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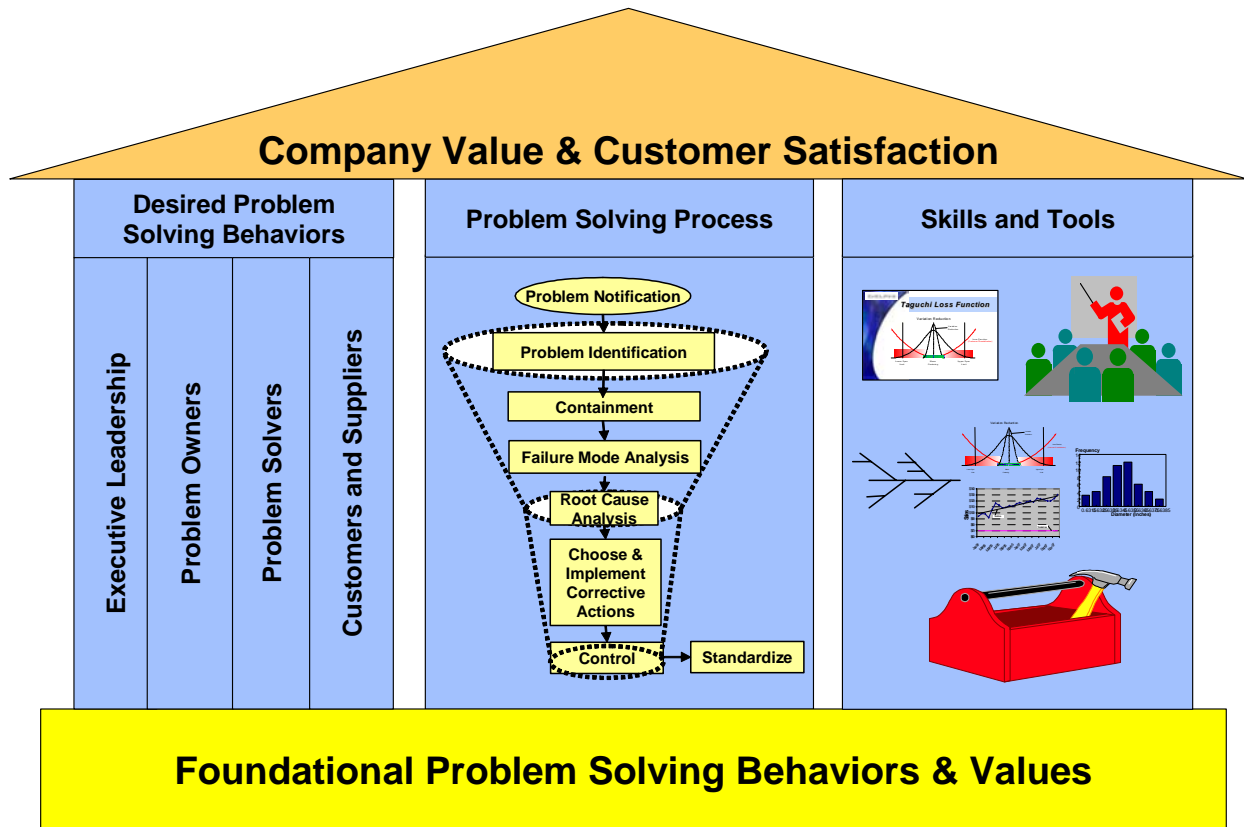
Automotive Industry Action Group

# CQI-10

## *Effective Problem Solving Guideline*

# Effective Problem Solving

A Guideline for Culture, Process, Tools, & Training



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# Effective Problem Solving



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## Effective Problem Solving

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## LETTER OF ENDORSEMENT

Quality of product is of paramount importance to customer satisfaction and market competitiveness. Effective Problem Solving directly impacts product quality and company profitability.

Currently, companies use their respective problem solving processes and methods to comply with customer and certification requirements. Generally, problem solving results address the immediate issue and serve to satisfy the customer for the short term. While some organizations have developed problem solving processes that are robust and effective, all companies should pursue the opportunity to evaluate their processes and identify opportunities for improvement.

The *Effective Problem Solving Guideline* represents a consensus of the problem solving methodology and concepts used today by automotive OEMs and the supply chain. This consensus of problem solving methodology should improve the consistency of problem solving results in all segments and at all levels of the industry.

