## COPQ - The Cost of Poor Quality

There are many horrific examples where quality standards have not been met which have resulted in extraordinary costs. This post is about a not so famous example from a Norwegian company that had a Swedish production site.

REC, Renewable Energy Corporation was for a while the highest valued company on the Oslo stock exchange.

REC Scanmodule in Hillringsberg, Sweden, was producing solar panels. Due to poor quality REC had to replace or repair 420 000 solar panels mounted on house roofs. The estimated cost for this quality problem was 445 million Swedish kronor. This information is according to an article found in the Swedish newspaper NWT.

All solar panels sold during 2008 and parts of the solar panels sold during 2007 had a problem in some electrical components. Each panel had to be dismounted in order to be returned, repaired or replaced and then reinstalled.

This COPQ could possibly have been prevented by applying a production test strategy with a great test coverage. Functional testing in combination with result analysis and statistical process control can find most production problems if applied correctly. If the process that produced the shipment was producing a consistent level of quality, which is the case if the production is in statistical control, is unlikely to result in bad products.

The COPQ is like an Iceberg, only a few of the costs are really obvious. These are costs such as the cost of defects, rework, scrap and inspection.



Most costs are hidden under the surface, examples are product failure in the field, equipment failure, cost of lost sales, and lack of parts and so on.

**"*Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.*" - William A. Foster**

## About the author:

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**If you have any questions, feel free to contact:**

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