

Cost of Poor Quality (COPQ) Explained

Module 1: Introduction to Quality Costs

- What is quality in business processes
- Understanding cost related to quality
- Introduction to Cost of Poor Quality (COPQ)
- Why organizations focus on reducing quality costs

Module 2: Types of Quality Costs

- Prevention Costs (training, process improvement)
- Appraisal Costs (inspection, testing)
- Failure Costs:
 - Internal Failure (rework, scrap)
 - External Failure (returns, complaints, warranty)
- Difference between good cost vs poor cost

Module 3: Understanding COPQ

- What constitutes Cost of Poor Quality
- Hidden vs visible costs
- Impact of poor quality on business:
 - Financial loss
 - Customer dissatisfaction
 - Brand reputation
- Simple real-life examples

Module 4: Reducing COPQ using Lean Six Sigma

- Identifying sources of poor quality
- Role of process improvement
- Introduction to defect reduction
- Preventive vs corrective approach

Module 5: Activity & Wrap-Up

- Identify COPQ in a simple process (e.g., order delivery, service delay)
- Discussion on how to reduce it
- Key takeaways and practical insights

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