

# ISO 9000:2000 – business as usual...or a real challenge?

by David Hoyle and John Thompson

## In brief

British management consultants David Hoyle and John Thompson assert that the publication of the ISO 9000:2000 series provides organizations with the means to move from conforming to performing. The focus should no longer be on documenting procedures to demonstrate that they conform to ISO 9000 requirements in order to receive “the badge”, but on building performing processes that produce business benefits.

As the authors put it, “If we change the way we think about quality, we will imagine that it is not about following procedures, inspection, rules and regulations. It is about establishing the needs and expectations of those we choose to serve, setting goals for satisfying these needs, devising a system of processes to fulfil these goals, measuring performance and continually improving capability to satisfy the needs of all interested parties.”

They argue that adopting a minimalist approach in which ISO 9000 is perceived merely as a means to ensure product quality requirements will lead to lost opportunities to add value to the organization. For the authors, the ISO 9000:2000 series provides the basis for a management system – not merely a quality management system – which is the means for an organization to fulfil its purpose and mission.

Rather than seeing the eight Quality Management Principles underlying the new standards as “nice, but not essential”,

David Hoyle and John Thompson place them in centre stage as “the key to successful implementation of the ISO 9000:2000 series”.

The authors point out that the new standards imply big changes for both internal and external auditing. Internal auditing will no longer be a police-type action. “Internal auditing has a real opportunity to become the improvement tool that it was intended to be and to add real value to the organization.”

As far as external auditing is concerned, the certification bodies will need to demonstrate increased competence. They can no longer be satisfied with raising nonconformities against the standardized requirements, but need to delve deeper and examine whether the output of the system is meeting business objectives. Or, the authors conclude, will the certification bodies maintain a minimalist approach to retain clients who do not have the robustness to embrace change and seek continual improvement? That is the really big question!



The revised version of the ISO 9000:2000 series was released on 15 December 2000 as planned. All through the revision process, the principles upon which the new standards are based have remained the same. Since the early drafts, the primary motivation for the changes has been to move organizations further towards business excellence, providing guidance that will enable them to achieve sustained success. The ISO 9000:2000 series represents a fundamental change in *intent, direction and approach*.

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## *The ISO 9000:2000 series represents a fundamental change in intent, direction and approach*

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However, there are those who want to believe that the ISO 9000 standards have not changed very much, if at all, and do not believe they have changed in their intent. In consequence, businesses do not have to change their approach. We would strongly disagree.

Is everyone seriously expected to believe that all the effort put in by thousands of people across the world over a period of six years has resulted in the family of standards really being no different? Was it just a game – a game played by the standards institutes and certification bodies to make money? Let us all be a little more rational and objective, please!

There are those who believe the standards should be scrapped on the grounds that ISO 9000 has done considerable damage to industry by introducing more bureaucracy and constraints – coercing organizations into doing things that add no real value. If that has been so, then they have been willing partners in the coercion.

There are those who believe it is a necessary evil to have the ISO 9000 “badge” on the wall and are unlikely to have the inclination or devote the time to understand or learn. They will say, “Just tell us what to do!” The sad thing is that *if* the ISO 9000 series is perceived as not having changed significantly, it has a potential to wreak havoc as it will be interpreted and used in the

same inappropriate way it has been for the last 14 years. As is often said, “If you continue to do the things that you have always done, you will continue to get what you always got!”

As many people know, the standards used to develop the original ISO 9000 series were born out of the defence industry where there was a long tradition of command and control. As a consequence, ISO 9000 followed the same pattern of imposing requirements to prevent failures despite the fact that experience has shown this method to be unsuccessful in ensuring good product quality. We seem to live in a world where this is still regarded by many as the best way to achieve quality. But there is another way.

By looking at ISO 9000 as a framework upon which can be built a successful organization, rather than as a narrow set of minimum requirements, significant benefits can be gained. There are real benefits from managing organizations as a set of interconnected processes focused on achieving objectives that have been derived from an understanding of the needs of customers and other interested parties.



