Now is the Time to Evaluate Your Quality Management System

July 14, 2022

Today's Panel

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Product Manager, Strategic

Mike Peroni

Director, Strategic Business Development, ETQ

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Zoom Event: How to Participate

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  - You have the options to set microphone and speakers, test them, adjust volume or switch to phone audio
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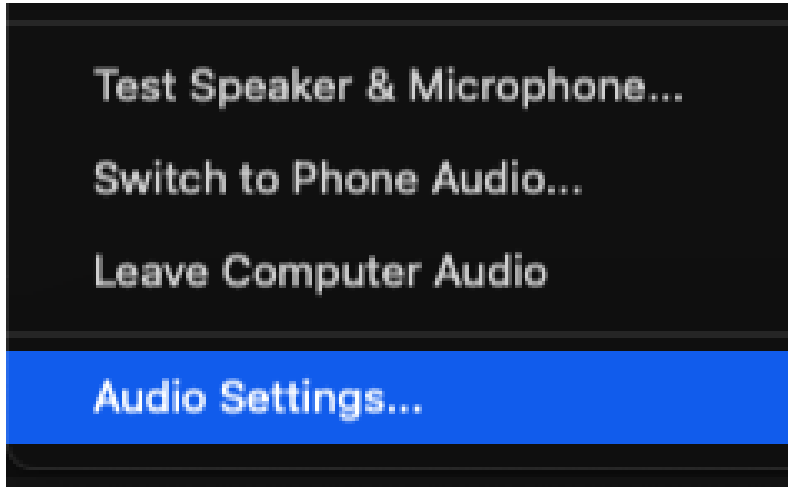

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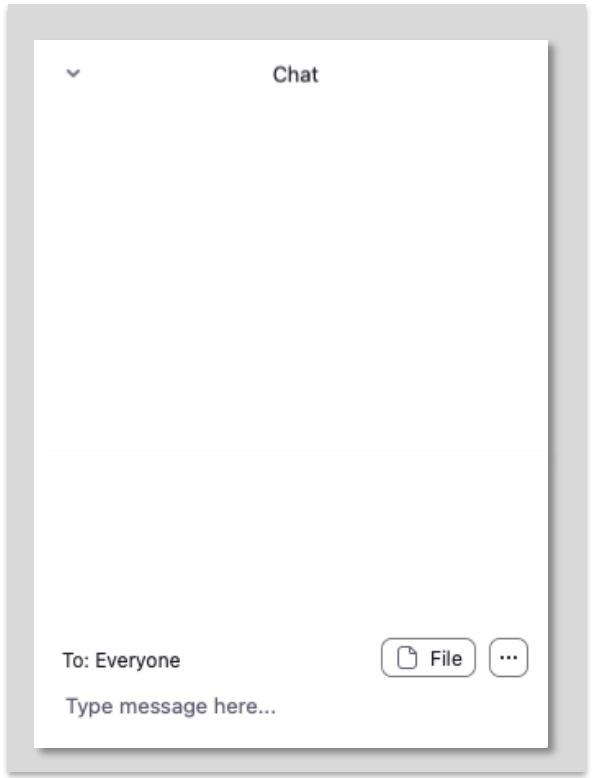
Zoom Event: Q&A



- Submit your questions & comments using the Chat panel at any time during the webinar

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About us:

- Established: 1992
- Employees: 115+
- Locations: USA (5), Ireland, UK
  India, Thailand
- Customers: 1200+ Companies
  - 750+ full implementations
  - 400+ life science customers
  - 150+ reached exit strategy
- Products
  - QAD Adaptive ERP
  - Quality Management Systems
  - ERP Integration Adaptors & Extensions
  - FDA Validation Toolkits/Protocols
- Services
  - Implementations
  - Integrations
  - Upgrades
  - Managed Services (QAD and EDI)
  - QAD Help Desk (helpSERV)
  - Staff Augmentation

Strategic
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Why Strategic and ETQ

- Strategic specializes in helping small manufacturers grow exponentially, and larger manufacturers gain efficiencies in their operations. Streamlining and optimizing core processes and rapidly adapting in response to business changes are critical.
- Strategic's expertise in Quality and System Integration ensure success in your quality initiatives and provide integration between your QAD ERP and QMS.
- ETQ's four-phased approach to your Quality Journey has helped many of our customers transform their business by harmonizing processes from Quality to ERP and achieve documented ROI as a result.

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Agenda

- Why Quality is More Important than Ever
- The Quality Journey
- ETQ, Next Generation Quality Management
- Quality Management System Value
- Benefits of Connected Quality

Today's quality environment is increasingly complex

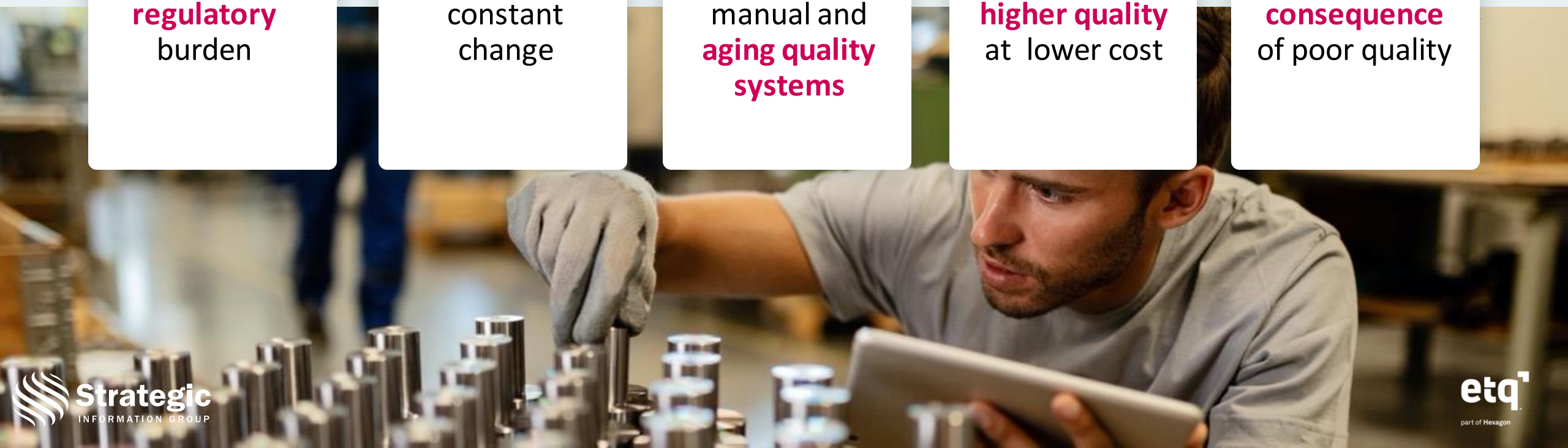
Massive and **growing regulatory** burden

