HOW CAN YOU REDUCE RECALLS & IMPROVE PROCESSES?

TRANSFORM PRODUCT QUALITY TRUST WITH SGS SOLUTIONS

BE THE BENCHMARK

AUTOMOTIVE

WHEN YOU NEED TO BE SURE

SGS

THE CERTIFICATION & BUSINESS ENHANCEMENT SYSTEM

As the industry leader in Certification and regulatory standards, SGS has conducted 200,000+ audits, raising over 1 million data points across 39 major industries. This certification data clearly indicated the common pain points clients face. With this vast dataset, an opportunity was realized. How can we use the insights from this data, and combine that with our technical expertise to help our clients proactively solve business issues?

Utilizing our foundation of certification expertise and audit data we transformed our approach to include more digital analysis and operational applications. We evolved our service offering to include Business Enhancement solutions that focus on value added, continuous improvement for our clients.
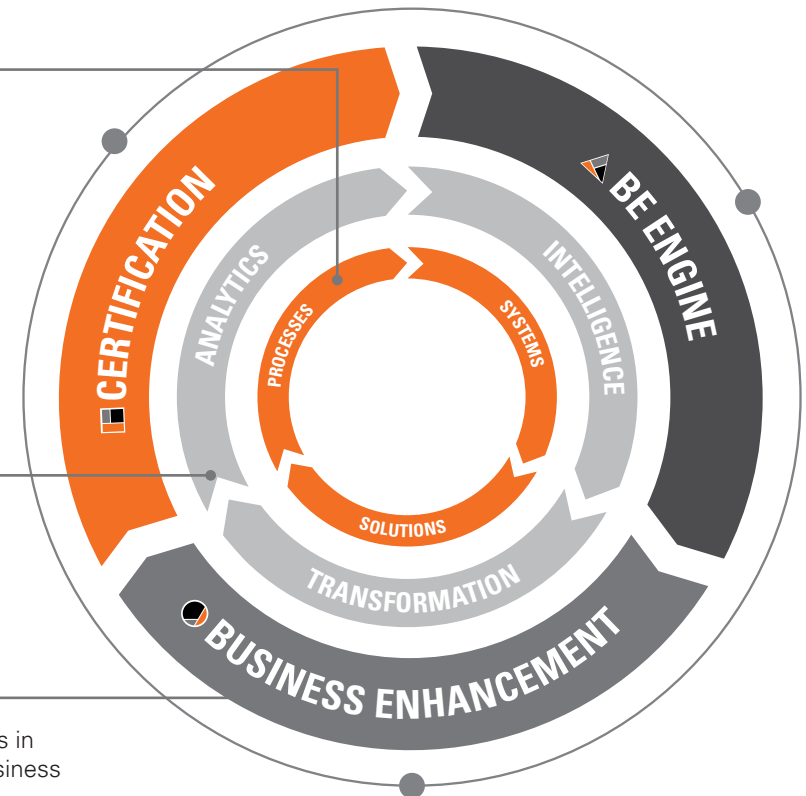
DRIVERS:

Data analysis designed to improve operational processes, implement effective management system, and drive business growth

TRANSFORMATION:

Using data from certification audit nonconformities to generate insights regarding pain points and potential risks

IMPLEMENTATION:

Integrating products and services in Certification, BE Engine, and Business Enhancement

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CBE SYSTEM ICONS

CERTIFICATION
The square indicates the foundation of our business, encompassing all Certification services. A stable and strong base for all our products and services.

