



R&R Newsletter

Reducing Risk/Removing Waste

ISO Support Group

SEPTEMBER/2009

An ISO 9001:2008
Registered Company

Contact us:

[Send us an Email](#)

Website:

www.isosupport.com

Phone us at:

519-821-2684

Fax us at:

519-824-0494

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LEAN JOURNEY...

Strategy 1:

- Isolate the Value Stream

Strategy 2:

- Specifying Value

Strategy 3:

- Mapping the VS

Strategy 4:

- Making it Flow

Strategy 5:

- Letting Customers Pull Value

Strategy 6:

- Seeking Perfection

CAN LEAN HELP?

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This Newsletter Issue covers the topic of:

ISO 9001:2008 Clause 7.4 Purchasing

What's new in Clause 7.4?... Nothing... No changes were made...

Clause 7.4 Purchasing... is asking you to address three primary questions: How do you decide which Suppliers to buy from each year (Sub-Clause 7.4.1)? How do you communicate to your Suppliers what you want (Sub-Clause 7.4.2)? How do you know that what you ordered is what you received (Sub-Clause 7.4.3)? Note that you will need to decide which purchased goods/services should be included and how you will "control" them. This implies that those Suppliers that sell you a good/service will be found on your Approved Suppliers List, that you'll "inspect" or verify the good/service that is being provided, and develop criteria to evaluate the Supplier's performance. Keep in mind Clause 8.4 Item d), which asks you to analyze performance data on your Suppliers to help you decide where improvement needs to be made. Clause 7.4 has three Sub-Clauses:

Sub-Clause 7.4.1 Purchasing Process

Sub-Clause 7.4.2 Purchasing Information

Sub-Clause 7.4.3 Verification of Purchased Product

Sub-Clause 7.4.1 Purchasing Process begins by asking you to make sure that purchased product (and purchased service) meets your expectations. It also states that you should adjust the amount of "control" you apply, based on how critical both the Supplier, and the product/service they supply, are to your final process output. This implies that you will develop criteria to choose Suppliers that you want to do business with, based on their ability to provide products or services that meet the requirements you have established.

Sub-Clause 7.4.2 Purchasing Information ensures there are no surprises between buyer and seller. When it's appropriate, Item a) asks you to also include in your description, any approvals required for the purchased product/service itself, and approvals for any procedures or processes or equipment to be used. Item b) deals with qualifications or credentials of the Supplier's employees involved, and Item c) refers to any quality management system requirements, such as ISO 9001 Registration. The last sentence asks you to review for adequacy any purchasing document or information destined for your Supplier before it is delivered, communicated or released to them. This should be done by someone in your organization who understands what criteria must be met by the item or service being purchased.

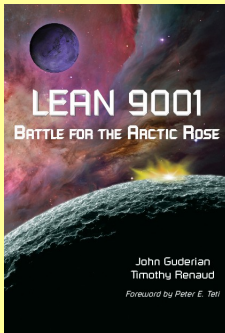
Sub-Clause 7.4.3 Verification of Product begins with the requirement to confirm that what you ordered is what you received. This can be handled by using your receiving inspection process, which should be used for verifying tangible purchases. Keep in mind that this requirement also applies to purchased "Services" as well as tangible materials, in this case you will need an alternative to the traditional receiving inspection activity in order to verify any services you purchase.

To view more of our Newsletters... you can visit our Newsletter page:
www.isosupport.com/newsletters/newsletters.htm

PS: Don't forget to look at the [Q&A](#) section below for some final thoughts...

OUR NEW BOOK!

Click [HERE](#) to see inside this book.



TRAINING:

- ISO 9001:2008 Essentials
- ISO 9001:2008 Executive Overview
- ISO 9001:2008 Orientation
- Internal Process Auditing for ISO 9001:2008
- Internal Auditor Refresher + Prep Session

- Process/Value Stream Mapping
- 5S for Service/Mfg
- Lean Essentials/Kaizen
- Business Modeling and Performance Measure'ts
- Root Cause Analysis and Corrective Action
- Mistake Proofing
- Continual Process Improvement
- Strategic/Business Planning

View [agendas](#) at our website

Email Tim.. [HERE](#)

For more information on training provided by ISG on **ISO 9001 or Process Improvement/Lean (Manufacturing/Office)**, please visit our website at www.isosupport.com. Once there, you will also find information about the following:

"Process Improvement/Lean Assessment: Can Lean help you?"

If you want to find out if Lean applies to your business, visit our website and read about our Lean Assessment Service by going to:

http://www.isosupport.com/services/lean/srvcs_pi_lean.htm

"The 3 Biggest Mistakes People Make with ISO 9001"; ISO 9001:2000 Tips, Tools and Techniques

Click here: <http://www.isosupport.com/books/books.htm>

If you enjoyed reading our previous ISO Newsletters you'll find that this book contains many of the practical approaches and advice that I've discussed in these Newsletters over the past 5 years.

Q: How do you audit Clause 7.4?

A: An audit checklist should cover these areas:

For sub-Clause 7.4.1:

Who can we buy materials or services from? Is there an Approved List? How does a Supplier get on the list? Any new ones added? How do Suppliers stay on the list? Is performance checked? How often?

For sub-Clause 7.4.2:

How are orders placed to Suppliers? How is this information checked for accuracy, and for dollar limits?

For sub-Clause 7.4.3:

How do we check that we received exactly what was ordered? Do we ever go to a Suppliers premises to release a purchase order? Do our Customers ever do this with our Suppliers? If so, how is the Supplier made aware? (Make sure to obtain examples for each item listed above)

Until next time...

Tim Renaud

Helping Business Professionals Reduce Risk and Remove Waste!

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Tim Renaud, P.Eng., B.A.Sc., is a senior trainer and consultant with the ISO Support Group. His business experience covers over twenty-two years with both small and large organizations within various industries. He began consulting in 1992 and achieved ISO 9001 Registration for ISO Support Group in Oct/1998. Specific areas of expertise include training and consulting on installing ISO Management Systems, as well as implementing Process Improvement Strategies, always with a focus on reducing risk and removing waste (becoming Lean). Association memberships include the American Society for Quality (ASQ) and the Professional Engineers Ontario (PEO).