

# Real Life Safety

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Autoliv Capital Markets Day 2015

**Autoliv**

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**Quality**

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**Svante Mogefors**

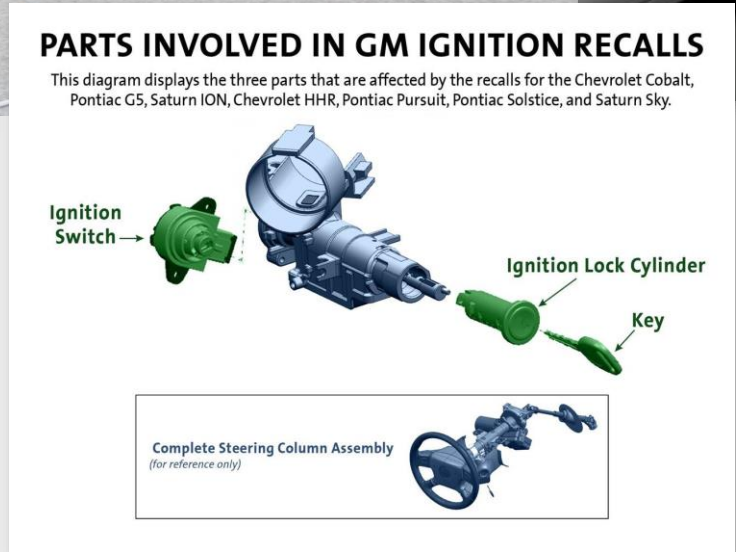
October 2, 2015

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# A Challenging Automotive Environment

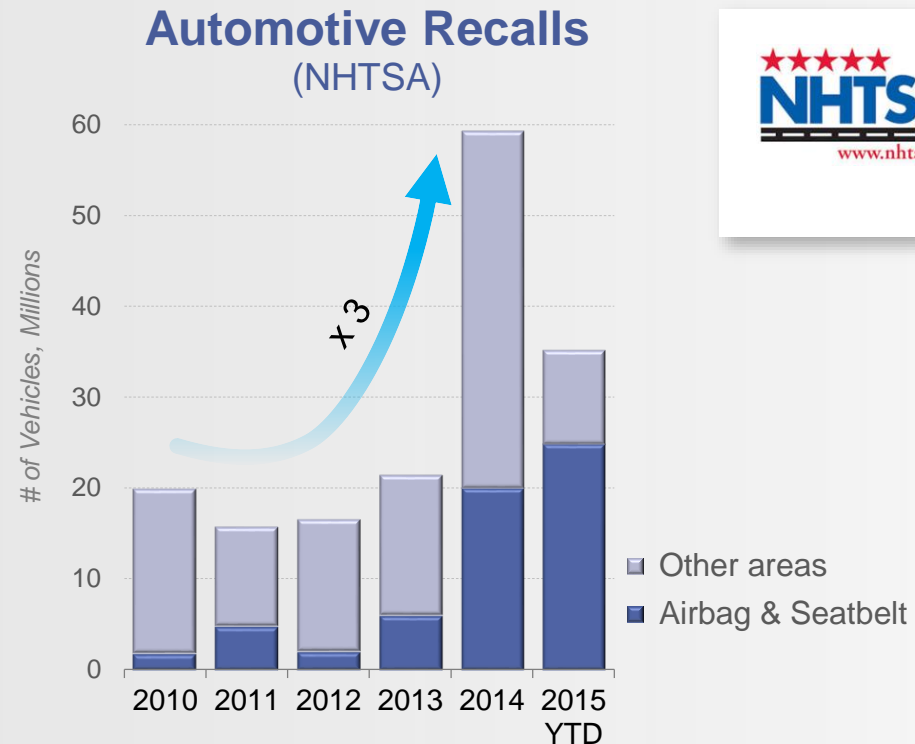


# Industry Focus on Quality

## Increases as number of recalls surge



- Much lower tolerance from **Customers** for any quality related issues in vehicles
- **OEMs** increasingly sensitive
  - Recalls decided for reasons which previously would not result in a recall
  - Increased focus on warranty data to find issues and decide about recalls
- **National Authorities** apply more pressure

