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**March/April 2004**

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***Mission Statement***

*ASQ – NWI Section 1011 seeks to align the diverse skills of its members into a high-performance team committed to the advancement of quality in personal, professional, and social contexts by providing opportunities to acquire relevant knowledge through social programs, training sessions, and formal instruction.*

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***ASQ Moves Ahead with New Membership Approach  
Board Approves Living Community Model Implementation,  
Affirms Bold Strategic Initiatives***

At the February 2004 meeting, the ASQ Board of Directors approved Phase 1 implementation of the ASQ Living Community Model (LCM), the Society's reinvention of membership which features flexible options, and a new benefits and dues structure.

The new model maintains the tradition values of ASQ membership, yet builds on it by offering a variety of new and enhanced member types and benefits suited to all interested in the practice and/or profession of quality. The Living Community Model approach advances ASQ's Vision as the "community of choice for everyone who seeks quality technology, concepts or tools to improve themselves and their world."

The new membership plan ensures that ASQ near-term can invest in and the roll out, or enhance key strategic initiatives sought by members. These include:

- proving the economic case for quality;
- enhancing the image of the quality professional and ASQ;
- enhanced activity on national issues, including Washington D.C., presence;
- growing new and diverse communities of practice; and
- providing more personalized member relationship management.

"Historically, ASQ has taken a 'one-size-fits-all' approach to membership, a best practice in the association world for years. But the time for change has come; people expect more from their professional associations," said Ken Case, ASQ president. "At the same time, quality's scope and impact in business and in society is expanding. The Living Community Model provides value to individuals from all backgrounds and occupations who profess an interest in quality, offering them flexible choices of involvement and affiliation with the organization and the quality movement."

The model is designed to appeal to current and prospective members with new and more diverse benefits and choices, multiple points of access, varying dues structures, and networking community options.



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*(Living Community Model Cont'd)*

“The beauty of the model—and the reason it is called ‘Living,’ in alignment with ASQ’s Living Strategy-- is its flexibility and adaptability. Our new membership approach is open to seed and grow new communities of practice and interest, and is able to evolve as new benefits and services are deployed within each member type,” said Case.

After months of research and design, the Living Community Model’s membership categories were proposed and approved in November 2003 by the board. They are: Regular, Associate, Forum, Student, Organization, Corporate and Sponsor. At that time, the board directed the model design team to present the benefits and dues associated with the categories, as well as an implementation plan, at the board’s February 2004 meeting.

The Living Community Model Phase 1 implementation primarily addresses four individual membership types—Regular Member, Associate Member, Forum Member, and Student Member. Benefits and dues for these categories would go into effect for new and renewing members beginning July 1, 2004.

Dues associated with all levels of the membership will help fund new activities, such as delivering tools and materials to substantiate the impact of quality management in business improvement—also known as the “Economic Case for Quality,”-- and a sustained, national and global effort to enhance the image, value and voice of quality professionals, practitioners, and ASQ. Image enhancement is expected to include several promotional activities as well as a media campaign.

## **REGULAR MEMBER**

For individuals who consider themselves quality professionals or practitioners, wherever they reside, a new, improved Regular membership is available. The Regular Member category continues the tradition of ASQ membership, while adding flexibility and value to the member experience. Regular members will receive all the current benefits of ASQ membership, plus exciting new benefits. Presently, all members receive a Section, or local geographic affiliation with their membership. Under the Living Community Model approach Regular members will receive a Section membership and will select a topic- or industry-specific Division/Forum membership. Also new to the Regular member will be the top benefit requested in all membership research in recent years: bundles of topic-specific articles delivered electronically. Initially these bundles will focus on the Malcolm Baldrige National Quality Award, Six Sigma, ISO, and customer satisfaction, with additional quality management, business and community improvement subjects to follow. The articles will be frequently updated to ensure that the material remains fresh and relevant to members’ needs.

Regular members also will receive the new ASQ Quality News Today, an online news service that will bring members daily quality-related news from around the globe. And, they can expect to receive upgraded leisure and affinity benefits, such as the addition of World Points to the ASQ MBNA credit card, valid for discounts on retail purchases, travel, and more; as well as insurance and identity theft options. And, ASQ



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*(Living Community Model Cont'd)*

has entered into an arrangement with Kinko's that provides a 15% discount on select business and personal services.

Senior and Fellow members receive all of the benefits of a Regular member plus the choice of one additional Section, or two additional Forums/Divisions, or one journal. Senior and Fellow member dues are equal to the Regular member dues.

Regular members are eligible to serve at any level of the Society and are eligible to upgrade to Senior and Fellow status (per Society By-laws).

