

ISO 9004:2009

A guide towards long term success



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Do we need a new ISO 9004 standard?

New ISO 9004 standard is coming in 2009:

- What is the purpose of ISO 9004:2009?
- What is a successful organization?
- What could be the benefits of the use of this new ISO 9004 standard?



A new direction for quality

- ✓ Inspection
- ✓ Quality assurance
- ✓ Quality management
(including customer satisfaction)
- 👉 Long term success
(balanced consideration of the needs
of the interested parties)



Change in the focus

- 1987/1994 Focus on customer benefit
- 2000 Focus on customers, plus benefits to the organization
- 2009 Focus on benefits for the organization
including its interested parties



ISO 9004 - New title (CD3)

Managing for success –
A quality management approach



Long term successful?

- 4 companies incorporated for over 700 years
- A few hundred companies for over 350 years
- Several thousand for over 100 years
- Hundreds of thousands of organizations less than one year old

So how do you go from being a start up business to being 10 years old, to being 100 years old, to 350, to 750 ???



Purpose of ISO 9004:2009.....

“To help organizations who are users of ISO 9001 obtain long term benefit from the implementation of a **more broad-based** and **in-depth impact** quality management system”.



Objectives for ISO 9004:2009

- Facilitate improvement in users' quality management systems
- Provide guidance to an organization for the creation of a quality management system that:
 - creates value for its customers, via the products it provides
 - creates value for all other interested parties,
 - balances all interested-party viewpoints.



Objectives for ISO 9004:2009

- Provide guidance for managers on leading their organization towards long term success.
- Forward compatibility to allow organizations to build on existing quality management systems.



ISO 9004:2009 / Scope

This International Standard provides guidelines and tools for utilizing the principles of quality management to achieve long term success.

It is applicable to all organizations, regardless of their size, type and activity.

This International Standard is not intended for certification, regulatory or contractual use.



What is “success”?

Ability to maintain or develop its performance in the long term.

Note 1.

Long term success emphasizes the need for a balance between economic-financial interests of an organization and those of the social and ecological environment.

Note 2.

Long term success relates to the direct and indirect stakeholders of an organization (such as shareholders, employees, customers, users, partners, interest groups and communities).



What is “success” in daily practice?

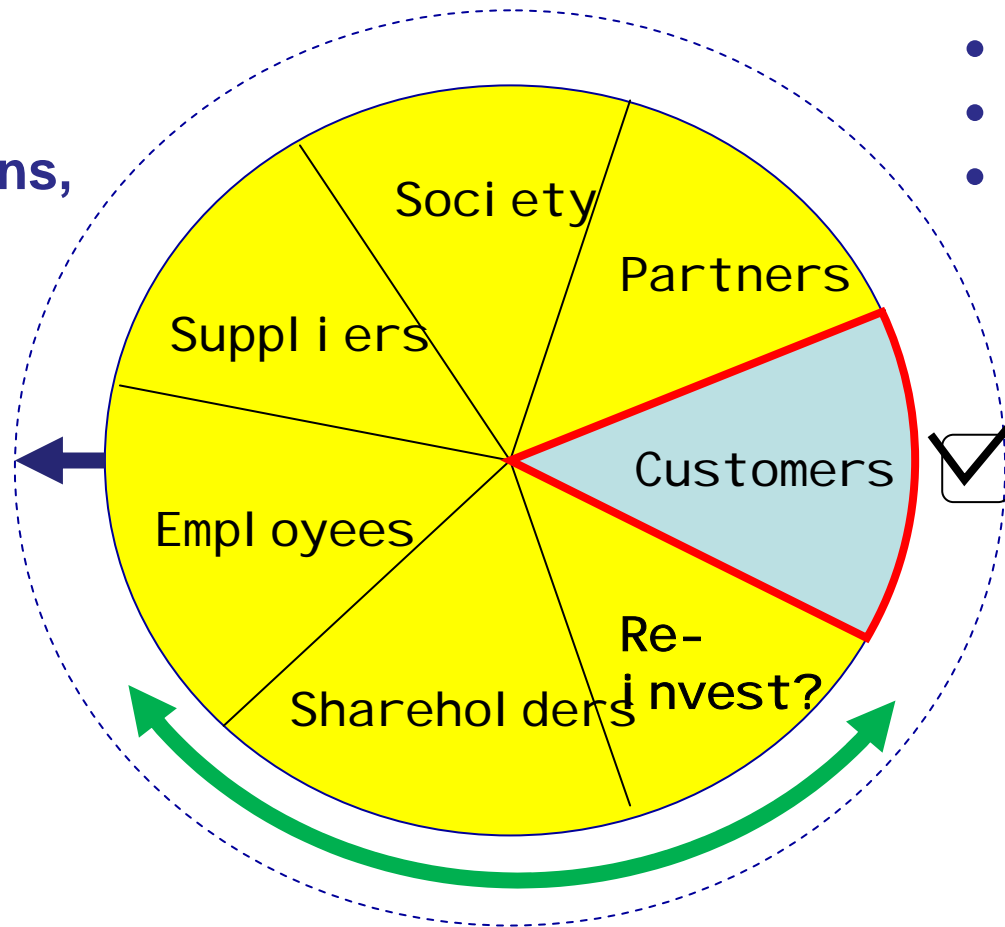
“An organization achieving long term success is able to work with all relevant interested parties and to satisfy their needs and expectations.”