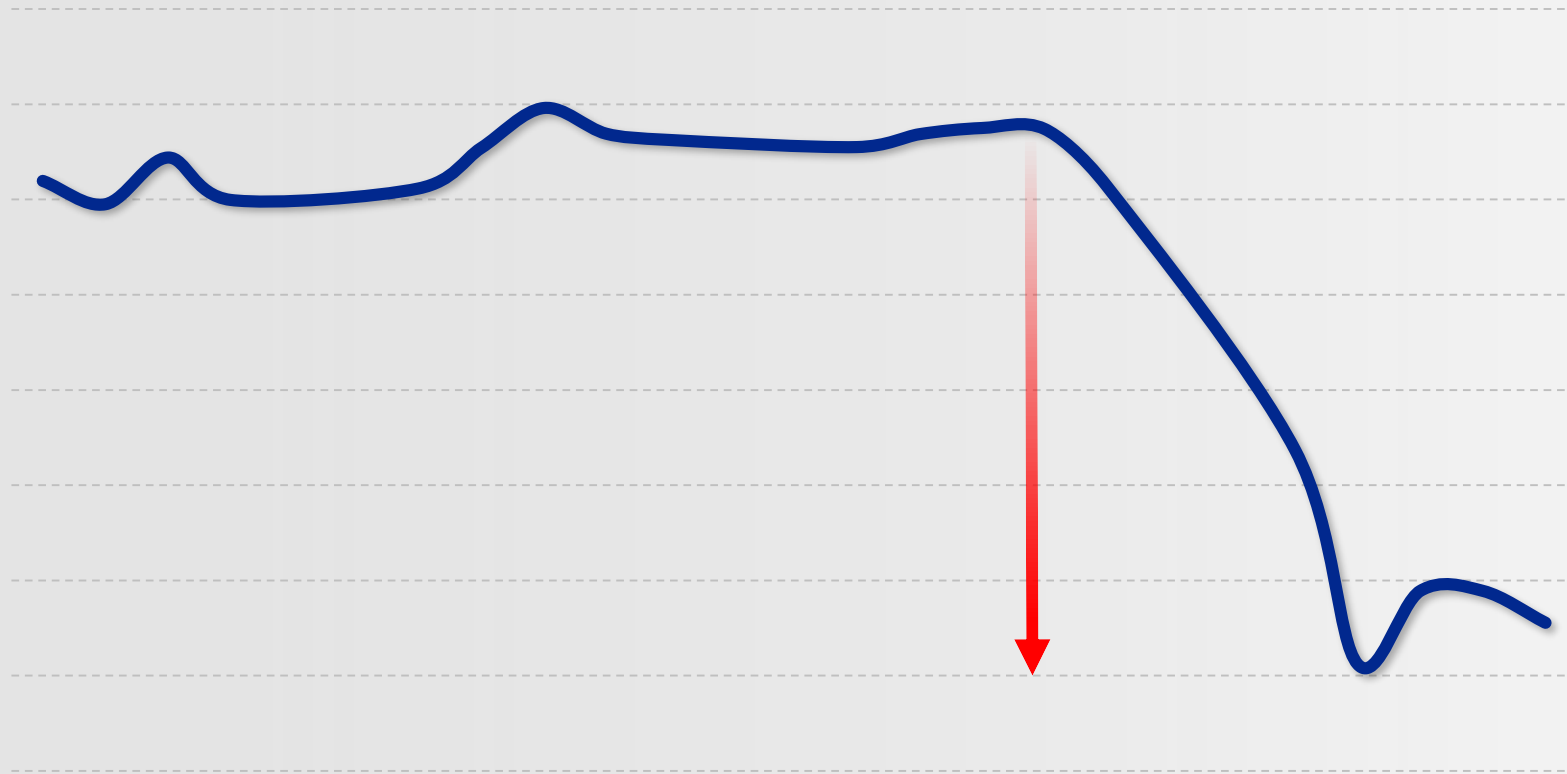


# Industry Focus on Quality

Costs of non-quality issues and non-compliance are now becoming huge



## Recent example of non-compliance

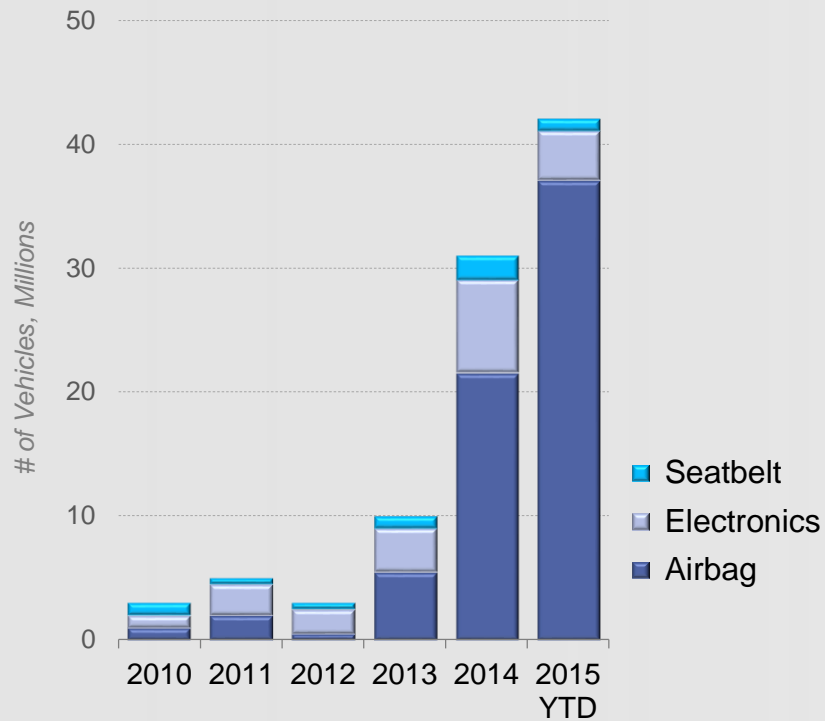


# Our Recall Situation in Safety

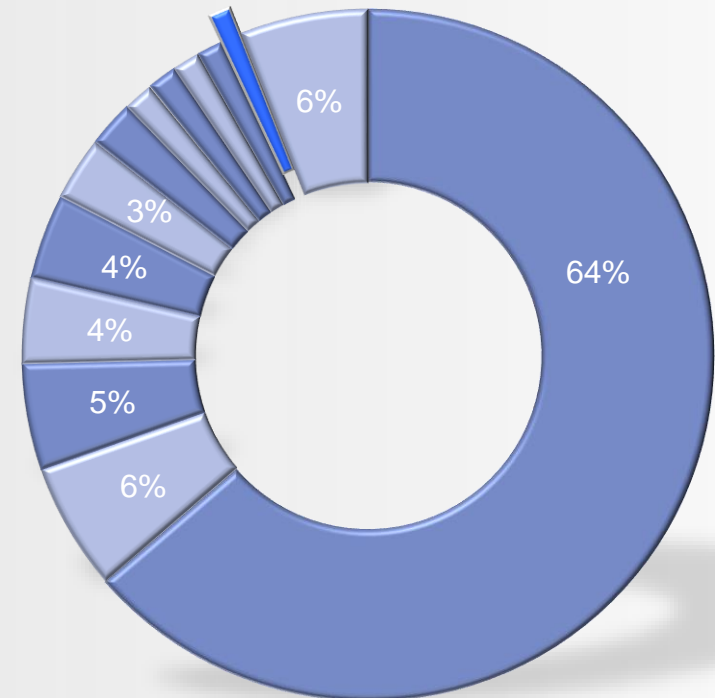
Number of vehicles recalled



## Industry Restraint Recalls\*



Autoliv ~1%



(\*) Recall Databases



# Our Commitment to Quality

Living Zero Defects our first strategic priority



- Q5 rolled out in Nov. 2010 globally
- Focused all employees towards the importance of quality
- A journey towards zero defects
- A common quality language