**Summary of ASQ Regular Member Benefits  
(includes, but are not limited to the following)**

- *Quality Progress* (print)
- Topic-specific article collections (electronic)
- ASQ Quality News Today
- One Section membership
- One Forum/Division membership
- Quality information search access and support
- Leisure and affinity benefits (Kinko's discount card, credit card, insurance options, etc.)
- Back issues of *Quality Progress* (electronic)
- Annual salary survey (electronic)
- Discounts on ASQ products and services
- Web-based ASQ information

**A La Carte Options (additional fee)**

- Additional Sections and Forums/Divisions
- Journals, books, courses, conferences, certification

Annual Dues: Regular member renewal for \$119 with a \$10 instant rebate  
New members \$119 (no rebate)

**ASSOCIATE MEMBER**

The Associate Member is a new category of membership for the Society. This membership type is designed for individuals who are interested in quality tools and techniques, such as continuous improvement or customer satisfaction, even though quality management may not be their primary job function. The Associate member category may include individuals who choose ASQ as a secondary organization or supplement to their primary professional association. Individuals who select this mid-level path of entry into the Society will receive member benefits electronically. This category is appropriate for individuals around the globe.



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*(Living Community Model Cont'd)*

**Summary of ASQ Associate Member Benefits**

- *Quality Progress* (electronic)
- Online discussion boards
- ASQ Quality News Today
- Electronic Section membership (not a local, or geographic, section)
- ASQ general public content
- Access to salary survey (electronic)
- Affinity benefits (Kinko's discount card, credit card, insurance options)
- Society newsletters
- Discounts on ASQ products and services

**A La Carte Options (additional fee)**

- Books, certification, conferences, courses, additional Sections and Forums/Divisions, journals, quality information searches, *Quality Progress* (print)

Annual Dues: \$69

**FORUM MEMBER**

The Forum membership is intended to appeal to those individuals who have an interest in quality focused within a specific industry or topic, as represented by a Forum/Division. As with the Associate member, benefits are primarily delivered through electronic means, although some face-to-face interaction and networking opportunities may further engage Forum members. This category is appropriate for individuals around the globe. In addition to ASQ's 26 Divisions and Interest Groups, ASQ's Six Sigma Forum, Koalaty Kid, and AQP are also considered Forums/Divisions that interested individuals may join. The model's design and intent is to evolve and grow Divisions and Forums, and, as well, to create communities of practice, with more precise orientations, under Forums. Under the model's design, AQP will become the Teamwork and Participation Forum, and Koalaty Kid becomes a community within ASQ's existing Education Division. (One Forum/Division membership will be offered within ASQ's new Regular membership.)

**Summary of ASQ Forum Member Benefits**

- Membership in the Forum/Division of choice
- All member benefits offered within ASQ's Divisions and Forums, including newsletters, content, Web sites, discussion boards, member search, etc. This base set will be expanded
- Society newsletters (electronic)
- Access to salary survey (electronic)
- ASQ general public content



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*(Living Community Model Cont'd)*

**A La Carte Options (additional fee)**

- Books, certification, conferences, courses, additional Sections and Forums/Divisions, journal subscriptions, quality information searches, *Quality Progress* (electronic or print)

Dues: \$29

**STUDENT MEMBER**

As with current ASQ Student membership, Student members are those individuals currently pursuing a degree at an accredited university or college on a full-time basis who are interested in advancing their knowledge of quality tools, techniques, and applications within their field of study. Student members are eligible to hold volunteer positions within their chosen student branch. Through the student branches Student members become local Section members.

**Summary of ASQ Student Member Benefits**

- Quality Progress (electronic)
- Student branch membership
- Annual salary survey (electronic)
- ASQ general public content
- Eligible for ASQ awards and scholarships
- ASQ Quality News Today
- Society newsletters

**A La Carte Options (additional fee)**

- Books, certification, conferences, courses, additional Sections and Forums/Divisions, journals, quality information searches, *Quality Progress* (print)

Annual Dues: \$25

**STILL TO COME**

Phase 2 and Phase 3 of ASQ's Living Community Model are now in the research and design mode. Phase 2 will be presented, with its implementation plan, for board approval in May 2004; roll out of Phase 2 would then be scheduled to begin later this year. Phase 2 will primarily focus on group, organization and corporate memberships and sponsorships. Phase 3, also dependent on board approval, is envisioned for January-July 2005. It would include implementation of further benefits across member types and conducting an initial assessment of member satisfaction with the model and its accompanying membership types. Questions on the Living Community Model can be directed to [membermodel@asq.org](mailto:membermodel@asq.org).