Nice, long sentence, but what does it really mean?
What should I do as a manager?

.....You should divide your “cake” in a balanced way between all relevant interested parties..... ???

The clue? How to divide “money, time & attention” between the stakeholders (Piece of cake)?

- +
 - Continuity,
 - Communication,
 - Mgt. of expectations,
 - Transparency, Measurements.



- Leadership,
- Vision,
- Choices,
- Balance.

✓ **Already covered by ISO 9001.**
But the rest is 9004 issue.

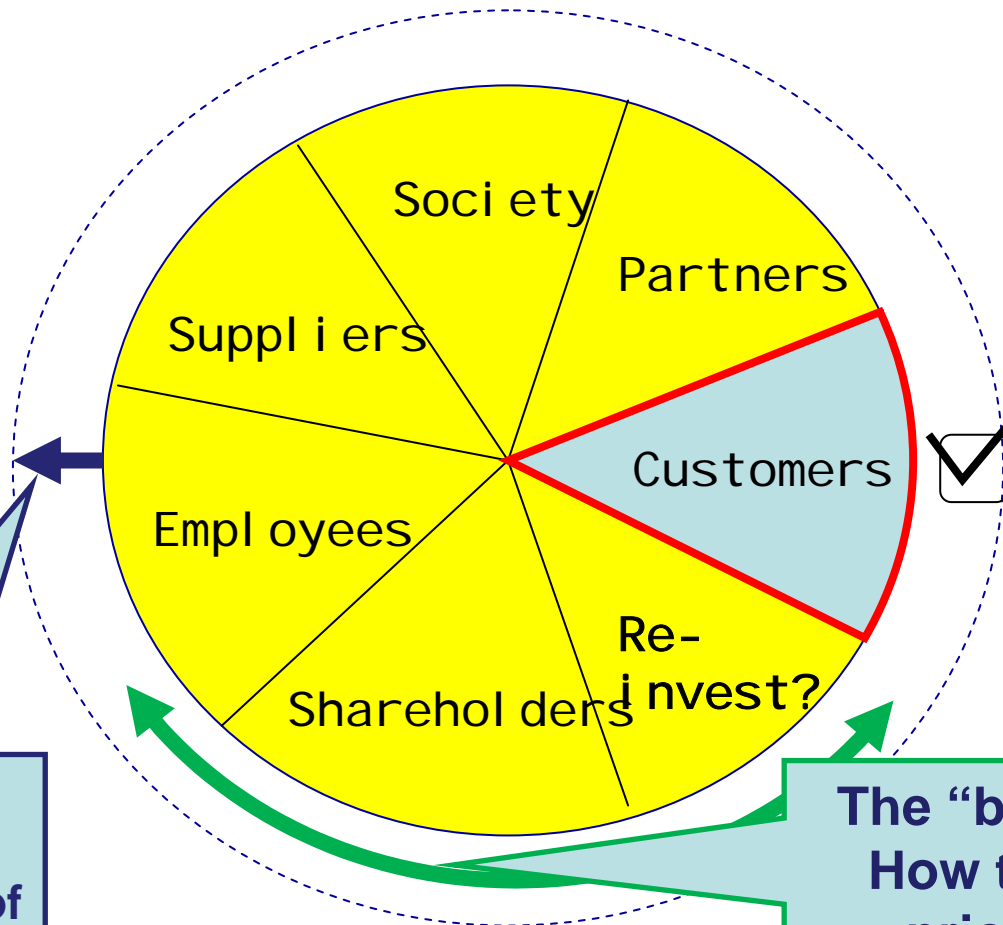


The clue? How to divide “money, time & attention” between the stakeholders (Piece of cake)?

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- Leadership,
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“Cake” can be made larger by elimination of waste, or other improvement efforts.

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The “balancing act”
How to decide on priorities w.r.t. different interested parties? Mgt job!



What are the “**essentials**” of a successful organization?

- ✓ Continuously scanning of own external environment.
- ✓ Continuously scanning of own internal environment. Where are we good in, and where are we not (yet)? Look in the mirror!
- ✓ Making choices what to be for which of the stakeholders. Looking for the balance in satisfying the different stakeholders.
- ✓ Developing and implementing the strategies to align the own capabilities with the new, coming needs.
- ✓ Monitoring (looking into the mirror) and developing of own capabilities for learning and implementation of changes. Building agility (speed, innovation, flexibility).



ISO 9004:2009 is *not* intended to be:

- An implementation guide to ISO 9001
- A business excellence model
- A set of requirements
- A textbook on Total Quality Management
- A source of untried approaches and methods



“Guiding Principles” for ISO 9004:2009

- Continue to use the “8 Quality Management Principles”, but also take into account:
