

# QUALITY



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VP Quality & Customer Services

***Fisher & Paykel***

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# PRODUCT QUALITY

**QUALITY IS THE MOST IMPORTANT CUSTOMER TOUCHPOINT**

**INCREASED INVESTMENT IN SYSTEMS AND PROCESSES**

**QUALITY ACROSS THE ENTIRE VALUE CHAIN**

**AFTER SALES SERVICE**

**FISHER & PAYKEL QUALITY**

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# QUALITY IS A KEY CUSTOMER TOUCH POINT

- Consumers want reliable products and a quality experience across all customer touch points
- Our goal is to be best in class for quality
- Our cost of warranty has reduced by 50% in the past 2 years



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# INVESTMENT IN SYSTEMS AND STRUCTURES

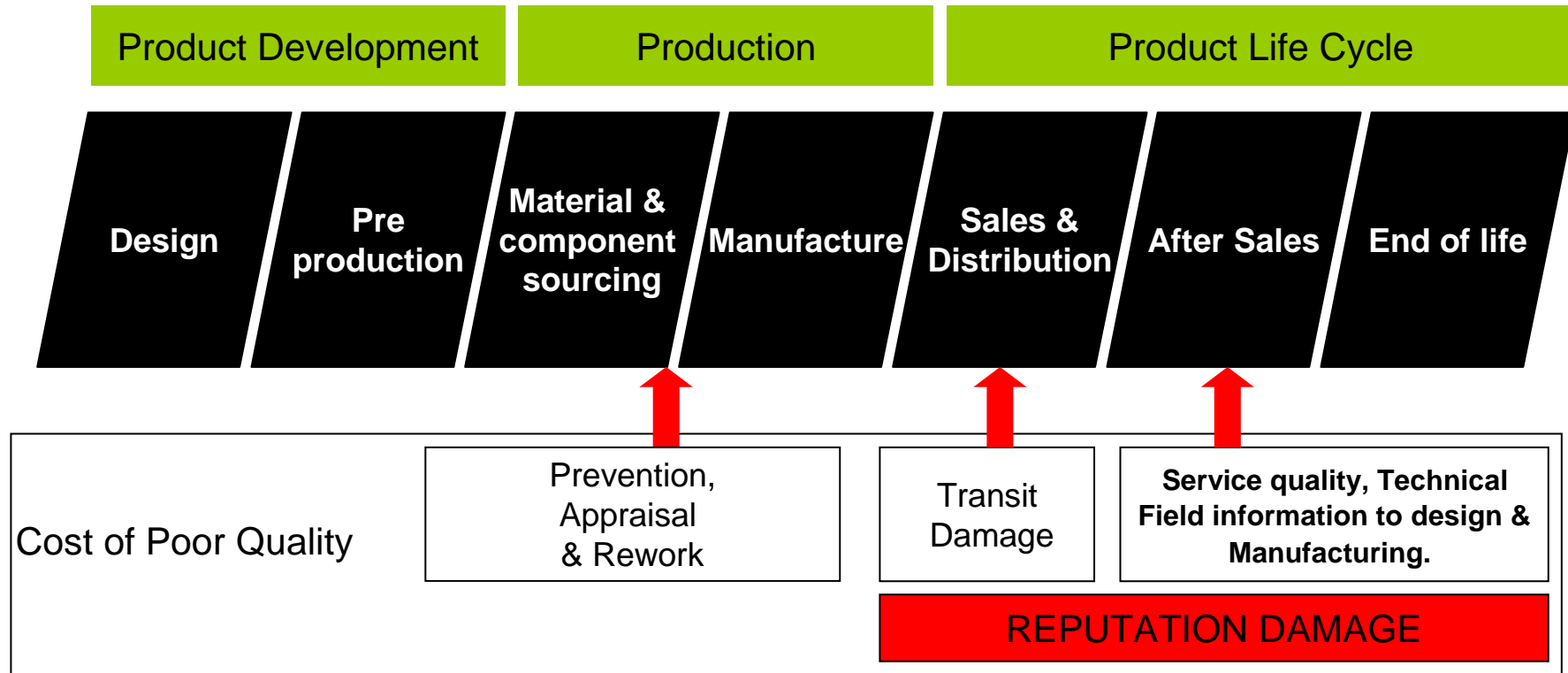
<b>STRUCTURE</b>	<ul style="list-style-type: none"><li>• VP Quality now reports directly to the CEO</li><li>• Quality managers on site in all manufacturing locations report directly to VP Quality.</li></ul>
<b>GLOBAL KPIs</b>	<ul style="list-style-type: none"><li>• Control variation critical to quality (CTQ) Standardized KPI all sites.</li><li>• SPC using six sigma methodology established as variation reduction methodology</li><li>• SPC pre-control charts “Green Zone” being established in manufacturing sites.</li></ul>
<b>STANDARDISED CORRECTIVE ACTIONS</b>	<ul style="list-style-type: none"><li>• Global web-based database</li><li>• Standard priorities, containment and root cause analysis</li></ul>
<b>SUPPLIER VALIDATION</b>	<ul style="list-style-type: none"><li>• Supplier validation, approval and performance system</li><li>• PPAP (production part approval process)</li><li>• Cross functional parts supply team established.</li></ul>
<b>REPORTING</b>	<ul style="list-style-type: none"><li>• Cost of quality reporting at a Business Unit level</li></ul>
<b>EXTERNAL STANDARDS</b>	<ul style="list-style-type: none"><li>• ISO 9001 certified</li><li>• Standards compliance ( UL, CCC)</li></ul>

