

Chapter 1

AN OPEN LETTER TO TOP MANAGEMENT

The duties of executive management comprise a wide range of duties crucial to the health and well being of the organization as a whole. As the guiding force behind your organization, you must constantly stay abreast of the multitude of needs and requirements that affect your business: national or international standards; environmental, health and safety regulations; your employees' needs and wishes; your stockholders' demands; the financial health of your organization; your relationship with the community in which your organization is located; and your customers' requirements.

Underlying these demands on your time and attention is the quality management system. The quality management system comprises the methods used by top management to establish an organization with the appropriate objectives and policies to ensure that customers' needs and desires can be met. Since customers can include a wide variety of interested parties (the purchaser of your product, your employees, your stockholders, the community to which your organization belongs, and

others), your organization cannot survive unless customers' needs are determined and satisfied.

With all of the other demands on your time and attention, you may have been tempted to delegate the management and ownership of the quality system to one of your subordinates, allowing you to direct your attention to other facets of managing the organization.

Since 1987, the ISO 9000 family of international standards has been used to define the requirements for the management of the quality system. Under the first two revisions of these documents, top management appointed a management representative to oversee the quality management system and to report periodically on its status. Top management was not specifically held responsible for the well being of the quality management system. However, the 2000 revision of the ISO 9000 standards brings a different way of viewing the management of the quality system, which will certainly affect the management of the organization as a whole.

Under the 2000 revision, officially approved and released in December 2000, the entity responsible for ensuring that the quality management system operates as planned is *top management*. Although the new standard requires the appointment of a management representative, top management clearly retains the overall responsibility for the well being of the organization.

EIGHT QUALITY MANAGEMENT PRINCIPLES

How will your role be affected as your organization moves to comply with and register to the new standards? ISO 9000:2000 (Quality management systems—Fundamentals and vocabulary) lists eight Quality Management

Principles that underlie the entire family of standards, and which formed the basis for the 2000 revisions to the standard. Note how management of the organization relates directly to several of the principles, and how management allows the others to be successful.

- a. Customer focus: Attention to your assorted customers' needs, including a continual attempt to meet their requirements and exceed their expectations, should be seen as central to your organization's objectives.
- b. Leadership: Without leadership, your organization will not have an environment that fosters a constant purpose. Strong leadership creates an environment in which those in the organization can actively participate in the achievement of the organization's objectives.
- c. Involvement of people: Leadership involves more than giving orders, but includes the involvement of people throughout the organization in achieving the organization's goals, using their talents to further the organization's purpose.
- d. Process approach: While the previous revisions of ISO 9001 used the concept of twenty quality elements, the 2000 revision builds on the concept that anything an organization does, including the quality management system, should be viewed as a logical process. This process includes inputs and resources, and a desired result that occurs through proper management of the processes involved.
- e. System approach to management: Only when the organization can identify and manage

the systems of interrelated processes can objectives be met. By meeting those objectives, the organization becomes more efficient and effective.

- f. Continual improvement: While the earlier revisions of ISO 9001 dealt with problem solving through corrective and preventive action, the 2000 revision expands on that concept. Central to any organization's objectives should be a commitment to continually improve in all its activities: greater efficiency, lower rejection rates, increased customer satisfaction, etc.
- g. Factual approach to decision making: None of these principles can be achieved if the organization does not include methods of gathering information about its systems of interrelated processes. That information becomes the source for ensuring ongoing customer satisfaction and implementing continual improvement efforts, both of which result from a properly run organization.
- h. Mutually beneficial supplier relationships: The organization cannot succeed if it allows hostile or uncooperative relationships with its suppliers. Since suppliers comprise an integral part of the systems an organization must manage, creating a cooperative relationship with suppliers must not be minimized.

MANAGEMENT RESPONSIBILITY

One entire section of ISO 9001:2000 is entitled "Management responsibility", but other responsibilities of top management can be found elsewhere in the standard. Let's examine the specific items which, according

to the new standard, must be driven, evaluated, and monitored by top management:

1. Overall commitment: Top management bears the responsibility to provide evidence of its commitment to the requirements of the quality management system through a series of specified activities:
 - a. Communicating the importance of meeting requirements, whether stated by the customer or from other sources
 - b. Establishing the quality policy and objectives
 - c. Conducting reviews of the performance of the quality system
 - d. Ensuring that the organization can meet the specified policy and objectives by supplying the resources necessary for those in the organization to carry out tasks.
2. Customer satisfaction: The ultimate responsibility for customer satisfaction belongs to top management. Since without customer satisfaction, the organization cannot survive, ISO 9001:2000 places this responsibility directly on top management, and not on a delegate. Top management must ensure that the customers' requirements are defined and understood, with the goal of not only meeting the stated requirements but even exceeding customers' expectations.
3. Quality policy: Top management has the responsibility to ensure that the defined quality policy includes specified items: The quality policy must be appropriate to the organization, must

show a commitment to meeting requirements and to continual improvement, must provide for reviewing quality objectives, must be disseminated throughout the organization, and must be reviewed periodically to ensure continuing suitability. (Note that “quality policy” as used by ISO can be defined as top management’s formal expression of the organization’s overall intentions pertaining to quality.)

4. Quality objectives: Making the generalized goals stated in the Quality Policy more specific, measurable quality objectives must be defined as appropriate throughout the organization.
5. Management review: At periodic intervals, top management must review the performance of the quality management system. Among the specified outputs of top management’s review of the quality management system: decisions about whether the quality management system requires updates or changes, the need for continual improvement of the product/service supplied to the customer, and decisions concerning allocation of the organization’s resources to attain the quality policy and objectives.

MANAGEMENT REPRESENTATIVE

ISO 9001:2000 requires the appointment of a management representative whose duties include ensuring that the requirements of the quality management system are carried out. However, the appointment of a management representative in no way implies that the operation of the quality management system can be delegated.

ISO 9001:2000 specifically states the overriding responsibilities for which top management is solely responsible.

ISO 9001:1994 placed somewhat less specific responsibility on top management. Organizations could place the responsibility for the quality management system on a representative (usually a quality manager), while top management would focus almost exclusively on other aspects of the business. While such organizations could (and did) claim compliance to ISO 9001:1994, the operation of the quality management system was often less than smooth—with top management not visibly driving the quality management system, resources not properly allocated, product/service quality relegated to a subordinate position, and customers less than satisfied. Unfortunately, without creating formal feedback mechanisms of system performance, organizations often failed to realize the system's shortcomings, even though customers' needs were not being satisfied.

Under ISO 9001:2000, top management must obviously drive these issues. While the ISO standard does not specifically say, "You **SHALL** make good product," meeting customer expectations and achieving customer satisfaction could mean the same thing in the long run. Customer satisfaction belongs ultimately to top management.

As your organization moves toward compliance with the 2000 revision of ISO 9001, do not lose sight of your responsibilities not only to the financial and business development aspects of your organization, but to the needs of the quality management system as well.