 - **Ethics /social aspects**
 - **Mission and Vision of the organization**
 - **Adaptability / agility (ability to respond to changing opportunities / threats).**
 - **Management of knowledge.**
 - **Alignment with other management systems**
 - **Linking objectives and actions to results**
 - **Alignment between strategy and culture.**
- Concept of the “Consistent Pair” (ISO 9001 and 9004) to be maintained, but with more flexible criteria for “consistency”.



Structure of ISO 9004:2009

1. Scope
2. Normative references
3. Terms and definitions
- 4. Managing for sustainable success**
- 5. The organization's environment**
- 6. Policy & strategy formulation, planning & deployment**
- 7. Resources**
- 8. Process management**
- 9. Measurement and analysis**
- 10. Improvement, innovation and learning**

*The
"essentials"*

Annex A The self-assessment tools

Annex B Self-assessment sheets



4. Managing for long term success

Four main approaches for managing for long term success:

- a) Apply the 8 Quality Management Principles
- b) Recognize dependence on customers, interdependence with suppliers and importance of the people of the organization

Management responsibility!



4. Managing for long term success

c) Address the following:

- Monitoring, analyzing its business environment and engaging interested parties (5)
- Developing, planning and deploying its strategy (6)
- Developing and managing its resources (7)
- Managing its processes to satisfy its interested parties (8)
- Measuring and analyzing its performance (9)
- Taking actions to improve, innovate and learn (10)

d) Assess the organization's level of success using the self-assessment tool

Management responsibility!



5. The Organization's environment

- Monitor and analyze the ever changing environment of the organization to take the right decisions for the future.
- To satisfy interested parties needs and expectations.



6. Policy and Strategy

¿Policy and strategy, which comes first?