Heavy **business complexity** and constant change

Patchwork collection of manual and **aging quality systems**

Unrelenting **demand for higher quality** at lower cost

Immediate & **severe public consequence** of poor quality



Implications across the entire product lifecycle

Product design

Design quality into the product at the outset

Supply chain

Ensure receipt of high-quality goods from suppliers

Manufacturing

Manage quality during the manufacturing & assembly process

Logistics

Ensure delivery of high quality goods to distributors & customers

Sales

Sell the product at its best

Customer usage

Gather feedback on quality & performance

To win in this environment, quality professionals need critical capabilities

- Start with best practices, comply with standards, and optimize core quality processes
- Enhance practices to create competitive differentiation
- Rapidly adapt quality processes in response to business changes

QUALITY CHALLENGES

Do any of these challenges sound familiar?

Inconsistent processes **reduce productivity**

Disconnected systems duplicate work and limit reporting

Lack of issue resolution increases waste & scrap

Limited visibility into Supplier quality adds risk

Audit preparation **wastes time**

Product defects cause **high field failure costs**

Lack of process harmonization constrains improvement

Ongoing challenges are **difficult to respond in a timely way**

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etq part of Hexagon

ETQ RELIANCE NXG

Quality is a journey. Each step creates return, funding future investment

Compliance, more efficient operations, process automation, transformation

IGNITE

ACCELERATE

EXPAND

TRANSFORM

SOLUTIONS

- Document Control
- Training Management
- Audits Management
- Corrective Action
- Change Management
- Suppliers & Materials
- ETQ Insights

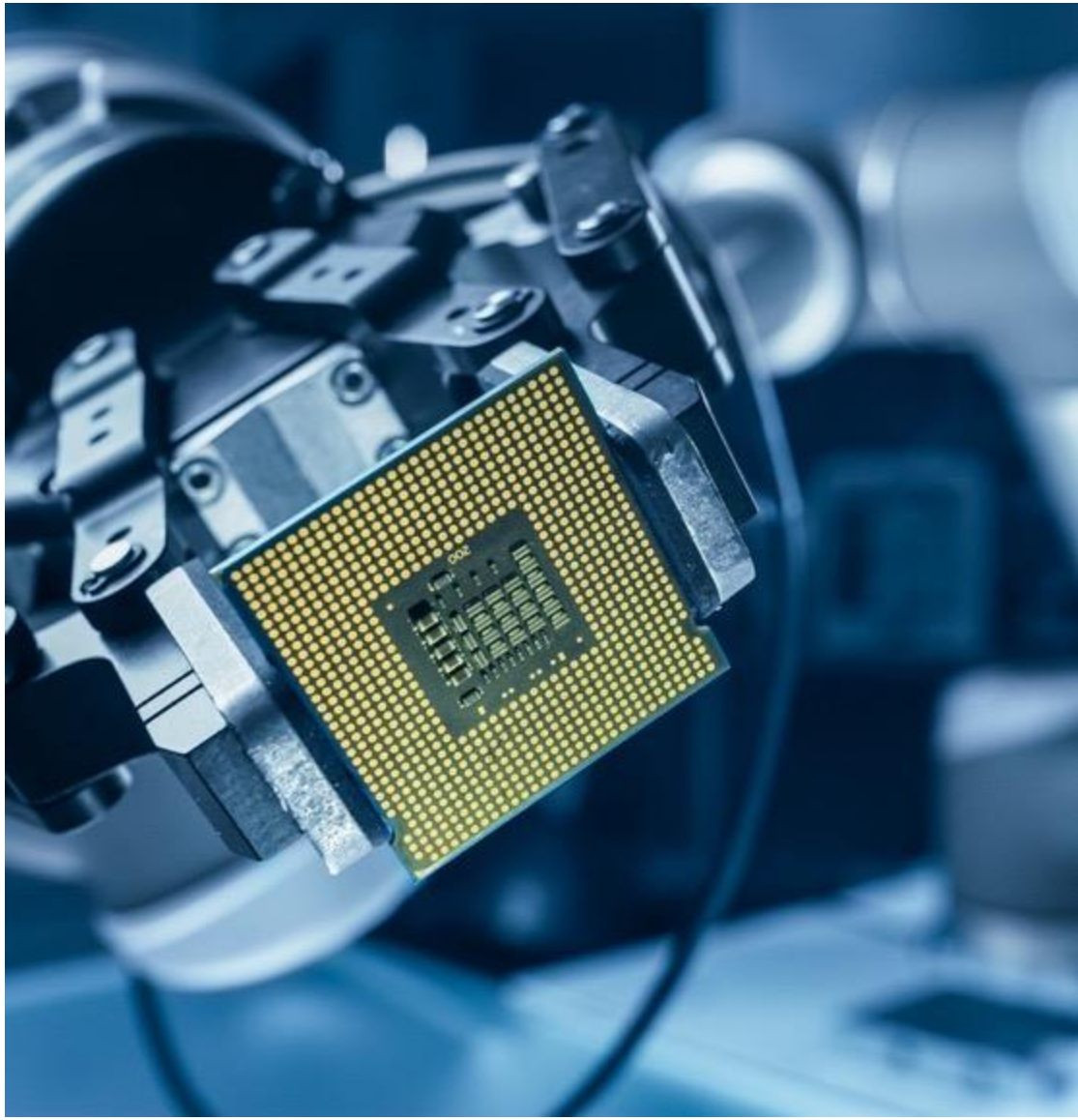
- Nonconformance Handling
- Integrate with ERP
- Complaints Management (integrate with CRM)
- Customer Feedback (integrate with CRM)
- New Product Introduction (integrate with PLM, xFMEA)
- Risk Register
- Lab Investigation

