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ISO 9001:2000 becomes a requisite to doing business

Are you ready for it?

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ISO 9000 is the structural framework of a business system that specifies, in very broad terms, the necessary components of a quality management system. Rather than

being specific to any one industry, ISO 9000 details the basic requirements of the quality function for all industries.

ISO 9000 was originally published in 1987 by the International

Organization for Standardization (ISO), a worldwide federation of national standards bodies, headquartered in Geneva, Switzerland. The organization was founded in 1946

to develop a common set of Standards for manufacturing, trade and communications. Today more than 90 countries are members, each with a representative.

It is important to note that ISO 9000 is not a product standard. Rather, it is a system standard. Its primary purpose is to provide organizations with useful internationally recognized models for operating a quality management system. With hundreds of thousands of ISO 9000 certified companies around the world, ISO 9000 has become one of the most widely accepted and sought-after quality management systems. And with the release of the new ISO 9001:2000 standard, companies are once again preparing to demonstrate their commitment to continuous improvement in quality.

So, why is ISO 9000 receiving so much attention from so many companies? Two very important reasons. First, ISO 9000 has the potential to make your organization more cost-effective and efficient. Second, ISO 9000 will arm your organization with a powerful competitive tool that will help your business grow and prosper.

Compliance with ISO 9000 sends a very strong message: Your company takes quality and customer satisfaction seriously. This alone may influence a customer to choose your company over your competitors in fact, many companies, both in Sri Lanka and abroad, are actually requiring suppliers to show that they have an approved quality system in place as a condition of doing business. In turn, suppliers are asking that their sub-suppliers comply with the ISO 9000 quality standards, so they themselves can assure supplier compliance to their customers. ISO 9000 certification may also serve as a means of differentiating suppliers of products and services. Today, if two suppliers are competing for the same contract, the supplier with an ISO 9000 certification often has a distinct competitive edge, especially when the customer is already ISO 9000 certified.

What makes ISO 9000 such a hot topic?

The rewards that ISO 9000 is capable of bringing to an organization are of great significance. The following are some of the most common benefits experienced:

- * Employees become more responsive to customer needs and requirements.

- * Business procedures and processes finally become standardized.

- * Corporate walls come down; people communicate better.

- * The sales force gains greater confidence.

- * Operations become more efficient.

- * Customer satisfaction grows, increasing job security for your employees and profitability for your company.

These are just a few of the powerful benefits gained by businesses that have built a solid foundation for business excellence through the ISO 9000 series of quality management and quality assurance standards.

In short, ISO 9000 gives you the tools to grow a better business. And it really works. Today more than 345,000 businesses have achieved ISO 9000 certification throughout the world, including around 500 in Sri Lanka. Businesses both large and small have discovered that the ISO 9000

series is a powerful strategic tool for achieving new opportunities and improved competitiveness. But you don't have to be a multinational corporation or have business overseas to benefit from implementing these standards. It's for business large and small, both manufacturing and service providers, wherever they may be. Quite simply, if you want to improve your business internally and seek marketplace recognition of your product or service quality, ISO 9000 is a valuable tool you won't want to be without.

Organizations certified to the ISO 9000 quality system standards are known for their consistency, reliability, value and customer service. ISO 9000 certification assures it. They achieve their reputations - and their

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repeat customers - in large part through a consistent quality management system that assures the quality of the processes they use to build their products or deliver their services.

The beauty of the ISO concept is its objectivity. In effect, an independent organization called a Registrar measures your company against the ISO 9000 standard that is accepted globally as the defining set of quality management system requirements.

As a result, what could otherwise be viewed as a self-serving marketing claim becomes a third-party endorsement that is respected in the marketplace as totally objective. This independent evaluation assures existing and prospective customers that an effective quality management system is in place.

To explore the benefits of ISO 9000 in more detail, the phrase **consistent quality management system** is broken down into each of its components:

- * **Consistent:** An assurance to the customer that products and/or services are produced with a consistent level of quality.

- * **Quality:** When all the features of a product or a service satisfy a customer's stated or implied needs.