# Our Approach to Quality

A journey towards Zero Defects



Quality in our  
People

Quality in our  
Products

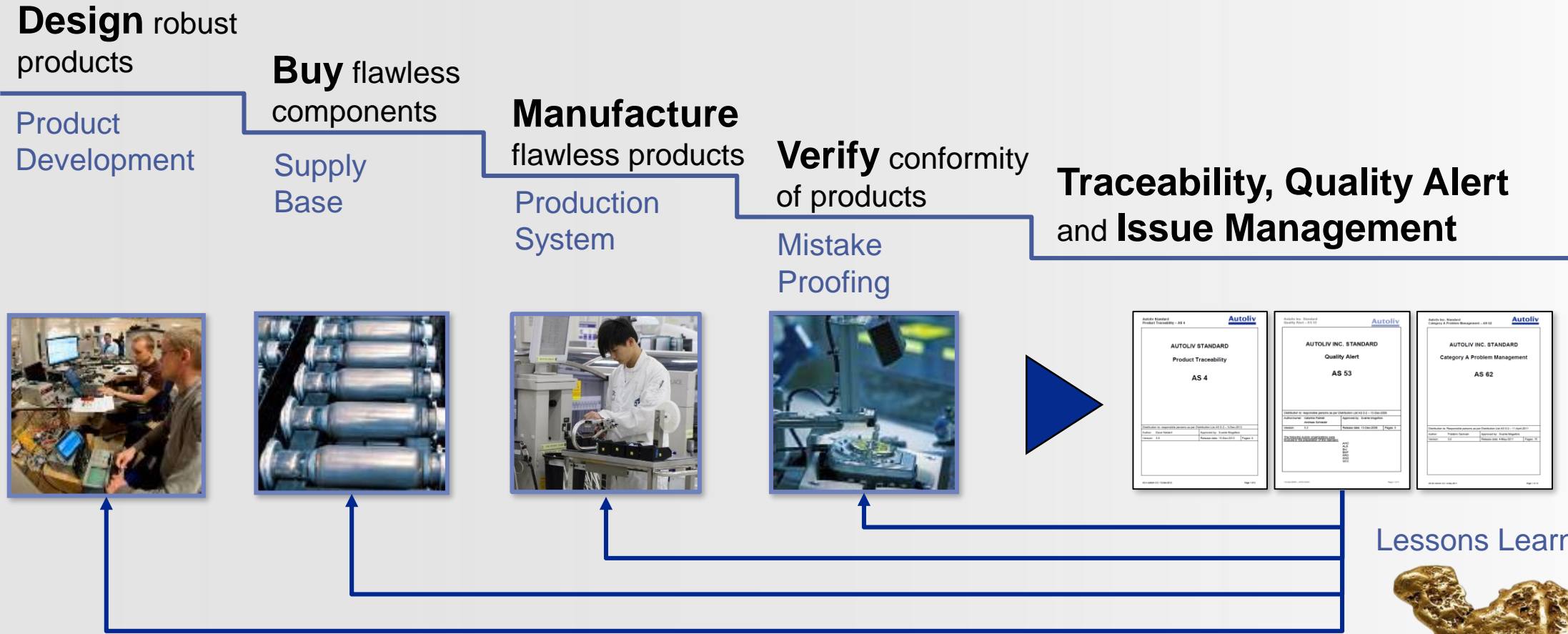
Quality in our  
Processes

Autoliv Quality Assurance System



# Living Zero Defects

Decades of continuous improvement from design to final product



# Living Zero Defects

## How we live Zero Defects every day

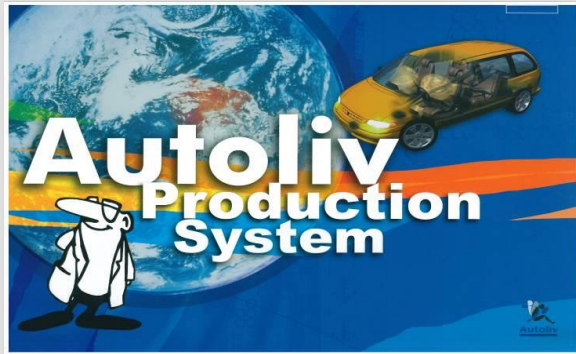
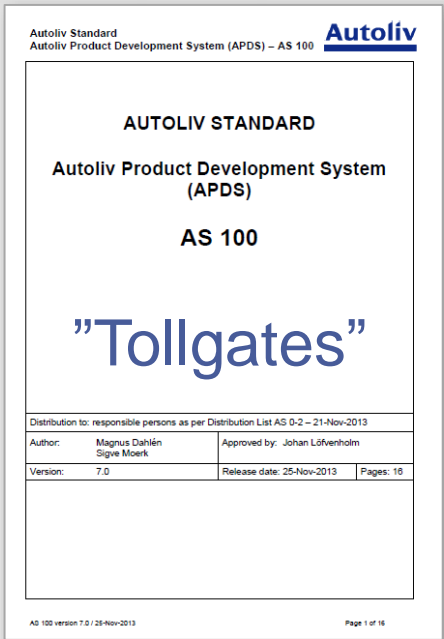