- Supply Chain Quality
- Health and Safety
- Environmental Management
- Connected Quality - Integrate with MES, LIMS

- Enterprise Risk Management
- Integration with IIOT
- Harmonized, global transformation

We Believe

that competitive advantage grows when companies take a differentiated and agile approach to quality management.



WHY ETQ

ETQ, part of Hexagon, is dedicated to creating competitive advantage through quality

MARKET-LEADING PRODUCT

ETQ is the world's most flexible, scalable and easy to use **cloud-native QMS software** with a broad app portfolio

CROSS-INDUSTRY EXPERTISE

30 years of deep expertise from dozens of industries and over 700,000 global users at varying levels of complexity

SUPERIOR CUSTOMER EXPERIENCE

A customer experience that provides all the support and resources you need for success

MANY OF THE WORLD'S TOP BRANDS CHOOSE ETQ

Reliance assures quality outcomes across multiple industries

DISCRETE MANUFACTURING

United Technologies, CAT, GM, EMERSON, FLOWSERVE, RIVIAN, TRANE TECHNOLOGIES, KAISER ALUMINUM, Wabtec CORPORATION, VELCRO

FOOD & BEVERAGE

Coca-Cola, MARS, Boar's Head, SUBWAY, plenty, المراعي Almarai, Simplot, DANONE, Chick-fil-A, Lindt MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

CONSUMER GOODS

Kimberly-Clark, Amway, L'ORÉAL, purple, StanleyBlack&Decker, Owlet, 1-800-flowers.com

ELECTRONICS & TECHNOLOGY

ARROW ELECTRONICS, INC., NVIDIA, JABIL, HITACHI, Panasonic, skywater, Cabot Microelectronics, L3 Technologies, AMD, ARISTOCRAT

SERVICES

SGS, BUREAU VERITAS, CBRE, ETS, Listening. Learning. Leading., VALCOR, GATX, AECOM, TÜV

MEDICAL DEVICES

VARIAN medical systems, Omnicare, Abbott A Promise for Life, FUJIFILM, ZIMMER BIOMET, Johnson & Johnson, AVANOS, TERUMO

PHARMACEUTICAL/ BIOTECH

Jazz Pharmaceuticals, Celgene, COSMO, Mass General Brigham, Adaptive, HUVEPHARMA, IPSEN, Promega, ORGANON, eurofins

PROCESS MANUFACTURING

DUPONT, ARCONIC, AXALTA, RUST-OLEUM, ECOLAB, IFF International Flavors & Fragrances, PolyOne, syngenta, Chemours, Nutrien

ETQ customer reviews

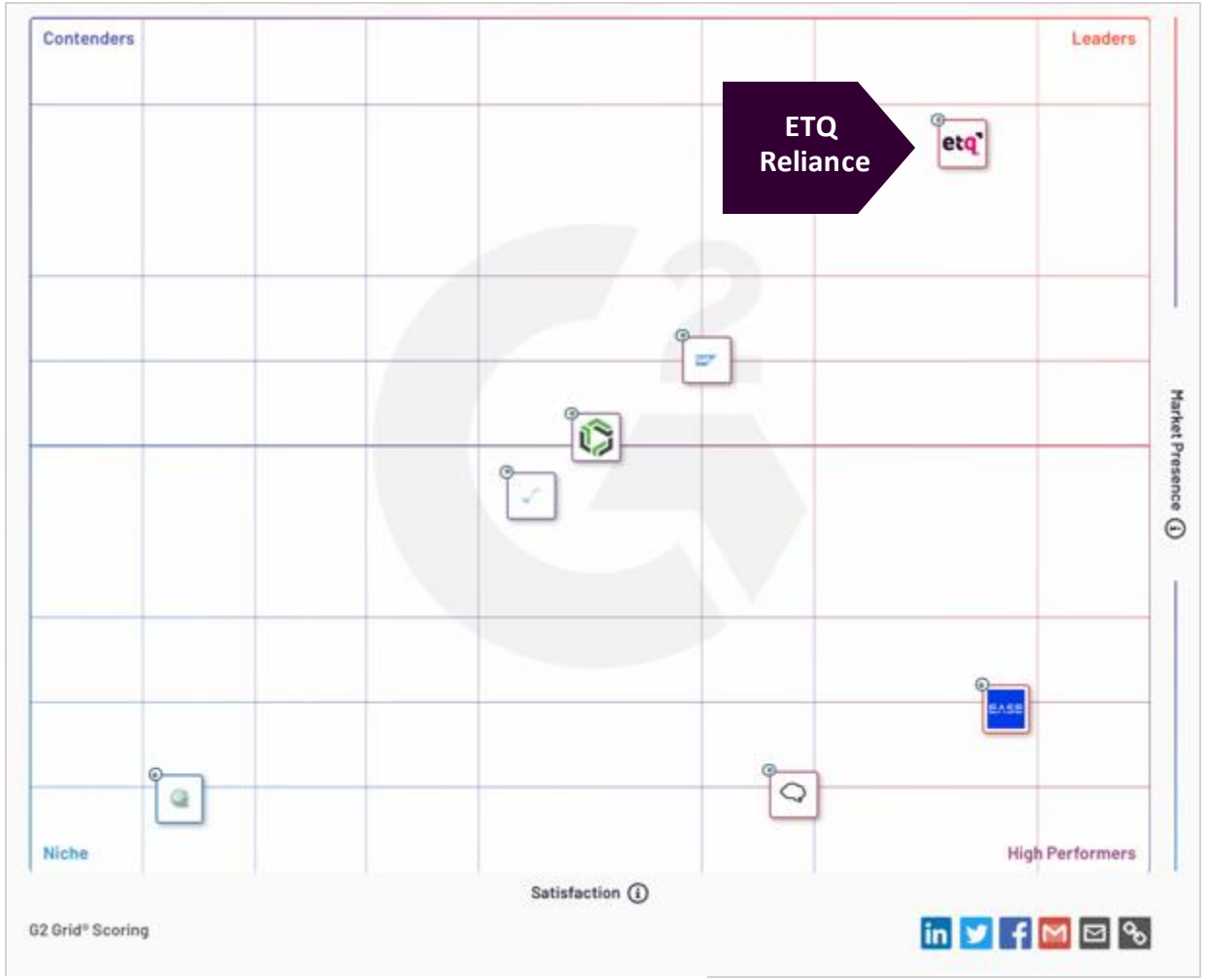
"POLARIS has seen a significant increase in key KPIs including a 50% reduction in CAPA resolution time and a 40% reduction in document revision release time."