- Formulate the right policy (principal guidelines for the organization)
- Create the right strategy (long term response to the interested parties needs and expectations)
- Evaluate different scenarios
- Deploy (realization)



7. Resources

- 7.1 Management of resources
- 7.2 Financial resources
- 7.3 Human resources (incl. competence)
- 7.4 Partners
- 7.5 Infrastructure
- 7.6 Work environment
- 7.7 Knowledge, information and technology
- 7.8 Natural resources



8. Process management

- Basics of the process approach
(Reference to the Guidance on the concept and use of the process approach on website ISO)
- Types of processes



9. Measurement and analysis

“**Output matters**”

- Measure what matters – systematically!
- Gather *suitable* information.
- Gather information using multiple tools.
- Deliver facts to support decision making.
- Monitor progress towards objectives.
- Take appropriate action.
- Check the effectiveness of the actions taken.

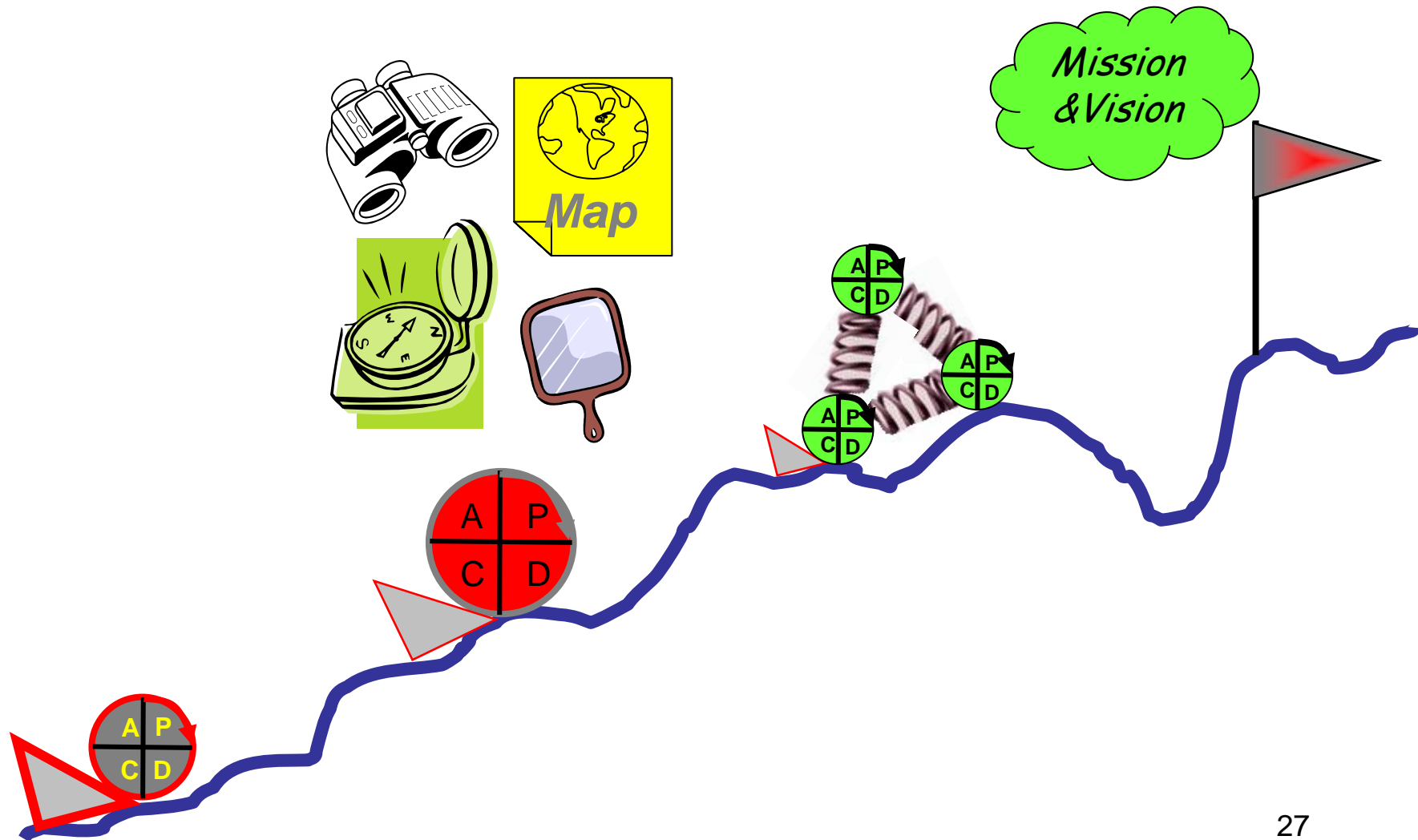


10 Improvement, innovation, learning

- Improvement
 - Enhance ability/level of maturity/capability of Improvement activities in a long term.
- Innovation
 - Existence of “Innovation”?
 - Apply to almost everything
- Learning
 - Existence of “Learning”?
 - Apply to wide range in Management



What does it mean in simple words?