### Design APDS

### Manufacturing APS

### Prevention Alert

### Learning Yokoten



Similar to Toyota,  
20 languages



Quick notification  
to concerned

**Global Yokoten Teams (Nov 18<sup>th</sup> 2014)**

Product Area	Global Yokoten Team Leader	Global Quality	Global Design/ Eng.	Global Operation/ Manufact. using	ANA	ASA	AEU	China	Japan/ Asian	India	Korea
Airbag	Lisa Frey		Scott Cameron (USA), Jim Line (USA), Jim Bonhart (USA)	Bret Garner	Dave Nelson (USA), Alan Voss (USA)	See ASA	Mark Bruch (USA), Paul Ehrlich (USA), Jeff Yung (USA), Kuranishi (USA)	Frederic Burquez (USA), Jihua Tang (USA), Kuranishi (USA)	Masahiro Inoue (USA), Akira Gaden (USA), Akira Gaden (USA), Jim Johnson (USA), Jim Johnson (USA)		Jim Johnson (USA), Chae Sung Kim (USA)
Seatbelts	Patrice Colson	TCO	Dimitri Oude	Mario Verucchi	Vandell Lane (USA), Paul Klacis (USA), Arnet Pagan (USA)	Wagner (USA), Peter (USA), Arnet Pagan (USA), Arnet Pagan (USA)	Frank Kohn (USA), Arnet Pagan (USA)	Jim Wang (USA), Arnet Pagan (USA)	Colin Neighton (USA), Arnet Pagan (USA), Arnet Pagan (USA)	Arnet Pagan (USA), Arnet Pagan (USA)	Bun-Ho Kim (USA), Arnet Pagan (USA), Arnet Pagan (USA)
Steering Wheels	Cherie Leckman	Cherie Leckman	Jean-Benoit Kozian (USA), Arnet Pagan (USA)	Francis Kozian	Russell Torres (USA)	Orlando Torres (USA), Arnet Pagan (USA)	Dan Becker (USA), Arnet Pagan (USA)	Arnet Pagan (USA)	Haruhiko Okumura (USA)	Ravi Haddarone (USA)	
Inflators	Wash Byrne	Wash Byrne	Ted Barbach	Cherie Gussard	Ryan Stevens (USA), Arnet Pagan (USA), Ed "Tom" Barbach (USA)	Cherie Gussard (USA), Arnet Pagan (USA)	Jim Chen (USA), Arnet Pagan (USA)	Kentaro Suzuki (USA), Arnet Pagan (USA)			
Textiles-Cushions	Wendy Coulter	Wendy Coulter	David Bow	Raf Kozian	Arnet Pagan (USA)	Arnet Pagan (USA)	Arnet Pagan (USA)	Arnet Pagan (USA)	Arnet Pagan (USA)	Arnet Pagan (USA)	Chae Sung Kim (USA), Arnet Pagan (USA), Arnet Pagan (USA)
Textiles-webbing	Wendy Coulter	Wendy Coulter	Wendy Coulter	Wendy Coulter	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)
Electronics	Wendy Coulter	Wendy Coulter	Wendy Coulter	Wendy Coulter	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)	Wendy Coulter (USA)

Approver: Group Vice President Quality  
ALV-APDS2014-0008 Yokoten Teams - 1  
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Global system  
for sharing

