ISO 9000

ISO 9000:2000 - ISO 9000 DIGS OWN GRAVE

Return to ISO9000 - the case against

ISO 9000 digs own grave

In the year 2000, a revised ISO 9000 will be issued. This revision is a step too far, a step that will lead to the demise of ISO 9000, for the revision is both confused and confusing. The irony is this is a fault of the process – something quality people ought to know something about.

Who has been involved in the ISO 9000 review?

The first thing that should be noted is that what is described as a draft for public comment is unlikely to be receptive to or accommodate public comment. The committee responsible for the re-drafting of ISO 9000 will only accept comments submitted by member bodies and recognised liaison organisations. Should any individual wish to submit comments, these must be directed to a Member Body or recognised Liaison Organisation. Member Bodies are, effectively, each nation's 'Standards Institution' and Liaison Organisations are, typically, Assessing Organisations and associations of assessors and the like. These organisations are populated with people who have a pecuniary interest in maintaining ISO 9000 as a requirement for doing business. The only provision for 'outsiders' to influence this community is for them to represent views to a sub-level of the decision-making process in the hope that the views will be passed on and subsequently listened to by the committee. [As a matter of interest, I submitted my views on the first re-drafting of ISO 9000 to a British Liaison Organisation. I could find no evidence they had been listened to or understood in the subsequent drafts]. The re-drafting is, in short, a self-serving exercise.

The review process has caused confusion (by design)

In its notes accompanying the second draft, the committee noted that '*a number of member bodies had submitted a series of contradictory comments against specific clauses*'. This should be no surprise. If we take a step back from the exercise, what do we see? A large number of people with differing life experiences, expressing their views of how good quality management should be interpreted in practice. It is hardly likely that should produce a consensus. So what process do these 'quality' managers put in place to resolve the confusion? – Procedures. Any submission must use the template provided which asks reviewers to identify the clause any comment refers to, and asks reviewers to suggest a change and justify the suggestion. This appears rational. However, its rationality is its Achilles heal, for implicit is the assumption that the players share a common view of the world. Furthermore, without any objective evidence about what works, the exercise descends into what can be agreed amongst interested but disparate parties.

The consequence is confusion. The draft is both confused and confusing; this is the fault of the review process - it is designed in.

Lack of any criterion, reference or objectivity about what works

What is assumed to constitute success? The draft of ISO 9000 says *"Leading and operating an organisation successfully requires managing in a systematic and visible manner"*. Where is the evidence for this assertion? In my own research on the impact of ISO 9000 registration on organisational performance, I found that ISO 9000 registration predictably had two effects: Firstly it caused organisations to do things that were bad for business and secondly it stopped organisations seeing and acting on things that would make them better (see "In Pursuit of Quality: the case against ISO 9000").

If am asked to address the question "What do we know about what works?", I would think of three sources: Warwick Business School research into Small and Medium sized businesses (SMEs), Japanese manufacturing and Vanguard clients that have made use of systems thinking in the design and management of their operations. Leaving aside the Vanguard clients, what objective evidence do we have about what works?

What works in SMEs?

The research published by Warwick Business School suggests that there are two ways of getting a boat swiftly down river. You can work on getting the crew to work better together, or you can get the boat into a faster current and let the current do the work. The latter strategy, the research shows, is the secret of business success.

The Warwick research shows that successful companies don't have concern for ISO 9000. But what they do instead is simple: Firstly, they identify a market niche that is growing rapidly and jump in to exploit it. The niche opportunities are thrown up by change; technological, social or legislative. Pre-cooked and pre-packaged food, customised holidays, newly-privatised services, and specialised services, for example spectacles in an hour, are just some examples where companies have established fast growth where nothing much existed before.

Secondly, these companies listen very hard to their customers, especially in terms of what they are doing and would like to do with any service or product. From the customers' point of view, the service or product solves a problem, fills a need or does something of value. Knowing what that is, is critical to staying ahead; ensuring that future product development puts the customers problems at the forefront.

And these are the two secrets of success - exploit a growing niche and listen to and learn from customers. If we were to translate these secrets into something like ISO 9000 what could it look like? A standard could say nothing about the former but might provide useful tactics for the latter – how one uses customer data to drive operations and product/service design. How well the current draft helps in respect of this is something I shall return to.

What worked in Japanese manufacturers?

In case anyone is not familiar with the fact, since 1950 some manufacturers in Japan have been outstripping the industrial performance of their Western counterparts by significant amounts. Of particular note is the Toyota production system. Research shows the Toyota production system to be vastly superior to other manufacturing systems in terms of cost and quality (see "The Machine That Changed the World"). The Toyota production system takes a wholly different view of the design and management of work, being based on systems principles. Similarly, we might look to the production methods of Mitsubishi where documentary evidence points to superiority of method. Again, the principles and practices are based on systems thinking. So we might ask how well the draft of ISO 9000 represents and encourages systems thinking and, in my view, the answer is not at all well. In its defence, the draft does talk about the need for the organisation to be managed as a system, but the principles and practices presented in the clauses fit more comfortably with what might be called the traditional mass production or command and control perspective.

Confusion about quality management principles and practice

The draft describes eight quality management principles: Customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision-making and mutually beneficial supplier relationships.

These, at first reading, appear to provide some hope in as much as one could take a systems perspective to interpreting each and all. However, a systems interpretation of these principles is not what informs the draft documents. In many respects, the draft lacks integrity. For example, quality management is talked of as though it is one of a number of management disciplines. Systems thinking, however, is at the heart of quality management and it represents a different and better way of managing work. It is not additional to, it is better than; systems thinking is a better way to make the work work.

