

# Agile electric: quality issues in a global supply chain

[Business](#), [Strategic Management](#)



After read though the title of our case study, " Agile Electric: Quality Issues in a Global Supply Chain", focuses in on many challenges of two company Automek Inc. and Agile Electric. First major, is lack of communication and understanding. Also, Automek does not properly check in and manage their approved suppliers and cut corners to save money.

Therefore, BIPL and ECPL do not have financial interest in project and sacrifice quality. Plus, multinational company like Automek based in the US whereas Agile Electric is based in Chennai, India and makes auto components such as electrical parts, sheet metal intricacies, and plastic parts for the automotive industry. And Ford Motor Company, the formidable OEM, is the ultimate automotive vertical catalyst of this supply chain.

This story is a compilation of missteps in qualifying procurement procedures and a case of poor judgment in choosing suppliers blinded by ISO 9000 certifications. Also, today's very competitive automotive industry, it was not just destiny that had Automek seek out the services of Agile, but a jungle-like survival instinct. Now survival tier supplier in the automotive vertical is no different. It was that sense of risk and rewards that had Automek seek out global low cost tier suppliers and found Agile Electric that did their due diligence in approving them as a quality focused supplier.

Alas, but the supply chain does not stop there. Moreover, the tiers of 3rd and 4th suppliers are needed to complete automotive components that are necessary for the final assembly. Also, therein lies the challenges of the Automek/Agile Electric supply chain that was originally an astute decision to go to the Indian auto component sector. There was many reasonably such as

priced workforce, a large population of technology workers, and established strengths in T. and electronics". However, as a brilliant decision to lower costs by utilizing Agile Electric's expertise and ISO 9000 standards, ultimately cost Automek company has many times over in the long run and a very probable automobile recall.

Moreover, Agile Electric is only one link in the automotive supply chain that are many problems such as disruptions, shortages, and stock outs in the supply chain that occur with that high level of progress and growth. Also, not coincidentally, they are located at or near Chennai, Tamil Nadu, and India.

The actuator assembly was a new part for Agile, but it was decided they would be up for it that cost constraints required them to develop the part on their own. A sub-tier supplier located and assisted in development by Automek. The manufacturing process for the actuator assembly has four.

First, BIPL is the 4th tier of the supply chain for the actuator that recommended by the tier 3 suppliers ECPL and makes the PCB part of the actuator by ISO 9000 certified. Second, ECPL is the 3rd tier of the supply chain for the actuator that has a plant in India to be a local supplier and receives the PCB board from BIPL and assembles it in 5S & ISO 9000 certified. ECPL was found to have quality gaps in their systems. Third, Agile is 2nd tier that responsible for the actuator assembly.

Agile inspected the quality of work from the lower tiers in ISO 9000 & QS 9000 certified. Lastly, Automek is a tier 1 supplier of the supply chain that produces the electronic component assembly (ECA) and supplies complete

systems to car manufacturers globally. Moreover, Automek looking for economic advantages abroad (found Agile).

Additionally, The type of disaster that creates automotive recalls because the qualification process for ISO is not mature enough. Nowadays, the certification process is clarified that ISO 9000 is set up as a collection of guidelines that help a company establish, maintain, and improve a quality management system. Important thing to stress that ISO 9000 is not a rigid set of requirements, and that organizations have flexibility in how they implement their quality management system and ISO 9000 standard to be used in a wide range of organizations in large and small business.

Also, ISO 9000 and ISO/TS 16949, which is an ISO technical specification aimed at the development of a quality management system that provides for continual improvement, emphasizing defect prevention to reduce of variation and waste in the supply chain.

In conclusion, quality is built with the help of the supply chain suppliers. And Automek will continue to have a great relation with Agile as long as they help them in development stage and guide all the other tiers as well.