

Vanguard Articles - ISO9000 and quality

It has become common practice for tender documents to require suppliers to be registered to ISO 9000. The assumption is that registration reflects a standard of (quality) performance. But what if registration to ISO 9000 is a guarantee of sub-optimal performance? Just suppose this 'King' has no clothes. Would it make us think again about our procurement procedures or would we seek to rationalise our behaviour to date? Please don't think I'm being cynical - how often do you hear the view that ISO 9000 is a 'first step' on the road to quality?

Have you noticed how many people groan when ISO 9000 is mentioned? Surely the mention of a quality Standard should produce a positive, energetic response; after all, quality is all about delighting the customer and we all want more of that don't we?

People groan because they know in their hearts that ISO 9000 is flawed. They can point to unnecessary paperwork and bureaucracy, they can express the oft-cited view that you can deliver poor quality services and be registered to the Standard so long as you do so according to the procedures you have laid down. But people are not stupid. They 'know' that this can't be what quality is all about and they're right. ISO 9000 has a fundamentally flawed conception of quality. In fact it is not about quality at all. ISO 9000 is all about control. What's disturbing is that it encourages managers to control their organisations in ways which actually undermine performance and (paradoxically) damage quality.

In 1993 we researched 647 organisations registered to the Standard. Less than 15% perceived the Standard to have achieved all of the benefits claimed by the director general of BSI. We took a closer look at the few who claimed success and in every case found evidence of inefficiency and customer dissatisfaction which was directly attributable to the Standard's implementation. Most often, people were taking longer to do things because of newly devised procedures. These procedures didn't make things any better for the customer or the organisation. They were there because somebody thought they would improve control, somebody argued that they were a requirement of the Standard.

The research showed that the strongest reason for seeking registration to ISO 9000 is because suppliers demand it. ISO 9000 is a self-inflicted injury - damaging the performance of British industry in the short term and potentially ruining the opportunity to learn about the benefits of quality in the long term.

Few British managers have read the Standard. If they have, they usually have found (as I did) difficulty in relating it to the way business works. I first came across the Standard after researching the impact of quality programmes in British industry (in the mid-Eighties). I struggled with what the Standard meant for three years, I couldn't relate it to what I had learned about quality until someone told me where it all started.

In the second world war, if you wanted to supply the M.O.D. with munitions, you had to be registered to a Standard from which BS5750 (then later ISO 9000) was derived. The purpose was to prevent accidents in the munitions factories and the approach was to insist on all procedures being documented and independently checked. This is a way of working which ensures that production

meets specifications. It is a method of control which ensures consistency of output. A quality approach (by contrast) would be to continuously improve output and for that you need different methods (derived from different thinking). Working to specifications is an approach which Peter Scholtes (one of Deming's disciples) describes as quality for under-achievers.

Why? Because it ignores variation - a concept which is fundamental to quality thinking.

At the time that our munitions factories were controlling output through procedures, American munitions factories were improving output by reducing variation. The work was led by Dr. W Edwards Deming.

Following the war, Deming's ideas were ignored by American industry, a growing market tolerated the waste of inefficient production (Deming used to joke "Let's make toast the American way - I'll burn - you scrape!"). The Japanese were the first to take him seriously. They out-achieved his expectations in five years. We've had ISO 9000 (previously BS5750) since 1979. Can we honestly claim anything in support of it? It is no surprise that we can't compare with the success of the Japanese. Their approach was founded on an entirely different philosophy.

Our organisations are built on the principles of 'command and control'. Command and control thinking has its origins in the work of Taylor (functional specialisation), Ford (mass production) and Sloan (financial control). ISO 9000 is no more than control of work activity (through documented procedures). It is the final icing on a badly made cake.

The original Standard on which ISO 9000 was based was introduced in response to a crisis. It might have been an appropriate (if not the only) response. The dominant feature of this approach is independent (third party) verification of procedures. It is not an approach which fosters mutuality, trust and learning - the foundation for good customer - supplier relations.

Deming, by contrast, taught the Japanese to see their organisations as systems; systems which included suppliers and customers. From that point of view, entirely different thinking about how you control and improve work has developed. Today, for example, Toyota is organised as a 'lean production system'. Toyota's radically different methods began in the foundries and now pervade the whole of their organisation, including their suppliers. Like other world-class organisations they have put control in the hands of people doing the work and their thinking about control is dominated by the requirement for continuous improvement (through the reduction of variation). 'Knowledge workers' contribute in a real way to improvement and success.

In modern high-performance service organisations, processes are created and destroyed according to the varying demands of customers. Measures are used to predict rather than control performance. In these organisations people are learning and improving continually. By contrast, running an organisation according to the thinking underlying ISO 9000 is a virtual guarantee of nil learning.

So what to do?

The first step is to cease insistence on registration to the Standard. That's the easy part. The second step is to review your thinking about the role of suppliers in your business. Do you award business on the basis of price alone?

Do you switch between suppliers or do you work ever more closely with fewer suppliers to improve both parties' performance?

Do your suppliers know how you use their product or service?

Do you work with your suppliers on how their product or service translates into what you provide to your customers, so that they can see what's important to the end user?

Do you think about supplier performance as something which needs to be controlled, or predicted and improved?

The joke in the transport cafes is that Eddie Stobart doesn't have ISO 9000. Drivers who now have two jobs (driving and filling in forms) are embarrassed before their much-admired Stobart counterparts (Eddie Stobart even has a fan club).

I called Eddie Stobart to ask why. He explained that he had been subjected to the same market-place obligation as others but he felt suspicious of the 'bandwagon' and also felt that he had always had good systems and was totally centred on his customers' needs. He dug his heels in. Some of his customers raised an eyebrow and people warned him it might result in loss of business. It did not.

It's a pity there aren't more Eddie Stobarts in British industry.

By being labelled a quality Standard, ISO 9000 has only succeeded in steering quality into troubled waters. It is not a first step to quality, it is a step in the wrong direction. The hope is that it hasn't conditioned British management to lose interest in the subject. If it has it is only a matter of time before an economic jolt will wake us up.