implementing innovative auditing practices, and teaching BQMS principles, auditing, and problem solving. His audit certifications include Plexus ISO-9001/14001/13485, TS16949, and AS9100. He has co-chaired AIAG workgroups—recently, CQI-20 Problem Solving rewrite. He is a frequent ASQ/QSG presenter. His team received The Bose President’s Award: Outstanding contribution for the successful QMS transformation into BMS. Gray has a bachelor of science degree in industrial management technology from Northeastern University.
Validation summary reports can be unwieldy documents hundreds of pages in length containing highly technical language, many plots and graphs, as well as pages of raw data. An auditor doesn’t have to be an engineering genius to review validation reports, just follow a simple strategy. A validation report should have an associated validation protocol or some other document that defines (1) what elements should be in the report, (2) what are the criteria for success and (3) what is the validated setup (equipment, settings, work instructions, and so forth). The first step is to ensure that the protocol and report are both signed by all of the parties mandated by organizational procedure. Next, confirm that all the elements that should be in the report are included. Confirm that if the validation is deemed successful that all of the critical parameters are recorded as meeting the required parameters per the related protocol. Confirm that any deviations from expected results are responded to according to organizational procedure (deviation form, customer notification, and so forth). Confirm if possible that validated state is reflected in the production equipment settings for the process that has been validated. In addition to being able to interpret whether charts and graphs indicate that a dimension is out of specification, it is important for auditors to understand the concept of process capability.

Process capability is the assessment of the ability of a process to consistently meet or exceed customer requirements. Two important measures of process capability are the $C_p$ and $C_{pk}$ indices. Two other indices, $P_p$ and $P_{pk}$, are outside the scope of this article.

- **$C_p$** tells us if we have the capability to meet the customer’s requirements. It is the ratio of process width (6 standard deviations) or voice of the process ($VoP$) to the range of the specification limits (upper specification limit [USL], lower specification limit [LSL]) also known as the voice of the customer ($VoC$).

- In other words $C_p = VoC/VoP = (USL-LSL)/6$ standard deviations; this relation is depicted in Figure 1 below. The bell-shaped curve represents the process output. When the curve rests between the LSL and USL, then you can expect to make good parts. When the curve starts to extend beyond the boundaries created by the

\[
C_p = \frac{[USL-LSL]}{[6 \text{ standard deviations}]}
\]

![Figure 1](image-url)
LSL and USL, then that process is not capable and a certain percentage of your parts will consistently be out of specification.

Though an important tool, $C_p$ has one significant weakness: It does not take into account the location of the process. In other words, if the process average ($x$-bar) is not perfectly centered between the upper and lower specification limits, then the process capability will be lower than indicated by the $C_p$ index. This is the reason that $C_{pk}$ is the more commonly used capability index. $C_{pk}$ is determined by using one of the two equations below:

\[
\frac{(X\text{-bar} - LSL)}{3 \text{ standard deviations}} \quad \text{or} \quad \frac{(USL - X\text{-bar})}{3 \text{ standard deviations}}
\]

The first equation is used if the process average is closest to the lower specification limit and the second equation is used when the process average is closest to the upper specification limit. The first equation is depicted in Figure 2 below.

A $C_p$ or $C_{pk}$ of less than 1.00 indicates that a process is not capable. $C_p$ or $C_{pk}$ value of from 1.00 to 1.33 is indicative of a process that is capable but only with tight control. Generally speaking, the desired $C_p$ or $C_{pk}$ value is one that is higher than 1.33. Although the capability index is a calculation that is distinct from control charts, statistical software such as Minitab will often show the capability index as part of their control charts or other graphical reports. So what does all of this mean for auditors? When an auditor reads a report that indicates a $C_{pk}$ of less than 1.33, then the questions to ask are:

- Is there a requirement for minimum $C_{pk}$?
- If not, then why is the data captured (data shouldn’t just be captured for the sake of capturing data—there should be some purpose)?

These are by no means the only things that you can check when reviewing a validation report, but rather guidelines to allow an auditor without a highly technical background to give a thorough review.

