

This pilot project is being used to validate a questionnaire which will be widely distributed and is expected to bring in thousands of replies from round the world, for analysis by the task group. The latter is composed of experts from Austria, Brazil, France, Germany, Ireland, Japan, Mexico, Russia, Slovenia and Sweden.

The results are being fed back into the standards' development process to help produce more mature documents. During 1999, selected users will have the opportunity actually to implement the draft standards and to tell TC 176, by October/November 1999, whether the new versions have helped them to improve their business results. Publication of the revised ISO 9001 and ISO 9004 standards is expected in the last quarter of the Year 2000.

Through the innovative measures ISO is undertaking to obtain user cooperation in the development of the new standards, the organization aims to ensure that ISO 9000 will do the job which the market requires in the Year 2000 and beyond.

How to participate

Organizations wishing to participate in the validation programme which is being established to obtain direct user feedback on the Committee Drafts of ISO 9001 and ISO 9004 should complete the validation questionnaire on the ISO/TC 176/SC 2 WWW site:

<http://www.bsi.org.uk/iso-tc176-sc2/>

Details of the pilot project to "test drive" the standards will be available in due course from the national standards bodies which are members of ISO. A list of these is available on the ISO WWW site:

<http://www.iso.ch/>

ISO 9000 – case sensitive

by Dr. John D. Symonds

In brief

As the philosopher said, no matter how thin you slice the bread, there are always two sides. Our last issue but one included an article by British management consultant, John Seddon, in which he presented, "The case against ISO 9000". Mr. Seddon's article prompted the following reply from Dr. John D. Symonds¹⁾, a London-based Regional EHS Audit Manager with Corporate Environment, Health & Safety, of Mobil Corporation. Dr. Symonds presents the business case for implementing ISO 9000, using the experience of Mobil Gas Marketing (MGM) as an example.

Mobil has the experience of more than 100 ISO 9000 implementation and certification programmes worldwide. According to Dr. Symonds, an internal activity based costing study over 20 of Mobil's ISO 9000-certified business units showed that "average benefits were some nine times the costs over the first year".

Cars kill people – true or false? Our first reaction might be to agree, but on considered thought, we all know a car is an inanimate object driven by a *person* who must take responsibility for what the car does.

ISO 9000 makes things worse for customers, relies on auditor interpretations, discourages learning about variation etc. (according to John Seddon, in his article, "The case against ISO 9000", *ISO 9000 News*, July/August 1998) – true or false? There is the same level of superficiality in Mr. Seddon's argument. ISO 9000 is not an animate being, its words are applied and interpreted by *people*.



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Too many consultants have a theoretical knowledge of ISO 9000 – they have not lived or worked it

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How do we fall into the trap of blaming ISO 9000 for our failings? Many ISO 9000 users seek help from consultants – yet in the early 1990's in the USA, there were more consultants than certificates. Where did they gain their expertise? Too many consultants have a theoretical knowledge of ISO 9000 – they have not lived or worked it. It is no coincidence that coaches of the top teams in the recent soccer World Cup were all international players themselves in their younger days. So, beware of consultants – both for and against ISO 9000 – who have no experience of running an ISO 9000 certification programme themselves.

ISO 9000 is a special case of a management system. The Exxon Valdez and Piper Alpha disasters of the late 1980's led the oil industry to introduce internal management systems for environment, health & safety (EHS). Today, there is a direct correlation between effective management system implementation, good EHS performance and good financial performance. Management systems lead to a disciplined, structured and effective approach to work, *as long as they are aligned to business objectives.*

Nevertheless, Mr. Seddon's article legitimately challenges the way ISO 9000 has been implemented in some organizations. Many of us know it can be done better. In April 1998, the London-based business unit, Mobil Gas Marketing (MGM), achieved ISO 9002 at the first attempt and with zero findings or observations – a rare event for the highly experienced lead assessor. MGM's management found clear business improvements over the course of the project and continues to do so. The rest of the article analyses the process which we followed.

Mobil Gas The Natural Choice

Case study

MGM is a leading marketer of natural gas to industrial and commercial customers in the United Kingdom's open gas market. MGM comprises over 120 people, three-quarters of whom are contract staff and most of their work is invoicing.

The first question was why go for ISO 9000 at all? Although the business was highly successful in its field with clear market leadership, management knew things could be done better. They wanted a structured improvement to the quality of the operation. They believed that the discipline of a quality management system with external (third party) certification would give their staff the focus required, in a challenging time-frame, as well as valuable recognition once successful. There would be an added benefit of being the first in the industry to be certified, but this was definitely secondary to perceived internal benefits.

Approach

MGM's work processes were defined under five main headings. During the project, an iterative process was followed. This meant that the areas under each heading were reviewed through a number of cycles to ensure they were both effective and fitted well with the other areas.