BE ENGINE
The triangle signifies positive change which is an output of our BE Engine methodology and business intelligence tool.
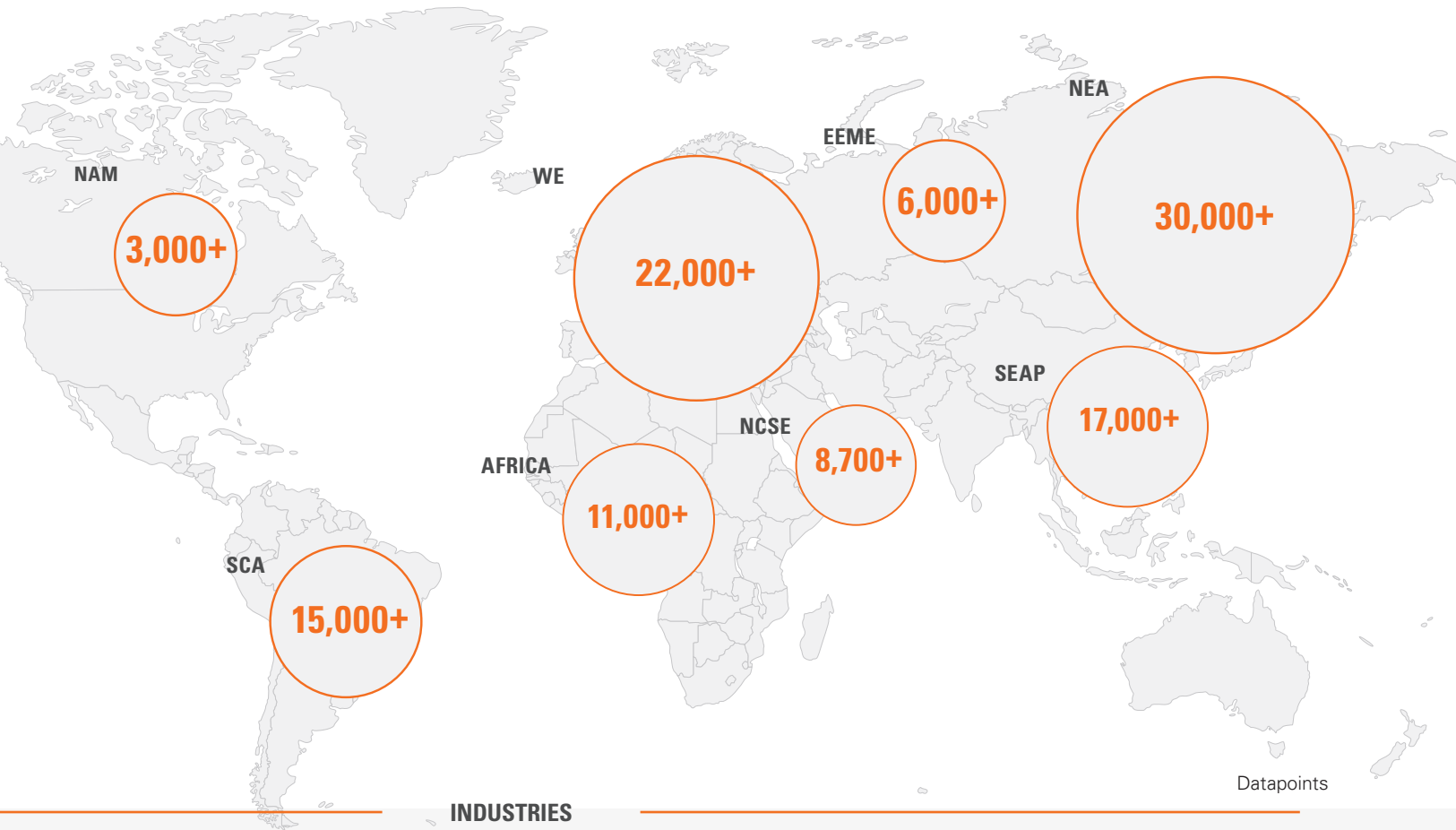
BUSINESS ENHANCEMENT
The circle signifies continous positive business enhancement our services will enable and activate.

THE SGS DIFFERENCE

With Certification and industry information relating to compliance, quality, environmental, and health and safety for over 200,000 customers, we hold millions of data points. These span 39 industries and all countries, giving us a unique perspective and expertise on various company risks.