### **A real change in intent**

In response to the ISO 9000:1994 series, most organizations used only the quality assurance standards, ISO 9001, ISO 9002 and ISO 9003. They paid no attention to ISO 9004. They ignored the concepts in ISO 8402 and created documentation that focused only on those requirements that were addressed by the quality assurance standard. The belief was that by documenting what you do and doing what you document, product quality would be achieved. As some of the principal factors affecting quality of output were missing, mere conformity with the clauses of ISO 9001 did not stop organizations experiencing quality problems.

The intent of the 1987 and 1994 versions was clearly to create documented systems. The documentation was intended as a means of demonstrating capability in order that customers would be assured of product quality, but in

practice it did nothing of the kind primarily because the real purpose for the documentation was lost along the way.

The 1994 family lacked sufficient guidance and led to organizations failing to understand that quality could not be assured simply by documenting procedures. A change in culture was required, but it was found that certification could be obtained simply by producing a manual and a set of procedures that bore little resemblance to the way the organization was managed. The image that ISO 9000 had little to do with quality was perpetuated. An image that has endured with very little challenge – until now!

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## *There are real benefits from managing organizations as a set of interconnected processes focused on achieving objectives that have been derived from an understanding of the needs of customers and other interested parties*

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This narrow view of quality management has now been swept aside by ISO 9000:2000 and in its place it encourages organizations to:

- determine the needs and expectations of customers and other interested parties;
- establish policies, objectives and a work environment necessary to motivate the organization to satisfy these needs;
- design, resource and manage a system of interconnected processes necessary to implement the policy and attain the objectives;
- measure and analyze the adequacy, efficiency and effectiveness of each process in fulfilling its purpose and objectives, and

- pursue the continual improvement of the system from an objective evaluation of its performance.

This summarizes the requirements of ISO 9001:2000 very neatly. There is at last a clear line of sight from mission to results.

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*Quality could not be assured simply by documenting procedures*

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These are not the exact words used in the standard – but who cares? They are very close to those used in clause 2.3 of ISO 9000:2000 and we challenge anyone to deny that this is the *real intent* of the family of standards. Notice that the word “quality” is absent as it is from each one of the eight Quality Management Principles used as the basis for the ISO 9000:2000 revision. Within this simple set of requirements, there is:

- Customer focus through determining needs and expectations of customers
- Leadership through policies, objectives and work environment
- Involvement of people by managing a system of processes rather than functions
- An application of the process approach through linking policy, objectives, processes, measures, results and improvement
- A systems approach through the interconnection of processes focused on achieving objectives
- Continual improvement from the results of the measurement and analysis of processes
- A factual approach to decision making through the objective evaluation of process measurement data
- A focus on mutual beneficial supplier relationships through determining needs and expectations of other interested parties and the setting of policies and objectives to satisfy these needs.

Some might argue that the eight principles are not require-

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*Certification could be obtained simply by producing a manual and a set of procedures that bore little resemblance to the way the organization was managed*

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ments and that the standard refers to quality policy and quality objectives, and not policy and objectives. If people want to limit their understanding to their own interpretation of the words in ISO 9001 (and ignore ISO 9000 and ISO 9004), we will make no progress.

The Quality Management Principles can be used to establish that the organization’s management system is soundly based. They can be used to validate the policies, objectives and processes. For the designers and managers of the organization’s management system, the eight Quality Management Principles are the key to a successful implementation of the ISO 9000:2000 series. For the auditors, they are the key to transforming the way quality system audits are conducted, as recognized by the International Accreditation Forum (IAF). With a little thought, the lack of application of one or more of these principles will be found to be at the root cause of most of the organization’s problems. They can therefore be used for determining preventive measures in a fault tree analysis or fishbone diagram.

However, we do need to look beneath the words. The words are merely an expression of a concept that can be expressed in a number of ways and few of these words have only one meaning. The standard is not addressing physical characteristics for which accurate measurement is necessary. The standard addresses concepts and expresses them in the form of requirements and guidance that need to be interpreted according to the context and conditions in which they are applied.

The intent is that organizations design and manage their processes effectively to achieve corporate objectives, not that they create functional silos that compete for resources. The intent is that organizations choose the right things to do based on an objective analysis of the environment in which they operate, not slavishly follow procedures that serve no practical purpose. The intent is that management creates an environment in which people will be motivated, not create bureaucratic systems of documentation that stifle initiative and creativity.

