

BOARD MEETING REPORT · MARCH 2026

Defective Products

Quality Intelligence Overview

SAP BW Procurement Data · Global Holding Company · 2016 – 2020

Prepared by Qlik MCP + Claude AI

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EXECUTIVE SUMMARY

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Across the 2016–2020 procurement cycle, quality defects represent a persistent and measurable risk to operational efficiency and supplier reliability.



293,630

Total Defects

Units flagged defective



11.65%

Avg Defect Rate

Of total quantity procured



~\$3.2B

Cost Exposure

Proportional CoG estimate



8

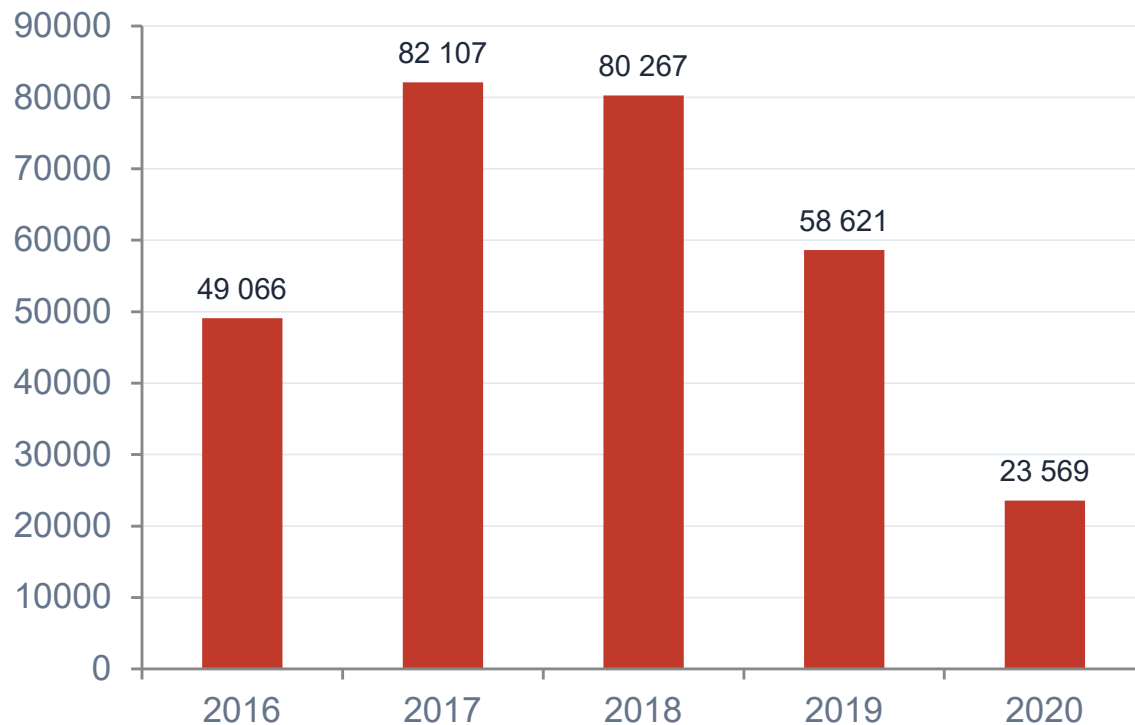
Top Vendors

Driving >60% of defects

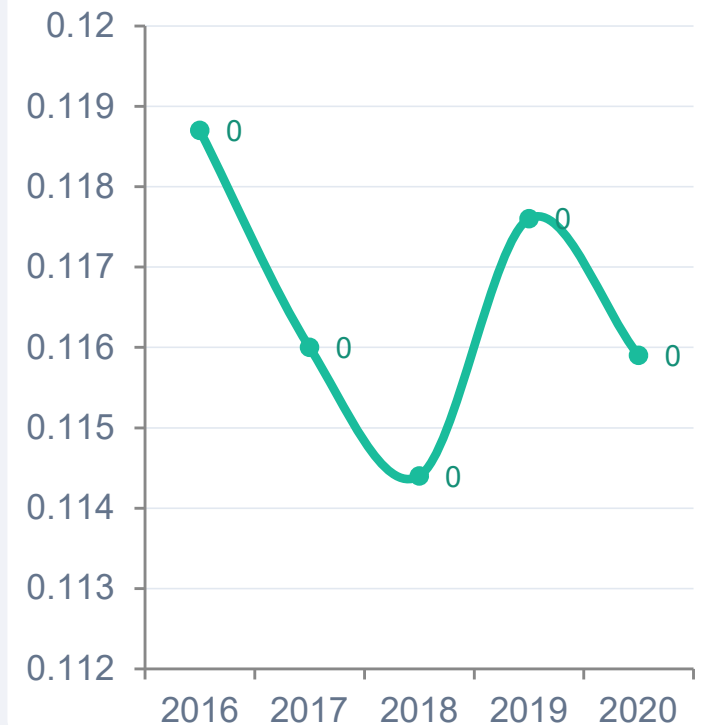
ANNUAL DEFECT TREND • 2016 - 2020

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Total Defects by Year



