

# Supplier Quality Escalation process

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**Delphi**  
Technologies

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# 1. Supplier Escalation Process – Introduction

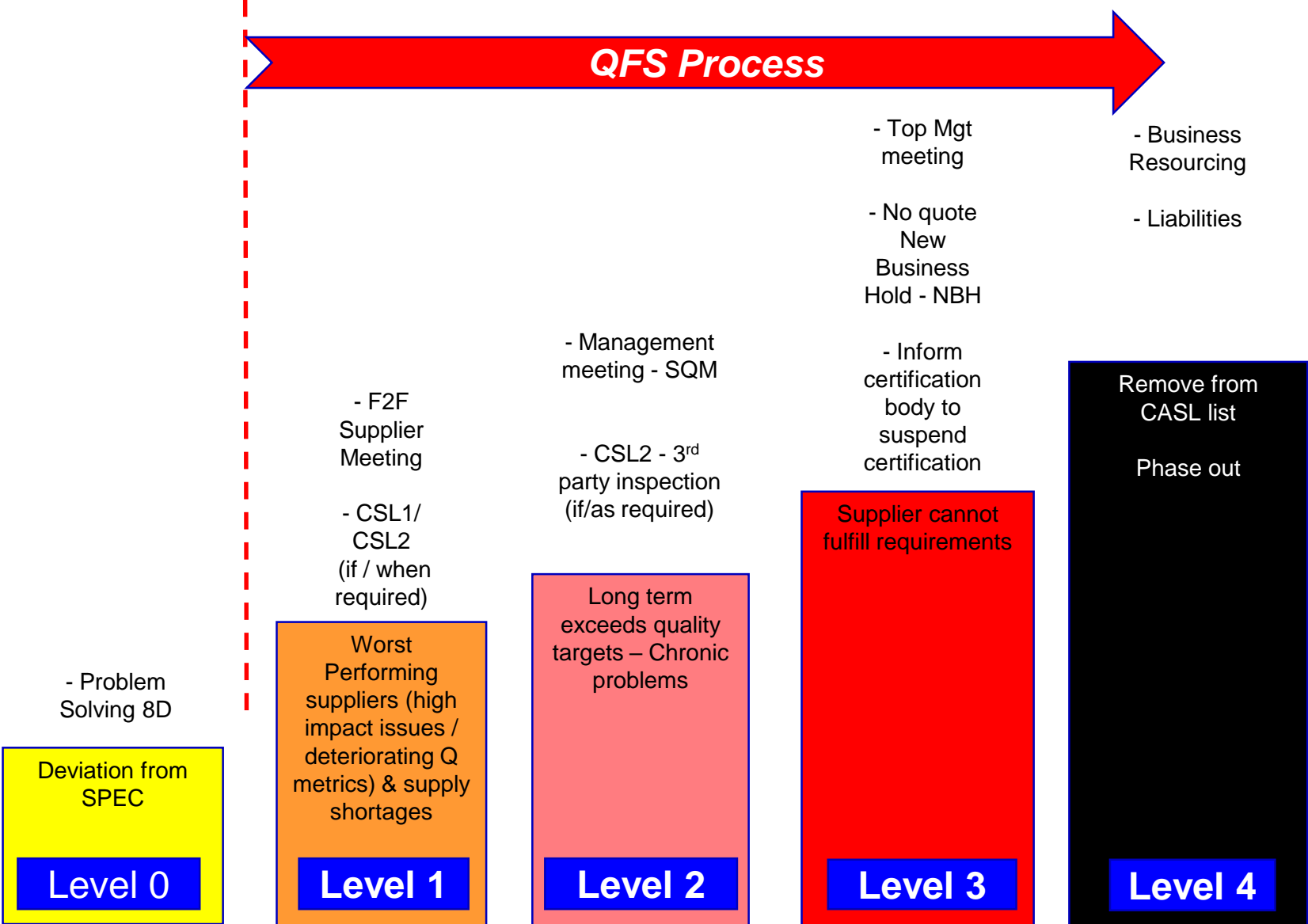
An important foundation of our business is that our suppliers provide a consistently high level of quality performance, on time. Failure to do so negatively impacts upon the expectations and the relationships that Delphi Technologies has with its Customers. The demanding requirements of the automotive industry dictate that where necessary, problematic suppliers are subject to an escalation process under which they will be the subject of increased focus and support. Delphi Technologies employs such a process, identifying Quality Focused Suppliers (QFS) using a data driven performance approach, concentrating on those who have high impact and / or chronic quality problems & supply related issues. Intense, focused Delphi Technologies resources then help identify and address systemic issues at suppliers, driving immediate improvements.

Outcomes of a successfully implemented QFS process include, but are not limited to:

- Improvement of a supplier's quality performance
- Enhancement of the suppliers problem solving competencies and capabilities
- Strengthening of the Delphi Technologies / Supplier relationship based on mutual trust
- Improvement in Delphi Technologies internal & external quality metrics affecting delivered quality
- Facilitation of a zero defect culture at the supplier site
- Creation of a competitive advantage for the supplier

The basic process at every escalation level is the same. As a focused supplier, there are only two possibilities at the end of the agreed timeline: that is either an increase or a decrease of the escalation level. Suppliers who practice a zero defect strategy and who have demonstrated exemplary quality issue solving methods will not be contacted through the escalation process.

