

# External Business Management Handbook

## System Edström Bilinredningar AB

### INTRODUCTION

System Edström Bilinredningar AB has as business objective to sell, maintain and inventory interiors especially for service vehicles.

### EXTENSIVENESS

The business management control that has been developed by System Edström Bilinredningar AB, as described in this text, will meet or exceed with the requirements of SS-EN ISO 9001:2008, (System –standard), and SS-EN ISO 14001:2004, (Environmental system), demand on construction, research, production, installation, service, for service vehicles in an environmentally safe way.

It should be noted that the standard in SS-EN ISO 900:2008 and SS-EN ISO 14001:2004 is in addition to the specified technical standard.

The development of the Quality and Environmental system (further on named QE-system) consist to a large degree of careful mapping the company’s main tasks (in other words what’s in the customer’s best interest).

All company employees are involved in this work, some in procedure groups and some in various improvement projects. The quality assurance system is 3rd parts certified in accordance with SS-EN ISO 9001:2008 and SS-EN ISO 14001:2004 by SEMKO.

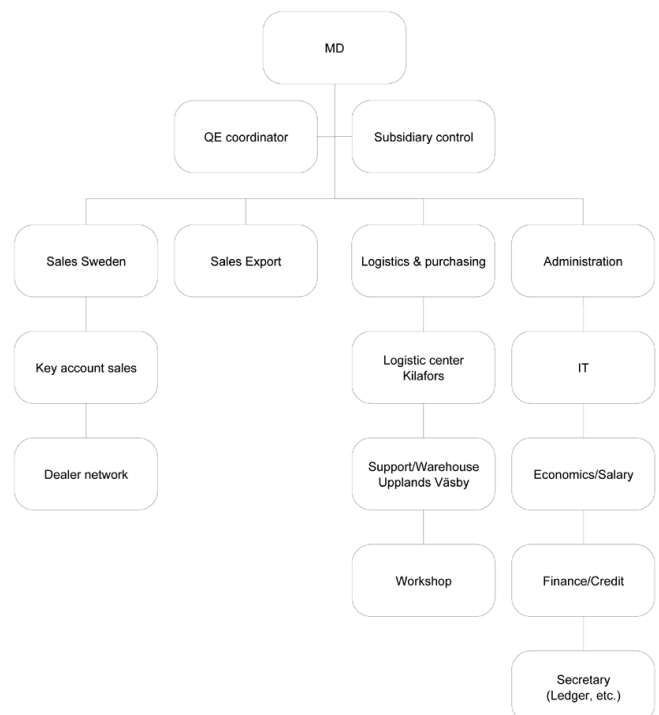
### APPLICATION

The QE-system in effect is generally for the QE control within System Edström Bilinredningar AB. In negotiations, the QE- system should give assurances that the product is up to standard by showing proof of the company’s constructions-, developments-, productions-, installations- and service -capability.



### ORGANIZATION

System Edström Bilinredningar AB was started in 1958 under the name Ulf Edström AB. Today, the company is located in Upplands Väsby Sweden. The corporation is privately held and employs approximately 30 people. The company has very good facilities and equipment.



## SYSTEM EDSTRÖM GROUP



### RESPONSIBILITY AND AUTHORITY

System Edström Bilinredningar AB has developed and documented an organization with defined responsibilities and means of communications. Responsibility and authority are clearly spelled out in job descriptions.

### RESOURCES AND PERSONNEL VERIFICATION

Necessary resources regarding personnel, skill and equipment are determined and documented to meet the company standard.

Every manager is responsible within his area for personnel, skill and equipment to meet the standard set forth in the business management handbook. Revisions of the QE- system, processes and products are made by personnel reporting to the manager of QE control according to the instructions in the business management handbook.

### THE REPRESENTATIVE OF THE CORPORATION

The Managing director of the corporation has the total responsibility of the corporation and has therefore the responsibility for the understanding, implementation and upkeep of the business management system.