# Living Zero Defects

Built on strong engagement in entire organization





# Living Zero Defects

Workshops a powerful Zero Defects tool



## Step 1

Establish team and workshop plan / structure

## Step 2

Ensure robustness of previous corrective actions

## Step 3

Solve current problems

## Step 4

Anticipate potential problems

## Step 5

Make Active Yokoten of all findings

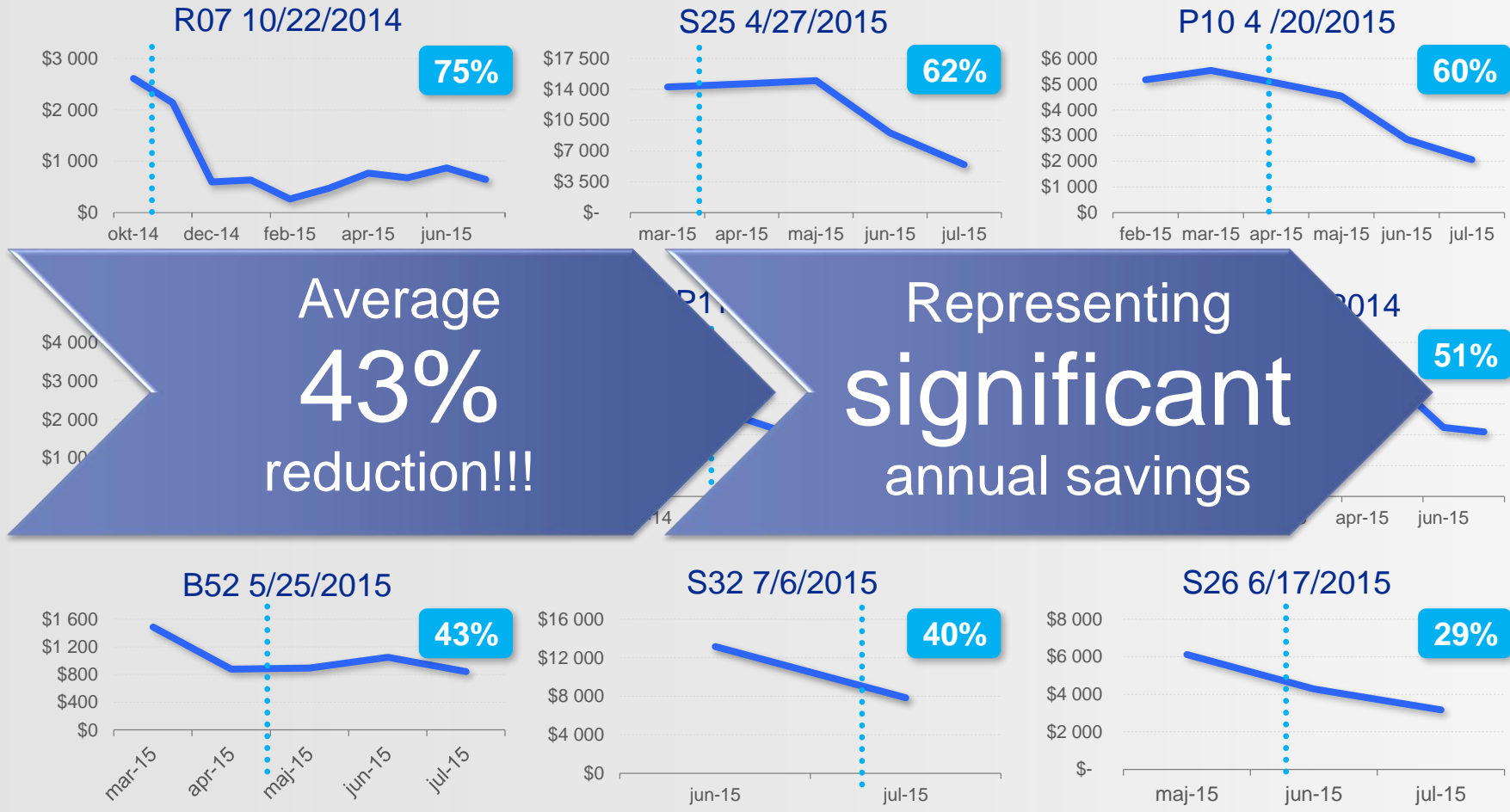


# Living Zero Defects

## Impact of implementing Zero Defects Workshops



Monthly Scrap at Zero Defect Lines





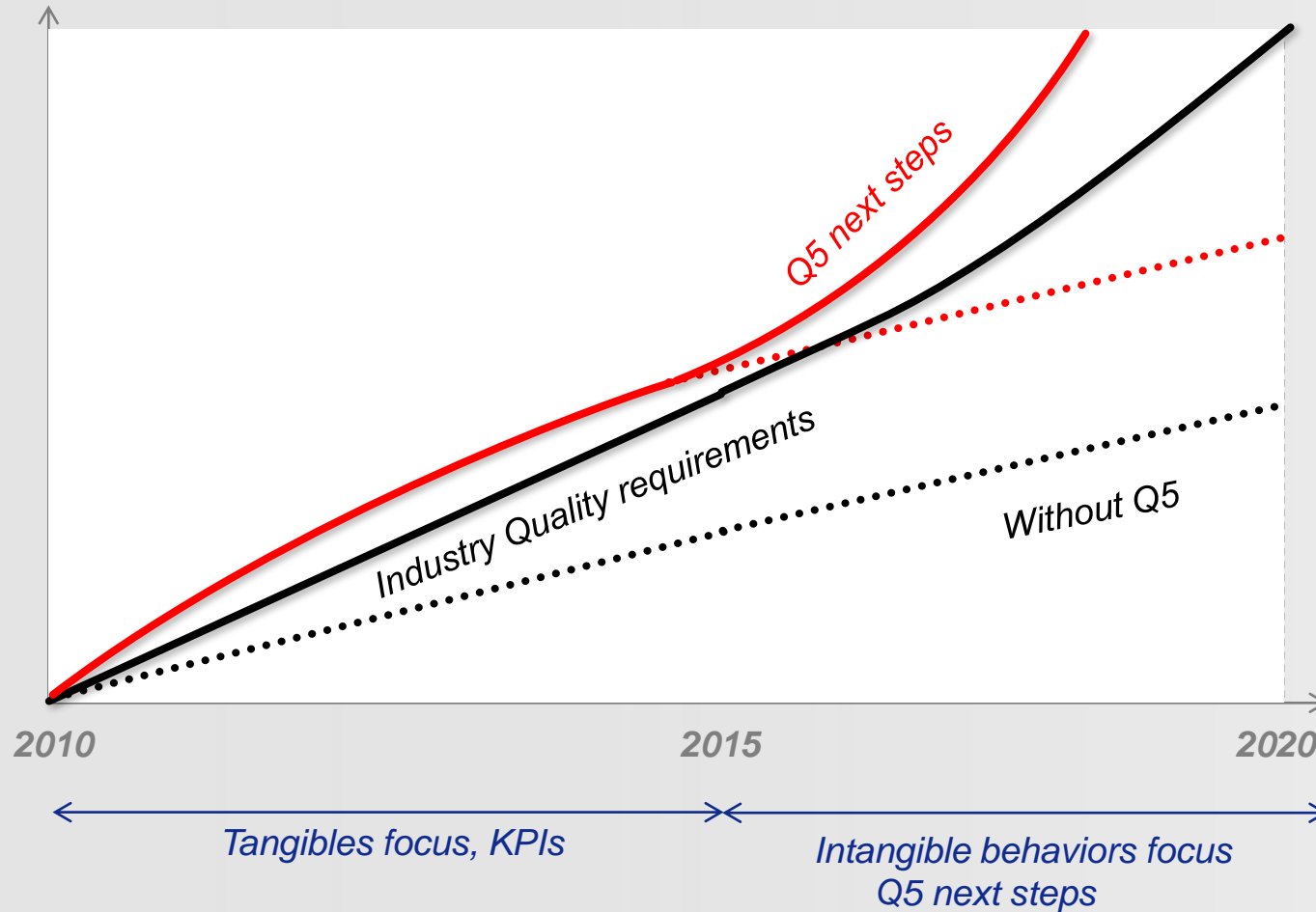
# Living Zero Defects

Zero Defect activities rolled out in all plants in 2015 > 200 ZD lines by July



# Living Zero Defects

Our continued journey towards Zero Defects focus on Q5 next steps



An individual commitment to behavioral change

It starts with me



# Living Zero Defects

It is about shaping our behavior and lead by example



## More

- Curiosity
- Proactive mindset
- Go & see
- Meet customer needs
- Respect for standards
- Feedback
- Share good & bad

- Blame
- Taking shortcuts
- “Ticking in the box” attitude
- “Not invented here” attitude
- Sub-optimization
- Politics

## Less



# Living Zero Defects

In the end, it is also about pride and achievement



## Before...

It is impossible...



We made it happen!

## After!!!



Too difficult...



Everything is possible!



# Thank you!



## **Autoliv**

Every year, Autoliv's products save over 30,000 lives

and prevent ten times as many severe injuries