



Cost of Poor Quality Worksheet

Internal Costs

	Instances	Cost per Instance	Line Total
Scrap	25,000	\$2.00	\$50,000.00
Rework	8,000	\$1.25	\$10,000.00
Analysis of Failures	1	\$2,500.00	\$2,500.00
Supplier Nonconformances			
Containment Activity	1	\$400.00	\$400.00
Inspection/ Testing of Reworked Product	21,110	\$0.125	\$2,638.75
Process Changes- Design Change	1	\$12,000.00	\$12,000.00
Obsoleted Product	8,000	\$2.00	\$16,000.00
Regrading of Product			
Excessive Variation in Processes			
Non-value added activity			
		subtotal	\$93,538.75

External Costs

	Instances	Cost per Instance	Line Total
Warranty- Retail Customers	49,664	\$5.75	\$285,568.00
Customer Returns- Wholesale	44,000	\$4.25	\$187,000.00
Inbound Shipping Cost- Wholesale			\$14,643.85
Customer Complaints-Recall Costs	53,616	\$2.17	\$116,346.72
		subtotal	\$603,558.57

Appraisal Costs

	Instances	Cost per Instance	Line Total
Inspection and Testing			
Material Utilized for Inspection and Testing			
		subtotal	

Grand Total COPQ \$697,097.32