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*The eight Quality Management Principles are the key to a successful implementation of the ISO 9000:2000 series*

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So if we change the way we think about quality, we will imagine that it is not about following procedures, inspection, rules and regulations. It is about establishing the needs and expectations of those we choose to serve, setting goals for satisfying these needs, devising a system of processes to fulfil these goals, measuring performance and continually improving capability to satisfy the needs of all interested parties.

We can find all these concepts within the new standard if we take a step back from it and we make the linkages. If we treat each requirement in isolation then we will repeat the mistakes of the past and achieve nothing. If we look upon it in the same way that we did the 1994 version we will gain no benefit from the ISO 9000:2000 series. We can either look at the new standards and find fault with them or compare them with the previous versions and find how much better they are and how they do relate to the current business context.





## A real change in direction

The ISO 9000:2000 series is not perfect. There remain many inconsistencies. Perhaps the most significant is the idea expressed in ISO 9000:2000 clause 2.11 that the quality management system is that part of the organization's management system that focuses on the achievement of outputs (results) in relation to quality objectives. We would argue that *every* part of the organization's management system focuses on achieving results relative to objectives. If we perceive quality objectives as different from other management objectives we will perpetuate the notion of multiple systems in organizations.

Quality is defined in ISO 9000:2000 clause 3.1.1 as the degree to which a set of inherent characteristics fulfils requirements. There is no mention of product or service or entities, so we can apply the definition to any set of requirements – financial, environmental, safety, social, economic and also functional, physical and human requirements. There is therefore no need to use the word “quality” when referring to policies or objectives.

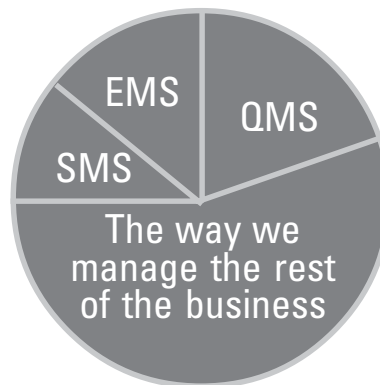
## Quality...is not about following procedures, inspection, rules and regulations

The previous version has created a perception that quality systems only exist to *assure* customers that product meets requirements. ISO 9001:1994 clause 4.2.1 required suppliers to establish a quality system to *ensure* that product met specified requirements. In other words, it required the system to attain conformity with requirements. Often however, organizations perceived the system as illustrated in **Figure 1** – bolted on to the business. Systems of this type tend to be sets of documents that are structured around the elements of a standard. None of the standards require this, but it is how they are implemented by those who lack understanding.



**Figure 1** – Bolt-on systems

In the more enlightened organizations, the system did define the actual operations of the business, but only those that were directly concerned with the product. Quite separate systems were created for managing the environment and health and safety, as illustrated in



**Figure 2** – Separate systems

**Figure 2.** The ISO technical committee responsible for ISO 9000, ISO/TC 176, does not yet seem to have accepted the notion that every organization has only one

These pieces need to be in place to provide assurance

“system”. This is despite the fact that the user survey which ISO/TC 176 carried out in 1998 revealed that users wanted greater compatibility between ISO 9000 and ISO 14000 so that they could have just one system answering the requirements of both standards.

By continuing to perceive of ISO 9001 as a quality management system standard that requires organizations to demonstrate their ability to provide product that meets

requirements, the standard will not be used to address the organization as a whole, but focus only on specific parts. This is illustrated in **Figure 3**.

The problem arises that in the real world, managers do not separate activities that are needed to

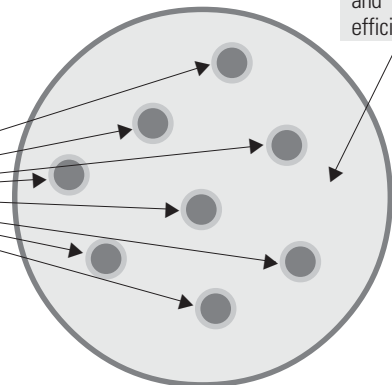
*If organizations could prove conformity with the standard regardless of the results they were achieving, they were awarded the certificate*

run the business effectively from activities that are needed for assurance purposes. In fact, in most cases, they are the same activities.

