

# ISO 9001:2000 Is Certification Enough?



## IN THIS ISSUE

At the beginning of 2002 QRC Newsletters focused on the differences between ISO 9000:1994 and ISO 9001:2000. As the year went on and statistics of transitions and certifications began to appear, we addressed the apparent reluctance of companies to change from one Standard to the other.

At the end of 2002, we asked readers to give their opinions regarding these topics. As reported in the last Newsletter, reactions to the new Standard were mixed, and many readers' experiences of the old Standard were not positive.

The driving force for certification or transition to ISO 9001:2000 is the same as ISO 9000:1994. The "you comply or we won't buy" statements of customers or prospects are the main reason that companies' thoughts turn to ISO 9000 certification. This mind set has gone so far that some companies that are certified to ISO 9000:1994 are surveying their customers to see if they need to transition to the 2000 Standard.

In contrast, a recent report of the growth of ISO 9000 Certifications in the international marketplace suggests that the Standard is still a force to be reckoned with.

In 2001 there was a global increase of 25% in the quantity of organizations certified. This brought the number of ISO certified companies worldwide to more than half a million.

ISO 9000 is now the quality system of choice in 161 countries.

In China alone, the number of certifications grew from 25,657 to 57,783.

However, only 13% of the new certifications in China were to ISO 9001:2000 Standards. In the United Kingdom, (the country with the most certifications), the transition rate to ISO 9001:2000 during the period was a paltry 12.7%.

These are, however, concerns for the International Organization of Standards and

the various Certification bodies around the globe.

For the rest of us, it seems to be time to move on and focus on getting the most out of our past, present or future ISO 9000 investments.

The 2003 series of Newsletters will consider how companies really use ISO 9000 Standards, why ISO 9000 has received comparatively few unqualified testimonials, and the reasons for a growing swell of cynicism, and sometimes antagonism towards the Standards.

By learning from the events of the past (and present), we can study how to change the performances and expectations of disappointing ISO 9000 Quality Management Systems (1994 or 2000) and how to make them value added rather than wasteful.

This understanding can also help the implementers and operators of future ISO management systems. Using this information, they can avoid repeating the problems that, for many, have made ISO 9000 a necessary but unwelcome "cost of doing business".

As always, we welcome input from our readers. You work with this stuff every day. You will probably see familiar things in the stories we will be telling. You almost certainly have your own stories to tell. Please email us your comments, so we can share them with other readers and learn from each other how to make ISO 9000 a value added resource.

***"We ought to be able to learn some things second hand. There is not enough time for us to make all the mistakes ourselves"***

Harriet Hall



## ISO AS PART OF THE COMPANY OR A SIDESHOW

One of the key activities for QRC when starting to help an organization prepare for ISO 9000 is to identify existing impressions of the ISO 9000 Standard.

These impressions sometimes come from previously failed attempts to certify. In

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transition companies they obviously come from experiences with the ISO 9000:1994 system. For most organizations they come from perceptions brought to the company by management and staff who have experienced ISO 9000 in previous employment.

When these impressions are negative, we try to bring them out into the open and deal with them. When they are positive, we try to build on them.

Although it is expressed in different ways, one of the regular impressions is that ISO 9000 is somehow separate from the real requirements of the organization.

Comments include:

- . "ISO 9000 creates a bureaucracy".
- . "The auditor measures the quality of the paperwork, not the quality of the work".
- . "The guideline is not to do ISO right, it is to do it to the satisfaction of the auditor".
- . "Documentation is produced solely for auditing purposes and sometimes makes no sense for the organization".
- . "We follow the requirements of ISO except when something goes wrong, or there is a rush job".

Whatever the merits of these comments, they are the perceptions of people with experience of ISO 9000, so they must be taken seriously.

One of the most extreme examples of this "ISO as a sideshow" syndrome occurred recently when we met with a large number of employees of a company that had been certified to ISO 900:1994 for a number of years. The employees had been with the organization for up to a year.

The purpose of the meeting was to address any outstanding issues regarding their transition program. The transition audit was scheduled for four days after the meeting.

We discovered that:

- ⊗ No one knew the organization's Quality Policy or that the organization had any goals.
- ⊗ Some thought they understood ISO because they "had it in their previous company".
- ⊗ No one knew who the Management Representative was.
- ⊗ Although they followed processes, and could describe those processes, no one knew that documented descriptions of their

processes existed as part of the ISO program.

