



Managing Customer Property

ISO 9001:2000 Paragraph 7.5.4

Provided by
Total Quality Solutions, Inc.





Customer Property

The organization shall exercise care with customer property while it is under the organization's control or being used by the organization. The organization shall identify, verify, protect, and safeguard customer property provided for use or incorporation into the product. If any customer property is lost, damaged, or otherwise found to be unsuitable for use, this shall be reported to the customer and records maintained see 4.2.4).

NOTE Customer property can include intellectual property.

- This section applies if customers supply you raw material, tooling, fixtures, measuring tools, etc.
 - Your procedures must provide
 - » the clear identification of material (labeling and inventorying)
 - » Preservation of the materials
 - » Lost or damaged material is recorded on a nonconforming report and reported to the customer for resolution



Potential Customer Property Issues

- The most commonly encountered issue is customer owned tooling
 - Injection molds
 - Die sets
 - Foundry masters
 - Assembly fixtures



Issues to be dealt with regarding customer tooling

- How is tooling “checked-in” upon receipt?
- If the tooling is unacceptable on receipt how is the problem resolved with the customer?
- How is the tooling identified as belonging to the customer?
- How are tooling maintenance records kept?
- If the tooling is damaged and needs repair or if it needs modification how are these activities co-ordinated with the customer?



Customer raw materials

- This sometimes occurs in plastic molding when a customer requires the molder to use a special resin when molding parts.
- Heat treaters, platers, coaters and other process subcontractors frequently process material that customers own.
- Chemical processors frequently process customer-supplied raw materials for a processing fee.



Issues to be dealt with regarding customer raw material

- How is material “inspected” upon receipt?
- If the material is unacceptable on receipt how is the problem resolved with the customer?
- How is material the identified as belonging to the customer?
How is the customer-supplied inventory managed? (Issues and receipts from inventory)
- How are orders for additional material communicated to the customer?
- How is inventory shrinkage, scrap or other waste of material accounted for and communicated to the customer?



Customer inspection and test equipment

- This is a somewhat rare occurrence encountered when a customer has unusual or expensive inspection requirements that are beyond the means of the supplier.
- Electrical test equipment
 - Test fixtures
 - Functional test equipment
 - Customer -supplied appearance samples



Issues to be dealt with regarding customer test equipment

- How is the equipment checked upon receipt?
- If the equipment is unacceptable on receipt how is the problem resolved with the customer?
- How is the equipment identified as belonging to the customer?
How is the customer-supplied equipment calibrated?
 - Are you responsible for calibration or is the customer?
- How is damaged or compromised equipment co-ordinated with the customer?



Actions required

- Identify which, if any, of the preceding situations are encountered in your business.
- Use the accompanying procedures and forms as templates to develop your own systems.