**About the author:** Lance B. Coleman is a senior quality engineer and lean program manager at The Tech Group in Tempe, AZ, who has worked in medical device, aerospace, and other regulated industries for more than 20 years. He has a degree in electrical engineering technology from the Southern Polytechnical University in Marietta, GA, and is an ASQ Senior member as well as Certified Quality Engineer (CQE), Six Sigma Green Belt (CSSGB), Quality Auditor (CQA), and Biomedical Auditor (CBA). Coleman is the author of Advanced Quality Auditing: An Auditor’s Review of Risk Management, Lean Improvement and Data Analysis, as well as many articles on risk management, lean, and quality. He is also an instructor for the ASQ Certified Quality Auditor Preparatory Course and the editor of the ASQ Audit Division newsletter. As the principal consultant for Full Moon Consulting Services, he has presented, trained, and consulted throughout the United States and abroad.
DIVISION NEWS BYTES

Reno, NV – location for the next public offering of the CQA exam refresher course, October 26 – 28.

CQA Exam Refresher Course: The next public offering of the refresher will take place October 26 – 28 in Reno, NV, as one of the Audit Conference preconference workshops. Other public offerings in 2015 will take place:

• November 11 – 13, 2015; San Diego, CA

We are very pleased that this course has a 95 percent pass rate for students who complete the course and then take the CQA exam. To register go to asq.org/training/certified-quality-auditor-certification-preparation_CQAR.html.

2015 Audit Division Conference: Online registration is now open at www.asqauditconference.org/Registration.html! The last concurrent session slots were filled during World Conference in Nashville, TN. Receive a 10 percent early-bird registration discount when you register before August 28, 2015. At right is a list of our nine preconference tutorials. Go online to see the latest information and descriptions of these tutorials as well as our dynamic program of concurrent sessions!


Auditors from any industry must “learn the language of upper management” if they truly want to effect positive change throughout their organizations. The purpose of this webinar is to teach attendees how to accept that challenge and presents two ways that auditors can achieve this objective: by fully incorporating risk-based thinking into their auditing methodology and by helping to drive continuous improvement through the use of lean in combination with traditional quality tools as part of the audit process. Learn why your internal audit program should be an integral part of how your organization sustains positive results and how to make that happen if it is not. The Kano model of customer satisfaction will be used as the framework to develop an assessment tool that will allow for objective and consistent evaluation of the internal audit program. New tools for compliance auditing will be discussed, as well as practical examples of how to formally integrate risk management and continuous improvement initiatives into the audit program.

Key takeaways:

• How do we conduct a risk-based audit?
• How do we formally integrate risk-based thinking into our audit program?
• High-level understanding of risk-related international standards
• How can lean, quality, and audit tools combine for greater effect?
• Learn an objective way for evaluating an internal audit program
• Data and trend analysis for auditors

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<th>Course Title</th>
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<td>WKSP1</td>
<td>JP Russell</td>
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<td>WKSP9</td>
<td>Denise Wynne</td>
<td>October 28</td>
<td>FREE ($0.00)</td>
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Who should attend: quality auditors, quality supervisors, quality managers, audit program managers, quality engineers, anyone involved with conducting audits

**Presenter:** Lance B. Coleman is a senior quality engineer and lean program manager at The Tech Group in Tempe, AZ, who has worked in medical device, aerospace, and other regulated industries for more than 20 years. He has a degree in electrical engineering technology from the Southern Polytechnical University in Marietta, GA, and is an ASQ Senior member as well as Certified Quality Engineer (CQE), Six Sigma Green Belt (CSSGB), Quality Auditor (CQA), and Biomedical Auditor (CBA). Coleman is the author of Advanced Quality Auditing: An Auditor’s Review of Risk Management, Lean Improvement and Data Analysis, as well as many articles on risk management, lean, and quality. He is also an instructor for the ASQ Certified Quality Auditor Preparatory Course and the editor of the ASQ Audit Division newsletter. As the principal consultant for Full Moon Consulting Services, he has presented, trained, and consulted throughout the United States and abroad.

**Audit Division at World Conference on Quality and Improvement**

As always, we had a great time seeing our members and getting new members! We networked with great people interested in auditing and others interested in various other quality disciplines. World Conference was well attended, with 2,978 attendees from 49 countries around the world. We had visitors to our booth from China, England, India, Japan, Mexico, and Saudi Arabia, just to name a few. In total, more than 289 attendees stopped by our booth and we welcomed a number of new members to our division. Our booth was represented by seven or eight member leaders at any given time. Member leaders discussed membership, volunteering, and finding out what the Audit Division can do for you. We gave away promotional items and also offered Audit Division merchandise such as shirts, coffee mugs, umbrellas, golf towels, portfolio notebooks, etc.