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## Section Meeting

# Quality and International Sales

Thursday, 18 Mar 2004

6:00 – 8:00 pm

Rodney's Sports Bar and Grill  
(2833 Highway Avenue, Highland, IN, 46322)

### Agenda

- |             |                       |
|-------------|-----------------------|
| 5:00        | Board Meeting         |
| 6:00 – 6:45 | Dinner – Buffet Style |
| 6:45 – 7:30 | Presentation          |
| 7:30 - 8:00 | Networking            |

A guest speaker from Task Force Tips will make a presentation about the importance and benefits of effective quality management when competing in international markets.

Cost of dinner meeting and presentation:

**Free** (\$10 for non-members)– register on-line (limited to 50 people)

Reserve on-line at [www.asq-nwi.org](http://www.asq-nwi.org)

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## ***Supplier Evaluation, a.k.a. Supply Base Management***

*By Keith Poole*

Most companies have several critical suppliers that are necessary for the continued success of their business. Supply management in many companies is decentralized and owned by one or more functional groups. Below are some common examples of where individual functional groups within an organization may currently select and manage their own suppliers:

- Fulfillment centers and related distribution and packaging
- Outsourced production and replication
- Marketing, printing services, graphic design, advertising, and legal
- Service agreements, offshore design, programming and manufacturing
- Computer hardware, software, and maintenance agreements

Most companies can easily cite a recent issue that has illustrated some weaknesses with this structure. What does this say about current practices, and the need for supplier evaluation?

Each company can come up with their own good reasons for implementing supplier evaluation, and here are some of the most common:

- Satisfies Tier One supplier requirements
- Provides another reason for a customer to buy (sales / marketing tool)
- Establishes a standardized system for varied departments already performing supplier management
- Saves money on nonconformance issues
- Improves suppliers by providing them with information
- Enhances supplier relationships
- Satisfies ISO 9001:2000 and TS 16949:2002 requirements

A first step towards implementing supplier evaluation is to form a core team. The function of the core team is to design, implement and maintain the supplier evaluation program. This includes identifying current purchasing practices, coordinating all present and future supplier evaluation activities, developing a scoring system, and promoting the initiative inside and outside the organization.

Suggested core team membership for most companies might be: two Quality, two Purchasing, and two IS/IT representatives. The size of the core team would obviously be smaller for very small companies.

For large companies (or divisions of very large companies) the core team membership should still be limited to the six given above. Too many members will only impede the function of the team.

Other temporary members can supplement the core team as needed. These are typically knowledge-specific or commodity group members who join when required to: develop and maintain specific supplier scorecards and evaluations, create specific evaluation tools and KPIs, determine specific selection and evaluation criteria, and conduct supplier audits.

*(Supplier Evaluation, a.k.a. Supply Base Management Cont'd)*

Below are some common supplier selection criteria:

- 3rd party certification
  - ISO 9001:2000, etc.
- Self and on-site assessments
  - Management behavior
  - Quality system
  - Statistical techniques
  - Procurement
- Process capability studies
  - Need skilled resources
- Process improvement studies
  - Need skilled resources

Below are some common supplier evaluation criteria

- Quality criteria:
  - % quantity rejected
  - % lots or shipments rejected
- Delivery criteria:
  - Meets / fails delivery window
  - Partial credit for expanded delivery windows (partial credit is a great motivator!)
- Service criteria:
  - Quantity received vs. quantity due
  - Paperwork errors
  - Reject response time
  - Lead time

When beginning any new supplier evaluation initiative, a trial implementation should take place limited to 8-12 suppliers the first year. In the second year, the program can be rolled out to all suppliers. To ensure buy-in, supplier recognition and reward is key. Below are key components of supplier reward and recognition:

- Supplier Symposium Day to kick off external release of the program
- Formally promote the program to existing and potential suppliers
- Possibly share savings with suppliers
- Give top suppliers better payment terms
- Recognition plaques or trophies
  - One for supplier, one for the organization to display in a “Hall of Fame”

*(Supplier Evaluation, a.k.a. Supply Base Management Cont'd)*

- Annual awards ceremony with suppliers and organization employees
- There are three basic types of scorecards: Trend (compare performance over time), Best (compare suppliers against each other), and Customer (how well the organization performs as a customer). Trend scorecards are the most commonly used and are the only ones that should be used during the first year of a new supplier evaluation program. Trend scorecards typically cover a rolling six- or 12-month period. Best scorecards require at least two suppliers in a given commodity group or family. Customer scorecards are for mature systems only, and the organization must be prepared to act upon the evaluation results. Below is an example of a Trend scorecard:

