The AIAG Consumer-Centric Warranty Management: A Guideline for Industry Best Practices (CQI-14) is now in its 2nd Edition. The traditional carmaker warranty management process is a cost transfer-based system which impedes the collaboration necessary to effectively and quickly improve warranty performance. The AIAG Guideline focuses on warranty claim rate reduction that aligns all value chain organizations to collaboratively and continuously approach warranty improvement through best practices, recommended tools and use of a problem solving culture. It was developed with the end user in mind to work on eliminating problem occurrence altogether.

To encourage supplier participation, Toyota supplied copies of CQI-14 to their suppliers. “Everything in the manual resonates with what Toyota considers to be a good warranty management system by a supplier,” says David Mimms, Toyota General Manager of the Quality Division-Quality Assurance Management. Mimms adds “Toyota has data that shows that suppliers who effectively use the principles in the manual have reduced their claim rate and warranty costs compared to the rest…it truly is a ‘win-win-win’ for customer, Toyota and supplier.”

Chrysler made the CQI-14 self-assessment a requirement in its ISO TS/16949 Customer-Specific Requirements. James Bruin, Chrysler’s Warranty Manager in Supplier Quality, says that CQI-14 is “one of the few tools that teach suppliers how to manage the warranty associated with their parts and is one of the few warranty ‘No Trouble Found’ tools available.” “No trouble found” is the designation applied to a part replaced during a service event that, when analyzed by the vehicle or parts manufacturer, meets all requirements of a “good part.” NTF’s are reported to be as high as 90% of returned components from one carmaker.

Jan Tucker, Corporate Quality Manager with Metalldyne Drivetrain VCS adds “with regard to warranty, there should be more focus on problem resolution and prevention. CQI-14 was developed to provide insights and tools to assist suppliers…”

Use CQI-14 to focus your warranty efforts on prevention of problem occurrence that results in a “WIN-WIN” for you and your customer!