

# Cost of Quality (COQ)

The language of money serves as the basic medium for assessing economic achievement. Organizations communicate results in monetary terms depending on their level of focus. Those directly involved in continuous improvement also seek financial evaluation. This requires the development of reliable costs associated with the effects of quality and a means of determining the resulting improvements.

Cost of Quality (COQ) is a well-recognized tool used to understand the economic consequences of quality. All quality costs are expenditures associated with ensuring that products conform to specifications or with the production of goods that do not conform. Conformance costs are those prevention and appraisal costs that have incurred to ensure that the manufactured product or delivered service conforms to specifications. Nonconformance costs are the internal and external failure costs associated with products or services that did not meet customer requirements.

**Objectives:** By the end of the seminar the participants would have:

1. Reviewed the basic concepts of the cost of quality
2. Gained the techniques needed to undertake the cost of quality improvement program that will increase business effectiveness and optimize the quality system cost
3. Gained sufficient understanding to develop and implement a quality cost system in the organization

## Agenda:

- Overview of the Cost of Quality
- Basic financial concepts
- Assessing quality cost
- Process cost model
- Cost of Quality Do's and Don'ts
- Implementing the Cost of Quality program



**Who should attend:** Recommended for individuals involved in continuous improvement program (e.g. managers, supervisors, engineers, staff, etc.) particularly on costs and quality

**Seminar Fee:** P5,040 (VAT-inclusive)

**Webinar sessions:** 1

**Facilitator:** Jose S. Villegas/ Enrico C. Mina

**Dates:** Jun 5 '23, Nov 8 '23, Jan 8

'24, Mar 25 '24 (Note 8:30 am to 12:00 nn via Zoom/best on In-House run)