The SBC Experience

Achieving Supply Chain Excellence through TL 9000

The TL 9000 Quality Management System was first proposed and championed by service providers and suppliers to the telecommunications industry in 1997, with the launch of QuEST Forum (Quality Excellence for Suppliers of Telecommunications). Since QuEST Forum's inception, one of its primary goals was to develop a consistent set of quality system requirements and measurements that, when implemented, would help provide telecom users with faster, better and more cost-effective services.

Background

SBC was an early adopter of the TL 9000 standard in January 2000. At that time, its Procurement organization was looking for new ways to drive supplier quality through more effective approaches to supply chain performance management. Key elements of the new SBC supplier performance management system include:

- **Tiered approach.** SBC suppliers are "tiered" according to level of risk to the business, spend, technology, network impact and other considerations. The supplier management team developed a "risk/ spend" tool to facilitate the Tier assignment for several thousand key SBC suppliers. This provided a consistent approach and process for stratifying suppliers, and prescribing quality management activities to support the various tiers.

- **Quality clause stipulated in contracts.** SBC Supplier Quality Management team developed a series of standard "quality clauses" for use in the contracting process. Where applicable, contracts require supplier TL 9000 certification and submission of TL 9000 performance measurements to SBC. (The ISO 9000 standard is required in other contracts, in cases where TL 9000 does not apply). Specification of TL 9000 in contracts has eliminated the staff work of specifying customized requirements and measurements to fit each business arrangement. Through this process, it is easy for all stakeholders to understand the quality management requirements and expected performance levels.

- **Central measurements repository.** SBC developed a web-based measurements system designed to capture and report the performance of SBC's supply chain. The system provides a single repository where suppliers can report their company's monthly TL 9000 performance data, and SBC managers can view those same results. Both SBC and its suppliers benefit from a single web database that is easy to use and access.

- **Feedback and corrective action**: Each Tier of suppliers is assigned a set of required milestones for supplier assessment reporting, feedback meetings and obtaining client satisfaction data via surveys. Regular customer / supplier meetings provide the opportunity to review performance results, obtain agreement on next steps and establish action plans for improvement and joint collaboration.

Program Benefits

SBC has been able to streamline the contracting, measurements and Supplier Quality activities as a result of implementing the TL 9000 Quality Management System. Benefits include:

- Improved business practices and visibility to auditable results when TL 9000 is established in contract terms and conditions
- Elimination of the rigorous coordination previously needed to define, agree and ratify customized metrics when TL 9000 is uses as the measurement standard for evaluating supplier performance
- Improvement in SBC's sourcing decisions and product/supplier selections when there is uniformity of measurements to compare product performance across a group of suppliers
- Enhancement of cycle time on data collection and visibility to results once measurements were standardized
- Better access to supplier performance data and quicken response to quality issues when there is centralized data reporting into a single web repository
- Simplified quality improvement process and maximize the use of limited resources due to standardized supplier quality management activities
- Expansion of supplier relationships as common goals and objectives are set and met