Thirteen member leaders from the Audit Division Management Committee attended 2015 WCQI. Kevin Posey, Audit Division education and training chair, presented a session on Advanced Interviewing Techniques for Audits. Learning our way around the Gaylord Opryland Resort & Conference Center proved to be a bit challenging. I think every one of us got lost or took the wrong elevator at least once. We did get plenty of exercise. We attended the member leader training on Saturday. This is an annual event hosted by ASQ. In the morning we were in the...
Ideas to Actions Gathering to hear what ASQ is doing and to voice our ideas. Attendees built a tower out of spaghetti, tape, and a marshmallow. It was a fun team-building exercise. Judging was based on who built the tallest tower. In the afternoon we attended sessions to assist us with division responsibilities. Sessions included treasurer responsibilities, assisting sections, how to develop a division budget and strategic plan, and how to meet the requirements for the PAR Award.

Sunday we put the final touches on booth setup. Sunday evening was the opening reception. On Monday and Tuesday we were front and center at our booth in the exhibit.

We had our strategic planning and business meeting on Monday evening. It was a chance for our members to see how the DMC handles Audit Division business—attendees were encouraged to participate in the discussions. It was a great and enjoyable meeting.

Tuesday night ASQ hosted a gala for all registered attendees. We also promoted the upcoming conference at the booth. This year it is in Reno, NV, at the fabulous Peppermill Resort Spa Casino.

So mark your calendars and join us the last week in October. We will be offering fabulous tutorials and session tracks. Check out what’s on the agenda at our conference at www.asqauditconference.com. We hope to see you there.

Reported by Glenda West

Membership Update: We have started and are maintaining a volunteer database. If you haven’t had the opportunity to volunteer for a divisional activity or event, please do so. (You can gain RUs for your recertification for the involvement!) The networking opportunities during the involvement time are tremendous. As stated during our DMC meeting, the Audit Division membership is a very important asset of the division make-up, with leadership opportunities. I challenge you to get involved and see how your talents can be used!

Regional Counselors: Audit Division regional counselors (RCs) continue to address the needs of the division as they reach out to the membership during monthly section meetings and training sessions. Opportunities to join this exciting group exist, so feel free to contact a DMC member to get the entry process started. (The Audit Division is one of the few divisions that has this type of representation (RCs) to assist the division and overall membership). The latest activity some of the RCs are involved in is the development of Student branches at local colleges and universities in their individual regions. Join this exciting group! For more information contact Lawrence Mossman at lmossman@netins.net.
Mitigation During the Moment of Truth

by Janet B. Smith, CSSBB, CQA, CQE, CMQ/OE

In brief: The purpose of this article is to highlight that offering to issue a corrective preventive action request (CPAR) to pacify an irate customer is not the only solution to neutralize a negative customer experience. Customer mitigation is sometimes the pivot point that will decide the customer’s continuing business with a company. An open dialogue with the customer upon receipt of a concern to fully understand the failed expectation or problem is the first step to take before an effective root cause analysis can begin. This article is meant to increase awareness that mitigation is key in understanding the failure, as well as an opportunity to hear the VoC firsthand.

Corrective preventive action request (CPAR) is one of the elements of a typical quality system. It is a common tool used for the documentation and analysis of customers’ concerns to develop actions aimed to reduce or prevent recurrence of the issues. The depth and accuracy of the problem identification, root cause analysis, as well as the effectiveness of the action plan dictate the success of this tool. One critical aspect of the CPAR process that is often overlooked is mitigation.

Mitigation is described as the act of lessening the force or intensity of something unpleasant (http://dictionary.reference.com/browse/mitigation). How is mitigation different from the containment element required on a typical CPAR? The intent and meaning of these actions are the same, with one major difference in application. The typical containment action is applied to stop the bleeding (such as expediting a late shipment to prevent a customer plant shutdown). Mitigation is executing not only the needed containment but also providing, through a dynamic interaction with the customer, assurance of future satisfactory service level.