Enhancing the fundamental structure of this consolidated problem solving process is the integration of cultural behaviors that challenge company management to consider problem solving as a strategic planning tool to achieve business success.

The impact of effective problem solving extends beyond the immediate issue. Taking the experience and lessons from an issue and implementing them throughout an organization for similar products and processes will reduce the risk of recurrence and proactively improve first-time quality.

In addition, eliminating recurrent problems directly impacts profitability by improving cost-of-quality measures. As competitive pressures force efficiency improvements, the effective execution of problem solving reduces the waste of repetitive problem solving action.

Many company problem solving processes have structured methods, nomenclature, and verbiage that are unique and institutionalized. We suggest that the concepts and principles of the *Effective Problem Solving Guideline* be used as a benchmark for comparison to identify opportunities for improvement.

Through this endorsement, the following OEM and Tier 1 manufacturers expect that suppliers or producers of automobile systems, components, or material consider how the intent and principles of the *Effective Problem Solving Guideline* can be applied within their existing problem solving processes.

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Automotive Industry Action Group

# Effective Problem Solving

## FOREWORD

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Members of the Automotive Industry Action Group (AIAG) Problem Solving Work Group developed this *Effective Problem Solving (EPS) Guideline* for AIAG member companies and their supplier community to use for improving overall customer satisfaction and industry-wide competitiveness by improving quality and reducing costs.

The Work Group members and their sponsoring companies recognized that ineffective problem solving contributes to quality issues that impact customer satisfaction. Further, there's a compelling need to address the large amount of waste, in both financial and human terms, generated in the automotive industry due to ineffective problem solving. The Work Group identified the major contributors to the waste to be the following:

- weak or inconsistent industry- and company-wide problem solving cultures,
- failure to use an effective problem solving process,
- ineffective problem solving skills, and
- variations in industry and company communications and support structures for problem solving.

What's EPS going to do for you and your company that so many other books, initiatives, and tools haven't already provided? Simply put, EPS is about a new way of thinking, acting, and doing with regard to getting the most value out of your problem solving process.

Ask yourself the following questions, and be honest:

- Does your company promote a culture where problems are viewed as opportunities and ALL employees are encouraged to be actively involved in using structured problem solving as part of their jobs every day?
- Is your company doing everything it can to improve quality, reduce cost, and eliminate waste through the use of effective problem solving?
- Is it clear who "owns" problem solving in your company?
- Are you, as a top leader or manager, personally involved in encouraging and coaching your employees to make the problem solving process more effective?
- Do you know how much money your company is wasting due to poor launches, added containment, recurring concerns?
- Is your problem solving activity more proactive than reactive?
- Do you regularly review the results of your problem solving activities?
- Do you have a way to measure the effectiveness of your problem solving process?

If the answer to any of these questions is NO, then your company would benefit by adopting EPS.

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So, as a leader, what should you do next?

Do what you do best: Lead and reinforce the values that you already know are important to your business. When it comes to problem solving, the values include these:

- protect the customer first,
- coach your employees to adopt and use effective problem solving as part of their jobs, and
- value consistent application of the problem solving tools and method.

Section 2 of this guidebook is dedicated to the topic of problem solving cultural change and desired problem solving behaviors and values. These values are both universal, and steadfast. Establishing these values can directly impact the effectiveness of problem solving and the bottom line of your company.

Leading an organization with the right EPS values can ensure the right behaviors by insisting that your culture responds to the right measures and metrics of effective problem solving. The metrics come naturally when the language of the organization is modeled around the right behaviors. The language of the organization is developed by its leaders knowing the right questions to ask. This guidebook will help leaders change the culture of their organization by providing a simple set of questions that guide behavior change toward Effective Problem Solving.

When all is said and done, for EPS to be effective in a company, the top leaders and managers at all levels must get involved and “lead by example.” This guidebook provides the foundation. It’s up to you to act.





## Effective Problem Solving

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## ACKNOWLEDGEMENTS

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This document was developed by the Problem Solving Work Group to address the automotive industry's need for improved problem solving capabilities.

At the time the original document was published, the following individuals contributed to the development and deployment of this common process:

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