Supply Chain Performance Results

SBC Supply Chain Performance has improved in many product categories as a result of implementing the TL 9000 standard and providing greater visibility to results. Below are a few quantifiable examples.
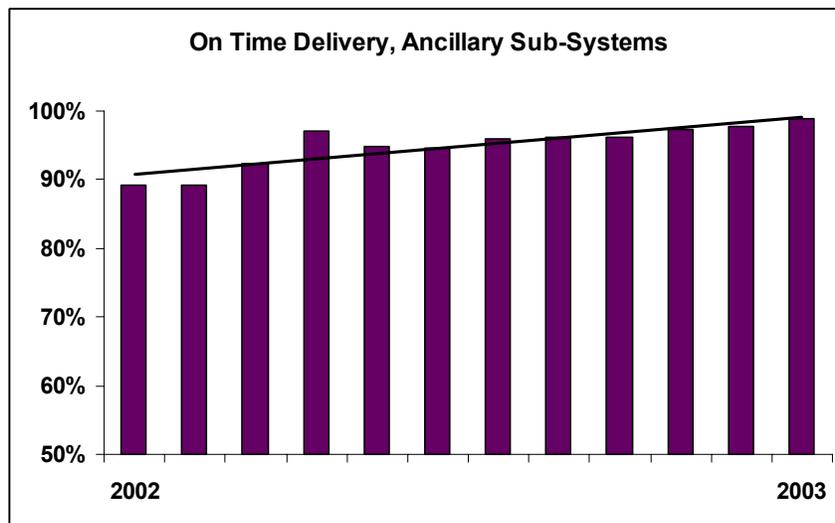
- **50+ Network Equipment Installation (7.2.1)** Suppliers increased on-time delivery performance by over 50 percentage points**.**
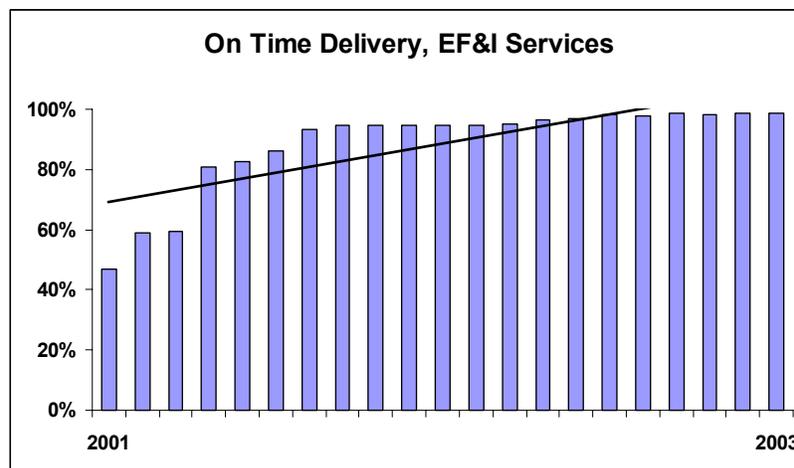
- **Loop Carrier (3.2.2.2)** On-time delivery improved 42 percentage points.

On Time Delivery, Loop Carrier.
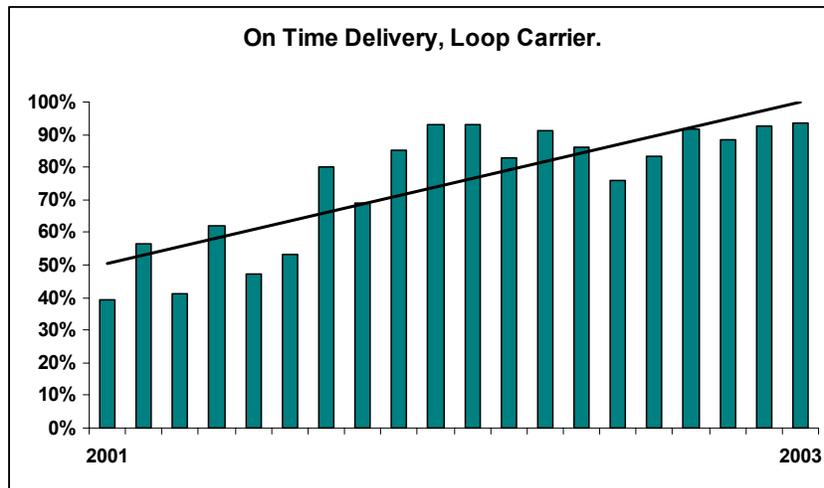
- **Ancillary Sub-Systems (3.1.1.3.3)** On-time delivery improved by 10 percentage points in a twelve month period.

On Time Delivery, Ancillary Sub-Systems

What People are Saying about SBC Quality

"Through the use of TL 9000, SBC has enriched its sourcing decisions by having comparable, objective performance measurements. Our ability to source quality products that meet our technical requirements is enhanced."

Maureen Merkle, President, SBC Procurement

"TL 9000 facilitates objective performance reporting and a common understanding of the measurements. We have seen improvement in our relationship with our suppliers using the TL 9000 measurements to track performance – even in those cases where performance is not meeting customer expectations."

SBC Network Operations Executive

"Industry accepted requirements and metrics, and independent quality System registration has reduced the need for a large staff of quality specialists. We are operating more efficiently and producing better quality products as a result…"

SBC Supplier

"The primary benefit of the TL 9000 measurements is the objective assessment of product and process performance characteristics important to our customers, allowing management to assign resources in the most effective manner. This is always important, but it is critical to the point of company survival in these times."

SBC Supplier

"Communications is greatly enhanced. We are all working from the same measurements handbook…"

SBC Quality Manager

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