



If only we could go back in time

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Working on the principle that the best way to communicate a lesson is a story, this article takes an original approach to demonstrating how ISO 9001:2008, Quality Management Systems – Requirements, and the soon-to-be published ISO 9004:2009, Managing for the sustained success of an organization – A quality management approach, can help ensure the sustained success and effective quality assurance of an organization.

The story begins at the boardroom of Top Wheels Inc.¹⁾, a late afternoon, sometime in June 2009...

“We’re in a critical situation. Our monthly sales volume has dropped by nearly 50% compared to May of last year.”

The Top Wheels Inc. CEO’s voice is trembling. He is giving a presentation to the board.

“We first saw a 10% slump in January, and despite our steps to boost sales, the trend has continued.

“Our factory is now working only three days a week. We’ve ceased all side activities such as training and preventive maintenance on equipment. We’re cut-

ting orders with suppliers, and our sales people in the branch offices are working from home to reduce costs. But still, it’s not enough!”

The quality manager intervenes, “These measures are helping, but we’re still seeing yields drop. Processes are becoming unstable, and we’ve had some production and warehouse incidents – fortunately without serious injuries. But it’s a warning. We can’t go on like this for much longer. And subcontracting has only brought us new problems.”

“You need to consider the efficiency of your QMS and the potential for improving performance.”

With evident despair, the CEO asks, “What went wrong?”

After a rather long, painful silence, the new human resources manager, a young and optimistic woman, stands up: “In my previous company I once worked with two consultants who had rather unusual capabilities. Their help averted disaster for the company. I’ve taken the liberty of inviting them to share some ideas.”

The sales director immediately objects: “We’ve hired plenty of consultants, and all they do is cost money and time. Forget it!”



But the director of operations, who is perhaps the manager with the most “real life” problems, strides purposefully around the table, pauses to gaze at each board member, and cuts short the debate: “At this point, we have nothing to lose. Let’s hear what they have to say.”

No laptops?

The two consultants, a short stocky man and a tall slender woman, enter the room. They are indeed different. No black suits, no expensive black pilot suitcases and... no laptops?

After shaking hands, the first speaks and goes straight to the point:

“Just imagine what you could do with a time machine, able to take you and your team back in time.”

The board members stare at each other dreamily.

“And, if we tell you that we have such a machine?”



1) A fictional company name.

Main Focus

Going back

The second consultant takes over, “First I want you to ask yourselves :

- Why are you in this position now ?
- Could you have prevented it ?
- What would you do differently to avoid this situation in the future ?

“These are not easy questions. But think about what you would do if you could start over with the same people, their capabilities and habits, if we could bring you back in time, to say 1 June, 2005.

“On our side, we’ll offer you some new tools for managing your organization. You may feel that you already have enough management and quality tools in place, but for the sake of argument let’s just get into the time machine and go back to 2005 with an open mind.”

Calm before the storm

The board members are sitting around the table, but appear to be waking up from a long, deep sleep. There are two strangers among them – ah, the consultants.

One stands up, “Welcome back to June 1, 2005. We are here to help you take a long hard look at your company, so you can see where the future leads and how you can be better prepared.”



“Top Wheels Inc. has shown solid growth in sales and earnings for four years. You have three very loyal large customers in the auto and truck industry, and several smaller ones in machine tools. Your customers are very satisfied with your products. That sounds comfortable and stable, doesn’t it? Many companies would be envious.

“But... how certain are you that you can hold on to this position? You’re making profits, but how much do you waste? Do you have alternative products for your current customers? Or for other markets? Do you have a business contingency plan?”

“The combination of ISO 9001 and ISO 9004 will help you get the most of your quality system.”

The sales director is blunt, “There’s no reason to do this. We have good customers who have been with us for a long time. This is a waste of effort, and I need all my time to sell.”

The CEO stands up and speaks, slowly at first, considering his words carefully, “Things are fine now, but I have just woken from a nightmare. Imagine that we fell into a financial crisis. How will we be affected?”

“Will people still buy as many new cars and trucks? What would happen to our share price and to the inter-

est rates we pay on the capital we need to finance our company? I’m not saying that the worst will happen, but we need to be prepared.”

A warned man counts for two

The operations director rises and speaks almost gruffly, “We have to look at the risks in our processes. We can’t avoid all of them, but a warned man counts for two. We don’t have a sound strategy for the future. We’re just running and running, with good success so far, but will this last?”

One of the consultants speaks up, “It looks like you all have very different ideas about how you work and how mature your company is today. And it’s even harder to reach consensus on projections about how the company should perform in the future.”

