



PURPOSE: To define the level of communication required from Watlow's suppliers in regard to changes initiated by them, or their sub-tiers, which will allow Watlow the opportunity to assess any risks and avoid any unintentional consequences associated with the change, in advance of the supplier's implementation of the change.

1.0 DEFINITIONS / REQUIREMENTS

- 1.1 Scope:** Documents the communication required between Watlow's Suppliers, their sub-tier suppliers, and Watlow regarding product and process changes related to the parts, assemblies, or services they supply to Watlow.
- 1.2 Change:** Those changes to material, manufacturer, design, or process as listed in section 4.2.
- 1.3 Supplier Change Control and Communication:** Process which requires advanced communication of changes, including obsolescence notifications, encountered by the supplier and a system to control change implementation to ensure that the effects on Watlow's and Watlow's customer's product can be evaluated and approved prior to implementing the change.
- 1.4 Control Level:** Each material/part/service/process expected to comply with this requirement shall have a Control Level (Level 1, 2, 3, or 4) defined on an appropriate procurement document, such as a print and/or purchase order, which will reference this document. QSP-7.4.10. The Control Level, which will be defined by Watlow, will influence whether "Approval Required" or "Notification Required" is needed based upon the type of change being considered.
- 1.4.1 Control Level 1: Catalog or "off the shelf" items purchased by generic part descriptions, or Industry Standards
 - 1.4.2 Control Level 2: Catalog or "off the shelf" items purchased by specific manufacturer and part numbers and only purchased through authorized sources to avoid counterfeit risks.
 - 1.4.3 Control Level 3: Custom parts manufactured and purchased to Watlow drawings/specifications
 - 1.4.4 Control Level 4: Custom parts manufactured and purchased to Watlow drawings/specifications AND mutually agreed upon manufacturing processes
- 1.5 Notification Required:** These changes require advanced notification to Watlow. 365 calendar days notice of the change in advance of shipping any affected product to Watlow is expected, whenever possible.
- 1.6 Approval Required:** These changes require advanced notification to Watlow. 365 calendar days notice of the approval request in advance of shipping any affected product to Watlow is expected, whenever possible. Note: Watlow's approvals should always be written and recognizable as a formal record of acceptance and/or approval. If the supplier has a "form" they use for such documentation, it is acceptable to submit the form to record and document Watlow's approval.
- 1.7 Process Control Documentation:** By part number or part family, this is the supplier's manufacturing documentation which defines the manufacturing sequence of events, process controls, product monitoring and test processes, inspections, etc. used in producing the supplied parts. This documentation may include customer drawings, process manufacturing plans, process control plans, work instructions, production traveler/routers, approved PPAP, etc. It is always expected that the supplier control these documents with regard to maintaining a current revision for all production and prevent unauthorized changes. This documentation is always considered the intellectual property of the manufacturer and will be treated accordingly when discussed or shared with Watlow.

2.0 ASSOCIATED DOCUMENTS

- 2.1 Watlow prints, drawings, purchase orders, and any other Watlow procurement documentation that will identify the control level expected from the supplier and reference this document.
- 2.2 Training materials needed by the supplier to document and sustain compliance to these requirements, which can be found here: <http://www.watlow.com/about/supplier.cfm>

