



Automotive Industry Action Group

# CQI-14

***Consumer-Centric Warranty Management  
A Guideline for Industry Best Practices  
2nd Edition***





## **CQI-14**

**Consumer-Centric Warranty Management**  
Version 2 Issued 03/2010



## **ABOUT AIAG**

### **Purpose Statement**

Founded in 1982, AIAG is a globally recognized organization where OEMs and suppliers unite to address and resolve issues affecting the worldwide automotive supply chain. AIAG's goals are to reduce cost and complexity through collaboration; improve product quality, health, safety and the environment; and optimize speed to market throughout the supply chain.

### **AIAG Organization**

AIAG is made up of a board of directors, an executive director, executives on loan from member companies, associate directors, a full-time staff, and volunteers serving on project teams. Directors, department managers, and program managers plan, direct and coordinate the association's activities under the direction of the executive director.

### **AIAG Projects**

Volunteer committees focus on business processes or supporting technologies and methodologies. They conduct research and develop, publish, and provide training on standards, conventions, standard business practices, white papers, and guidelines in the areas of automatic identification, CAD/CAM, EDI/electronic commerce, continuous quality improvement, health focus, materials and project management, occupational health and safety, returnable containers and packaging systems, transportation/customs and truck and heavy equipment.

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26200 Lahser Road, Suite 200  
Southfield, Michigan 48033  
Phone: (248) 358-3570 • Fax: (248) 358-3253**

#### **APPROVAL STATUS**

*The AIAG Quality Steering Committee, the OESA Warranty Management Council and designated stakeholders approved this document for publication in March, 2010.*

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## **ABOUT OESA**

### **Purpose Statement**

Founded in 1998, the Original Equipment Suppliers Association (OESA) is a trade group that serves original equipment suppliers in the North American automotive industry. Membership encompasses suppliers of components, systems, modules, materials and equipment used throughout the industry. With over 400 member companies having global annual automotive sales exceeding \$300 billion, OESA represents companies with more than 70 percent of North American automotive supplier sales.

### **OESA Mission**

OESA advances the business interests of automotive original equipment suppliers by providing a forum to address issues of common interest, serving as a resource for industry information and analysis, promoting the interests of the OE supplier community, and serving as a voice and positive change agent for the industry.

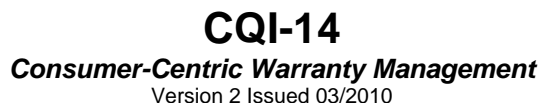
### **OESA Organization**

OESA is operated by a skilled professional staff and management team, including Neil De Koker, founding president and CEO, and is overseen by a board of directors made up of 25 industry leaders selected from the OESA membership. OESA is a market segment association of the Motor and Equipment Manufacturers Association, which leads OESA's lobbying activities in Washington, D.C.

### **OESA Projects**

Each year, OESA hosts numerous industry events and individual town hall meetings with OEM customers. In addition, OESA operates 13 peer group councils, including a Warranty Management Council that addresses commercial and operational issues regarding the reduction of warranty incidents. The council is open to senior executives responsible for warranty at OESA regular member companies. For more information, visit the councils section of <http://www.oesa.org> or contact John Chalifoux at 248 952 6401 ext. 233 or [jchalifoux@oesa.org](mailto:jchalifoux@oesa.org).

**Original Equipment Suppliers Association**  
**1301 W. Long Lake Road, Suite 225**  
**Troy, Michigan 48098**  
**Phone: (248) 952-6401 • Fax: (248) 952-6404**  
**<http://www.oesa.org>**



## FOREWORD

In December 2006, members of the AIAG Quality Steering Committee and the OESA Warranty Management Council approved an AIAG-OESA Consumer-Centric Warranty Management project. In February 2007, two sub-committees began work on: 1) warranty manual development and 2) No Trouble Found (NTF) reduction strategies.