Defect Rate % Trend



KEY INSIGHT: Defect volume peaked 2017-18 and is declining — but the defect rate remains flat at ~11.6%, signalling persistent systemic quality issues with suppliers.

TOP 10 DEFECTIVE PRODUCTS • BY VOLUME

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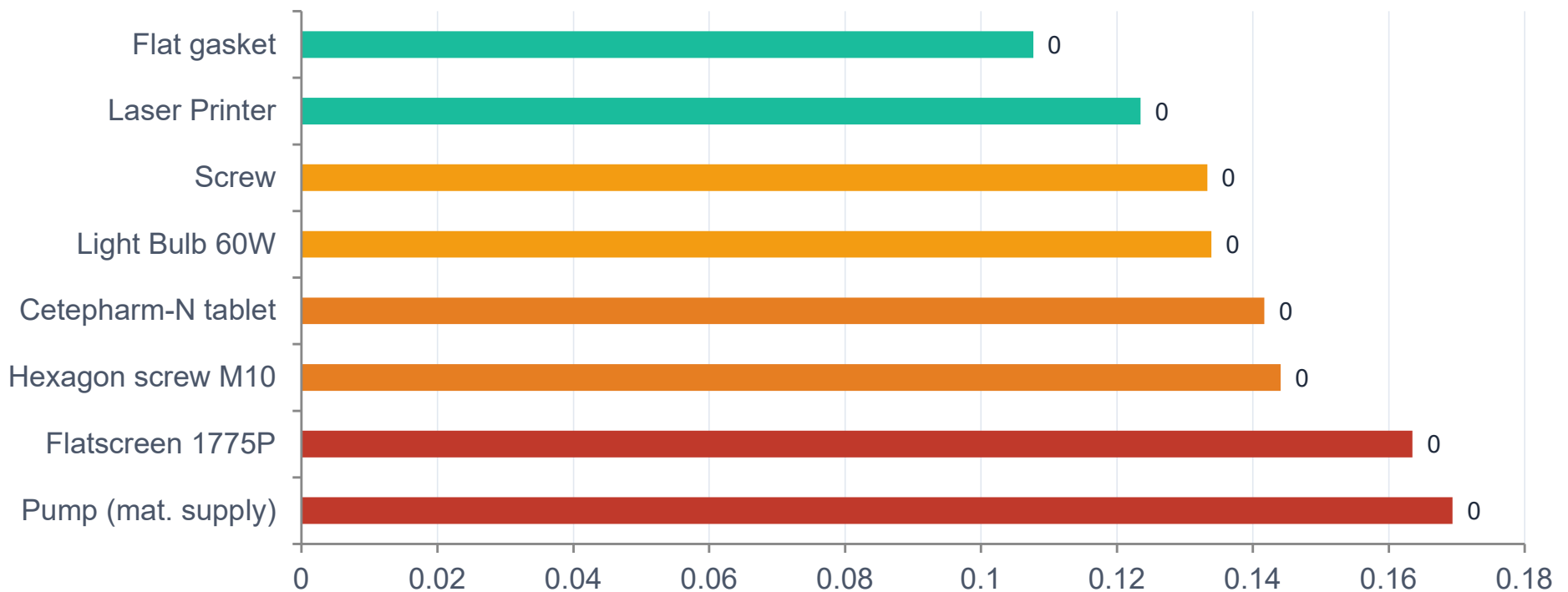
#	Product	Total Defects	Defect Rate
1	Screw	2,808	0.133%
2	Slug for spiral casing	2,552	0.113%
3	Flatscreen MS 1460 P	2,545	0.126%
4	Hollow shaft	2,477	0.100%
5	Nut	2,466	0.113%
6	Cetepharm-N tablet	2,365	0.142%
7	Casing	2,090	0.110%
8	Acetylsalicylic acid	2,069	0.122%
9	Diskette Drive 3.5" HD	1,818	0.119%
10	Flat gasket	1,797	0.108%

RISK FLAG: Cetepharm-N tablet (pharma, 0.142%) carries regulatory and reputational exposure — immediate supplier quality review required.

