

A word from the experts

The Importance of Managing Subcontractors within a Quality System

Written by: Kelly Huckabone, Sr. Quality Specialist

March 12, 2019

Many successful companies outsource services for different reasons. Sometimes they do not have the required expertise or certification for all capabilities offered within their portfolio and sometimes it is to drive savings. Whatever the reason, it is important to have a strong and robust supplier/subcontractor onboarding process.

Typically, a need is identified, a panel of subcontractors are reviewed, and one is selected. The first step is to review the supplier quality to ensure that the subcontractor has the minimum quality requirements in place to satisfy the need for hiring. This approval can be a documented review of quality elements. For critical suppliers, it can also mean an onsite audit to review their operations. Some companies refer to this as a “due diligence” audit. The hiring company must have a high degree of confidence in the capabilities of the subcontractor because the subcontractor is either impacting their products or interacting directly with their customers by providing key services. Typically, there is a contract signed by both parties covering Terms and Conditions of sales and commercial partnership requirements, along with a Supplier Quality Agreement (SQA) to identify the quality requirements of both parties.

Once a subcontractor is on board and working with customers, the next step is to monitor the performance of the hired subcontractor. This involves the identification and monitoring of performance metrics with set targets of minimum adherence. If a trend of not meeting targets is identified, the information is presented to the subcontractor with a request for improved performance. This information is also often presented in routine business reviews.

Serious subcontractor performance issues are often managed through the SCAR (Supplier Corrective Action Report) process. This is one of the strongest quality tools as it is a formal approach to drive the subcontractor to identify root cause, containment, and corrective action. If subcontractors are managed correctly through a due diligence approach which includes legal documentation, approval process, performance monitoring, and customer feedback, a subcontractor can be an integral part of any business operation and can contribute to the success of a strong customer experience.

If you would like more information on our audit program please feel free to contact me at:
kelly.huckabone@thermofisher.com.