### QE COORDINATION

The company has employed a person as a QE coordinator. The tasks of the QE coordinator is to coordinate and assist all departments in the maintenance of quality as well as being responsible for the corporation's business management control documentation.

### CHAIN OF COMMAND

In order to follow up on the effectiveness and utilization of the QE assurance system, the QE coordinator reports to Corporate Management the results from internal and external revisions on a regular bases. To make sure of the effectiveness and usefulness of the report, a formal report protocol is followed. The QE coordinator appoints somebody to be responsible for the revisions. The revisions are reported by the QE coordinator to the corporate management team.

### BUSINESS MANAGEMENT COMMITTEE

Quality and environment is of outmost importance to System Edström Bilinredningar AB. Therefore, the president of the company has created a committee for QE control within the company.

*The committee consist of:*

|                |                            |
|----------------|----------------------------|
| Lars Hällsten  | MD                         |
| Lars Johansson | Finance                    |
| Per Gustavsson | Marketing manager          |
| Ulf Neumann    | Sales manager              |
| Björn Hällsten | Purchase/Locistics manager |
| Tommy Ivarsson | IT                         |
| Roland Sällman | Infra Bilinredning AB      |
| Chairman       | Lars Hällsten              |
| Secretary      | Tommy Ivarsson             |

*Tasks:*

- Work with strategic questions in regards to areas of quality and environmental control.
- Set quality and enviromental policies and inform everyone within the organization.
- Determine quality and enviromental goals and formulate plans how to reach them.
- Prepare long term plans for quality and environmental work.
- Make sure that necessary resources are available to reach these plans.
- Follow up the QE system and make sure that it follows the suitability and effectiveness in accordance with the standard in SS-EN ISO 9001:2008 and SS-EN ISO 14001:2004.
- Prioritize the QE problems.
- Point out possible reasons for prioritized QE problems.
- Initiate fault analyses and other examinations.

- Make a decision regarding implementation of the suggested procedures.

### WORKING FORMS

The quality business management committee is called to order by the president of the corporation, the committee meets quarterly.

### QE SYSTEM

A documented QE system must be kept up to date. The market and the product development will always put demands on renewal of the QE system. It must always cover the present need. Therefore, the company develops, decides, documents, implements and maintains a QE system to attain the QE goals and policy of the company. The direct guidance is done by manuals, instructions, etc. and the efficiency is checked by the corporate management.

At System Edström Bilinredningar AB the QE documents are revised and adjusted when changes and developments are necessary. Implementation of routines and instructions are facilitated by education. Experiences are collected and analyzed in order to guarantee continued effectiveness of the system.

The QE system covers every activity and guarantees that in view of marketing, sales and development it is performed in a planned and set way that assures quality both in regard to products and services.

System Edström Bilinredningar AB has developed and is maintaining an intranet based documented QE system. The QE system contains of the following;

- Administrative routines and/or instructions for every branch of activity in the company.
- Internal information Edström.
- Product catalogues, parts-lists.
- External Business management hand book (presents the company's QE system for parties involved such as customers, suppliers and government agencies), this text.

### CONTRACT EXAMINATION

It's everybody's responsibility to examine that products, services and skill correspond with established demands to get the correct quality of our products and services in accordance with the business plan. With high standards of quality, we want to insure a loyal and lasting partnership with our present and future customers.

Systematic control of any and all documents are necessary to insure that what has been promised will be delivered and that in fact is possible to deliver. (Contract documents are e.g. offer, proposal, order acknowledgement or contract for all future transactions). A renewed checking after signing documents assures that even changes and additions are considered. Attention! Even oral contracts are binding and should immediately be followed up by written agreements.

At System Edström Bilinredningar AB management has established an effective cooperation between the customers and the company's customer relation personnel. We communicate with our customers both to inform them and to listen to them. Agreements are examined according to set procedures.