Description of the maturity levels

1	2	3	4	5
Beginner	Proactive	Flexible	Progressive	Successful
<ul style="list-style-type: none">☑ Focus on products☑ Ad-hoc☑ Results not predictable☑ Improvement actions enforced by customers	<ul style="list-style-type: none">☑ QMS implemented☑ Corrective and preventive actions well organized	<ul style="list-style-type: none">☑ Process management implemented☑ Predictable results☑ Strategy focused on customers and some other stakeholders	<ul style="list-style-type: none">☑ Balanced focus on all stakeholders☑ Consistent positive results☑ Continual improvement based on learning and sharing of knowledge	<ul style="list-style-type: none">☑ Capability in place to keep good performance over the time and further develop in long term perspective



Assessment on strategic level / 1

Five levels:

1. Beginner organization
2. Proactive organization
3. Flexible organization
4. Progressive organization
5. Successful organization

Six strategic elements:

- Focus?
- Approach?
- Triggers?
- Activities and systems?
- Results?
- Learning?



Assessment on strategic level / 2

Five levels:

1. Beginner organization
2. Proactive organization
3. Flexible organization
4. Progressive organization
5. Successful organization

8 Quality Management Principles:

- Customer focus
- Leadership
- Involvement of people
- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision making
- Mutually beneficial supplier relations



Assessment on operational level

Five levels:

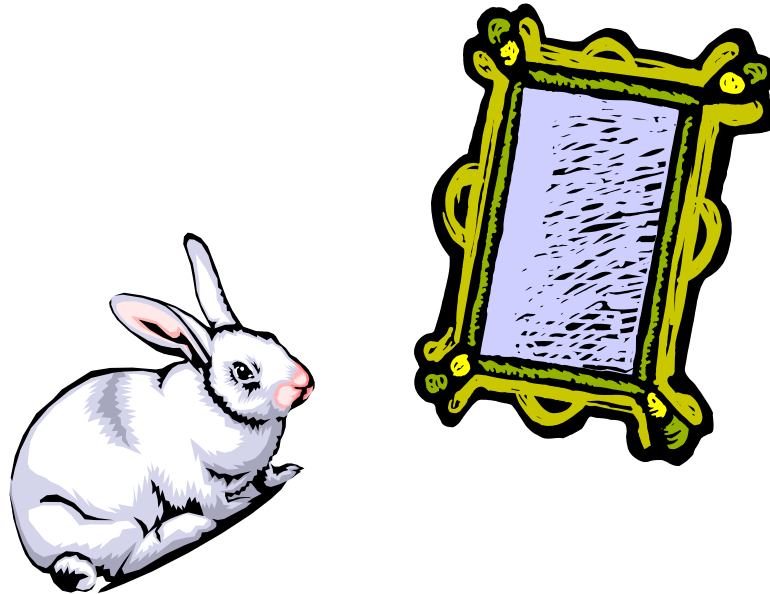
1. **Beginner organization**
2. **Proactive organization**
3. **Flexible organization**
4. **Progressive organization**
5. **Successful organization**

Six focus areas (main chapters of 9004):

5. **The organization's business environment**
6. **Strategy formulation, planning & deployment**
7. **Resources**
8. **Process management**
9. **Measurement and analysis**
10. **Improvement, innovation and learning**



Looking into the mirror, but what do I see?



