



Act now or pay later: The financial toll of manual quality operations

EBOOK

A strategic imperative for
corporate leaders

Executive summary

Most companies manage quality. Few treat it as the strategic profit center it truly is.

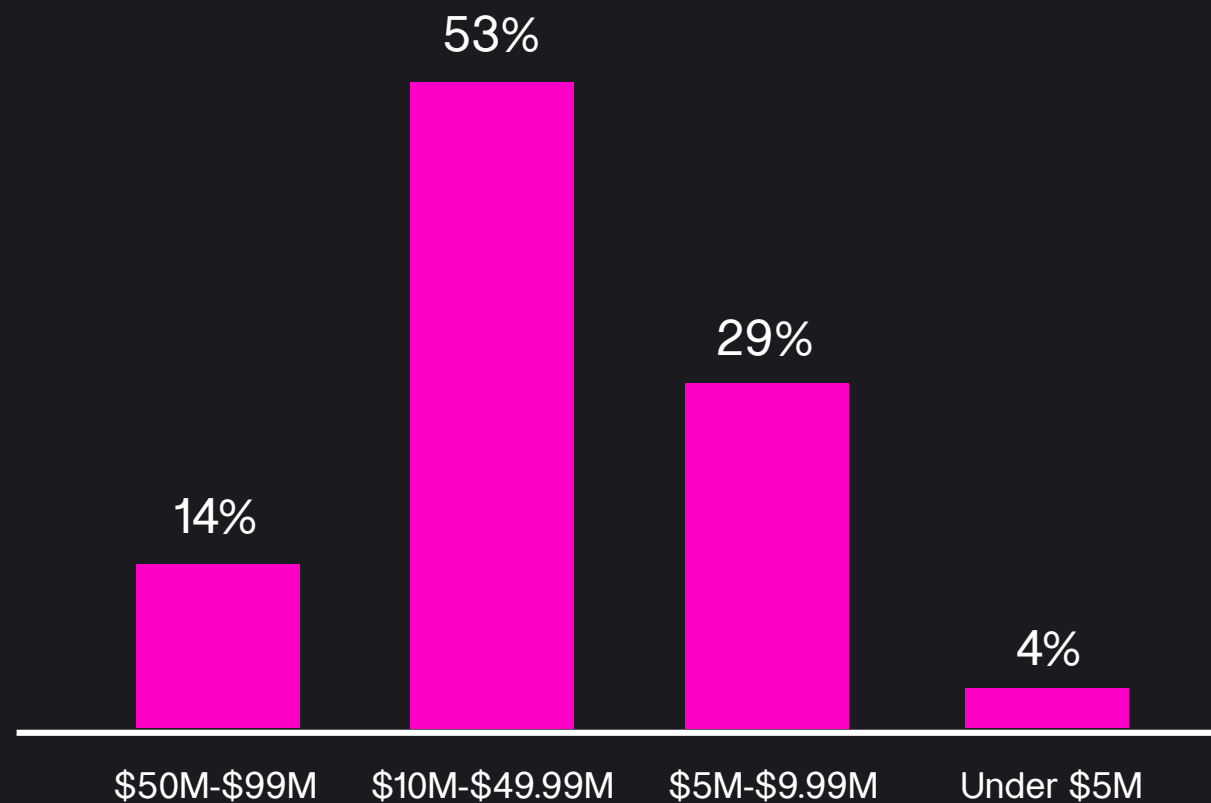
This brief reframes the role of quality as a mere "checklist" item and underlines quality's significant role as a profit lever. This brief also provides actionable strategies for executives to pursue that leverage quality to achieve long-term resilience, profitability and growth.



Act now! Inaction comes at a cost

For forward-thinking executives, quality is more than fixing defects or achieving regulatory compliance; it's a strategic imperative to drive profitability, protect your brand and enable scalable growth.

Meanwhile, the hidden and ongoing costs tied to defects and rework can account for up to 40% of operating expenses.



“In the U.S. alone, 53% of vice presidents and C-suite executives said that it cost as much as \$49 million to rectify their most recent recall.”

