

Complaints management: systematically handling defects and eliminating root causes

Complaints management refers to the structured handling of complaints about delivered goods or services along the entire supply chain. It combines quality management, procurement and supplier steering into a rule-based process with clear responsibilities and deadlines. A functioning complaints management system reduces rework, downtime and dispute arguments and provides procurement with reliable data for supplier evaluation.

Key facts

- Complaints management covers the logging, assessment, root cause analysis, immediate action and settlement of complaints.
- Typical metrics are complaint rate, lead time to statement and repeat defect rate.
- The 8D report is the most common method format for supplier complaints in practice.
- Contractual foundations are warranty, product liability and agreed response and remediation deadlines.
- Complaint data typically flows into supplier evaluation, the supplier annual review and the supplier audit programme.
- Digital systems reduce media discontinuities and often significantly shorten processing times.

Definition: complaints management

Complaints management is the organised and systematic handling of complaints about products, services or delivery processes. It covers the logging, technical assessment, root cause analysis, immediate action, corrective action and commercial settlement through to contract completion evaluation.

Distinction from general complaint management

While complaint management is often thought of as customer-oriented, complaints management in industrial procurement is primarily aimed at suppliers and subcontractors. It is technically oriented and directly linked to quality inspection. At the same time, it also applies in reverse to incoming customer complaints that are attributable to one's own supplier defects and must be passed on to the supply chain.

Legal foundations

The basis is warranty and liability provisions of sales and works contract law as well as agreed arrangements on deadlines, burden of proof and recourse. In practice, supplier contracts frequently govern response times, defect remediation deadlines and the bearing of rework costs. The specific legal assessment should be reviewed on a case-by-case basis with the legal department or external advisers.

Process and methods in the complaints process

A functioning process follows a standardised sequence with defined roles, deadlines and documentation requirements. Ideally, the chain begins before the notification: with defined inspection scopes in the incoming goods inspection plan and clear notification criteria.

Logging and classification

Every complaint is logged with a unique number, batch, quantity, defect pattern and impact. A standardised defect classification, e.g. into critical, major and minor, enables later evaluations. It is important to distinguish between incoming goods complaints, field failures and process complaints, as different deadlines and escalation levels apply in each case.

Technical analysis with the 8D report

The 8D report leads through eight disciplines, from team formation via the immediate action (containment) to root cause analysis and verification of effectiveness. Methods such as 5-Why, the Ishikawa diagram or FMEA reconciliation support the root cause analysis. In practice, a structured statement deadline for the supplier, typically five to ten working days, has proved its worth.

Integration with procurement and quality processes

Complaint data feeds the supplier evaluation and is addressed in the supplier annual review. In the case of repeated serious defects, a supplier development workshop or participation in the supplier audit programme is an effective escalation instrument. The ordering policy should define recourse claims and blocking mechanisms for problematic suppliers.

Key KPIs in complaints management

Without measurable metrics, complaints management remains reactive. The following values are to be understood as typical benchmarks and must be adapted according to industry and the criticality of the parts.

Process metrics

Key measures are the complaint rate (complaints relative to delivery items), lead time from notification to statement and the share of supplier responses within deadline. In practice, lead times of under fourteen days are considered usual, considerably shorter for critical parts. The repeat defect rate shows whether corrective actions are effective.

Commercial metrics

Essential are complaint costs per case, total costs arising from downtime, rework and logistics expenditure, and the traceability of batches. In procurement controlling these figures are frequently fed into supplier scorecards. Comparison across commodity groups, for example by means of basket analysis, reveals structural weaknesses.

Risks and controls in complaints management

Common risks are unclear responsibilities, lack of batch traceability, delayed notifications and inadequate contractual anchoring of recourse claims. Without system support, complaints are lost or claims become time-barred.

Organisational controls

A binding process with clarification of responsibilities between quality management, procurement and materials planning is a fundamental prerequisite. Deadline monitoring, escalation levels and blocking logic for open complaints in the ordering system prevent follow-up orders where problems remain unresolved. Regular reviews secure the effectiveness of corrective actions.