# 2. Explanation - Supplier Quality Escalation Process



# 3. Supplier Escalation Process – Guidelines

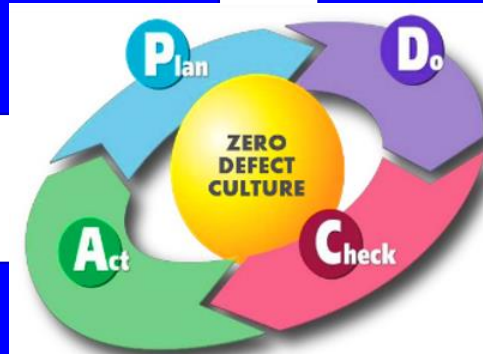
Escalation level	Criteria Guidelines
Level 0	Serial Quality Problem Case raised and being adequately resolved/closed Launch Quality Problem Case raised and being adequately resolved/closed Project APQP progress in line with Q and V project requirements
Level 1	Regular Supplier Q Problem cases, deteriorating Q metrics Poor supplier evaluation by a Delphi manufacturing plant Q Problem cases management doesn't prevent new occurrences on same part or family of parts. Repeat issues despite of previous 8D report and estipulated countermeasures High Impact PCs: Customer Impacts, warranty, safety, Delphi line affected Poor/lack of response: regular delay or poor quality on answers. Countermeasures implementaion delays vs agreements APQP suffers regular issues at Q of product and/or development activities and timelines. Poor supplier cooperation Poor / high risk findings on supplier audit Regular delivery misses versus schedules Delphi Technologies placed in Escalation process by final Customer due to supplier related issue
Level 2	Long term exceed Quality Targets - chonical problems Failure/delays to resolve highlighted issues triggering Level 1 Delphi Technologies placed in Escalation process by final Customer due to supplier related issue
Level 3	Supplier cannot fullfil Delphi requirements Failure for resolution despite Level 1/2 initiated process Delphi Technologies placed in Escalation process by final Customer due to supplier related issue Unauthorized product/process change
Level 4	Remove from CASL list. Phase out

# Supplier Escalation Process

QFS is a standard process used within Delphi Technologies Supplier Escalation. This process is employed to solve critical / high impact issues driving a Zero Defect Culture with Suppliers, using a 4 level escalation process

•Analyze the problem and identify potential cause(s)

•Develop and test possible solutions

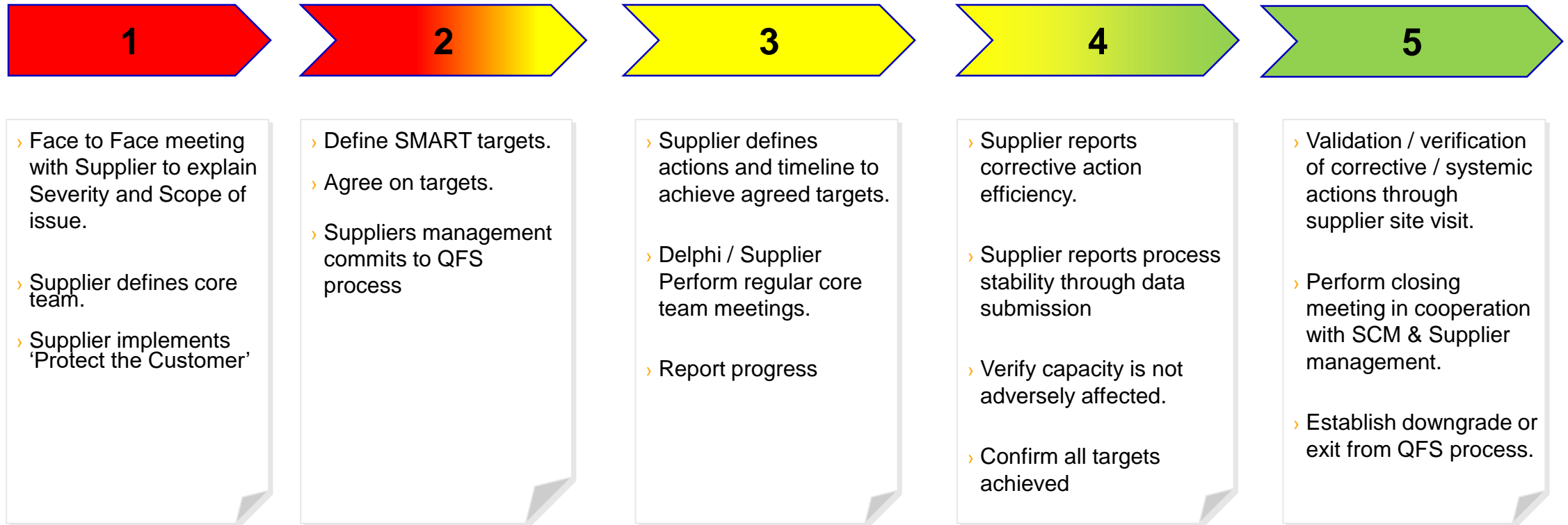


Fix corrective actions and implement

•Measure the effectiveness of the proposed solutions and analyze whether further improvements can be made

The process encourages the use of a standard PDCA approach that will allow methodical problem solving when implementing systemic solutions. Supplier Quality leadership drives the QFS process and approves the supplier's entry into and graduated exit from the program.

# 4. Main process steps and Exit Protocols



**Thank you.**

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