(Source: 2025 ETQ Pulse of Quality in Manufacturing survey)

Barriers to quality: Internal and preventable

According to ASQ, the cost of poor quality can range from 10% to 20% of a company's revenue. A recent survey identified the top barriers to achieving quality objectives:

27% - Inadequate tools and tech

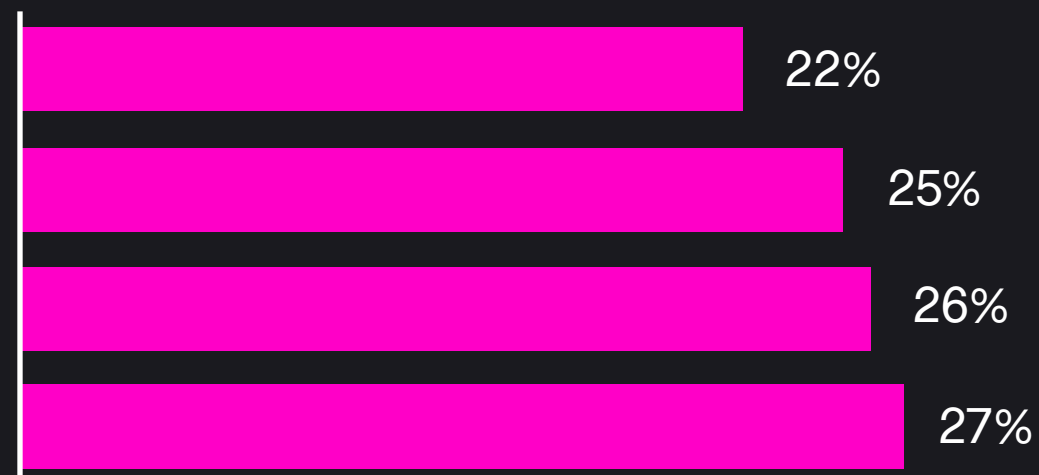
25% - Budget constraints

26% - Insufficient training

22% - Weak exec support

These are not external threats—they are internal obstacles within your control.

Barriers to achieving quality objectives



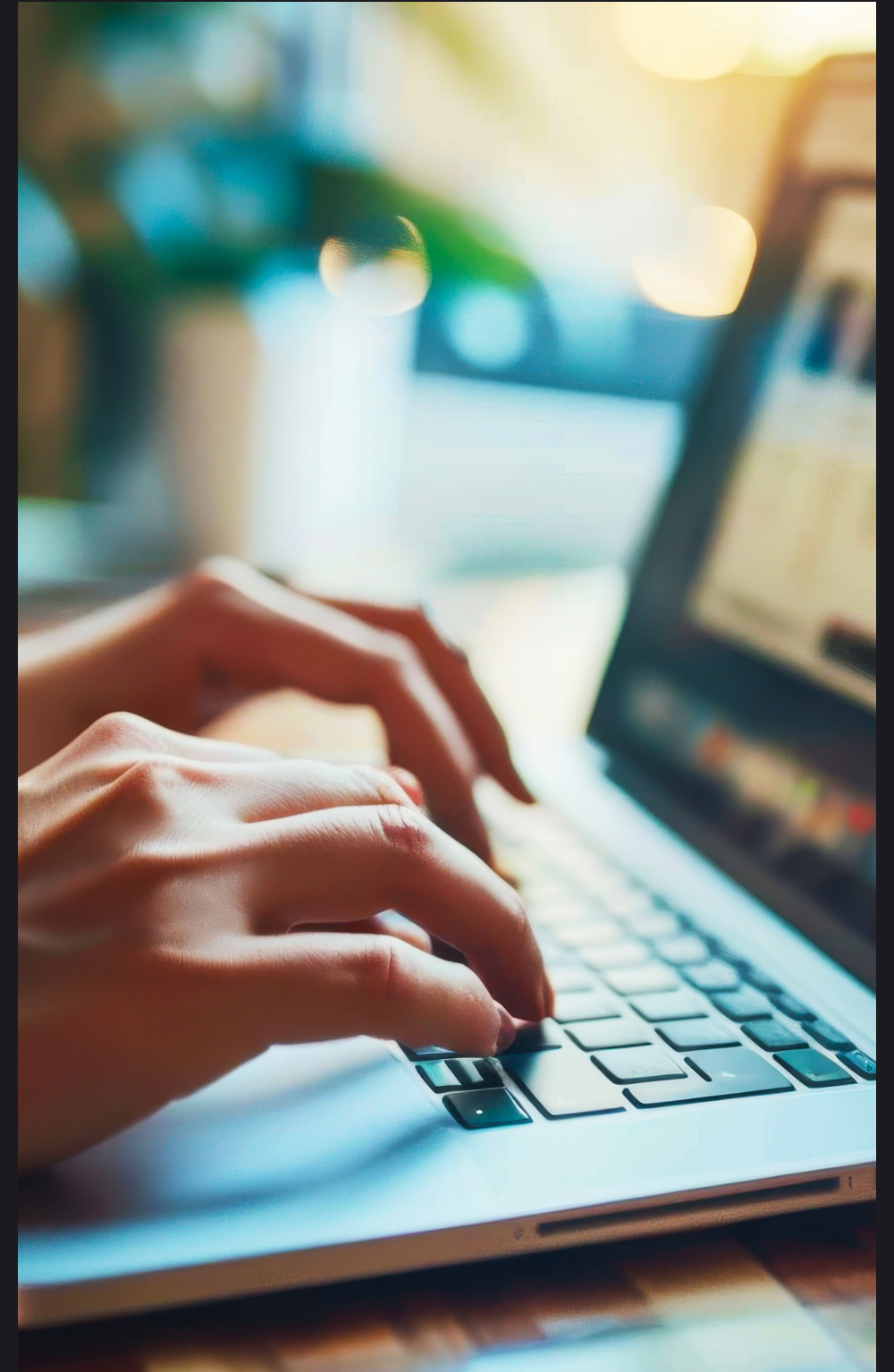
This data reveals a clear message: the biggest obstacles to achieving quality objectives are internal and preventable.