HIGHEST DEFECT RATE PRODUCTS

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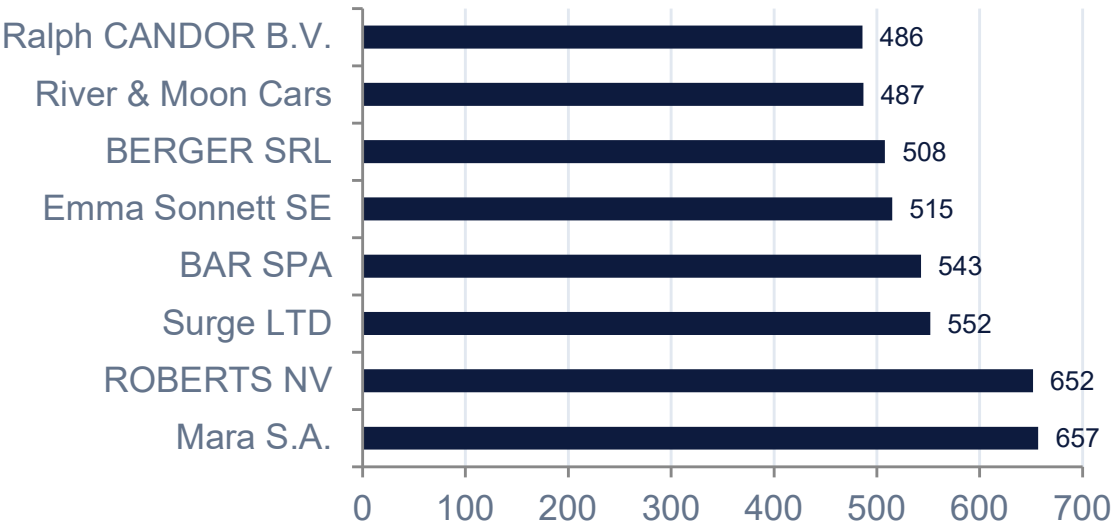
Products ranked by defect rate — high rate = poor incoming quality regardless of order volume:



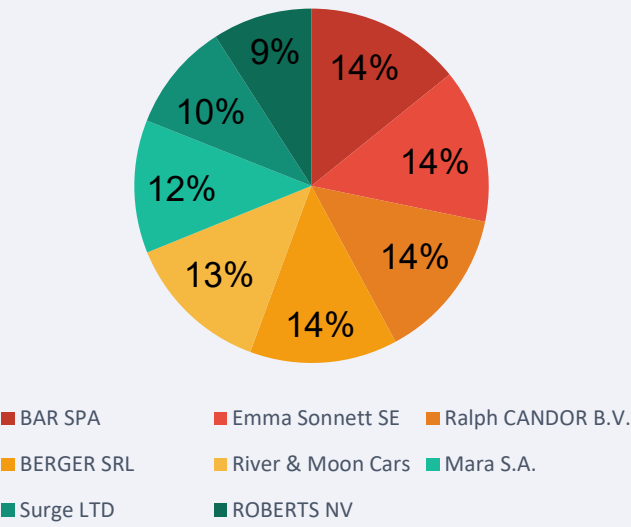
NOTE: Pump (material supplying) at 0.169% — nearly 1 in 6 units defective. Recommend supplier qualification review and incoming inspection.

VENDOR QUALITY PERFORMANCE

Defects by Vendor (Volume)



Defect Rate Distribution



Vendor	Defects	Defect Rate	Risk
Mara S.A.	657	0.152%	Medium
BAR SPA	543	0.178%	HIGH
Emma Sonnett SE	515	0.176%	HIGH

BAR SPA (0.178%) and Emma Sonnett SE (0.176%) have the highest defect rates. Immediate Supplier Corrective Action Reports recommended.