1MIL+
OF AUDITS

89
COUNTRIES

200,000+
OF CUSTOMERS

2,600
OFFICES

94,000
OF EMPLOYEES

2MIL+
INVESTED IN LOCAL COMMUNITIES
WORLDWIDE (2019)

NAM **3,000+**

WE **22,000+**

EEME **6,000+**

NEA **30,000+**

NCSE **8,700+**

SEAP **17,000+**

AFRICA **11,000+**

SCA **15,000+**

Datapoints

INDUSTRIES

Agriculture and Food

Chemical

Construction

Consumer Goods & Retail

Energy

Industrial Manufacturing

Life Sciences

Mining

Oil & Gas

Public Sector

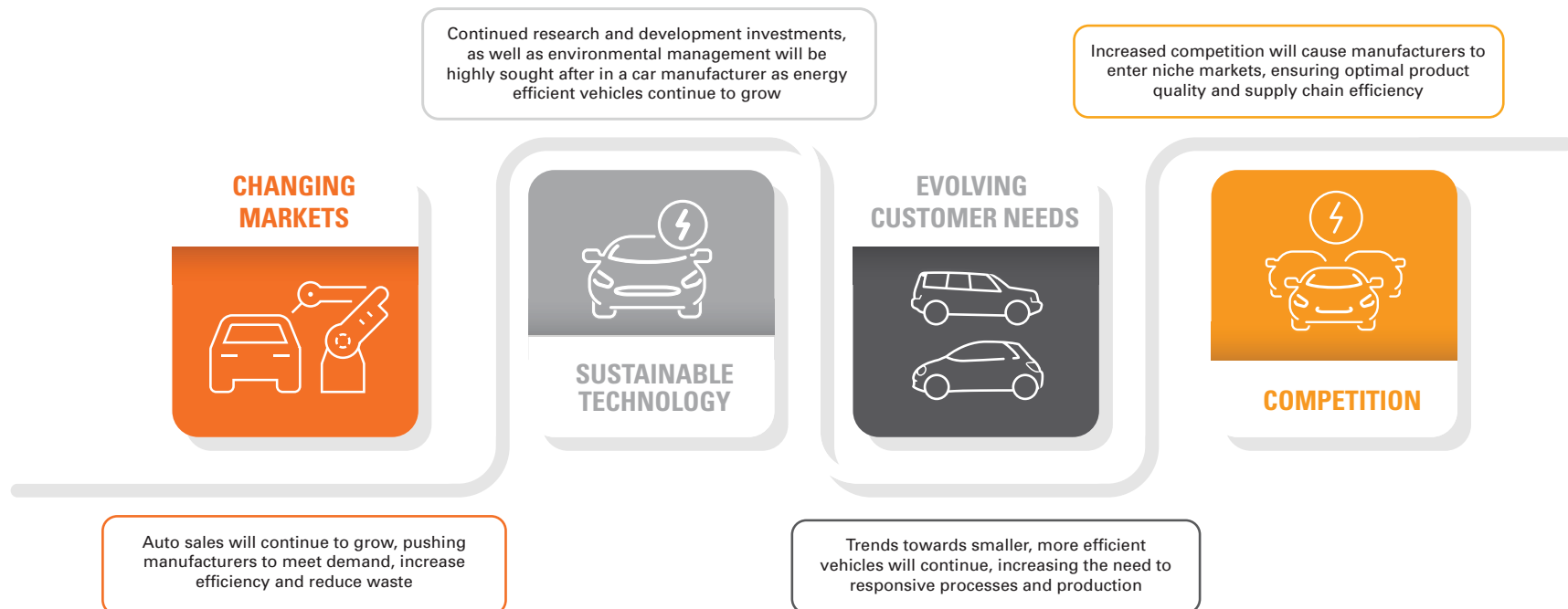Transportation

STATE OF THE INDUSTRY

The global automotive industry is facing several challenges. Manufacturers and suppliers need to find ways to respond effectively to increased competition, disruptive markets and technological advances. At the same time, consumers are seeking out new technologies, pushing organizations to be more innovative than ever. Global markets have also meant manufacturers need to contend with the increased complications that result from longer supply chains. These can include the regulatory requirements of different regions, demands for sustainability, trade policies, and so on.

