



A Standard for Auditing

ABSTRACT

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FULL CASE STUDY

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Operating to procedures that are laid down in a Quality Management System (QMS), and accredited to an international quality standard, has now become a way of life in most industries. Yet, while the issue of 'Quality' may now be at the heart of all activity, many of the practices and systems surrounding the development and maintenance of the QMS to a recognized standard, and just as importantly its role in driving business improvement, are still relatively immature at many companies.

A prime example of this often 'under-developed' activity is internal and supplier quality auditing. Simplistically, this essential ingredient of Quality involves the formal, regular and systematic inspection of an activity, process, or the whole quality system, to verify, or otherwise, conformance against documented procedures and standards. Crucially, when most effective, this is not just a 'tiresome' policing activity, but a process for problem solving, and a key weapon in not only helping companies maximize consistency and repeatability, but also developing best practice.

However, due to its relative infancy, many internal auditing systems are still 'paper-based', or use basic office software, and are inefficient. Such systems suffer from uncoordinated strategies, poor scheduling and task assignment, slow response to problems, difficulties in tracking Non-Conformances and corrective actions, auditing records that defy easy analysis and information is hard to distribute. As a result, many companies are simply not achieving the potential benefits that auditing offers. Moreover, this lack of development, and these problems are not just restricted to the smaller companies. In fact many larger multi-nationals continue to struggle to bring global co-ordination and discipline to their internal quality auditing practice.

For example, one multi-national that recognized a few years ago the need to improve the overall co-ordination and efficiency of its auditing process, as well as create a system that would be far more effective in helping deliver 'business excellence', is Airbus. Its solution was to introduce the 'web based' Proquis Enterprise system, from the UK solution provider Proquis.

Need for Standardization

Airbus is a massive organization, with around 52,000 people, design & manufacturing sites in the UK, Germany, Spain and France, offices across the world, Flight Training centers in the

US and China, and 20,000 suppliers from across the globe. (See www.airbus.com) Its internal quality and supplier auditing process is equally huge, involving around 700 auditors and 1500 internal audits per year. Yet, size is not the only complication that in the past caused significant auditing issues. Having evolved from four major companies, in four different countries, Airbus sites within each country tended to have its own auditing cultures, with variations in training, processes and systems. In addition, many of the management tools were localized systems.

"While the auditing practices and systems we previously had in place were more than adequate for compliance with standards and ensuring that we maintained the exceptionally high quality levels that exist throughout the aerospace industry, the lack of uniformity of practice, was something that we knew had to be tackled as part of our integration," explains John Monks, Head of Quality Audit and Review at Airbus Headquarters in Toulouse. He adds, "Also the single company gave the opportunity to rationalize our processes across the business which required a more integrated approach quality audit with multinational cross function teams. This drove the need to rationalize and harmonize all the processes, practices and tools. It provides the opportunity to build upon the large experience and best practices within the company and created the need to select a single audit management tool."

After undertaking a detailed needs analysis, Airbus started looking for a system that could ensure that all elements of the auditing process - from creating an audit plan and scheduling to report production and documentation - were addressed in a standard way. Equally important was the need for secure, but easy world-wide access to the system and auditing information, schedules and records. This would be key to both increasing audit efficiency, and delivering the data analysis capability needed for driving business wide process improvement.

While a number of possible options were closely examined, including the possibility of developing a bespoke add-on for its existing ERP system, the decision was made to invest in the Proquis Enterprise system, or more specifically the Audit, Issue Log & Review modules of this web-based business management suite. A number of factors were key to this selection. The system offered a comprehensive and proven solution, which not only already encompassed most of the functionality that Airbus were looking for, unlike many of the other systems examined, but was also relatively in-expensive, and could still be easily tailored to the company's exact requirements. As Bill Best, Director of Proquis adds, "At the time we were also probably unique in offering an auditing system that had been designed to run on a web server, and so offer the flexibility of multi-site, secure, real time access to a central audit data source."

Process Streamlining

The core Proquis Audit & Issues modules, which are essentially what has been implemented by Airbus, with a 50 seat continuous use world-wide license, has been fully rolled out for use by all its QA and auditing staff during 2004. The adoption of Proquis, with the functionality it offered, provides the company's auditors with significant help in the preparing and building of audits, quickly, using pre-defined but adaptable questionnaires/checklists, questions that are fully searchable from previous audit data, or audit specific questions. The ability to share information for these tasks is another advantage over the combination of different systems, both manual and software, the various divisions had used. It also provides for the automatic tracking and controlling of audit development - from the planned stage to being complete - and automatically inserts it into the audit schedule. The system keeps a full audit history, with each movement recorded, timed and dated.

Equally the system makes available various tools to easily record audit answers on the central system, allocate objective evidence documents against questions, assign Non-Conformance / Corrective action data, calculate audit scoring, and provide instant analysis of problems that have arisen during the audit.

The configurable audit report writing capability can further eliminate much of the normally laborious nature of auditing. Finally, the system can help manage the Non Conformances raised as a result of an audit. These are tracked centrally and with automatic deadline

notifications, external email reminders, and escalation rules, it ensures outstanding Non-Conformances are not left unattended.

According to Monks, "While it will be well into this year before all are trained to use all functionalities, it is now clear that the system's introduction, and its provision of a standard auditing framework and a expansive toolbox that everyone can easily access, will streamline the process, saving auditors time and effort. It will also provide the consistency and control over the development of audits, co-ordination between auditors, and the management of the feedback that we are looking for."

In addition to accuracy and efficiency considerations, the access that the new system offers to all the audits and actions from any site, and in a format that is meaningful and useful, will also enable far more comprehensive analysis and the discovery of common issues on processes, products or parts. This will have important long-term implications for the role of auditing in process improvement at Airbus.

System Development

Moreover, ongoing development of the Proquis system is also likely to deliver major benefits for Airbus. Best explains, "We have been working closely with Airbus on the creation of specific, and extra, system features, and one result of this joint effort is Audit NOMAD. This new functionality, which has become part of the standard system, enables the computerization to be extended right down to the remote auditing process being undertaken on site."

In practice, NOMAD, which Airbus has already successfully trialed, now enables lead auditors to download an audit, or specific subject parts of an audit, to the laptops of an audit team. These team members can then undertake their assigned tasks and enter the answers to the audit questions straight onto their laptop during the field audit. As with the main system, NOMAD allows for objective evidence, such as scanned documents and images, to be digitally attached and allocated, actions assigned and for NCR's to be generated via the laptop. On audit, or task, completion, the system also provides for the production of a report while on site, which can be signed off and left with local management. Finally, the remotely recorded data is finally uploaded via the internet/intranet into the main Proquis Enterprise system, which can automatically synchronize data from different auditors, compile and then store the full audit report and corrective action details. As Monks concludes, "NOMAD adds far greater flexibility, reduces the potential for errors and mistakes, and will definitely further improve the efficiency of our auditing process. In fact, we anticipate that this functionality alone could potentially deliver a 10% saving in the man-hours associated with supply chain audit activity. This in itself would be a major help in our aim to continually increase auditing, whilst reducing costs."