The Strategic Payoff: Invest in an Automated Quality Management System

A data-driven, AI-augmented quality management system delivers immediate benefits to the enterprise including:

- Centralized quality data available to key stakeholders enterprise-wide
- Predictive and proactive quality improvements
- Stronger collaboration between suppliers, teams and manufacturing sites globally

Organizations that adopt QMS solutions see measurable gains in profitability, efficiency and customer satisfaction – while those that delay put their competitive advantage at serious risk.



Key executive takeaways

01

Quality as a strategic investment

Quality must be embedded into business strategy, not treated as a support function or line item.

02

Inaction has compounding consequences

Delays lead to increased risk exposure, recalls, legal action and reputation loss.

03

Create a path from manual chaos to automated control

Improve productivity by reducing manual processes while reducing the hidden heavy administrative costs.

04

Technology is the enabler

Bridging digital gaps in manufacturing systems aligns quality with enterprise systems like ERP, PLM, MES. A holistic approach ensures quality remains a key objective in delivering lower costs and higher ROI.

05

Metrics drive accountability

Tracking quality cost metrics drives accountability and provides a continuous improvement imperative.

Stew Leonard's food labeling tragedy (Jan 2024)

Mislabeled peanut-containing cookie causes fatal allergic reaction. Triggered an FDA recall and wrongful death lawsuit.

Demonstrates the catastrophic human and financial cost of weak process control

BMW's braking system recall (Feb 2024)

The initial US recall expanded globally to 1.5 million vehicles. Triggered a share price drop and a downward revision of sales targets.

Shows how hidden quality problems can escalate into global quality issues for companies.



Strategic recommendations for quality leaders

01

Digitize and automate quality operations

Prioritize QMS adoption to reduce manual errors, improve visibility and drive automation.

02

Adopt global standardized processes

Set agreed, measurable and enforceable standards for quality across the entire organization.

03

Adopt a preventative mindset

Invest in AI-driven predictive quality analytics to prevent problems before they happen.

04

Expand quality culture enterprise-wide

Extend QMS standards to suppliers, contractors and distributed teams. Tie quality KPI's to executive and departmental accountability

The bottom line

Compliance is the baseline. Strategic quality leadership is how you outperform, outlast and out profit competitors.

Organizations that act quickly with automation and treat quality as an investment instead of a box to check bounce back faster when things go wrong, stay ahead of the competition, protect their bottom line and build deeper customer loyalty.

Contact Octave

About Octave

Octave is a leader in enterprise software, turning data into decisive action and intelligence into your edge. Our software solves for and simplifies complexity, from the design and build to operations and protection of people, property and assets— for any scope, at any scale. For decades, we've partnered with customers to sharpen performance, elevate efficiency and amplify results. From factory floors to entire cities, our solutions are tuned to scale up what's possible from day one onward.

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