J.D. Pickett, Manager of Quality and Operational Excellence, POLARIS

"Greater customer satisfaction is truly the goal of Herman Miller's strategic thrust, and ETQ is the backbone of that strategic thrust."

Sue Little, Quality Manager
Herman Miller

G2 Grid for Quality Management (QMS)



Source: G2Crowd.com January 2022

ETQ Reliance is built for this purpose

ETQ Reliance is the quality management system that has the application breadth to address broad business requirements combined with the limitless flexibility that quality professionals need – all in the cloud.

ETQ Reliance uniquely combines a broad portfolio of quality applications with market-leading flexibility – all delivered in a cloud environment

42 *built on* **1** *delivered in*

Ready-to-use applications in 8 application sets

Broad application portfolio across the entire product lifecycle

An agile platform

Highly flexible platform designed for business users backed by the industry's most advanced analytics

Cloud-Native SaaS

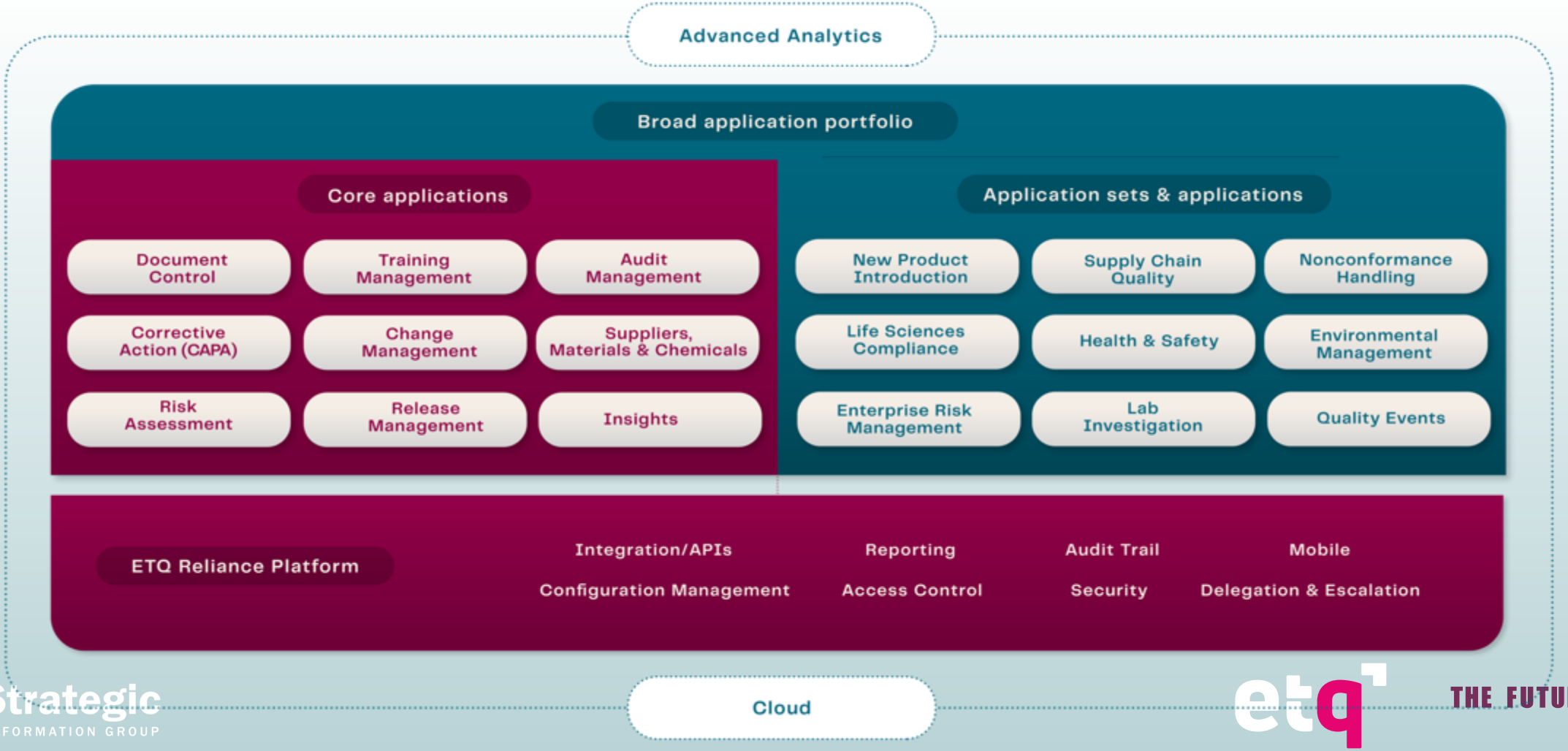
The industry's most scalable QMS with the security, flexibility and IT management power only available in a leading-edge cloud solution

