



## **IQS Special Report – Customers Boast \$31 Million in Documented Savings**

*Substantial Savings Confirms Critical Need for Total Integrated Quality Across the Enterprise*

**October 30, 2008**

IQS, the leading provider of Enterprise Risk and Quality Management Software, is releasing a groundbreaking report today revealing real-world savings IQS clients have achieved by using IQS as their foundation for driving Total Quality Management. The report - *IQS: Savings Through Quality* - covers documented savings by national and international customers in automotive, aerospace, medical device and more.

**Clients documented over \$31 million.** Respondents represented five clients in the under \$100 million category, three clients in the \$250 million- \$750 million category, and two clients in the over \$1B category. **The average savings across these companies was \$3.9 million dollars.**

"We've always known our customers were very successful at improving their quality by the impressive metrics they track," says Mike Rapaport, CEO of IQS. "Based on these real-world metrics, we envision a paradigm shift in the boardroom by turning the typical "cost of poor quality" discussion into a "quality as a savings strategy" initiative. The geometric savings achieved in such a short amount of time, are by automating enterprise quality functions. This report should be reviewed by "C" level executives responsible for finding innovative ways of reducing costs while providing benefits in this next year."

"Manufacturing a product right the first time puts your product - and not your competitor's - in your customers' hands faster," says Simon Jacobson, Senior Research Analyst, AMR Research. "Unearthing the functions that attribute to costs of poor quality will help articulate to management how profitability is affected by quality - especially when put in perspective with costs like late orders, warranty claims and recalls."

The report approached 20 clients of different sizes and industries. Of the 14 that agreed to be surveyed 10 have approved release of their numbers and 4 are still pending. In the surveys CEO's, CFO's, Quality Directors, Regulatory Directors, IT Directors and Global Supplier Quality roles present their savings from quality. In detailed supporting case studies, they discuss challenges, processes, timing and before and after scenarios,

The metrics shared within this report are only a sampling of the many benefits received by IQS customers. Some of the savings documented in the report include:

- **\$6 Million in savings** with a supplier quality program that included chargeback, scorecards, and detailed defensible data that changed the culture from quibbling about data to solving problems.
- **\$7.9 Million in savings** drastically reducing defects in a Chinese operation. In one year defects were lowered from 33,555 to below 300.
- **\$2.3 Million dollars** in savings by centralizing and connecting what was 16 disparate system. Results were defects and scrap was slashed. Revenue, which was constrained by labor, was able to grow 20+% with 3% lower labor.

To develop the report, quality metrics and costs were derived from interviews with IQS customers who utilize IQS' Enterprise Risk and Compliance software as the foundation for integrating their quality

management programs and business initiatives. Participants included Quality Directors/Managers, Supplier Directors, IT Directors, CFO's and CEO's. The organizations provided the metrics they used to calculate success internally – they did not respond to an ROI template, or standards forms. To standardize some aspects of the results, industry averages for part costs, internal labor and external auditors were used to calculate monetary savings.

“Conducting this study has set in concrete things I have always suspected working with our quality clients,” said Lori Gipp, VP of Marketing. “We saw clearly demonstrated: Having quality isn’t expensive – NOT having quality is expensive. In this economy, quality should be on the top of strategic planner’s lists as they look to solve problems. These results were all first year results. Companies looking to make a dramatic difference in their business should take a hard look at IQS. Our team can help quantify where issues and put in place a plan that shows substantial benefit in weeks and months.

The *[IQS: Savings Through Quality](#)* report is available in the Downloads section of the IQS website at [www.IQS.com](http://www.IQS.com), or by registering for IQS’ upcoming webcast on November 5th.

### **About IQS**

IQS – Integrated Quality Systems, helps companies reduce costs and risk by improving quality throughout their enterprise and supply chain. Since its inception in 1988, IQS has been the choice of leading automotive, aerospace, chemical and process, discreet, medical device and recently high-profile manufactures such as those in the pet food industry. IQS reduces risk through a bottom-up verifiable approach to manufacturing. With countless case studies and bottom-line ROI testimonials, IQS is the industry leader in enterprise risk and quality management software. For more information, please visit [www.iqs.com](http://www.iqs.com).

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