PREPARING FOR THE FUTURE

To keep up with changing trends and customer needs, Automotive manufacturers should take action to proactively mitigate any potential business disruptions. By ensuring your organization is adaptable and lean, you will be able to allocate resources towards strategic growth initiatives and added value investments.

SGS has decades of experience in partnering with Auto manufacturers to deliver effective, performance based services. Our data centric approach allows us to identify our client's specific needs, enabling us to develop and deliver customized solutions including certification, training, 2nd party audits, supply chain mapping and technical consulting.

EXTERNAL FACTORS IMPACTING THE INDUSTRY

Continued research and development investments, as well as environmental management will be highly sought after in a car manufacturer as energy efficient vehicles continue to grow

Increased competition will cause manufacturers to enter niche markets, ensuring optimal product quality and supply chain efficiency

CHANGING MARKETS

SUSTAINABLE TECHNOLOGY

EVOLVING CUSTOMER NEEDS

COMPETITION

Auto sales will continue to grow, pushing manufacturers to meet demand, increase efficiency and reduce waste

Trends towards smaller, more efficient vehicles will continue, increasing the need to responsive processes and production

LINKING INDUSTRY PAIN POINTS TO BUSINESS IMPACT

To gain a holistic understanding of the potential risks within the Automotive industry, SGS has developed a methodology that utilizes our compliance data to identify the industry's top pain points and business impact events. This analysis was based on the data collected from IATF 16949, the top standard for Quality Management Systems for Automotive manufacturers.
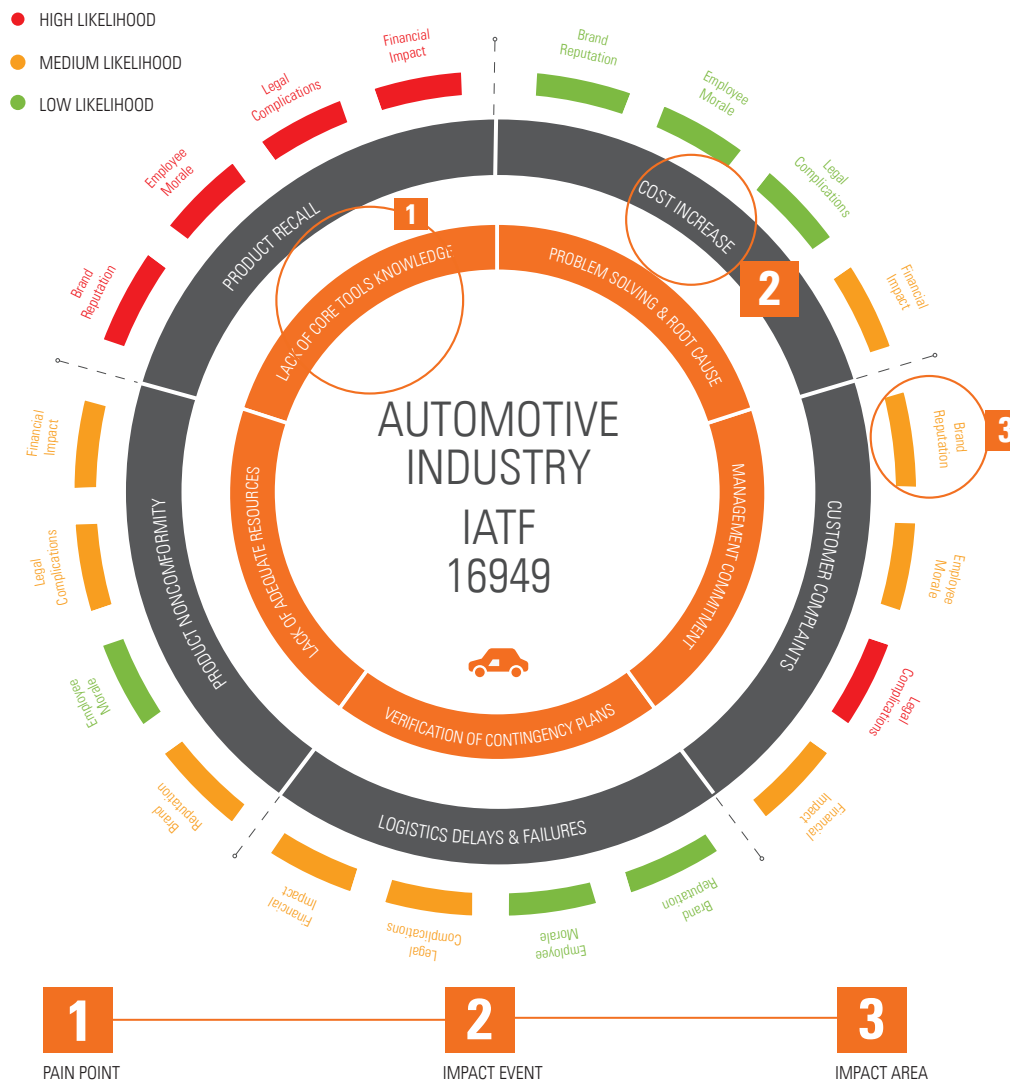
The graphic on the right highlights this process by identifying:

- Top industry pain points
- Impact events most likely to occur
- Impact areas with the highest business risk

KEY INDUSTRY FINDINGS

Our analysis indicates that the events with the highest risk revolved around product quality and customer satisfaction, including:

- Product Recall
- Product Nonconformity
- Customer Complaints
- Cost Increases
- Logistics Delays

Legend:
- HIGH LIKELIHOOD
- MEDIUM LIKELIHOOD
- LOW LIKELIHOOD

AUTOMOTIVE INDUSTRY IATF 16949

1 — PAIN POINT
2 — IMPACT EVENT
3 — IMPACT AREA

IATF 16949 DATA SPECIFICATIONS

42,000 DATA POINTS | **6,000 CERTIFICATES ISSUED**
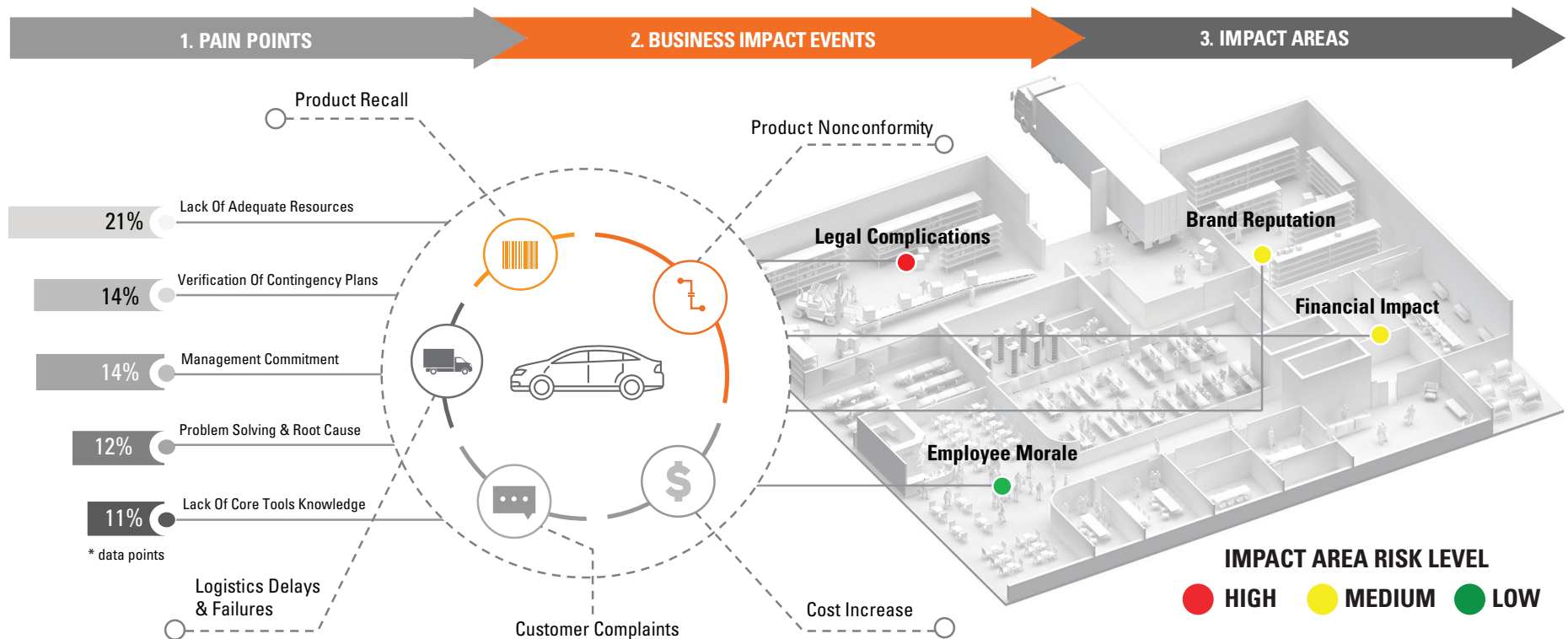
WHAT ARE THE INDUSTRY PAIN POINTS?

With our Automotive industry analysis, SGS is able to find trends in our client's data points and detect threats and areas of improvement. Each standard clause and their corresponding data points were reviewed, allowing us to discover the top pain point areas an Automotive manufacturer might face.

Our methodology identifies the top five industry pain points based on the number of occurrences within our data set. Our technical and industry experts then map each pain point to the most likely event that can negatively affect operations, which we refer to as impact events. These events allow us to identify the risk level of the four main impact areas of an organization. The graphic below showcases this process for the Automotive industry and identifies Legal Conciliations as the highest risk factor.