Supporting industry standards ISO 9001: 2015 and ISO 27001 certified

Use out of the box or configure with drag and drop ease

Integrates with other enterprise applications (ERP, MES)

ETQ Reliance Application sets and applications, powered by an agile platform



ETQ RELIANCE NXG PILLARS

The Next Generation QMS

USABILITY

Lightning fast and actionable information discovery that anticipates user needs

FLEXIBILITY

Break down the barriers that limit collaboration and innovate at the speed of business change

VISIBILITY

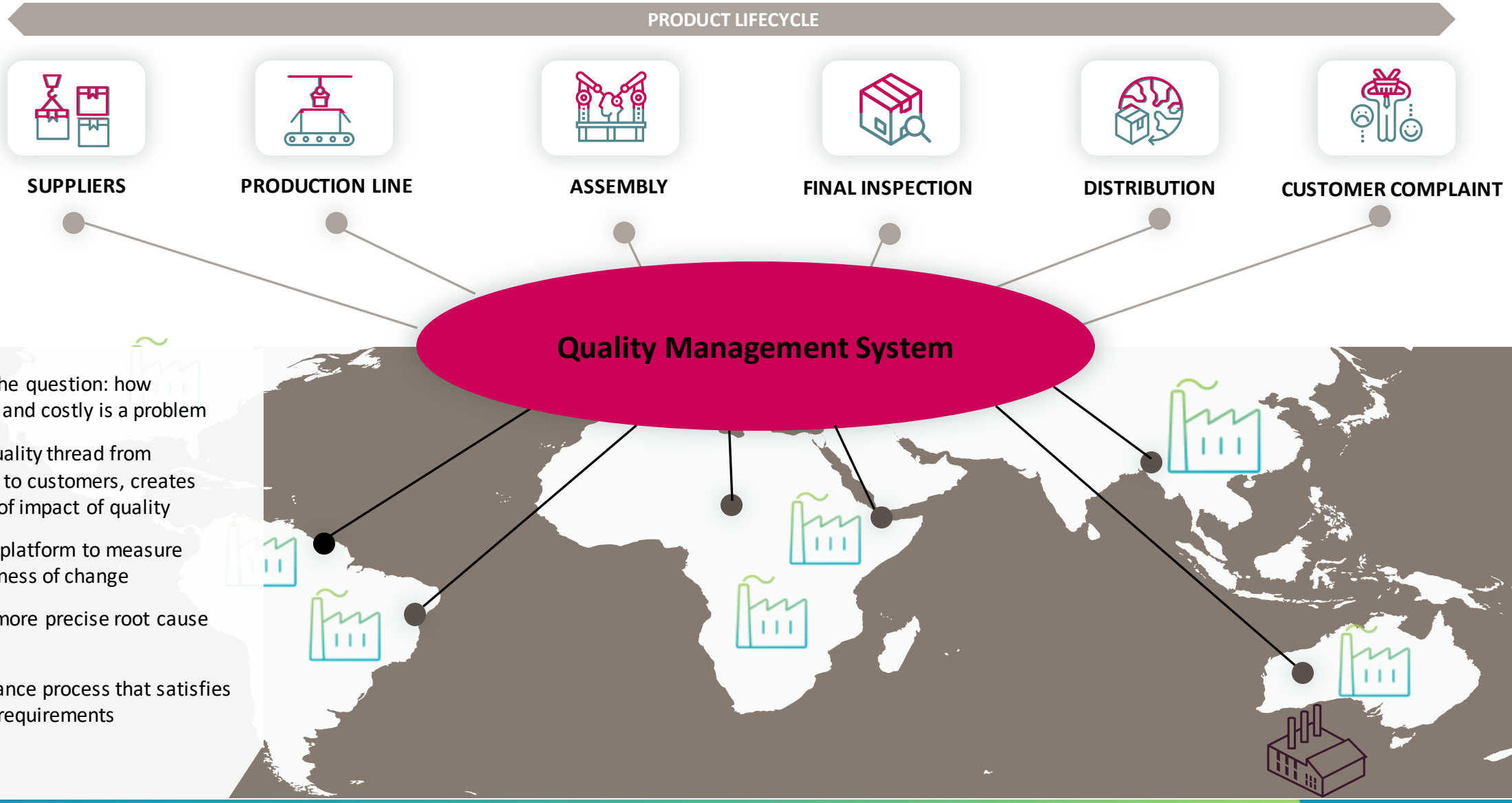
Infuse quality with advanced analytics and empower users to take informed action

SCALABILITY

Tap into the limitless power of Cloud Technology – supercharge your quality processes and make them right for you

BUILDING-BLOCKS FOR NEXT GENERATION QUALITY

A holistic view of the source of quality issues



- Answer the question: how common and costly is a problem
- Digital quality thread from suppliers to customers, creates visibility of impact of quality
- Provides platform to measure effectiveness of change
- Enables more precise root cause analysis
- 1 compliance process that satisfies multiple requirements

Quality Management

reduces costs, creates visibility

$10-12M
In **productivity gains** over 9 years

$3M
Annual **reduction in cost of quality** programs

25%
Fewer unit defects

Wabtec CORPORATION

THE FUTURE IN FOCUS

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Connected Quality

integrating quality control with QMS leads to new insights, productivity gains, and cost reductions

- Improved on-time delivery
- Better rework decisions
- Reduce retooling costs
- Automate quality processes

THE FUTURE IN FOCUS

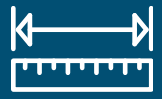
Critical Path to Achieving Digital Transformation

Quality Management

Quality Control

a system to maintaining standards in manufactured products by confirming samples meets spec.