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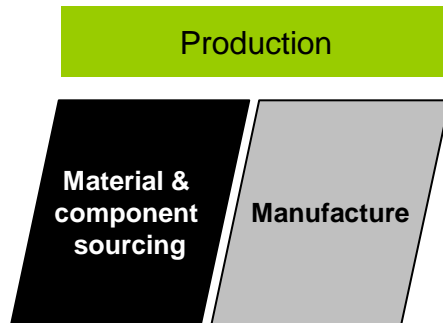
# QUALITY ACROSS THE WHOLE VALUE STREAM



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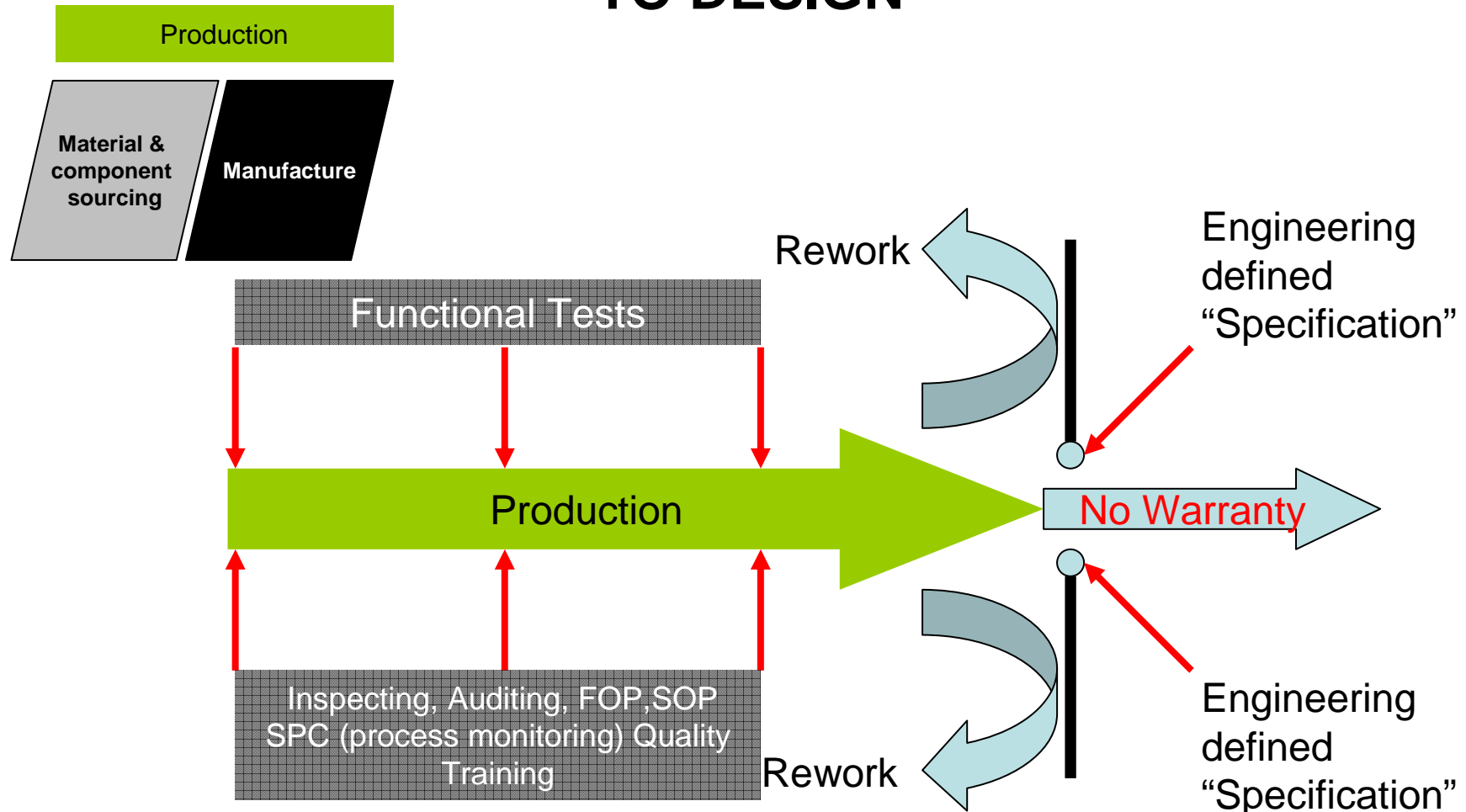
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# PARTS SUPPLY PROCESS