IATF 16949 DATA SPECIFICATIONS

42,000 DATA POINTS

6,000 CERTIFICATES ISSUED

1. PAIN POINTS   **2. BUSINESS IMPACT EVENTS**   **3. IMPACT AREAS**

Product Recall

21% — Lack Of Adequate Resources

14% — Verification Of Contingency Plans

14% — Management Commitment

12% — Problem Solving & Root Cause

11% — Lack Of Core Tools Knowledge

* data points

Logistics Delays & Failures

Customer Complaints

Product Nonconformity

Cost Increase

Legal Complications

Brand Reputation

Financial Impact

Employee Morale

IMPACT AREA RISK LEVEL
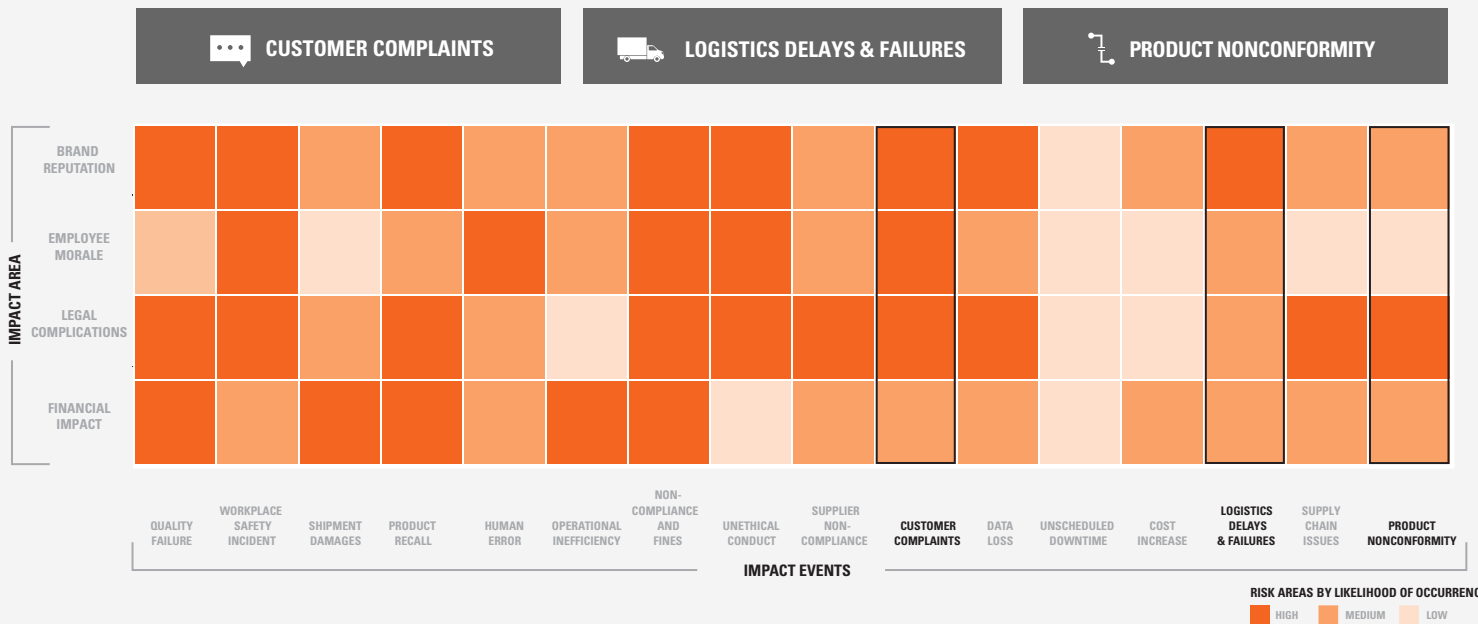
🔴 HIGH   🟡 MEDIUM   🟢 LOW

LINKING IMPACT EVENTS TO BUSINESS RISK

Our analysis has identified Customer Complaints, Logistics Delays & Failures, and Product Nonconformity as the impact events most likely to occur. The heat map below highlights these three events and allows us to see how they all impact each of the four impact areas. Brand Reputation and Legal Complications are most at risk if these three impact events occur.

IMPACT EVENTS MOST LIKELY TO OCCUR

CUSTOMER COMPLAINTS · LOGISTICS DELAYS & FAILURES · PRODUCT NONCONFORMITY

IMPACT AREA: BRAND REPUTATION · EMPLOYEE MORALE · LEGAL COMPLICATIONS · FINANCIAL IMPACT

IMPACT EVENTS: QUALITY FAILURE · WORKPLACE SAFETY INCIDENT · SHIPMENT DAMAGES · PRODUCT RECALL · HUMAN ERROR · OPERATIONAL INEFFICIENCY · NON-COMPLIANCE AND FINES · UNETHICAL CONDUCT · SUPPLIER NON-COMPLIANCE · CUSTOMER COMPLAINTS · DATA LOSS · UNSCHEDULED DOWNTIME · COST INCREASE · LOGISTICS DELAYS & FAILURES · SUPPLY CHAIN ISSUES · PRODUCT NONCONFORMITY

RISK AREAS BY LIKELIHOOD OF OCCURRENCE: HIGH · MEDIUM · LOW

1. Understand the industry landscape by seeing how key areas of your business are impacted by the identified events.

2. Identify the top three events based on # of occurrences and see how they rate (low, medium, high) against the 4 impact areas.