She tacks up a large sheet of paper with a simplified drawing of the company’s organizational structure, highlighting key process flows. “Let’s start with some simple steps. Can you identify areas where your company has difficulties today, by placing these red stickers on the chart? Please put your name on them so that we can later discuss the different perceptions (see Figure 1).

The operations director comes forward to get a better look, “Hey, I know that part in the middle of your drawing. That’s the ISO 9001 process-based quality management system (QMS). We’re using it, but right now it’s more or less just a paper tiger.”

“ISO 9001 allows us to reach more customers,” explains the sales director,

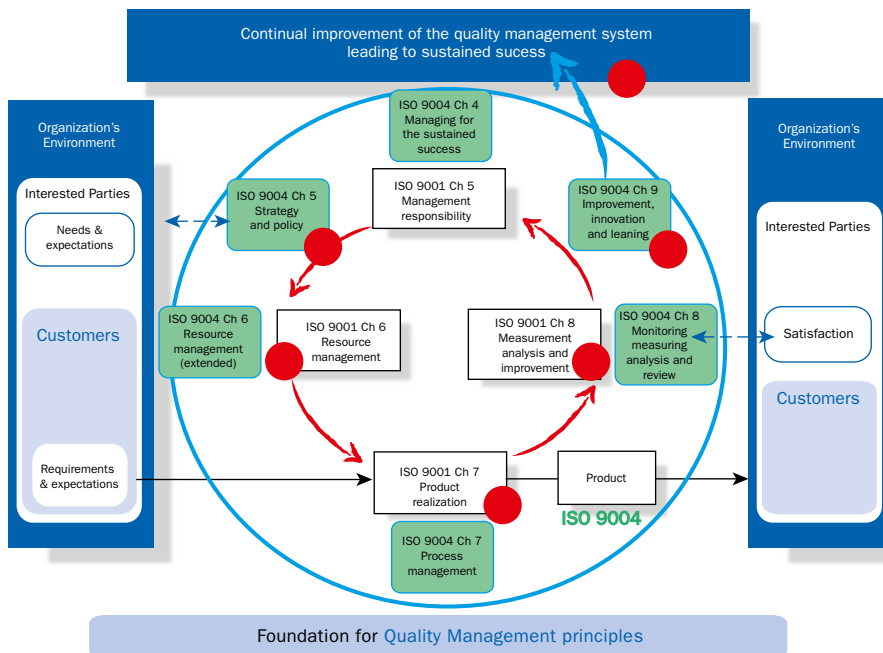


Figure 1: Extended model of a process based quality management system. Red dots indicate difficulties.

After the exercise, the CEO appreciates the result, “I only interact with the QMS in our quarterly review meeting. Now I realize how much some of you are supporting the system and I am thankful for your effort.”

He takes a deep breath and, starting into the eyes of each member, says seriously : “My friends, I think we need to do more with ISO 9001.

“We should be more proactive and use other standards to complement ISO 9001. For instance, is there anything in ISO 9001 about strategic planning ? We have a strategic meeting every year, but we never refer to the standard. Yet some of the topics listed on the flipchart are part of our discussions.”

“Our current customers too are happy to see that our certificate is still valid.”

The quality director intervenes, “ISO 9001 shouldn’t just be a driver for getting a certificate to hang on the wall. In my opinion, this is an important part of our problem.”

“You’re right,” agrees the operations director, “We had trouble linking our daily problems with the standard, but this model helps us to see the big picture.”

The HR director comments “It’s an interesting model, but it doesn’t show the relevance of people in the system”. To which the quality director replies, “People are one of the resources to be managed. There are other important resources, like infrastructure and the work environment.”

Figure 2: Benefits and issues identified after implementation of ISO 9001.

Benefits	Issues
Keep customers	Customer communication is reactive
Gain new customers	Some customers do not see any value in our ISO 9001 certificate
Understand our business in terms of process	Interaction and communication between the processes is weak
All activities are documented	Some documents seem to provide little or no value
People are trained	We have problems caused by people, especially subcontractors’ employees
Bad products easily identified	Our waste levels are increasing
Management review is held each quarter	Top management is not fully committed

Figure 3: Strategic objectives and related actions, deliverables and owners.

Strategic issue	Deliverable	Owner
Our process for deciding what is important	Guideline/rule	HR Director
Develop contingency planning process	Process flow-chart + responsibilities and authorities table	Quality Director
Prepare contingency plan for key suppliers	Contingency Plan + guideline	Operations Director

Could you get more out of ISO 9001 ?

The operations director has a proposal, “It seems that we have different opinions and perceptions about what ISO 9001 represents for our business. Let’s do an exercise.”