1. Leadership

Management commitment. Without commitment, management systems will not work. This project had the direct and visible commitment of the top person all

along. Success is always vulnerable to change at the top, as happened during this project, but commitment was maintained through the change.

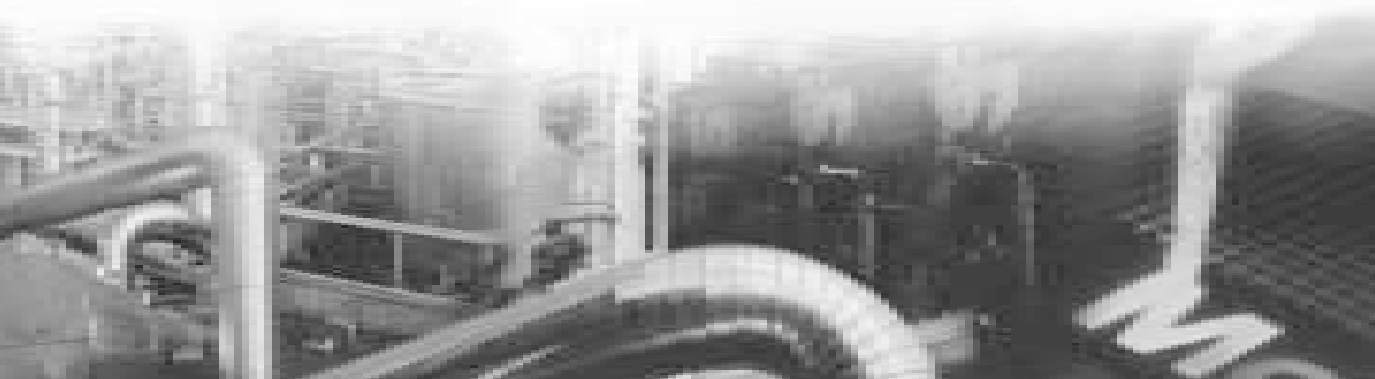
Quality policy definition. It was clear after the first iteration that the quality policy could be simply described with the key words being "to produce accurate and timely invoices". As all staff use computers, the policy was signed by the top person and distributed to everyone on a mouse mat.

There is a direct correlation between effective management system implementation, good EHS performance and good financial performance

2. Output

Customer promises. In MGM, no trading can start unless there is a signed legal contract with the customer (a regulatory requirement in the United Kingdom). Clearly, it does not make for good business relationships to behave legalistically but equally, it is important for both parties to accept that they have obligations under the bargain. Describing the elements of the agreement as "a promise" moved away from a legal mindset. It was ensured that everyone knew what promises had been made to customers and

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their own part in keeping them. Continually driving to meet such promises has to be the key output of any quality management system.

Key business measures. Before designing any ISO 9000 system, it must be clear what the business is trying to achieve, e.g., the % target for accurate and timely invoices. Identification of a few key measures, used and supported by management, gave clear direction and indication of success. MGM's strong measurement culture was totally consistent with the ISO 9000 programme.

This project had the direct and visible commitment of the top person all along

3. Business processes

Process definition. It is ineffectual to write procedures unless the process they describe is clearly defined. We used a "brown paper" exercise. First, an attempt was made to describe the high level business process. This was defined by linking 14 activity boxes, e.g., quote the customers, agree contract etc.. A small room was set aside with brown paper on the walls. The quality team interviewed *all* work teams to define which activities they undertook within the 14 boxes and then mapped them on the brown paper using coloured sticky paper.

All teams were then asked to validate their process in the brown paper room. This had multiple benefits: involvement of everyone and heightening their knowledge of interfaces with other teams, identification of competing subsystems and subsequent rationalization, elimination of "fluffy white clouds" – those undefined parts of the process where no-one knew quite what to do and which were the cause of most complaints.

4. Resources

Documentation and data. Documentation is not done because ISO 9000 says so. It is the way in which the proprietary know-how of a business is captured and, as

such, is a key business resource. It should be used in training new or reassigned staff, in audits and for reference during process development. Data and record keeping are essential for tracking business success or failure and to meet legal requirements.

Prior to the project, work teams developed their own data and document systems in conjunction with business wide systems – a wasteful duplication of effort. By involving everyone in process definition, processes were captured in flow chart form that everyone could agree to and easily understand. MGM used a Lotus Notes-based electronic documentation system (Achiever Plus, developed and sold by Triangle Computer Services Ltd.)²⁾. As a result of the project, documentation and data management was streamlined, simplified and reduced.

Identification of a few key measures, used and supported by management, gave clear direction and indication of success

Employees. There is a balance to be struck in describing how jobs are to be done. It depends on the competence and experience of staff. The high turnover in contract staff in central London required hiring people with no relevant experience. Detailed job descriptions and associated training programmes are key to keeping customer promises and were more fully described in this project than would be necessary in other businesses.