Specifications



Measure

Statistical Analysis

Identify Problems

Critical Path to Achieving Digital Transformation

Quality Management

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a system to maintaining standards in manufactured products by confirming samples meets spec.

- Specifications
- Measure
- Statistical Analysis
- Identify Problems

Quality Management System (QMS)

- ***Automated, Interconnected*** *best-practice workflow*
- *Rapid* ***resolution*** *and* ***prevention*** *of quality events*
- *Formal, data-backed,* ***decision-making*** *process*
- ***Continuous improvement*** *prioritization and impact*
- ***Compliance***

HOLISTIC AND INTEGRATED QUALITY MANAGEMENT OPERATIONS

Critical Path to Achieving Digital Transformation

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- ***Compliance***

Inspection
Customer Complaints
Training
PPAP
Analytics
Nonconformance
Corrective Action
Documents
FMEA
Suppliers

Path Autonomous Manufacturing

Automate Quality Processes
Leverage quality data
Connect processes
Automate Decision-making

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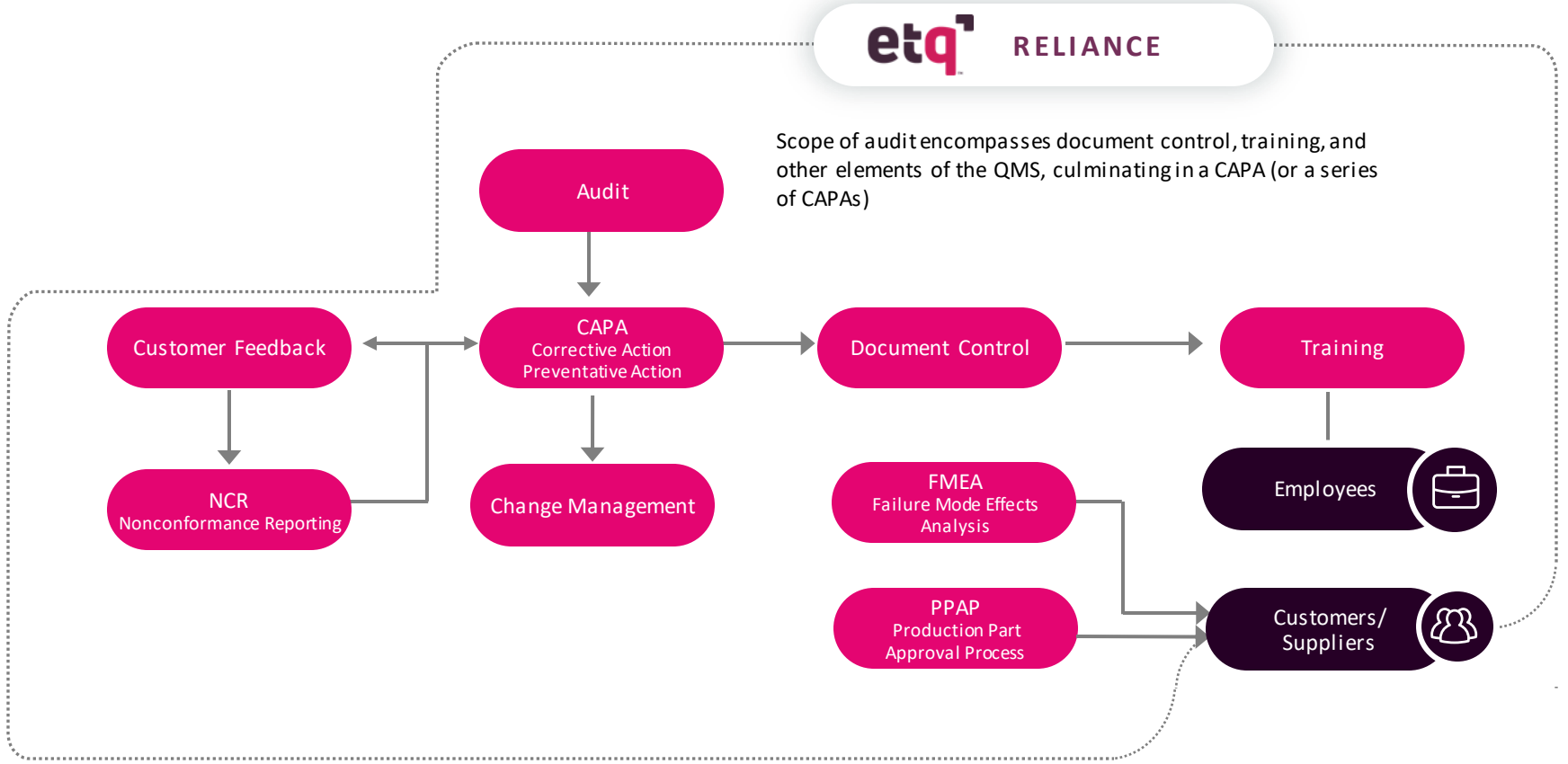
THE FUTURE IN FOCUS

An increasingly more common and visible digital transformation initiative



An increasingly more common and visible digital transformation initiative

PRODUCT LIFECYCLE

Customers

Manufacturer Call Center

salesforce

CRM

etq RELIANCE

Scope of audit encompasses document control, training, and other elements of the QMS, culminating in a CAPA (or a series of CAPAs)