The directors go to the front of the room and begin a brainstorming activity to collect ideas on a flipchart (see Figure 2).

Main Focus

The quality director responds, “Section 5.4 of ISO 9001 is relevant to strategic planning activities. But the standard isn’t covering the strategy defining and deployment process.”

The operations director continues, “Our quality objectives are focused on product characteristics and on-time delivery. The output of our strategic meeting is the definition of a set of objectives for each unit of our organization. But we’re not considering all the objectives as part of the business strategy. This is a big gap.”

What can we do about it?

The two consultants stand up, “This was a good top-level discussion. Now that we know where the problems are, what can we do about it?”

“First, you need to consider both the efficiency of your current QMS and the potential for improving performance. ISO 9004:2009, *Managing for the*



*sustained success of an organization – A quality management approach*²⁾, can help you do just that. When compared to ISO 9001 the objectives of customer satisfaction and product quality are extended to include the satisfaction of interested parties and the performance of the organization.”

The consultants pull out a model showing the interaction between ISO 9001 and ISO 9004.

“As you can see here, there is a correlation between ISO 9001 and ISO 9004. Section 5.4 of ISO 9001 for instance, is directly linked with sections 4 and 5 of ISO 9004. Both could be powerful references in your strategic meetings. The combination of both standards will allow you to get the most of your quality system, so that it doesn’t stay ‘just a paper tiger’.”

About the authors



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Before starting his own consulting, training and auditing company, ActinQ, he spent 17 years as a consultant and trainer in quality, innovation and change management. Prior to joining the consulting field, Bob Alisic spent 20 years with Philips Electronics in very different positions (product development and engineering manager, business manager and divisional technical manager for customer service).

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future. He was the leader of the task group responsible for the revision of ISO 9001 published in November 2008 and a member of the ISO 9000 Advisory Group. He is also a member of the Board of the Latin American Institute for Quality (INLAC). Involved in quality and other management fields since 1990, José Domínguez is President of Plexus México, a subsidiary of Plexus International, which develops and deploys solutions for the implementation and improvement of management systems, and related tools and methods.

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Tips and tricks

The consultants propose “Lets dig deeper with a tool known as the ‘Self-assessment of key elements of an organization against five maturity levels’ as given in the new ISO 9004 (see **Figure 4**).

“Read each row and see if your organization is doing what is described in each cell. Stop when you see that some aspects are not implemented. Mark the cell with a red cross. The result is an image of your maturity level per key element.

“Now, you are ready for the next step. You have to create a management agenda showing what should be done and with what priority. We’ll start by defining your organizational vision. Put a green cross next to the cell describing

2) This newly revised version of ISO 9004 is expected to be published 4th quarter 2009.



Key element	Level 1	Level 2	Level 3	Level 4	Level 5
What is the management focus?	.....	X	.....	.....	.....
What is the leadership approach?	.....	.....	X	.....	.....
How do we decide what is important?	X	.....	.....	.....	.....
What do we need to do to get a result?	.....	X	.....	.....	.....

Figure 4: A segment of a self-assessment table.

Key element	Level 1	Level 2	Level 3	Level 4	Level 5
What is the management focus?	.....	X	✓	.....	.....
What is the leadership approach?	.....	.....	X	✓	.....
How do we decide what is important?	X	.....	✓	.....	.....
What do we need to do to get a result?	.....	X	✓	.....	.....

Figure 5: Expected maturity over 5 years.



the maturity you would like to reach over three to four years (see Figure 5).

“As you can see, there could be a substantial difference between your current situation and your future. The final step is to develop a set of actions with desired deliverables and deadlines for each of the strategic objectives. These objectives could help you safeguard your future (see Figure 3 on page 27).

“Now it’s time to use our time machine and return to 2009.”

Back to the future

The board looks around nervously. Has anything changed?

The consultants speak, “What you need is a new approach. We can’t change what has happened, but we can help you to learn from experience, so that five, ten years later, we are not here wishing for that machine.”

A lesson well taught.

The CEO is the first to speak: “This was an important learning experience. We are now in the midst of a heavy storm, and we will find a way to survive the crisis. But we must learn how to get our company better prepared to face such situations. We need to identify and manage risks, learn how to outsource efficiently, and most importantly, to have a clear strategy for the future.

“Let’s agree to revisit ISO 9001:2008, to really capture the elements that will help us improve our performance.

“Some of our best suppliers and toughest competitors are already gaining a huge advantage by combining ISO 9001 and ISO 9004 for their management systems. Why should we not do the same?”

The board concurred, “Let’s do it!” ■