- ⊗ Not only had no one read the Quality Manual, no one even knew where to gain access to the Quality Manual.
- ⊗ The ISO program was, in fact, in the hands of a very capable and somewhat overworked person (who was not the Management Representative).
- ⊗ No one knew that a transition audit was taking place in a few days.
- ⊗ No one knew what the transition was to. Emergency communications and "mop up" work were conducted over the following few days.

The transition audit went ahead as planned. The organization was certified to ISO 9001:2000 Standards.

What do you think would be the possibility of convincing the management of this organization that ISO 9000 is an effective business model that could be an important value added contribution to the company? The "you comply or we won't buy" noise of the organization's customers has drowned out any thought that ISO 9000 could be a tool for improvement. They've got the certificate, their customers are content, so what more do you want?

This story is not meant to imply that the values of the company in question are wrong. What they are doing is no different from having a "best set" of china that is only used once a year when a special visitor arrives.

The story is, however, meant to imply that this attitude is a terrible waste of opportunity and resources.



**IS CERTIFICATION ENOUGH?**

Over the past few years, QRC has had the special opportunity of working with a Federal Agency in the development of an industry Standard.

If we once had rosy impressions of what can be expected from certifying to a Standard, we are now somewhat more realistic.

Webster's dictionary describes a Standard as "something accepted as a basis for comparison".

We learned the limitations implied by this phrase during the course of the Agency

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Program.

Planning for the Agency Standard began with concepts like “improvement”, “flexibility” and “savings”.

The Agency Standard was in no way going to result in the limitations that many companies experienced with the ISO 9000:1994 Standard.

When we presented the first draft of the Standard to the Government Inspectors (the equivalent of the Certification Auditors in ISO 9000 programs) we got a very cold bath of reality.

Over a week of negotiations, the draft Standard was stripped of all but its essentials.

These changes resulted from the Inspectors’ clear contentions that:

- ☐ The Agency Standard should be a series of objective requirements that can be consistently audited by an assortment of suitably trained auditors.
- ☐ The Agency Standard should not be open to translation or embellishment by the auditor.
- ☐ Including the concept of “improvement” in the Standard diminished the potential for consistency and objectivity in the audits because:
  - ☒ The auditors are required to audit to the letter of the Standard.
  - ☒ When an organization does “more” than a Clause in the Standard requires, is that an “improvement” or a “difference”?
  - ☒ This “improvement” or “difference” decision is a subjective (and possibly suspect) judgment on the part of the Auditor. This is because the Auditor is now being required to audit outside the letter of the Standard.

ISO 9001:2000 addresses this predicament by describing itself as “Requirements for a Quality Management System”.

The Standard also describes itself as “a method of enhancing customer satisfaction by meeting customer needs”.

The International Organization of Standards Technical Committee ISO/TC 176 created ISO 9001:2000. The Standard states this Committee’s criteria for achieving customer satisfaction.

Certification to ISO 9001:2000 therefore means that an organization has adopted, to an auditor’s satisfaction, the principles for

achieving customer satisfaction described by the ISO Technical Committee.

It does not necessarily mean that the company is achieving customer satisfaction. When a Government Agency is empowered to establish and enforce standards of behavior in a critical industry, a logical method is to create a Standard and then enforce that Standard through inspections, audits and other measures.

When a business principle is the issue, even one as universal as “enhancing customer satisfaction”, judging the effectiveness of its implementation by auditing to a worldwide business Standard is not so convincing. If our friends at the Agency and Webster’s Dictionary are right, certification to ISO 9001:2000 simply means that you, like many others, are following the rules of Technical Committee 176. In the words of the late, great Peggy Lee’s song “Is that all there is?” It appears that the International Organization of Standards does not think so. By introducing ISO 9004:2000 it established “Guidelines for Performance Improvements”. ISO 9001:2000 gets you to the starting gate and says that you are one of the organizations that are meeting the requirements of Technical Committee 176. ISO 9004:2000 says, “now that you’ve got this far, let’s do something with what you’ve got”.

It is what a company does with its ISO 9001 infrastructure that insures it is “enhancing customer satisfaction by meeting customer needs”, not the fact that it can prove that it has the infrastructure

The fact that ISO 9004 is not an auditable event tends to confirm another position of the Agency Inspectors:

- ☐ When a Standard is established, that is the top performance level against which auditors can objectively judge an organization’s actions.

Customers tend, however, to be less predictable. Their needs constantly change. Competition is always looking for an edge. All sorts of unexpected events mold the perceptions of customers.

It is for these reasons that many organizations do not believe that certification is enough

The next Newsletter will address how companies are responding to this conclusion.