Taking a minimalist approach will not add much value to the organization. It is far better to view the management system as the means by which the organization fulfils its purpose and mission. In this way, the ISO 9000:2000 series is a *real change in direction*.

The 1994 version resulted in the perception that the standards required organizations to say what they do, do what they say

This needs to be in place to run the business effectively and efficiently



**Figure 3** – Separating assurance activities from management activities

and prove it. This is illustrated on the right side of **Figure 4**, (overleaf). These words were not in the standard but that did not stop most of the 400 000 organizations worldwide from following this route to certification. If organiza-

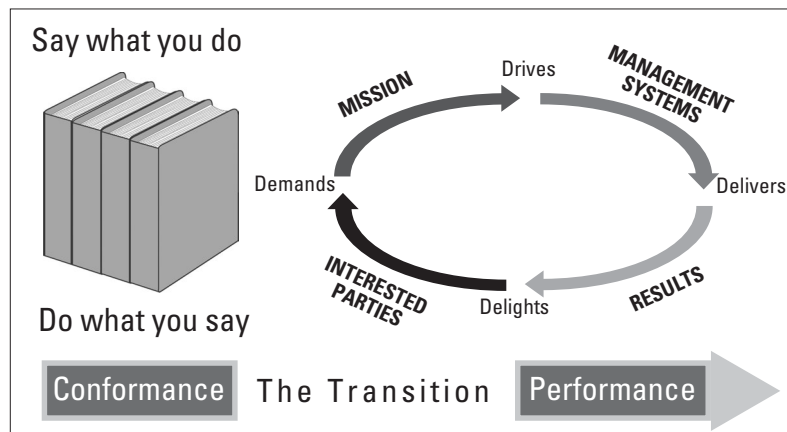


Figure 4 – The transition to one dynamic system

*If we perceive quality objectives as different from other management objectives we will perpetuate the notion of multiple systems in organizations*

tions could prove conformity with the standard regardless of the results they were achieving, they were awarded the certificate. With the introduction of ISO 9001:2000 this should change.

If we examine the linkages between clauses 5.3, 5.4.1, 5.4.2 and 8.1 of ISO 9001:2000, we can draw a picture that positions the system in a much different relationship. The mission is the overall direction in which the organization is going and the system is the means to get it there. Clearly, such a system is not simply a set of documents but a collection of processes. Processes are how resources, information, tasks and behaviours are managed to produce results.

However, we have to be careful, otherwise we may fall into the same trap as we did with the 1994 version. A process is as capable of producing rubbish as a procedure is capable of wasting resources. Processes need to be managed *effectively* for the required results to be produced. Effectively managed processes have the following characteristics:

- a clearly defined purpose and objective;

- they are designed to achieve these objectives through tasks that use capable human, physical and financial resources and information, and
- process outputs, efficiency and effectiveness are measured and subject to continual review and improvement.



### A real change in approach

The issue of the ISO 9000:2000 series brings a fundamental change in how the application of the requirements

of the standard relate to an organization's approach to quality management. The focus on how the organization achieves its objectives through a set of interconnected processes also brings a fundamental change in the approach to auditing.

Auditing to the new ISO 9001 needs be radically different to that used to audit against previous versions where the approach concentrated on compliance to specific and individual requirements, independently of how the system really contributed to achieving the organization's objectives – a real and radical change indeed.

Organizations and standards developers alike recognized that change was needed and, in September 1999, a communiqué from the IAF, ISO/TC176 and ISO/CASCO (Committee on conformity assessment) announced a joint policy regarding migration to the ISO 9000:2000 series which included new and far-reaching requirements for certification body auditors. Auditors are henceforth required to demonstrate their

knowledge and understanding of the eight Quality Management Principles. Auditors are also required to establish that the systems they are auditing have been based on these principles, one of which is *the process approach*.

Auditing is a skill that can only be learnt through practice. The proficiency of the auditor is determined not by an ability to rattle off a set of questions and record the results, but firstly by having a clear idea of what is to be accomplished and secondly by asking questions that will reveal information of use to management

Since their inception, the certification bodies have pursued an approach of raising nonconformities either because the requirements exactly as expressed in the standard have not been met, or the organization has not done what it said it would do. There has been no examination of output results, or the linkage between what the system prescribed should be done and the results being achieved. Surely it is the improvement of these results that will improve the competitiveness of industry, not mere conformity with procedures. Organizations continue with the conformity approach to auditing because certification bodies do the same.