Audit

Customer Feedback

CAPA
Corrective Action
Preventative Action

Document Control

Training

Employees

SPC

Alarm

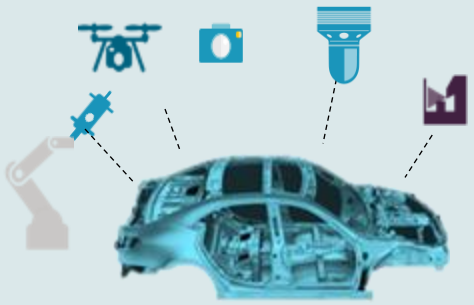
NCR
Non-conformance Reporting

Change Management

FMEA
Failure Mode Effects Analysis

PPAP
Production Part Approval Process

Customers/ Suppliers



Nonconformance identified internally on the production line

HEXAGON

An increasingly more common and visible digital transformation initiative

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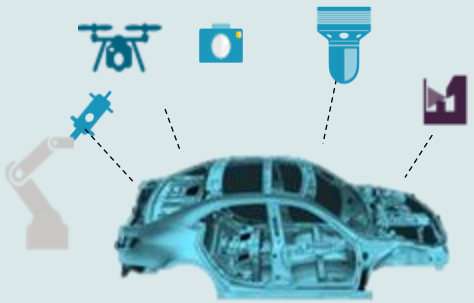


Nonconformance identified internally on the production line

HEXAGON

SPC

Alarm

NCR
Nonconformance Reporting

Change Management

FMEA
Failure Mode Effects Analysis

Employees

Disposition
DMR
PO Mngmnt
Inventory Mngmnt

Inspection Plans
Control Plans
Operator Readiness

PPAP
Production Part Approval Process

Customers/ Suppliers

QAD ERP

MES

PLM

YOUR QMS RETURN ON INVESTMENT

Quality Management System Value

REDUCE RISK OF NON-COMPLIANCE

Save time spent on:

- Planning and executing audits
- Supporting external audits

- Reduce number of audit findings

20% REDUCTION in time spent planning and reporting audits

50% REDUCTION in time spent supporting external audits

50% REDUCTION in number of audit findings

STREAMLINE OPERATIONS

Reduce time spent on:

- Document revisions and approval
- Nonconforming materials instances
- Customer complaints
- Receiving and inspecting incoming supplier deliveries
- Supplier corrective actions

10% REDUCTION in time spent on document review and approval

20% REDUCTION in time spent managing non-conforming materials instance

30% REDUCTION in time spent managing customer complaints

15% REDUCTION in time spent managing supplier deliveries

20% REDUCTION in time spent managing supplier corrective action

REDUCE COSTS

Reduce costs from:

- Scrapping/ reworking through more efficient operations
- Field failure costs with fewer product defects
- IT by consolidating systems
- Inventory carrying costs

3% REDUCTION in scrap costs

10% REDUCTION in field failure costs

25% REDUCTION in IT costs

0.75% REDUCTION in inventory carrying costs

GROW/ PROTECT REVENUE

- Increase customer satisfaction and brand loyalty with higher quality products
- Reduce new product development timeline and bring new products with new revenue streams to market faster

1% INCREASE in revenue

40% REDUCTION in new product development timeline

CUSTOMER EXAMPLES

ETQ supports a broad spectrum of customers and quality maturity levels

ATTABOTICS

- **$70M+** venture-backed robotic fulfillment automation technology company
- Required a rapid deployment to meet compliance obligations
- Went live in three weeks with ETQ Reliance nonconformance handling

Celestica™

- **$7B** multinational electronics manufacturing company
- Business model built on leveraging variable workforce
- Leverage robust integration between document control, training, and factory floor equipment
- Ensures real-time compliance to procedures & work instructions