- * **Management:** The direction or control of the enterprise; those in charge of the "system".

- * **System:** The organizational structure, procedures and resources necessary to implement quality management. ISO 9000 is concerned with the management system governing all facets of the business. This enables all companies, regardless of their service or product, to relate or apply to the common standard. ISO 9000 can help you take each of these words and turn them into action. After all, if you are determined to maintain your competitive edge now and in the future, a thorough and comprehensive quality management system is absolutely essential.

Good things

Many businesses over the past decade began the journey toward ISO 9000 certification because they were worried that if they were not registered they would have trouble conducting business in the EU. Others faced the prospect of losing key customers in foreign countries or were required by their customers to become certified.

As those companies developed a quality management system to fulfill requirements of the applicable ISO 9000 standard, they discovered a wide range of internal benefits that they hadn't anticipated. The following are the most commonly cited:

- * Customers express more satisfaction, and profits increase.

- * Organizational boundaries tend to breakdown as people work together across functions and levels.

- * Increased productivity occurs as the correct information, equipment, tools and documentation are put into place.

- * Operating costs drop as management puts out fewer fires, rework is reduced, warranty and after-sales support costs fall, and efficiencies increase.

- * Customer audits happen less frequently.

- * Employee training processes improve as databases of the necessary skills and procedures are developed to get jobs done properly.

And now there is a new ISO 9000 standard. The new ISO 9001:2000 standard was published on December 15, 2000 with a three-year transition period for all companies to become certified to the new standard. As of December 15, 2003, all certificates issued to the current ISO 9000:1994 standard will become invalid. The purpose behind the new ISO 9001:2000 standard was to provide users of the ISO 9001/2/3:1994 standards an opportunity to add value and enhance their performance through continuous improvement of their processes. The new ISO 9001:2000 standard includes improvements over the previous standard in four key areas, which include:

- * Increased compatibility with the ISO 14000 series of standards (environmental management standard).

- * Creating a common structure based upon a process model.

- * Creating a method to demonstrate continuous improvement and customer satisfaction.

- * Developing metrics to determine how effectively your internal processes are actually working.

The focus is on results. While we are in the transition period, it is important that your organization selects the standard that you are most comfortable with and best represents your organization and its current management system. Many firms have opted to become certified to ISO 9001/2/3:2000, familiarizing themselves with the standard, only to upgrade to ISO 9001:2000 before the December 15, 2003 deadline. Other organizations have already become ISO 9001:2000 certified, while yet others have begun their transition to the new standard.

Implementation process

The process of implementing ISO 9000 focuses on establishing the quality mission, policies and procedures that makes up a sound quality management system. Depending on the system's complexity and the level of documentation required, the process can take from a few months to a year or more to implement. A basic plan of attack for implementing ISO 9000 and becoming certified consists of four level approaches:

Level One:

Management Commitment. Without the support of a firm's management team, the process will never get off the ground. In fact, executive level management must be the principal proponent of this critical initiative. The firm's leaders must define a clear vision of quality and make available the resources required during implementation.

The key word here is commitment. That's because without such a commitment from the top, the quality management system will not succeed to the degree necessary to establish a sincere culture of quality, and to gain real market advantages.

Commitment also involves assigning responsibility and authority for quality initiative, planning, problem identification, solution implementation and control. The ISO 9000 "Management Representative" (the individual charged with the ultimate responsibility over the quality management system) must report directly to executive management. Management should also establish quantifiable business objectives and determine the state of the company's existing management system documentation. It should also assess the firm's present costs associated with poor quality. And it should determine what are its customers' requirements in regard to ISO 9000 compliance.

During the implementation of an effective quality management system, many changes will take place.

Processes may change. How tasks are accomplished may change. Management must be committed to change with the system, to accept the desired paradigm shift, and to embrace an enhanced company culture. A new company culture that fosters change will never be implemented if management itself is not an agent of the change.

Level two:

Planning. Careful planning is essential to the development of an effective quality management system and ISO 9000 certification.

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