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## **Quality is Never an Accident. . .**

*By Scott R. Playfair, President, P Squared Consulting*

Customers are becoming more sophisticated, better informed and their expectations are growing. For any business, the only way to keep up is to offer a commitment to quality. In fact, any organization, whatever their size or industry sector, can give themselves a secure future by introducing a continuous process improvement focus to ensure consistency and improvement of working processes – many times through a quality management system such as ISO 9000.

**What is ISO 9000?** ISO 9000 is a set of standards for quality management systems that is accepted around the world. When you purchase a product or service from an organization that has embraced the appropriate ISO 9000 standard, you have important assurances that the quality of what you receive will be as you expect. In addition, companies that further champion the 2000 revision of the standard provide you with increased assurances that your needs and expectations will be met through quality objectives, continual improvement, and monitoring of customer satisfaction.

**Why are the standards so important?** Many companies require their suppliers to be certified to ISO 9000 and because of this, registered companies find that their market opportunities have increased. In addition, a company with a culture that fully complies with ISO 9000 ensures that it has a sound quality management system, and that's good business.

Companies with this type of culture have had dramatic reductions in customer complaints, significant reductions in operating costs and increased demand for their products and services. Other benefits can include better working conditions, increased market share, and increased profits.

**What changed in the 2000 revision?** There are several significant areas in this revision that have the impact of evolving organizations to one emphasizing a continuous improvement culture. Company management must now actively seek to continually improve the effectiveness and efficiency of the organization, rather than waiting for a problem to reveal opportunities for improvement. Through this directive, they may need to evolve their management style to a systems model or to one centered on processes.

A conceptual change is that previously there was a significant focus on process documentation – it ensured that the process was documented, standardized and repeatable. It did not, however, address if the process was the best that it could be. Now, through continual improvement, processes are addressed in an ongoing structure to ensure they are optimal!

*Quality is never an accident; it is always the result of high intentions, sincere efforts, intelligent direction, and skillful execution. ... Willa A. Foster*

**All work gets done as part of a process.** An inter-connected system of processes represents all of the work of the organization. If these processes are designed to be capable of providing satisfactory outputs, and if they are supplied with adequate resources and run by competent personnel, then quality products and services will be provided and customers will be satisfied. If the results are not as planned, then the process structure, resources or competency of the people has to be examined and improved.

The operation of the quality management system is continuously monitored, measured and improved. The quality policy establishes a commitment to continual improvement. Quality goals and audits assess the effectiveness of the quality management system. Information regarding customer satisfaction, product conformity, product characteristics and trends, process characteristics and trends, supplier performance is collected and understood. Customer feedback is gathered and complaints are reviewed. Nonconforming product is controlled and records are kept.

This information is analyzed to identify actions to be taken to improve the quality management system. Management has explicit responsibility to review this information and take action to improve the quality management system.

Customer requirements for products and services are identified and reviewed with the customer. This includes both customers external to the organization but also the often overlooked internal customer. As stated above, the entire organization is made up of processes. Each process has inputs and outputs – customers and suppliers. Effective communications are established with the customer to discuss and resolve issues. Customer satisfaction information is gathered, analyzed and acted upon to improve the quality management system.

**Is your organization *PROACTIVE* or *REACTIVE* to this kind of culture?** If your company has already put in place a system that embraces effective continual improvement, you are likely in good shape. However, many other companies are still wondering what to do first. With the impact to an organization described above, the first priority is for management to get fully behind a culture that supports continuous process improvement.

Management must set quality-oriented objectives and ensure they are consistently supported throughout the organization. A well designed “direct line of sight” goal setting process has an additional affect that employees are motivated and understand how achieving their individual and department objectives will directly affect the success of the company. A continuous improvement culture has a similarly significant focus on the need for a team-based structure. One fundamental delineation is that of a “natural work team” – people who work together as their normal daily responsibility. These people are the greatest source of ideas for ongoing process improvement since they best understand the processes they “own”. A regular meeting schedule with good meeting management and action item discipline will not only ensure follow-up but also improves communication throughout the organization.

Further, management must empower these work teams, giving them the authority, technical support and necessary resources for the changes associated with the improvement. When a natural work team identifies a problem that needs attention, a project team is brought together with appropriate subject matter experts. They are authorized to identify the root cause, propose solutions, evaluate those solutions then implement and monitor the results. When satisfied, the solution is standardized, documented and also considered for applicability in other areas of the organization.

*“Create an environment in which you build quality into the product or service rather than inspecting it out.”*

#### **A Customer Success Story:**

In early 2000, before the new ISO 9000:2000 was published, a manufacturer of hydraulic flow equipment committed to their parent company to grow from their current position of number three in their industry to become the number one supplier while improving their profit by 10% per year. To achieve these goals, they identified

the need for a cultural change within their organization – one focused at continuous improvement.

Having a committed and passionate president and senior management team, they set about on a rigorous plan that would take them through this cultural transformation. With its unique expertise, P Squared Consulting was enlisted to start with a continuous improvement awareness campaign at the senior management level. Then, as plans developed, awareness was generated throughout the entire organization.

Natural work teams were formed, team missions set, and teams given expertise in how to run effective meetings. They were trained as to their role in a continuous process improvement environment. They were skilled in the ability to use tools to map out and understand their own processes, and to gather data and analyze it. They learned an in-depth problem solving process that assisted them when problems were uncovered.

As indicated above, this continuous improvement effort was implemented before the new ISO standard. As the standard became available and was studied, they were amazed at how closely the P Squared Process Improvement training and consulting efforts matched with the standard.

This company has evolved to be very aware of the customer and has enhanced their focus on both the internal and external customer-supplier relationship. Employees are aware of what they supply to their customers and have improved their quality and responsiveness – both internally and externally. Further, a shift of focus from handling customer complaints to proactively surveying customers has allowed them to act when trends emerge. They have changed their quality policy to show a focus on continuous improvement. They have rewritten their quality manual and QC procedures with a focus on natural work teams and project teams. Every process they have is documented and *“it’s not just paperwork”*.

Since this culture change, they have had a significant reduction in rework and scrap and that translates to the bottom line. A suggestion system was instituted and has initiated a large number of improvement projects resulting in significant savings.

This company has a “new way of life”. And everyone – from the top of the organization to the bottom – is motivated and excited by the change. They actively look for opportunities for improvement and take action. They have quality and team oriented objectives throughout the organization. They were audited for ISO 9000:2000 in February of 2003 and their ISO coordinator knew they were in great shape – thanks to management commitment, an empowered work force, and the efforts of P Squared Consulting.

For more information about developing a continuous process improvement culture at your organization, please contact P Squared Consulting.