MARA S.A. • SUPPLIER DEEP DIVE

Mara S.A. is the highest-volume defect supplier. It supplies an unusually diverse range — automotive, food, pharma and electronics — a risk indicator.

Product	Defects	Qty	Defect Ra
METRO 01	50	1,000	5.00%
PC Maxitech 1.600 Config	32	643	4.98%
Revolution counter	38	768	4.95%
Spark coil 3000	37	923	4.01%
Pump assembly	30	760	3.95%
CrossFun / 350 cm3	50	2,626	1.90%
Polysorbate 80 Emulsifier	35	1,660	2.11%

5.00%

METRO 01 Defect Rate

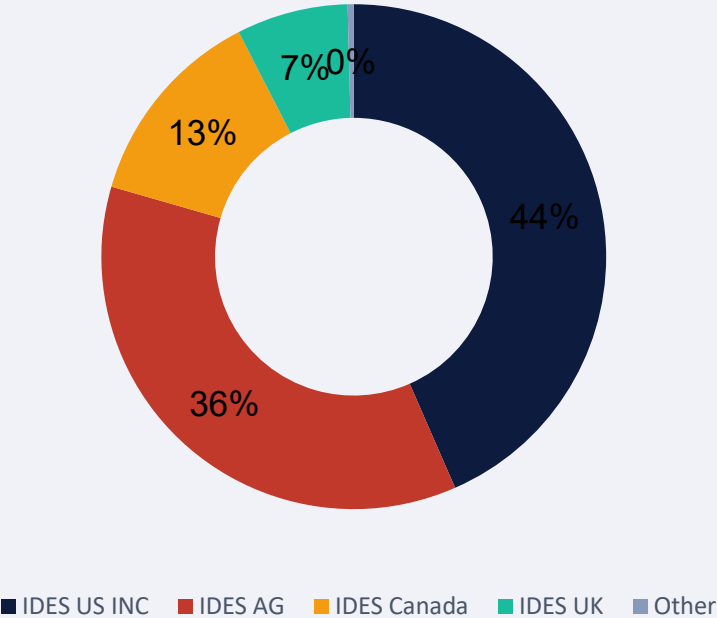
3 Products

above 4% defect rate

RECOMMENDATION: Immediate comprehensive supplier audit for Mara S.A. — cross-category quality failures indicate systemic production issues.

DEFECTS BY COMPANY ENTITY

Defect Share by Entity



Company	Defects	Rate	
IDES US INC	127,607	0.116%	
IDES AG	105,961	0.118%	
IDES Canada	38,162	0.115%	
IDES UK	20,978	0.110%	
IDES México	220	0.227%	
Services Logistics SP	159	0.313%	
Good Food	84	0.335%	

Good Food (0.335%) and Services Logistics (0.313%) have the highest entity defect rates — governance review for non-core subsidiaries recommended.

STRATEGIC RECOMMENDATIONS

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1. Supplier Audit — BAR SPA & Emma Sonnett SE

Both exceed 0.17% defect rate. Initiate formal Supplier Corrective Action Reports (SCARs) and quality audits within 30 days.



2. Mara S.A. Portfolio Risk Review

Single supplier across pharma, automotive, electronics and food — assess whether portfolio breadth creates unacceptable quality risk.



3. Set Defect Rate KPI Target Below 10%

Rate flat at 11.6% for 5 years. Establish a formal board-level target of <10% by 2027 with quarterly vendor scorecards.



4. Incoming Inspection Gate for Pharma & Pumps

Cetepharm-N tablet and Pump assemblies show high rates with regulatory exposure. Introduce mandatory incoming QC gates.



5. Commission Formal CoPQ Analysis

Estimated ~\$3.2B proportional cost exposure. A Cost of Poor Quality study will validate and drive executive prioritisation.

NEXT STEPS

- 1 Initiate SCARs for BAR SPA and Emma Sonnett SE — Q2 2026
 - 2 Schedule comprehensive Mara S.A. supplier audit — Q2 2026
 - 3 Establish quarterly vendor defect scorecard reporting — Q3 2026
 - 4 Set board-level defect rate KPI target (<10%) with named owner — Q3 2026
 - 5 Commission formal Cost of Poor Quality (CoPQ) analysis — Q3 2026
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Jandre Killian · Qlik Partner Ambassador

Data: SAP BW · Analysis: Qlik MCP · March 2026