The draft says (ISO/CD2 9004:2000, page 11) says: "All organisations are composed of systems which contain one or more processes." Agree, but the words 'composed of' could be deleted for clarity and simplicity. It then says: "The quality management system is an important part of the overall management system." Disagree. The two are one. To achieve genuine and sustainable improvements in quality, an organisation must be understood and managed as a system. The draft goes on to say: "Organisations should define their systems and the processes contained within them to enable the systems to be clearly understood, managed and improved". Agreed. But the draft does not provide useful guidance on how to do that.

Confusion about process identification and management

The draft talks of process management in what I would describe as 'engineering terms' – 'a process transforms input into output using mechanisms (resources) regulated by controls'. This is unarguable, but it leads to any organisation activity being treated as a 'process' worthy of managing and thus is misleading and unhelpful. The draft goes on to describe how "..processes can be combined in a network which collectively achieves a planned purpose" and in an example of the same (figure 3, ISO/CD2 9000:1999) it effectively illustrates a functional perspective.

A systems thinker would appreciate the importance of the word 'planned' in the above statement, for the achievement of purpose is the unifying measure for a process or network of processes (system).

The draft asks four questions in relation to processes: 1. *"Are the processes identified and established?"* Good, but there is little guidance on the best way to identify a process, something users of the Business Excellence Model have also had great trouble with. 2. *"Are the processes effective in producing the required results?"* Good, in fact of greatest importance; but the guidance on measures is unhelpful and misleading (see later). 3. *"Are the processes appropriately described in procedures?"* This opens the question as to what is appropriate – comments within the draft explicitly acknowledge the historical problems of overdoing procedures but leaves me with no confidence that organisations will not make the same mistake again (see later). 4. *"Are these procedures implemented and maintained as documented?"* Which is to focus on conformance rather than performance. The architects of ISO 9000 seem unable to drop the very thinking that characterised the first manifestation of quality management systems – conformance to procedures. Indeed, the draft specifically states that the standard is used "*where an organisation needs to realise and demonstrate its capability to provide **conforming products***" (ISO/CD2 9000:1999, my emphasis). Conformity is not the prerequisite to improvement and can be the undermining of improvement.

Of course inspection of peoples' work with respect to conformance to procedures was and is the life-blood of the ISO 9000 community. This bias is clear in the draft's description of the value of documentation. It says: *"Documentation is valuable for…. Achieving product/service quality and quality improvement; ensuring repeatable processes; providing appropriate training and evaluating the effectiveness of a system."* The last I fundamentally disagree with and the first three leave me saying 'it all depends'. The draft provides no guidance on when these are true and when they might lead to unnecessary and counter-productive activity.

The draft describes the types of documentation required as being a 'manual', a 'plan', 'procedures' and 'records'. It seems to me the real purpose of documentation has not changed – it is to enable the assessor to do his job.

Confusion about measurement

The draft states *"The organisation shall define, plan and implement measurement, monitoring, analysis and improvement processes to ensure that the quality management system, processes and products and/or services conform to requirements"* (ISO/CD2 9001:200). As noted above, the thrust of the thinking about measurement is towards conformance; this is not the same as measurement for learning and improvement. Conformance is 'go no-go' thinking, improvement measures are concerned with capability and variation. With respect to variation, the draft says *"The organisation shall identify and use appropriate statistical tools"* but gives no guidance on how and where to apply such tools.

When discussing measures, the draft emphasises measures of compliance and the value of measures to auditors; once again illustrating the standard's origins. Reading through the various examples of measures given in the draft of ISO

9004, most managers are likely to feel overwhelmed. Worse, few managers will be able to distinguish the chaff from the wheat – many of the measures used in examples are not good system measures and could lead to sub-optimisation of performance.

In summary

To summarise my views on the draft ISO 9000:

The philosophy within the Standard has remained the same. While there is the beginnings of systems terminology, there remain significant amounts of non-systems content. Systems thinking has different underlying principles and these help managers change and improve organisations through identifying leverage, not managing procedures. In a systems approach to management, statistical techniques are essential, not 'desirable'.

The draft lacks integrity, it is contradictory, confusing and, worst of all, very much more demanding. It is unlikely that the auditing community will be competent to work with it.

There is no guidance on implementation. While ISO 9004 attempts to guide, the overwhelming amount as well as its inherent contradictions and confusions will hinder rather than help.

ISO 9000 remains rooted in conformance and audit thinking. Although it makes weak attempts, it has yet to make the leap to improvement versus purpose (systems) thinking.

Where do we go from here?

Managers may take the opportunity provided by the review of ISO 9000 to de-register their organisations. The ready excuse is the requirement to address what it is that this more extensive and elaborate document means for them in practice. Managers will, quite rightly, doubt the ability of assessors to work with this new Standard.

A further reason for de-registering is the new Standard's 'closeness' to the Business Excellence Model. Managers may choose to claim that their focus is on the 'fuller' model.

The only thing that has maintained ISO 9000 has been market-place coercion. Coercion is still the only pillar holding it up and is likely to weaken as all interested parties reflect on the revision. It is not insignificant that the UK's President of the Board of Trade remarked on radio that 'the logos seen on vehicles are of little guarantee of service or quality'. There is no doubt in my mind that he was referring to ISO 9000.

I doubt that any thinking person will welcome this revision. I predict we are about to see the demise of ISO 9000, and it is a self-inflicted wound.

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