Mitigation has many forms; it can be a simple telephone call, a brief meeting with the customer or the key process owners, or a customer site visit to clarify and understand the customer concern. The mitigation step will help shed light on the expectations behind the VoC and, in most cases, increase the visibility of the company’s commitment to customer satisfaction, thus, likely to change the customer’s perception at that moment of truth. Moment of truth is described as a deciding instant whether something will succeed (http://www.yourdictionary.com/moment-of-truth). A simple mitigation step may be the crucial wedge to diffuse a volatile situation until a more permanent resolution can be developed. See Figure 1.

In some cases, this important mitigation step is overshadowed by the pressure to pass on the burden to the system (i.e., automatic generation of the CPAR for customer submission) as this may be an easier path for the company customer liaison. In some cases, mitigation is skipped by the customer liaison due to many reasons:

• Lack of sufficient process knowledge to discuss the issue with the customer, thus a CPAR is offered to avoid open discussion with customer
• Easy way out of a possible agitated situation
• Fear of being blamed if mitigation turns negative

Here are some simple antidotes to these preconceived notions of customer mitigation:

• Train the customer liaisons on the basic processes so they can easily understand the issues during customer discussion, or
• Create an escalation path that will include an internal subject expert during the mitigation process.

A case study illustrating the effective use of mitigation during the moment of truth can be found on page 13.

About the author: Janet Bautista Smith is the director of quality and continuous improvement of ProTrans. She has a bachelor of science degree in chemical engineering from the University of Santo Tomas, Philippines, and is an ASQ Certified Six Sigma Black Belt (CSSBB), Quality Auditor (CQA), Manager of Quality/Organizational Excellence (CMQ/OE), and Quality Engineer (CQE). Bautista Smith is the author of Auditing Beyond Compliance, published by ASQ.

FIGURE 1 Visual depiction – mitigation during the moment of truth

Mitigation effort acts as a wedge during the moment of truth to prevent a more severe consequence until a more permanent plan can be developed.

Customer Requirements

Customer satisfaction range

Customer dissatisfaction range

CASE STUDY—Illustrating the effective use of mitigation during the moment of truth

Customer Complaint

A major customer, ZZZ, contacted the logistics company responsible for the management of its supply chain freight to voice out a late delivery complaint. Customer ZZZ indicated that the paperwork attached on the freight was lost during the logistics company’s pick-up of the material from ZZZ supplier’s dock. The customer was very upset because the freight was held up in customs for a few days due to the missing paperwork, putting company ZZZ at a plant shutdown mode if not resolved immediately.

Action Taken

Instead of yielding to the tendency of automatically filing a corrective preventive action request (CPAR) to pass on the investigation burden to the internal CPAR team, the logistics company’s customer liaison performed a quick data mining:

- Contacted the internal CPAR team to verify if there are other similar scenarios with other customers and determine if any lessons learned can be applied
- Verified if there are other reported similar trends observed on other customers’ freight or if there are variables linked to this specific account causing the issue

With these few steps, the customer liaison learned that there had been internal reports and pictures previously sent to the customer indicating that the freight label coming from this particular customer-supplier is not industry-standard (i.e., not properly secured), similar to the image shown below.

Loose label can easily fall off during transit.

It was unfortunate that the customer accepted its supplier’s previous explanation that the issue was an isolated/one-time incident and did not take actions to address the concern; otherwise, this expensive delay would have been avoided.

This information was immediately shared with the customer through a quick telephone call and the customer understood that the true root cause of the failure (i.e., delay due to lost paperwork) was due to its supplier labeling non-compliance. From this scenario, action plans pertaining to the supplier’s paperwork relay were developed to prevent recurrence.

Lesson Learned

A simple mitigation step, in most cases, is a thousand times better and faster than automatically passing the burden of responding to customer inquiry via the CPAR investigation team. In most cases, mitigation may be easily accomplished since the customer liaison already has the communication platform with the customer. Exerting a few more minutes in data mining, such as quick telephone calls with the internal process owners, will save the CPAR investigation team hours of trying to put the pieces together to answer the customer concern.

Of course, a CPAR should still be generated to document concerns/actions, but the mitigation step can immediately address and influence the customer’s perception during that critical moment of truth.
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