

Costs of Nonconformance

Failure to comply with a requirement, standard, or procedure, resulting in a defect. Those requirements might be defined by the customer, a regulatory body, or in the internal procedures in the company.

Nonconformance(s) impact on a business can have the following effects:

- Engineering Redesign
- Rework
- Scrap
- Premium Transportation/ Expediting
- Field Modification(s)
- Re-inspection and testing
- Liquidated damage payout

The later a quality defect (nonconformance) is detected in the value chain, the higher a company's cost, potentially resulting in lost revenue and/or brand damage.

