

8. What are the responsibilities of a materials review board?
9. Discuss some of the actions that a materials review board should *not* take.
10. Why is it important to inform the supplier of the actions recommended by an MRB?
11. What actions might an MRB require a supplier to take in conjunction with a decision to regrade a lot of material?
12. Discuss what is meant by the term best buy.
13. Define total cost of ownership. How is TCO helpful in determining the best buy?
14. List and discuss the four major factors in supplier selection.

CASE STUDY 6.1: *The Case of the Missing Lot*

©2005 Victor E. Sower, Ph.D., C.Q.E.

Ed Jones, the materials manager, enters your office obviously greatly disturbed. "You remember that lot of PN 77-305 that your inspectors rejected last week? I negotiated their return to the supplier. We just received the replacement shipment and I signed the authorization to return the defective lot to the supplier for credit. My materials handler just told me he cannot find the defective lot in the receiving area. What happened to it?"

"What!" you respond. "What do you mean you can't find it? My inspectors marked it as 'QC Hold' right after they finished the inspection. It should still be in the receiving area."

You convene a meeting with the operations manager, the materials manager, and yourself (the quality manager). The operations manager admits that he had his night shift supervisor overrule the QC Hold status and use the material a few nights ago. "Look, it was do that or shut the plant down. We have quotas to meet," says Sue Hanson, operations manager. "I checked with the QC inspector on duty. He told me the lot was rejected for a few minor defects—nothing major. I figured it would be better to use it than to shut the plant down. I told my guys to watch for defects and discard any that looked bad."

1. What are the major material control issues here?
2. Recommend changes to the procedures for dealing with defective lots of material.
3. How do you suggest that the materials manager deal with the issue of the supplier expecting to receive a defective lot and being told that it was used anyway? What message does that send to the supplier?