

Cost of Poor Quality Tracker

How-to guide: what the workbook does, how to use it and what every number means.

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Cost of Poor Quality Tracker

Log quality costs as they post and see the cost of poor quality by month, its share of sales, its cost per unit and where it comes from.

For: Quality managers, plant controllers, operations directors and continuous-improvement leads.

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Quick start

1. On Setup, type your company name, currency and COPQ target, then check the cost elements and the category each one belongs to.
2. On Cost Log, add one row per quality cost as it posts: date, cost element, amount and a reference (claim, credit note, NCR).
3. On Monthly Summary, add one row per month (first day of the month) with net sales and units shipped. The four categories are summed for you.
4. Read the Check columns: anything other than OK names the problem in words.
5. Open the Dashboard. Use the month filters to look at a quarter or a year.

What is in the workbook

Start Here	Read this first: what the workbook does and how to use it.
Setup	Your company, currency, COPQ target, and the cost elements filed into the four quality cost categories.
Cost Log	One row per quality cost as it posts: element, amount and reference. Category and month are filled in.
Monthly Summary	One row per month: net sales and units shipped. The four cost categories are summed from the Cost Log.
Dashboard	Cost of poor quality, its share of sales and where it comes from, for the months you choose.
Method	How every number is calculated, with assumptions, limits and sources.
Verify	Self-check: the workbook's formulas recomputed on fixed inputs against an independent reference.

What each number means

Quantity	How it is calculated	Units
Category	Looked up from the Cost elements list on Setup by element.	-

Quantity	How it is calculated	Units
Month	The first day of the cost's posting month: DATE(YEAR(date), MONTH(date), 1).	date
Category sums	For each Monthly Summary row, SUMIFS of the Cost Log amounts with the same month and category. Excel: =SUMIFS(tblCosts[Amount], tblCosts[Month], [@Month], tblCosts[Category], "Internal failure")	currency
COPQ	Internal failure + external failure.	currency
Cost of quality	Prevention + appraisal + internal failure + external failure.	currency
COPQ share of net sales	COPQ / net sales, from sums over the months in view.	%
COPQ per unit shipped	COPQ / units shipped, from sums.	currency/unit
Status	On target at or below the COPQ target; Near target up to 5% above it; Above target beyond.	-
Dashboard roll-ups	SUMIFS over the Monthly Summary restricted to months whose View date is filled in (inside the month filters).	-
Pareto	Cost Log amounts per failure element in view, largest first, with share and cumulative share of failure cost; prevention and appraisal elements are left out. Hidden helper columns AO:AQ hold the unsorted values and ranks.	currency, %

Assumptions, limitations, sources and the self-check (the Verify sheet, which recomputes the workbook's formulas on fixed test inputs) are in the workbook. The last page shows the Dashboard with the example data for Ferndale Valves, a fictional business.

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Engineering estimates for planning and improvement work. Verify the results against your own process, data and standards before you rely on them.

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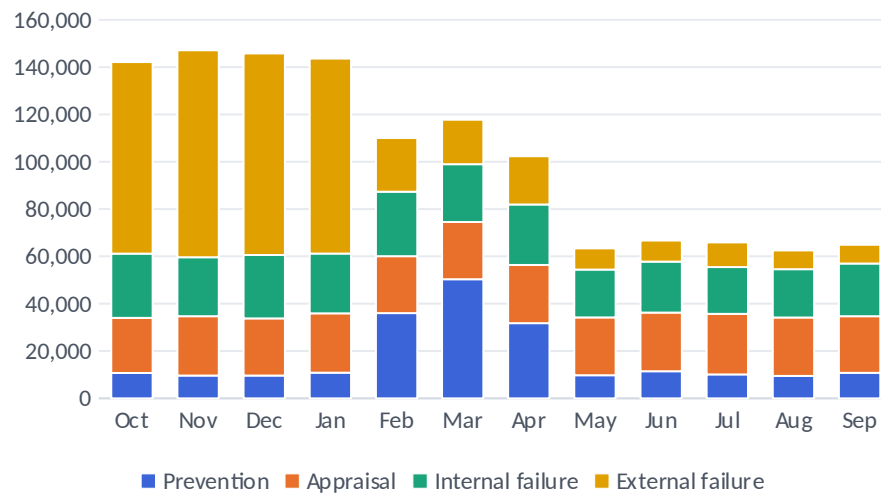
From month

To month

Showing 12 months and 195 cost entries. Leave the filters blank to include everything; months are inclusive.

COST OF POOR QUALITY (USD)	COPQ SHARE OF NET SALES	COPQ PER UNIT SHIPPED (USD)	LARGEST FAILURE COST
727,710	3.45%	6.04	Warranty claims
Internal + external failure	Target 3.00% Above target	COPQ / units shipped	Ranked by cost, see the Pareto

Cost of quality by month



COPQ as a share of net sales, by month