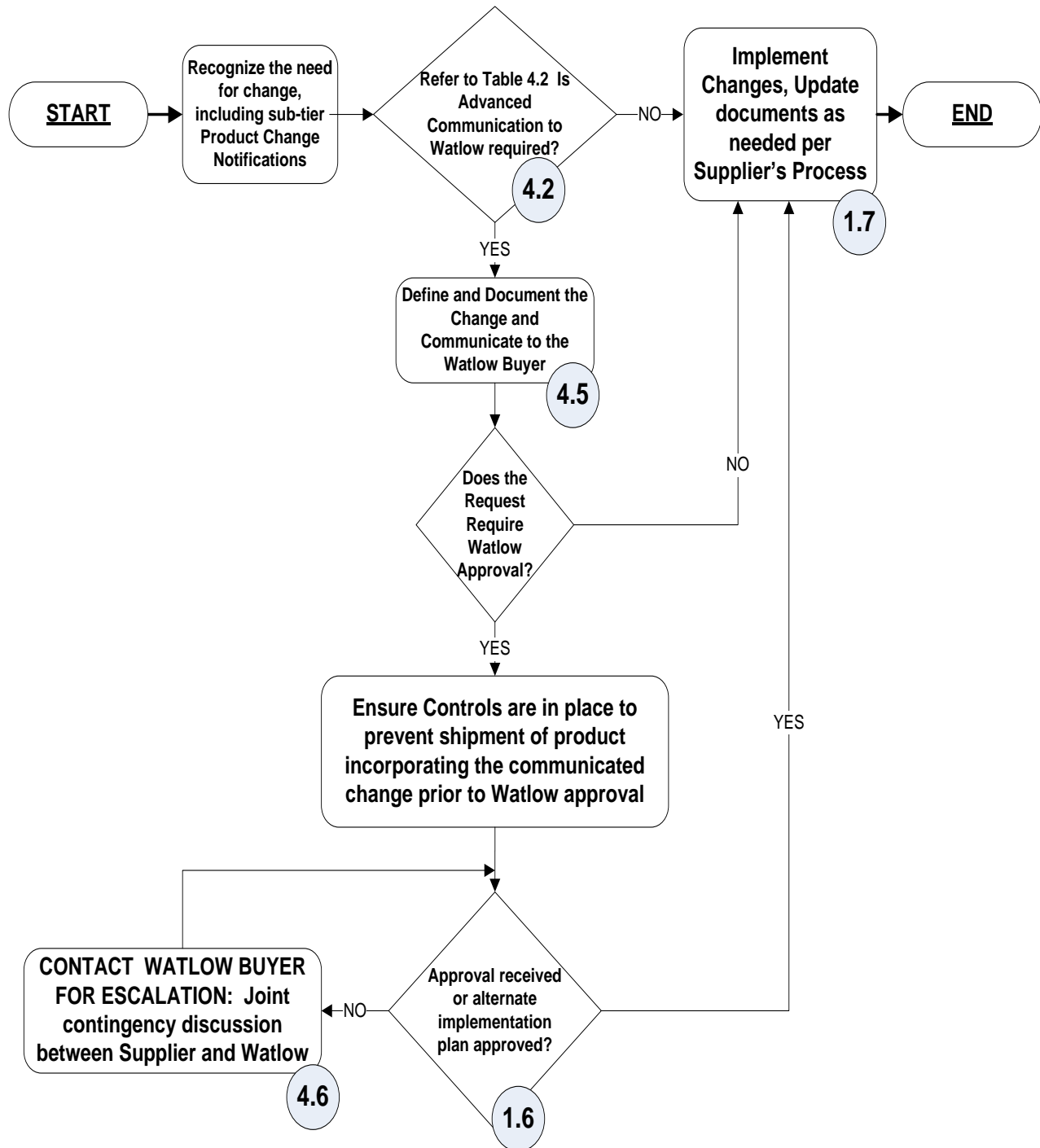
3.0 AFFECTED AREAS / SCOPE

3.1 Role, Responsibility, Accountability, and Authority Matrix:

Role	Responsibility	Accountability	Authority
Watlow	<ul style="list-style-type: none"> Determine, document, and communicate to the supplier the control level required. Respond to supplier's notifications and approval requests in a timely manner. Ensure suppliers are trained and aligned with this procedure when applicable. 	To Watlow's suppliers and Watlow's customer expectations driving the requirement of Watlow's suppliers	Define requirements, review, assess risk and approve/reject (if necessary) supplier's notifications and approval requests.
Supplier	<ul style="list-style-type: none"> Conform to the requirements of this procedure and appropriate procurement documentation provided by Watlow. Exert <u>effective change control</u> for 2nd, 3rd, etc tier suppliers to comply with these and/or the supplier's own supplier change control requirements. Supplier shall not ship product incorporating changes without appropriate notification or Watlow approval as required by this procedure. Submit notifications and requests for approval as defined by control level and this document <u>365 calendar days in advance or as soon as possible.</u> 	To Watlow, this procedure and appropriate procurement agreements and documentation with sub-tier suppliers.	Request information and assistance from Watlow in regard to implementation, training, and conformance to this requirement.

4.0 PROCEDURE: It is the suppliers responsibility to apply controls to conform to these Watlow requirements both internally (Sec 4.3) and to subtier suppliers (Sec 4.4) as required.