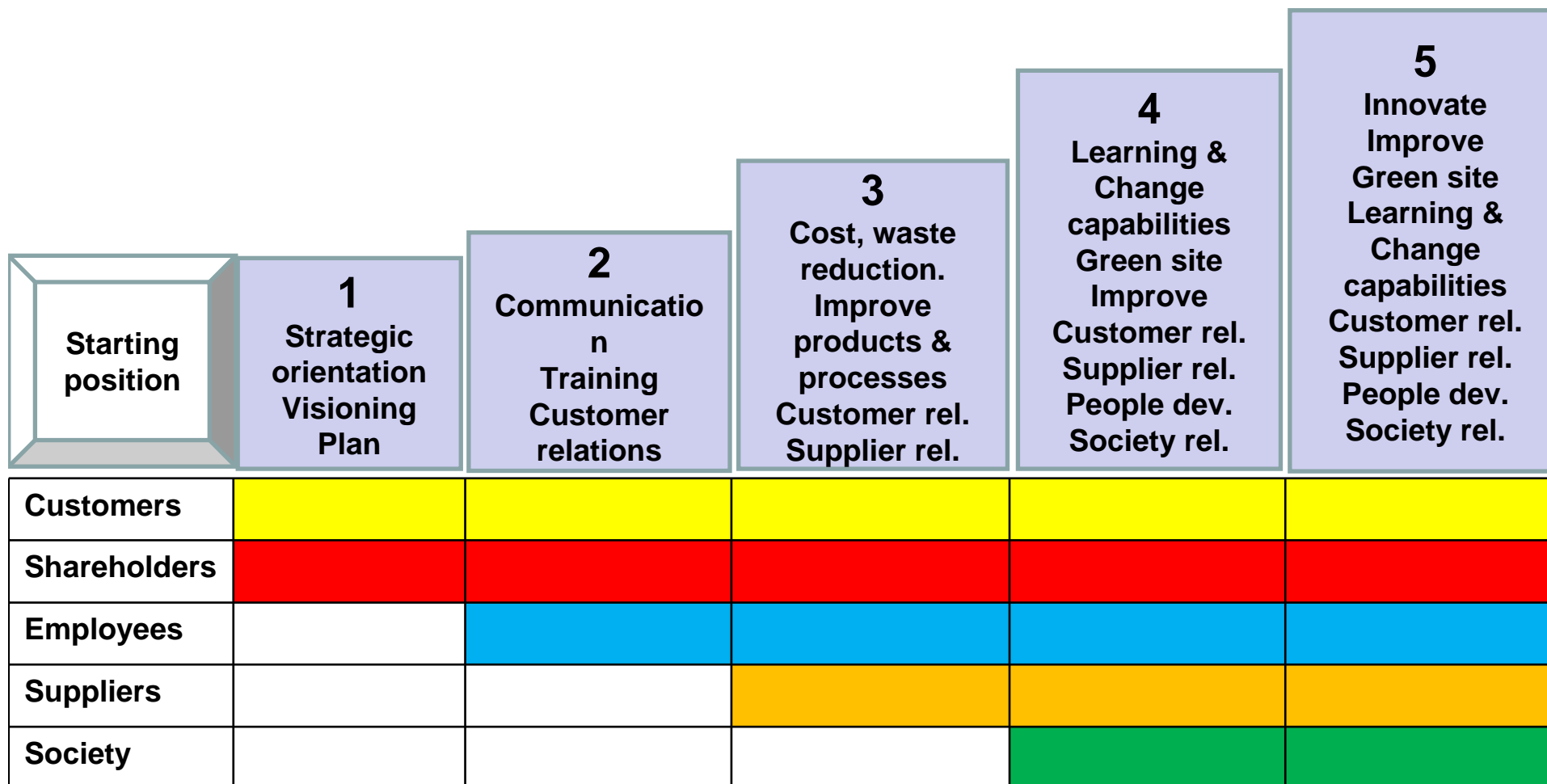


Looking into the mirror, but what do I see?





Roadmap towards success





ISO 9004 Schedule

3 rd Committee Draft, for comments and ballot	Jan '08 ☑
Draft International Standard (DIS)	Aug '08
Final Draft International Standard (FDIS)	May '09
Publication	Aug '09