<b>Element</b>	<b>Max</b>	Jan	Feb	Mar	Apr	May	Jun
<b>Quality</b>	<b>40</b>	35	36	37	37	38	39
<b>Delivery</b>	<b>30</b>	25	25	26	26	27	27
<b>Price</b>	<b>20</b>	15	15	16	16	16	17
<b>Service</b>	<b>10</b>	5	6	6	6	6	7
<b>Totals</b>	<b>100</b>	80	82	85	85	87	90
<b>% of Buy</b>		80%	82%	85%	85%	90%	95%
<b>\$ Volume</b>		250K	275K	300K	300K	312K	319K
<b>Quantity</b>		5000	5200	5500	5500	5750	6000
<b>Deliveries</b>		15	15	15	15	17	18
<b># Parts</b>		17	17	17	17	20	20

*Website News*

While visiting our section website, be sure to register for the discussion forums. This is the place to go if you'd like to voice your opinion on any aspect of the section, quality in general or throw out any questions you may have to your fellow members.



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### *New Certified HACCP Auditor Exam*

The American Society for Quality Food Drug and Cosmetic Division worked to streamline the certification process for its Certified Quality Auditor for HACCP credential. Many individuals, in the US and abroad, have expressed a sincere desire to become ASQ certified as HACCP Auditors but are unable or unwilling to justify the current process.

The current requirement is for two exams. Candidates must first achieve the Certified Quality Auditor designation by passing the CQA Exam. The second step is a demonstration of proficiency in HACCP and earns the CQA-HACCP certificate.

The Food Drug and Cosmetic Division (FD&C) proposed consolidating the process to a single exam which incorporates elements of the existing CQA Body of Knowledge with those of the existing HACCP Body of Knowledge. The certification is intended to confirm the individual practitioner's auditing and HACCP knowledge and skill set.

A market survey was conducted in June to verify there was a definable and continuing market, and a justified need (on a broad geographic basis) for the certification. The market survey established that a market for this certification existed.

The Certified HACCP Auditor, Body of Knowledge (BOK) is available online at [www.asq.org](http://www.asq.org), click on Certification and choose HACCP Auditor (CHA).

The first administration of the new CHA exam will be **October 16, 2004**. Individuals who have either sat or applied for the CQA-HACCP exam within the last two years will be notified of the change.

Coordinators to contact would be:

Betty File, All International  
Terri LaMar, Regions 6 - 9  
Linda Grueter, Regions 13 - 15

David Hanson, Regions 1 - 5  
Venita Johnson, Regions 10 - 12



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## *ASQ Readies for Inaugural Exhibit Opportunity at SAE 2004 World Congress*

Milwaukee, WI, February 18, 2004 -- The American Society for Quality (ASQ) will be exhibiting for the first time at the Society of Automotive Engineers (SAE) Annual World Congress, March 8-11, 2004, in Detroit, MI. During the four days, ASQ will offer information on many of its core quality knowledge areas such as six sigma, reliability, lean manufacturing and engineering, statistics, leadership, design of experiments, product software and liability, as well as their popular Six Sigma Black Belt, quality manager, software quality engineer, and quality improvement associate certifications. The ASQ exhibit booth will be staffed by members of the ASQ Automotive Division, the ASQ Detroit and Ann Arbor Sections, as well as other regional ASQ sections.

The SAE 2004 World Congress is home for the global automotive engineering community, and attracts more than 38,000 attendees and 1,000 exhibitors. Built from a core outline of technical interests, it is the one annual event that every engineer, manager, and executive can count on for the highest quality technical and business information available in the global automotive industry.

“This is an awesome opportunity for ASQ. People from around the world attend the SAE World Congress. It is the marquee event for technology in the automotive industry,” said Lou Ann Lathrop, General Motors, chair of the ASQ Automotive Division. “I’m enthusiastic about this venture and strongly believe there is an opportunity for both ASQ member recruitment and book sales,” continued Lathrop.

According to the Alliance of Automobile Manufacturers, the automobile industry is one of the largest in the United States. It creates 6.6 million direct and spin-off jobs and produces \$243 billion in payroll compensation, according to a 2001 report, “Contribution of the Automotive Industry to the U.S. Economy” prepared by the University of Michigan and the Center for Automotive Research. No other single industry is more linked to the U.S. or generates more retail business and employment.

The American Society for Quality is the world’s leading authority on quality. With 104,000 individual members and 800 organizational members, the professional association advances learning, quality improvement, and knowledge exchange to improve business results, and to create better workplaces and communities worldwide. As champion of the quality movement, ASQ offers technologies, concepts, tools, and training to quality professionals, quality practitioners, and everyday consumers. Headquartered in Milwaukee, the 58-year-old organization also administers the U.S. Commerce Department’s Malcolm Baldrige National Quality Award and is a founding partner of the American Customer Satisfaction Index (ACSI), a prominent quarterly economic indicator.



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