4.1 Process Flow





4.2 Change Communication Table

TYPE OF CHANGE	Control Level			
	Level 1	Level 2	Level 3	Level 4
PRODUCT CHANGES				
Intent to supply product/material or service which does not conform to defined specification for material/product/service to be supplied	A	A	A	A
Notice of Obsolescence/ Substitution	NR	A	A	A
Change in Manufacturer (New/Different Manufacturer)	NR	A	A	A
MFG Site location changes, same manufacturer but new factory site location (No change in mfg/part number labeling)	NR	N	A	A
Change to new/different Manufacturer (No change in mfg/part number labeling) e.g. Supplier X licenses new manufacturer for existing Supplier X part#	NR	N	A	A
Revision level changes to manufacturer's product specifications even if form, fit or function are not affected	NR	N	A	A
Firmware/Software Changes within the product that is supplied	NR	N	A	A
Change in subcontracted process providers (plating, heat treat, PCBA, etc) that are required to manufacture the product supplied	NR	NR	A	A
Company Ownership and name changes, not affecting the name on the part	NR	N	N	N
Intent to supply product/material or service which conforms or is packaged to a revised or different version of an Industry Standard than previously supplied	N	N	N	N
PROCESS CHANGES				
Notice that product is to be run on a Machine or Group of Machines other than previously approved or agreed as defined in manufacturing documentation	NR	NR	N	A
Measuring/Inspection/Test Methods Changes (CMM programs, metrology, methods, gage equipment, fixture gages, inspection frequency changes, etc)	NR	NR	N	A
Manufacturing Process Changes: (Combining, separating, sequencing, routings, and/or technique/technology/efficiency/safety changes to operations documentation)	NR	NR	N	A
Automated Process Control changes (Parameters, Set Points, CNC, NC Programs, process calculations, PLC logic, Firmware/software changes to process/measuring equipment, etc.)	NR	NR	N	A
Fixture/Jig Changes: (Performs same function, but is of a different design)	NR	NR	N	A
Fixture/Jig Replication or replacement (Another of the same design)	NR	NR	NR	A
Changes to Consumable Materials identified as required per the approved documented process	NR	NR	NR	A
NR=Not Required	N=Notification Required		A=Approval Required	



**Supplier Change Control and
Communication Requirements
Doc Number: QSP-7.4.10
Revision Date: 12/16/2015**

- 4.3 Understanding and Implementing the Requirement: Watlow's suppliers subject to the requirement will be trained to this requirement, either directly by Watlow or through self-training and the following will be expected of the supplier in order to continue to comply to the requirement:
- 4.3.1 Assuming a supplier has appropriate systems in place to control implementation of changes internally prior to notification and/or approval, the supplier will ensure that their system will remain in alignment and is executed appropriately in order to continue to support this requirement.
 - 4.3.2 The supplier will ensure their personnel supporting Watlow, and those involved in managing their own supplier requirements, are trained and re-trained as required and their work also aligned to this requirement.
 - 4.3.3 The supplier will ensure that their system allows for effective control of their own suppliers at all times, including controlling changes to material and training those suppliers to Watlow requirements if needed.
- 4.4 Effective control of Sub-Tier Suppliers: It is critical that Watlow's suppliers have effective control and advanced knowledge of changes their suppliers intend to introduce, which can ultimately impact what is supplied to Watlow. It is expected all of Watlow's suppliers have systems in place to ensure they have appropriate control over what their suppliers provide. Through the use of purchase orders, prints, drawings, specifications, or other contractual methods, these typically establish the requirements of what is to be supplied. In addition, training sub-tiers to their own requirements, which is expected to align with Watlow's expectations, can be effective.
- 4.5 Documentation for Communication to Watlow: In communicating changes to Watlow, the supplier must communicate in writing the current state of the part/process versus the proposed state of the part/process and provide appropriate detail and supporting documentation defining and justifying the change.
- 4.5.1 Typical information communicated should include: Watlow and manufacturer part numbers, detailed description of the change, reason for the change, data/report supporting the verification/validation, or qualification of the change done by the supplier, manufacturing samples when available, and proposed implementation schedule for the change. Production Part Approval Process (PPAP) documentation, PPAP level as agreed upon with Watlow, may also be submitted to define the change.
 - 4.5.2 **Change in Material or Component:** Technical documentation/data sheet/specifications for the current and proposed material component shall be provided, noting the differences to the final product.
 - 4.5.3 **Change in Manufacturing Process and Equipment:** Technical description of current and proposed processes/equipment, including the differences between current and proposed outputs, and any alternate process flows/steps (ie. change in sequence of manufacturing steps) should be provided.
 - 4.5.4 All change communications (notifications and approval requests) must be provided to the Watlow Buyer of the subject part number, who will facilitate recording the notification and acquiring any Watlow approvals needed.
- 4.6 Rejection by Watlow of Approval Requests Submitted: Should Watlow not approve a change request and continuation of the current process or supplying material to the current specifications is not acceptable or feasible to the supplier, the supplier should request that the issue be escalated within Watlow for final resolution.

5.0 DOCUMENT APPROVALS

- 5.1 VP of Supply Chain
- 5.2 Director of Quality
- 5.3 Supplier Quality and Development Manager



6.0 DOCUMENT AMENDMENTS

REVISION DATE	DESCRIPTION OF CHANGE	ORIGINATOR
06-11-13	Combined Winona 7415 and Watlow QA-7.2.45 into Corporate level 2 QSP	J. Rickenbaugh
04-22-14	Added to the definition of Process Control Documentation (Sec 1.8) and Updated Definition for "Chg to New/Different Manufacturer " Table in 4.2	J. Rickenbaugh
3/4/2015	Clarification Updates and to align terminology to QSP-7.4.10 training system standard work	M. Gappa
12/16/15	Annual Update: new Watlow logo, 180 to 365 day notification expectations, web site link added, grammatical corrections, removed criticality notes, as needed	M. Gappa