

# Are your quality assurance systems recall proof?

By Karen Fifer

In August 2007, the tragic death of a Chinese businessman was covered in the world's leading newspapers, from the International Herald Tribune to the Wall Street Journal. Deputy Chair of Foshan Lee Der Toys Limited, Cheung Shu-hung ran the successful Chinese toy factory that was at the center of a massive recall of lead-tainted toys by Mattel Inc. In operation for over 10 years, Lee Der Toys had had a clean record of product safety, until a trusted paint supplier failed to detect the high level of lead in the colorant from one of their new suppliers.

This oversight resulted in the recall of nearly one million plastic toys produced by Lee Der, a global outcry over tainted Chinese goods and, not long after, Cheung's suicide. While the link between the recall and this tragedy is unclear, this unfortunate sequence of events (amply illustrated by similar recalls since

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then) dramatizes the critical nature of Quality Assurance (QA) in today's pressured and often fragmented global supply chains.

The remit of QA leaders has been widening exponentially, growing ever more complex and demanding with every new production technique, every new sub-contractor, new trade law, new raw material, new fashion trend, new environmental concern, and new human rights campaign.

With their brands and possibly human lives at stake, brand owners and retailers must not only run tight ships at their own factories, but also oversee a variety of production standards at dozens to hundreds of suppliers' factories, their suppliers' factories and so on, continuously moving upstream along the value chain.

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“What keeps me awake at night,” admitted a sourcing director for a global food chain, “is the constant worry over every aspect of our supply chain, as well as our vendors' supply chains. Quality Assurance is extremely important in our organization. Despite all our best efforts, checks and balances, it is a constantly shifting game with some grey areas. There are no absolute guarantees. QA is both an art and a science.”

Another Asia Pacific supply chain director at a major clothing manufacturer says, “QA helps define who we are to our final customers. We can have the best marketing and brand management, but if we don't deliver quality in the execution of the product, everything else won't matter.”

The 'Be All Or End All' Prerequisites In QA Talent  
Commonly Mentioned Are  $QA=IQ+EQ$ .

Given this axiom, the region's factories are filled with scores of certified Quality Control (QC) specialists. On the other hand, Asia's QA teams are mostly staffed with hard-working executives who have risen through the ranks, many without the benefit of the specialized QA-related degrees available in the West.

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Very few of these executives have had the benefit of a broader and more strategic perspective to QA, how it can impact a company's overall corporate objectives and, more importantly, its brand.

Production engineering degrees, for example, come in handy when ensuring that quality is maintained while manufacturing lines are re-engineered in response to pressures on lead times, product customization and variety, and inventory. Textile degrees help provide the basic understanding of different fabrics, dyes and weaving processes. Few companies will operate without QA in their operations, yet few schools in Asia provide recognized courses on skills fundamental to QA.

“Training and education are key, because there is a lot of information to keep up with. You need the ability to constantly absorb information,” says a regional QA director, “and think one step ahead of the loopholes.”

There is no doubt that plugging the holes in a supply chain takes both high Intelligence Quotient (IQ) and Emotional Quotient (EQ). The ability to assess and manage relationship dynamics is indispensable when reinforcing high standards in QA managers, correcting errant sub-contractors and asking sensitive questions of factory floor operators. The same ability is useful when communicating with internal buying teams, product designers and logistics planners, or when reporting to the board.

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An alert and inquisitive mindset has helped many a business uncover potential hazards in their supply chain, such as spotting a questionable single-digit difference in the UL-test code for an electrical product or detecting an odd odor in a new batch of supplies.

Top QA talent have an appetite for information. They take an interest in all aspects of the supply chain, such as product development and engineering, construction methods, packaging options and raw material sources. They also have a keen focus on topics such as trade laws, quotas, minimum wages and global news events that affect the business.

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### When Nobody Is Watching

The saying “integrity is doing the right thing, even if nobody is watching”, is especially true in QA. Where under-the-table kickbacks and gifts are relatively easy to conceal, integrity is crucial. Every sourcing director that Heidrick & Struggles has spoken with on this subject listed this as an imperative quality. “The risks are too high,” is the common response.

“You need a passion for excellence and must evaluate every process with a zero tolerance for error. There should be no compromises,” says Christophe Roussel, Tesco’s International Sourcing and Logistics Director.

Site visits and inspections cannot be delegated, and travel is part of a day’s work. QA leaders may find themselves in a factory in Bangladesh one day, and in the cotton fields of Xinjiang, China another.

Advocacy for environmental protection adds yet another item to the QA duty roster. Raw materials need to be checked in light of their impact on the environment; waste from production should be recycled where possible, and packaging minimized. Factory output should also be measured by carbon emissions, and wood sourced from sustainable forests. Today, QA professionals must be at least as educated on environmental issues as the most ardent ‘green’ campaigner.

### Some Best Practices – Raising The Bar

The challenges that QA leaders face in building their teams in Asia cannot be over-emphasized, nor can the need to understand the cultural dynamics behind the local work ethos.

“If factories are built in third-world communities where exposure to international standards is almost non-existent, you cannot effect proper QA training without first understanding the local mindset. You may find yourself dealing with

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employees who themselves have young nieces or nephews working in other factories and who are comfortable with using sub-standard goods on a daily basis. The challenges in raising the bar in quality assurance are very different from more developed parts of the world. You must keep thinking on your feet and leave nothing to chance,” observed an Asia-based sourcing director.

Here are some steps Asia’s QA leaders have taken to raise the bar:

1. Invest in communications technology. Laptops and handheld devices help disseminate alerts quickly to QA leadership and help in problem solving.
2. Show the consequences of errors. One company shows its QA teams press photos of accidents that result from production errors, to bring home the importance of being fastidious.
3. Waste no time in sharing lessons learnt. Mistakes and their lessons are shared openly in a collaborative work culture. Regular regional and global QA team meetings are held to share information on suppliers, mistakes and lessons learnt, new product requirements etc.
4. Work with local governments to incorporate QA courses in the school curriculum.
5. Invest in vendor development. Where suppliers make mistakes, it is a common practice to source for a new one. However, some have discovered that training and developing errant suppliers reaps better rewards than starting from scratch with another supplier.
6. Shine the spotlight on training. Whether the focus is on middle management or new graduates, QA leaders need to dedicate time and resources to building a pipeline of talent.

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7. Be open to cross-pollination of QA talent. Importing QA talent from unrelated sectors can work, as long as they find a fit with the company's culture and are willing to ascend a steep learning curve.
8. Fly in mentors. Be open to bringing in QA professionals from headquarters or the more developed markets to mentor local teams for periods of three to six months.

Ensuring that QA systems in Asia are recall-proof is no easy task, but building high quality, recall-proof QA teams is the first vital step.

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*Karen Fifer leads the regional Consumer Practice in the Asia Pacific. She is based in Heidrick & Struggles' Hong Kong office and can be reached at +852 2103 9300 or [kfifer@heidrick.com](mailto:kfifer@heidrick.com).*