Agreements are examined both before and after signing the documents. The examination of documents are complemented with e.g. reservations and explanations if needed.

All formal transactions are documented in order to continue a good working relationship with the customers. All changes in contracts and agreements are made according to set procedures. Monitoring of customer satisfaction is done on a continuing bases. All documentation regarding offer, agreement and contract etc are saved according to "How to handle documents".

### THE INTERACTION OF PROCESSES

What the customer buys from the company is often, at time of delivery, a product of a cross functional process e.g. the personnel from the different departments (lines) within the corporation have done their shares in order to satisfy the customers need.

In a company that only is organized in a vertical structure, the risk is that the department's interest takes president over the interest of the process. The risk is that the whole picture is lost in favour of short term goals and problem solving.

The management at System Edström Bilinredningar AB has defined several cross functional procedures. These are named "Main procedures" (e.g. mounting and delivery). To each main process, there are several sub processes connected (e.g. credit/finance). Every main process is mapped by a process group consisting of 5 to 10 employees from all departments involved.

#### *Reason for process mapping:*

- Mapping all activities in the process in order to describe the present condition.
- Identify areas of improvement.
- See the whole picture.
- Determine measurable improvements.
- Clarify responsibility.
- Create a base for continuous improvements.

### IMPROVEMENT PROJECTS

The areas of improvements identified are then tackled by the project employees best suited for the tasks. The project group is chosen by the procedure group, the business management committee or by the regular members of the business management committee.

#### *The tasks consist of:*

- Fault analyzes and other examinations.
- Determining the cause of the fault.
- Possible solutions.
- Reporting to the QE coordinator.

### BUSINESS MANAGEMENT POLICY

The management of System Edström Bilinredningar AB has decided and documented the company policy, goal and procedures regarding QE control. It is the responsibility of the company management to insure that the implementation of the QE control policy is understood and adhered to by all employees.

All employees at the company shall, at every contact with our internal and external customers, strive to meet or surpass their needs within the company business. This can be achieved by making sure that all our employees know our customers and carefully inquire and feel responsible for the customer needs and wishes. We should always strive to deliver flawless products, in the right quantities, at an agreed upon price in the time frame required.

#### *The road to achieve this is:*

- For our personnel to know our internal and external customers.
- Listen to the customers needs.
- Be responsive to customers needs.
- Follow company procedures.
- Develop mutual trust within the company.
- Develop skills.
- Integrate a QE control system in the activities.

This way, the customers are guaranteed that the products and services are delivered according to specification and contracts. To do things right from the beginning and timely delivery should be the norm for all work performed within the company. The corporate management and the production leaders have the final responsibility to insure that the Business management policy is adhered to and should support all initiatives to improve products and reach goals.

#### *Furthermore, the corporate management has the final responsibility to insure that;*

- The personnel has the correct information and skill/education to properly perform their task to the highest quality.
- Good relations exist between the company, the employees and their surrounding.

- A well functioning cooperation exist between the company's sub suppliers to make sure of good quality and timely delivery.

### OUR SUPPLIERS

The company's sub suppliers are an important part in our chain of quality and environmental behavior where the customer is the last link. Therefore, we see our suppliers as working partners and we should together have the same final goal: Our customers should receive the very best quality.

The suppliers are chosen based on their ability to meet set requirements, namely;

- Delivery capability.
- Quality.
- Price.
- Minimize the environmental influent.

A list of approved suppliers are made by the QE function, which in cooperation with the purchase departments are involved in the selection of suppliers.

#### *Evaluation of suppliers;*

- Receiving departments study and make evaluations of the quantity and the quality of the deliveries.
- Deviations to the standard are reported to the QE coordinator.
- He in turn informs the business management committee if a classification change in the register of suppliers is needed.

#### *Approved suppliers;*

Before an order is submitted to a supplier, the purchase department must have documented proof that the supplier has formally been approved by System Edström Bilinredningar AB. The supplier must meet the set standard for the particular product or service.