The defined deliverable for the combined project team was this guideline, *Consumer-Centric Warranty Management: A Guideline for Industry Best Practices*. This guideline, when coupled with applicable customer specific requirements, is intended to be an industry-wide suggested approach for managing warranty processes with the consumer in mind. Best practices were identified and developed based on the collective experiences of team members in the North American, automotive original equipment, light vehicle market. Team members believe these concepts could be applied to other vehicle markets or industries. *It is highly recommended that the entire supply chain support the implementation of CQI-14 for the full benefit and improved performance to be realized.*

*Consumer-Centric Warranty Management: A Guideline for Industry Best Practices* has its roots in an OESA document, *The Suppliers Practical Guide to Warranty Reduction*, published in November 2005. Although the joint project team agreed that the OESA document provided a solid foundation, the team also agreed that greater value could be realized for all industry stakeholders if warranty management was approached from the consumer's point of view. This newer guideline is intended to accomplish that goal. It also includes a visualization of recommended processes and a number of case studies that highlight the guideline's suggested approaches

The project was designed to drive value through increased consumer satisfaction from the implementation of recommended best practices by some or all of the industry stakeholders. The team considered infrastructure and resource challenges necessary to support warranty management throughout the supply chain. Results of implementation may include: warranty incident reduction, reduced warranty costs, increased efficiency of resources, higher consumer loyalty, increased vehicle residual values and a more positive industry image.

With warranty impact receiving high levels of visibility both inside the industry and in the general public, the AIAG Quality Council and the OESA Warranty Management Council determined that self-assessment to this guideline was a highly recommended proactive step required to help in the reduction of warranty incident rates as well as a step needed to strengthen public trust in the automotive industry. Additionally, a more detailed OEM section has been added to this guideline to reflect the steps that the OEM can take to help the supply chain and its own organization address warranty issues more effectively.

Note: Subject material is to be used as a guideline. Requirements are defined by individual OEMs and suppliers. This guideline does not replace or supersede customer specific requirements.

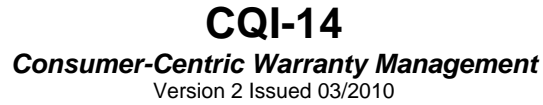


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Paul Abernathy .....Federal-Mogul Corporation  
Charles Barnes .....Toyota Motor Engineering and Manufacturing North America, Inc.  
Gregg Brinks.....Chrysler Group LLC  
James Bruin.....Chrysler Group LLC  
John Chalifoux .....Original Equipment Suppliers Association  
Joel Colombo .....General Motors Corporation  
Peter Cooney .....General Motors Corporation  
Krista Coy .....Metaldyne Corporation  
Mike Da Silva .....Magna International Inc.  
Steven Douglas .....DENSO International America, Inc.  
Larry Dreslinski .....Magna International Inc.  
Dennis Froehlich.....Robert Bosch LLC  
Dale Hagan .....Dura Automotive Systems, Inc.  
Kevin Kelly .....Continental Corporation  
Dan Kim.....Toyota Motor Engineering and Manufacturing North America, Inc.  
David Mimms .....Toyota Motor Engineering and Manufacturing North America, Inc.  
Dan Paterra .....BorgWarner, Inc.  
Mike Roberts.....Ford Motor Company  
Dan Roche.....ArvinMeritor, Inc.  
Dave Sakata\* .....Freudenberg-NOK General Partnership  
Craig Sellman .....Delphi Corporation  
Jan Tucker.....Bosch International North America  
Mary Kay Watson .....Brose North America, Inc.  
Frank White .....GKN Driveline North American, Inc.  
Pamela Wyatt.....ArvinMeritor, Inc.

\* Chairman



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AIAG and OESA appreciate the contributions put forth by the many individuals that shared their ideas, their practical experiences and reviewed the numerous drafts of this document. The following individuals dedicated time and effort to the Consumer-Centric Warranty Management Guideline, 1<sup>st</sup> edition:

### Supporting Members:

Charles Barnes ..... Toyota Motor Engineering and Manufacturing North America, Inc.  
James Bruin.....Chrysler Group LLC  
John Chalifoux .....Original Equipment Suppliers Association  
Dave Sakata .....Freudenberg-NOK General Partnership  
Mike Roberts.....Ford Motor Company

The following individuals dedicated considerable time and effort to writing the Consumer-Centric Warranty Management Guideline, 2nd edition:

### Core Members:

Gregg Brinks .....Chrysler Group LLC  
Dennis Froehlich.....Robert Bosch LLC  
Jan Tucker .....Bosal International North America  
Steven Douglas .....DENSO International America, Inc.



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