Suppliers. Whilst there are many suppliers to this business, three are critical. With all three, regular review meetings supported by performance data were already set up such that real partnerships were developed. The project just captured what was done.

Equipment. Hardware equipment is usually a key resource, with quality requirements. In MGM, only computer equipment is used and one of the critical suppliers is responsible in full for providing information technology services.

Certification body. The certification body is a special type of supplier. MGM interviewed three and chose Lloyd's Register Quality Assurance³⁾, which expressed a philosophy closest to that of the business. In Mobil, a diversity of certification bodies are used; all three interviewed by MGM are used elsewhere. It is important to view the body as a supplier, just like any other. Too many organizations view the assessor as a quasi-official body whose word is law. Whilst we would not be inter-

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ested in using a body who "bent the rules" to give us a certificate, equally, we would not choose one that is more strict than we feel necessary. ISO 9000 is neutral on this topic.

Improvement process (management of change)

The whole process of improvement and change has to be seen as separate from, yet in a dynamic relationship with, the day-to-day processes. Whilst Deming's Plan, Do, Check, Act cycle is not written in so many words, all the elements are present in the assessment standard, ISO 9001, although experience is necessary to see them. Everyone became focused on the improvement cycle – at the heart of which were the key business measures.

Complaints and queries. Any area of customer concern was viewed as an opportunity to improve. The key issue is not how many complaints are received – and it is possible to become diverted into meaningless definitions as to what is a complaint. Rather, it is important to set a time

for resolution of any customer enquiry and agree that along with any other customer promise. This approach helped to resolve "fluffy white cloud" complaints and had a direct and positive impact on accounts receivable.

Auditing. Auditors were selected from a cross-section of people within the organization. The audit process was very effective, with flow chart procedures. The consultant (myself) supported the first round of internal audits, which were also used to coach the auditees in being audited. Many found this to be a more demanding experience than the external audit!

Documentation...is the way in which the proprietary know-how of a business is captured and, as such, is a key business resource

Management review. Strong management commitment was made to regular reviews of the system with authority given to change where necessary. Such changes included planning the impact of strategic changes (e.g., organizational).

Cross reference

Towards the end of the project, the management system as designed was cross referenced against the ISO 9001 paragraphs with a chart inserted in the system (I always use ISO 9001, ignoring, when appropriate, the requirements relating to design). The key issue is that the management system was written to align with the

2) Achiever Plus was reviewed in the September/October 1996 edition of *ISO 9000 News*. For details of Achiever Plus, contact Graham Hobbs, of Triangle.
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3) Lloyd's Register Quality Assurance (LRQA), LRQA Centre, 15th Floor, Carolyn House, 26 Dingwal Road, Croydon CR0 9XF, United Kingdom.
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business, *not* the standard. However, the standard was essential for ensuring that all *relevant* issues had been covered.

I have consistently challenged doubters to show me any paragraph in ISO 9001 that is not necessary for good quality – without success! Nevertheless, the arrangement of ideas within the standard does tempt many people to align their systems with the 20 paragraphs. The latest approach of giving ISO 9000 both a process and an improvement emphasis reflects what many practitioners already do, as described in this article.

Benefits

Measuring the benefit of an ISO 9000 implementation is very difficult. An internal activity based costing study was conducted across 20 business units in Mobil. It showed that as long as ISO 9000 was viewed as an incremental cost over and above quality assurance activities that should be in place anyway (such as a complaints system), average benefits were some nine times the costs over the first year.

Conclusion

By accepting the discipline of a management system, which consists of a defined business process

in balance with an improvement process, measurable benefits can be achieved. Whilst the plea for abolition of ISO 9000 might appeal to those who find the culture of a disciplined and structured approach constraining, the reality would be a short-term approach to quality dependent on the whim of the latest top person – not a recipe for business success.

John Seddon falls into the trap of attributing behaviour to ISO 9000 instead of recognizing that it is a system of common sense requirements that must be applied and assessed by experienced practitioners with common sense themselves. □

The key issue is that the management system was written to align with the business, not the standard

ISO 9000 at university

A series of ISO 9000 seminars is being held at engineering universities in Pakistan both to encourage implementation by the institutions and inclusion of the standards in their curricula.

The seminars, which have been arranged by the Standards and Quality Committee of Pakistan Engineering Council (PEC), are being attended by the teaching and administrative staff and will include case studies.

At the beginning of August 1998, some 150 companies in Pakistan had achieved ISO 9000 certification, according to the Pakistan Institute of Quality Control (PIQC)¹ and approximately 1 000 firms were engaged on implementation programmes. □

1) PIQC (Contact: Ilam Ud Din), 325, Eden Centre, 43-Jail Road, Lahore, Pakistan.

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