#### *Approval of a supplier is based upon;*

- Previous track record of capability and delivery performance of similar product or service.
- The result of the supplier evaluation, if no previous track record exists.
- Under certain conditions it's necessary for the personnel of System Edström Bilinredningar AB to inspect the QE system of the suppliers (with a personal visit). This is mostly necessary in purchasing of "lego manufactured" modular interior details.

### EDUCATION

To achieve success in our company, we must always be aware of changes in the market place. Therefore, the development and education of the employees must go hand in hand with the technological advances and the strategic plan of the company. The goal of the company is to develop strategic skills to reach a lasting competitive edge.

### GOAL

We are striving to reach a balance between the company's need of skilled employees and the employees willingness and motivation to develop their skills and knowledge. This goal will be reached through an employee development plan that combines education and skill standards allowing the employees flexibility to chose their own personal and professional development. This enhances the possibilities of the employees to seek alternative advancements within the company.

## PROCEDURES

Every manager is responsible for his/hers employees, their qualification to do the work required and for their future education. Selection is made based upon agreement between the manager and co-workers that the employee has the qualifications described in the job description.

Every manager has a conference with his personnel at least once a year. In this meeting the daily work situation and development needs are discussed, among other things.

The educational need is reported to the personnel manager, who creates the company educational plan. This is documented and is readily available for manager, co-workers and personnel. When the education is completed, it is reported to the QE coordinator for registration in the education register. The next level manager makes sure that the manager below him has the required conference with his co-workers.

## CONTROL AND TESTING

Even if the ground rule states that the person performing a task is responsible, there is a certain need to have controls and tests in place to insure that the quality is kept up to standards.

*At System Edström Bilinredningar AB;*

- Needed controls and methods of measurements are identified.
- Products are compared against set standards and suitable modifications are made if tolerance-precision and/or customer demand are not met.
- Quality related control-, measure- and test equipment are identified and marked, and included in a calibration or control system.
- There are calibration/control instructions and the results are documented from the regular activities.
- The calibration/control equipment is marked with its status.
- Earlier designs are analyzed for consequences when a defected measuring tool is found in a calibration/control.
- The personnel that run the equipment are educated and trained for the task.
- The calibration is done against norms set by internationally accepted norms.

*Acceptance of incoming supplies are checked up and controlled in regards to;*

- Correct receiver.
- Correct items.
- Correct quantity.
- Correct packaging.
- Any shipping damages.
- Control certification.

The purchasing agreement is the base for checking the shipment. Possible deviations are reported to the responsible buyer for corrective measures.

### CONTINUED QE CONTROL

Internal QE audit shall be performed periodically to verify the suitability and effectiveness of the QE control system. Our actual parts and service performance is compared to the documented procedures in our QE system. Internal QE audits shall be performed by skilled personnel aware of their responsibility to find solutions to improve company performance. The audits should be planned, performed and documented in accordance with set procedures. The audit report should be documented and given to the corporate business management committee. The responsible manager for the audited area should make sure that the necessary and suitable corrective measures are taken. Measures that were suggested at previous audits should be evaluated after correction has been taken as to its performance and effectiveness.

*At System Edström Bilinredningar AB;*

- The QE system is audited in accordance to documented rules.
- The QE auditor has no operational responsibility for the activities being audited.
- The result of the audit is reported to the responsible manager and to the committee of quality control.
- The corrective measures taken based on the audit report and the consequences are evaluated.
- The QE auditors have the required education for their work.
- The management also makes sure that the work of the QE functions is audited.

### FINAL WORDS

This document has been created to convey how we at System Edström Bilinredningar AB look at QE work. There is no doubt that organized QE control work is a must for long term survival within most industries.

We encourage customers, co-workers and suppliers to let us know, in person or writing, of any suggestions you may have to better live up to our goal:

**SYSTEM EDSTRÖM Bilinredningar AB shall be synonymous with highest quality!**