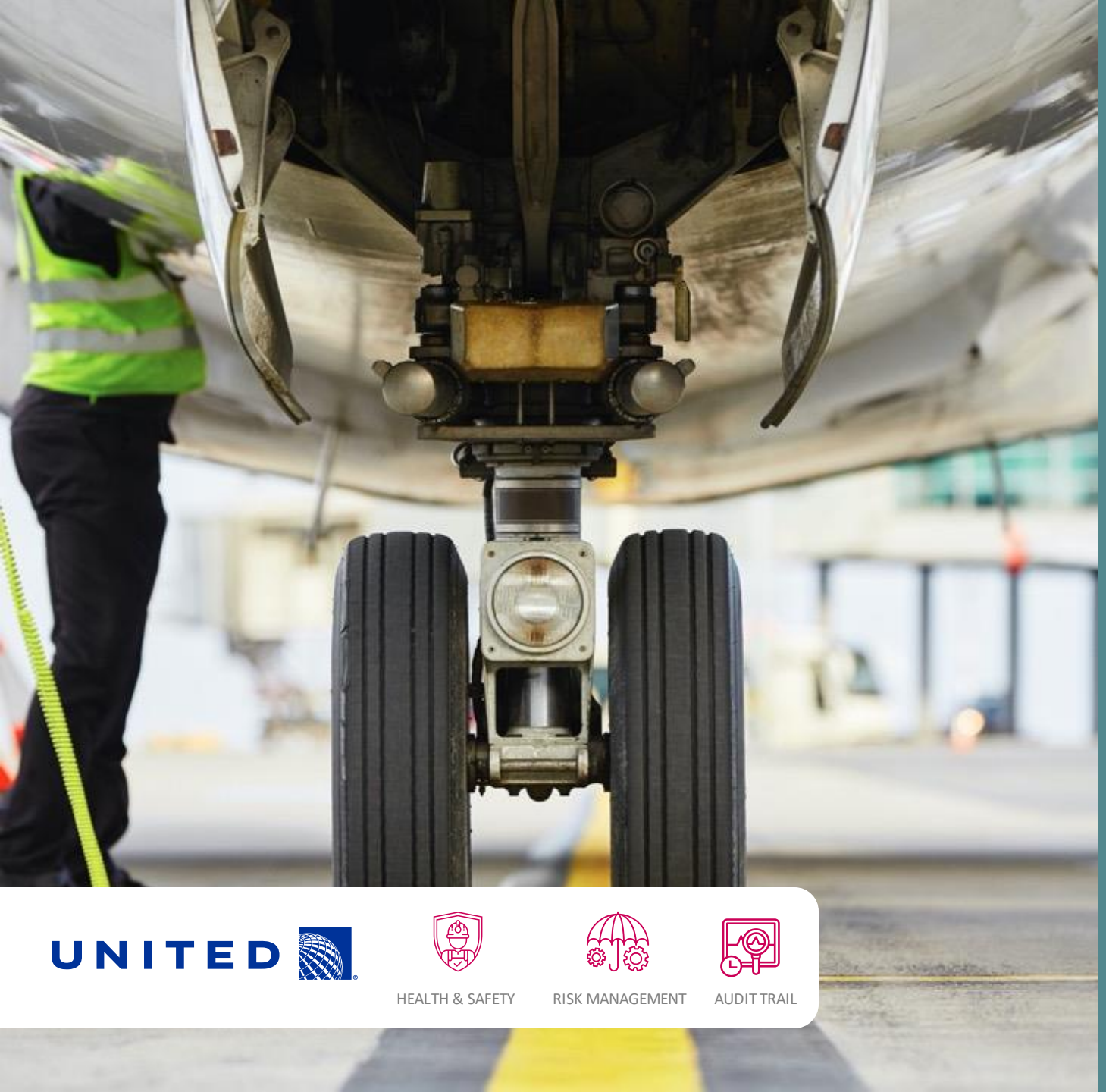
Kimberly-Clark

- **$18B** multinational personal care corporation
- Quality, health, and safety capabilities spread across 700 disparate systems
- Used ETQ Reliance to harmonize into one QMS system
- Used ETQ Reliance to deploy a unique Supplier Contract Management solution to thousands of global suppliers

EARLY STAGE & MATURITY

INCREASING SCALE & MATURITY

LARGE SCALE & ADVANCED MATURITY



United Airlines pairs Machine Learning with Reliance

24/7 operations remain uninterrupted by ML integration with Reliance Safety Management

- 1,000 of unnecessary work hours saved
- Future damage prevention estimated at $120,000 per event
- *"At all United airports, the improved safety briefings on significant safety events happening even half a world away allowed us to beat our target goal and improve (safety management) 12% over the prior year."* - Rob Daniel, Sr. Mgr. Predictive Data, United Airlines

THE FUTURE IN FOCUS

RIVIAN

DOCUMENT CONTROL

CALIBRATION

NONCONFORMANCE

Flexibility drives Rivian IT-decision makers to select Reliance

EV truck maker picked ETQ Reliance for ease of use and flexibility for start-up operation; protect brand value

- December 2020: Rivian identified Reliance as “meeting or exceeding expectations in 60 critical areas”
- September 2021: Rivian delivers the world’s first EV pickup truck
- November 2021: Post-IPO valuation $150B; world’s third highest auto valuation
- Next: Rivian delivers Amazon’s new EV fleet

THE FUTURE IN FOCUS

Grower applies automotive production model to innovative food production

With ETQ Reliance, Plenty has dramatically improved and streamlined food safety, compliance audits and traceability

- Full traceability from barcoded seed tray to grocery store shelf – eliminate waste & cost for recalls
- Rapid deployment, one month document control, quality backbone
- 'Efficiency ethos' drove Plenty to a single solution that could be adopted rapidly

THE FUTURE IN FOCUS

ETQ Reliance is Organon's "Anchor System"

Merck spin-off creates opportunity for Organon to design a single platform Quality Management System

- $10B "startup" wanted to start fresh with ETQ, 10k employees, 6 manufacturing facilities
- Rapid deployment saved over $1.5 million dollars in legacy services
- ETQ Reliance allowed Organon to achieve its single quality system goal
- Integrating with SAP S/4HANA, CRM, ERP

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Kimberly-Clark

9 Applications

Retired 630 separate quality systems

One global QMS, consistent and transparent across dozen of use cases

- The ROI achieved touches every sector of their business
- **80% improvement in new product introduction cycle times** due to improved supplier quality management
- **Risk mitigation** on inventory location in cases of extreme weather emergency

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CELESTICA

18 Applications

ETQ Reliance delivers consistent processes to $7B contract manufacturer operating in 14 countries

Only trained workers can ’badge in’ to access equipment

- Improved data quality and efficiency through integration of QMS with other business systems including human resources and ERP
- Centralized quality processes for real-time collaboration and the ability to implement global corrective actions
- Reduced IT footprint allows the company to eliminate multiple site-based systems

THE FUTURE IN FOCUS

ETQ Reliance reduced Trane's warranty costs by more than 10 million dollars

"Think big, start small, scale fast"

- Reduced scrap and rework by 32%
- Reduced overall warranty costs by 70% and tens of millions of dollars (standard warranty costs and Initial Customer Quality claims)
- Reduced cycle time by up to 87%, with a 50% cycle time reduction on average
- Sees Reliance as a "data super highway"

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Fast deployment for fast food restaurant

15% growth and new product line for new distribution centers required a robust QMS

- Out-of-the-Box implementation
- 12 Applications deployed in 42 days
- Completely integrated QMS & EHS
- Meeting the needs of 25 distribution centers in North America

Chick-fil-A®

QMS TRACK (6)

EHS TRACK (6)

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“As the market leader we’re the hunted. If you’re not staying one step above the competition, you’re falling behind.”

Subway keeps its high-quality standards and gets new products to market faster

- Subway serves 7.6M sandwiches daily in 44,000 worldwide locations.
- ETQ Reliance document control allows Subway to set up new suppliers faster and bring product improvements to market more efficiently - ensuring high quality with every bite

Questions?

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To Learn More

- Ask your Strategic Account Manager
- Email sales@strategic.com
- Review www.strategic.com/

Download ETQ-QAD Integration Possibilities

Thank you for attending!

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