*It is far better to view the management system as the means by which the organization fulfils its purpose and mission*

Few organizations would claim that their internal auditing effort has produced a real contribution to business effectiveness. Most would recognize that it uses valuable resources simply to create more paper for presentation to the certification auditor. In general, it is an adversarial activity that is often an unwelcome task performed by unwilling auditors and auditees that has produced very little – but they continue to do it to “keep the badge”.

Now, however, as the organization must change the focus of its quality management system the auditors, both external and internal, must correspondingly change their approach.

Internal auditing has a real opportunity to become the improvement tool that it was intended to be and to add real value to the organization. Internal audits will be planned with the objective of assessing the robustness of the way the business processes are managed to achieve the business objectives, which have been derived from the expectations of stakeholders or interested parties.

In many cases, this will require an enhanced set of skills and competences on behalf of the auditors. It will also mean a real change in their role. A role, we believe will become that of an "improvement facilitator". A person in this role will not only be able to work in partnership with the auditee, process owner or process team to assess the robustness of current practice but, through an understanding of process management, to identify improvement opportunities.

## *Processes are how resources, information, tasks and behaviours are managed to produce results*

This person will also need to have the competence, credibility and confidence to engage with senior management to assess the important linkage between the organization's objectives, the process activities and results achieved. At last internal auditing will be valued.

For external auditors, there is also the need for enhanced competence. Like internal auditors they need to be able to talk with top management regarding the organization's objectives, goal and policy deployment, processes for resource planning and management, and importantly, communication. For some, of course, this may be business as usual, but for others it will be a real challenge!

No longer will auditors open their questioning with, "Have you got a procedure for \*\*\*\*\*? Show me!" Auditors should now ask, "What are you trying to do – how do you make it happen and how do you know its right? What are your improvement plans?" It will

no longer be acceptable simply to check that organizations do what they say they do. The approach needs to be more searching.

In an article which appeared in the March 2001 edition of the British magazine *Quality World*<sup>1)</sup>, certification bodies were asked to comment on the question of whether ISO 9001:2000 required that all processes should be covered by the quality management system. It is already clear from their answers that some of the major certification bodies will be taking a narrow, if not minimalist, approach to auditing.

Their answers indicate that they will not be looking at some key business activities – thus negating the objectives and intention of the ISO 9000:2000 series. Is this because they recognize, and are frightened by, the fact that their auditors may not have the skills to audit these activities?

Although their sales promotion emphasizes the wider scope to business management, they clearly do not want to believe in the findings of the ISO/TC 176 ISO 9000 user survey (see above), nor, apparently, are they intending to implement the IAF recommendations on the approach to be adopted in auditing to ISO 9001:2000. Quality management to the certification bodies still seems to mean no more than product quality control!

Certification bodies know that organizations know they will have to change their approach. However, with some organizations already indicating that they might pull out of certification because they do not want to change, will the certification bodies take a minimalist approach to retain their clients, or will they use this opportunity to facilitate improvement in organizational performance?

The really big question is – will the certification bodies rise to the challenge? Q

1) The comments referred to appeared in the "Question Time" column of the March 2001 issue of *Quality World*, which is published by the Institute of Quality Assurance, 12 Grosvenor Crescent, London SW1X 7EE, United Kingdom.  
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The concepts described in this article and their application are developed more fully by the authors in a recent series of ISO 9000:2000 publications which are already being used in over 100 companies in over 30 countries. According to the authors, their publications are designed to assist organizations make the transition from ISO 9000:1994 to ISO 9000:2000 and improve performance by setting out with the right *intent*, taking the right *direction* and using the right *approach*. Three of the series were reviewed in the March-April 2001 edition of *ISO 9000 + ISO 14000 News*:

- *Transition to ISO 9001:2000;*
- *Converting a Quality Management System Using the Process Approach, and*
- *ISO 9000:2000 Quality Management Principles – A Self Assessment Guide.*

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