3. The dark orange boxes showcase the area most likely to be affected by these events.

IATF 16949:2016 AUTOMOTIVE QUALITY MANAGEMENT SYSTEM

The International Automotive Task Force (IATF), which helps the global automotive industry to develop quality products, released the first edition of IATF 16949 in October 2016. Setting the standard for an enhanced quality management system (QMS) in the automotive sector.

IATF 16949 focuses on QMS requirements for organizations involved with automotive production, services or accessories. The updated international standard provides comprehensive and applicable customer-specific requirements and tools for the automotive industry. It is congruent with ISO 9001 in terms of framework, structure and requirements.

BENEFITS OF IATF 16949 CERTIFICATION

IATF 16949 certification will help your organization to ensure:

Product Quality

Waste Reduction

Defect Prevention

YOUR STEPS TO CERTIFICATION

DOCUMENTATION REVIEW AUDIT

ON-SITE AUDIT

CLOSING THE GAP

CERTIFICATION ISSUANCE

SURVEILLANCE AUDITS

HOW SGS CAN HELP

TRAINING

PRE AUDIT

CERTIFICATION AUDIT

REFERENCE MATERIALS

SGS ACADEMY TRAINING COURSES

SGS has the capabilities in place to deliver consistent, effective, and high-quality training for the Automotive industry.

IATF 16949:2016 AUTOMOTIVE QUALITY MANAGEMENT SYSTEMS LEAD AUDITOR TRAINING COURSE

The course consists of three modules. To complete the course and satisfy the IATF standard clauses 7.2.3 and 7.2.4, 100% attendance of all three modules and successful completion of the tests in modules two and three is required.

COURSE DETAILS / Duration: 5 days / Accreditation: SGS

IATF 16949:2016 AUTOMOTIVE QUALITY MANAGEMENT SYSTEMS CORE TOOLS TRAINING COURSE

Build your knowledge of automotive quality core tools. This course is aligned with other SGS Training Product offerings to support IATF 16949:2016 and is delivered by a competent tutor meeting the IATF 7.2.3 and 7.2.4 standard requirements.

COURSE DETAILS / Duration: 2 days

IATF 16949:2016 AUTOMOTIVE QUALITY MANAGEMENT SYSTEMS INTRODUCTION TRAINING COURSE

Our training course provides you with an introduction to the IATF 16949:2016 standard and requirements. Topics covered include an overview and history of IATF 16949:2016, structure of IATF 16949:2016, introduction to customer specific requirements and the automotive process approach.

COURSE DETAILS / Duration: 1 day / eLearning: 1 hour

ADVANCED PRODUCT QUALITY PLANNING (APQP) 2ND EDITION EXECUTIVE SEMINAR

Advanced Product Quality Planning (APQP) is a framework of linked procedures used for product development. This training provides participants with in-depth knowledge compatible with the AIAG APQP Reference Manual, 2nd Edition. The training also details the practical application of core quality support tools used for proper APQP implementation, including PPAP.

COURSE DETAILS / Duration: 3 hours

IATF 16949:2016 AUTOMOTIVE QUALITY MANAGEMENT SYSTEMS INTERNAL TRAINING COURSE

This course is designed for anyone that has a working knowledge of quality systems within the automotive sector. The course will provide a useful introduction for anyone involved in the development, implementation, auditing and/or management of an organization's quality management system to IATF 16949:2016

COURSE DETAILS / Duration: 1 day / Accreditation: SGS

AIAG-VDA FMEA HANDBOOK TRAINING COURSE

This course provides in-depth knowledge to support those implementing the new AIAG/VDA FMEA Handbook. This course covers planning and preparation, structure and analysis, function analysis, failure analysis, risk analysis, optimization and results documentation.

COURSE DETAILS / Duration: 1 day / Accreditation: SGS

CONTACT SGS

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WWW.SGS.COM

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