Systemic safeguards

Digital complaint systems with a role and permission concept reduce media discontinuities and create transparency. An interface to the goods management system ensures linkage to batch, order and purchase order. For the data standard for product characteristics, ECLASS can facilitate the unambiguous identification of materials and defect locations.

Current developments in complaints management

Digitalisation and increased supply chain transparency are changing complaints management. Complaint portals, automated batch traceability and AI-supported pattern recognition in defect data are gaining importance.

Digitalisation and data analysis

Web portals give suppliers direct access to complaint cases, reduce email traffic and document the process in an audit-proof manner. Analytical evaluations spanning several years reveal systematic weaknesses in individual technologies or processes. Linking with demand planning and stock data helps safeguard supply during blocking measures.

Sustainability and the circular economy

With scrap and returns, second-life utilisation comes into focus: parts with minor deviations are inspected, released and reused in suitable applications. This reduces disposal costs and resource consumption. At the same time, requirements for documenting release decisions increase.

Typical metrics

Complaint rate: < 1 %

Complained items relative to all delivery items; industry-dependent

Lead time to statement: < 14 days

From notification to supplier response; shorter for critical parts

Timely supplier response: > 95 %

Share of responses within the agreed deadline

Repeat defect rate: < 5 %

Recurrence of the same cause after completion of the corrective action

Complaint costs per case: individual

Including rework, logistics and downtime costs; to be assessed as a trend

Practical example

A medium-sized mechanical engineering company recorded repeated sample-part and series complaints over a one-year period from a supplier of housing parts. Lead times to the supplier statement

were four to six weeks, root cause analyses remained superficial and repeat defects occurred. After introducing a standardised 8D process with clear deadline logic and linkage to supplier evaluation, the lead time fell significantly.

- Introduction of a digital complaint file with a unique case number and automatic deadline monitoring
- Obligation on the supplier to submit an 8D statement within five working days
- Inclusion of complaint metrics in supplier evaluation and the annual review
- Running a supplier development workshop to stabilise processes at the supplier

Conclusion

Complaints management is far more than claims settlement: it is a steering instrument for quality, costs and supplier relationships. Decisive are a standardised process with clear deadlines, robust root cause analysis and systematic feedback into evaluation, contract management and development. Those who consistently evaluate complaint data recognise patterns early and avoid repeat defects. Combined with incoming goods inspection and the supplier audit programme, this creates an effective quality network. Complaints management thus contributes directly to cost stability and supply security.

Frequently asked questions

What does complaints management include?

It covers the logging, classification and technical assessment of complaints, root cause analysis, immediate and corrective actions, and the commercial settlement. Added to this are deadline monitoring, escalation logic and integration with supplier evaluation and procurement. Audit-proof documentation of all steps is essential.

What is an 8D report in simple terms?

The 8D report is a standardised format for problem solving across eight disciplines, from team formation via immediate action and root cause analysis to evidence of effectiveness. It is typically used for supplier complaints. It ensures that not only the symptom but the actual root cause of the defect is resolved.

How long may a supplier take to respond to a complaint?

There is no legally fixed deadline; the contract or the General Terms and Conditions of Purchasing are decisive. In practice, response times of one to three working days and statement deadlines of five to ten working days are common, shorter for critical parts. Deadlines should be contractually agreed and monitored.

When is a complaint justified?

A complaint is justified if the delivered goods or services do not conform to the agreed specification, standard or contract, or if a defect only emerges later. The burden of proof and inspection obligations arise from the contract and the applicable law. The specific assessment should be legally reviewed on a case-by-case basis.

Which metrics matter in complaints management?

Key metrics are the complaint rate, lead time to statement, share of responses within deadline, repeat defect rate and complaint costs per case. These figures typically feed into supplier evaluation and procurement controlling. A consistent counting method across all parties involved is important.

What to do about repeated complaints from the same supplier?

First, the root cause analysis should be critically reviewed and the effectiveness of previous actions verified. Suitable escalation levels include a supplier development workshop, on-site audits, contractual warnings or termination for cause. In parallel, procurement should examine alternative sources to safeguard supply.