- **Select correct suppliers**
  - Identify potential 'partner' options
  - Appropriate commercial and quality systems
- **Parts approval process**
  - Design and processes are 'capable'
  - Variation fit for functional requirements
- **Proactive management of suppliers**
  - Materials Non-Conformance (HQMS)
  - Supplier scorecard and reporting

# QUALITY IN MANUFACTURING IS CONFORMANCE TO DESIGN



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# QUALITY IN THE FIELD

## Product Life Cycle

Distribution

After Sales

End of life

- **Distribution**
  - Packaging
  - Selecting third party logistics
  - Training / installation
- **Learn from the field**
  - Warranty analysis
  - Service Technician reports
  - Monthly reviews with Design and Manufacturing
  - Customer Service Centre summaries (CRS system)



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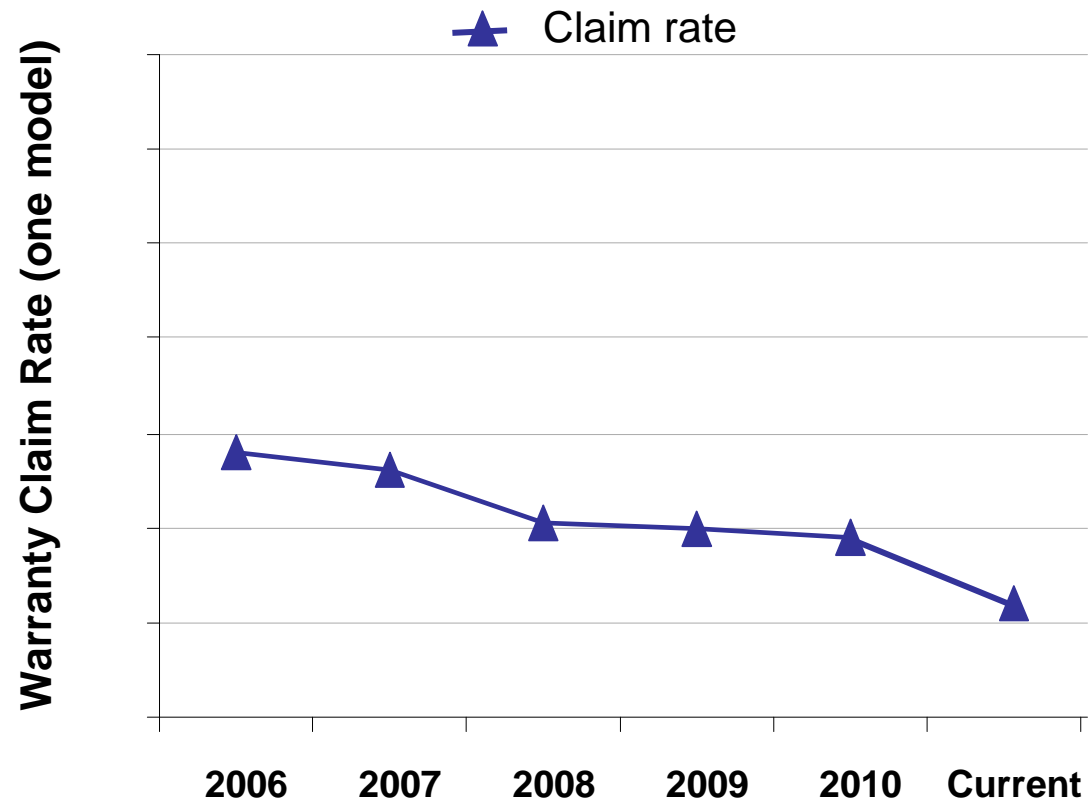
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# SIGNIFICANT PROGRESS HAS BEEN MADE

- Our goal is to be best in class for product quality



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## IMPORTANT NOTICE

This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Fisher & Paykel Appliances Holdings Limited and its subsidiaries.

All currencies are expressed in New Zealand dollars unless otherwise stated.

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