

## How does ISO 9004 help an organization to achieve sustained success?

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The success factors of organizations are developing continuously and every few year's new success factors are added to the complex demanding and ever-changing competitive environment in which organizations operate. There is no doubt that the primary focus of an organization should be to achieve higher satisfaction of its customers by implementing rigorous processes to continuously improve its products and services quality - but in the current competitive environment this is not enough to achieve sustained success. Organizations have to move from Product Quality to the next level of Quality of an Organization by implementing an effective and efficient management system that is led by top management and is focused on the organization ability to meet the needs and expectations of its customers and other relevant interested parties. The new standard ISO 9004: 2018 is focused on providing confidence in the ability of the organization to achieve sustained success. In this paper Dr. Isaac Sheps who is the convener of ISO TC176/SC2/WG25 responsible for the revision of the ISO 9004 standard demonstrates how does the new standard help an organization to achieve sustained success.

### The new ISO 9004 standard

In last 18 years ISO 9004 went through a significant evolution and some would even refer to it as a revolution. In its 2000 version it was all about going beyond 9001 as a guide to improve an organization's quality management system, in its 2009 version it focused on providing guidelines and tools for utilizing quality management principles to achieve and maintain success for an organization, and first time acknowledged that to achieve sustained success an organization should meet the needs and expectations not only of its customers but also of its other interested parties, over the long term and in a balanced way.

To do so a quality management system is not enough and other management systems should be applied by the organization to achieve this objective. The current 2018 version moved the standard further away from being a pair with 9001 or being beyond 9001 to become a standalone standard that focuses on guiding an organization how to achieve sustained success. This is well demonstrated in the new standard title: "Quality of an organization – Guidance to achieve sustained success" and its scope: "This document gives guidelines for enhancing an organization's ability to achieve sustained success".

### How to achieve sustained success?

Success is defined in ISO 9000: 2015 as achievement of an objective and sustained success as the result of the ability of an organization to achieve and maintain its objectives in the long term.

The main concept on which 9004 is based on, is that “to achieve sustained success the organization should go beyond the quality of its products and services and focus on anticipating and meeting the needs and expectations of its interested parties and not just those of its customers alone, with the intent of enhancing their satisfaction and overall experience.”

As defined in ISO 9000: 2015 an interested party is a “person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity” of the organization (some name it as a stakeholder). In ISO 9004: 2018 examples of interested parties and their needs and expectations are presented.

In any process we have inputs, a list of activities to transform inputs into outputs, the achieved output and a feedback loop to check if the outputs meet fully or not the objectives. The feedback loop is the main enabler of the improvement process.

The process to achieve sustained success as presented in ISO 9004 structure has as inputs the “customer and other relevant interested parties’ needs and expectations” and as outputs the “confidence in the organization’s ability to meet customer and other relevant interested parties’ needs and expectations”.

The activities needed to transform the inputs into the desired output which would mean to achieve sustained success are presented in a sequential order starting with the context and identity of the organization and ending with the usual operational activities.

To be able to use this new standard as a guide to achieve sustained success top managers have to be aware and fully understand the following three main terms used in the standard:

- Quality of an organization
- Context of the organization
- Identity of an organization

Quality of an organization – “The ‘quality of an organization’ as defined in the standard is the degree to which the inherent characteristics of the organization fulfil the needs and expectations of its customers and other interested parties, in order to achieve sustained success (it is up to the organization to determine what is relevant to the organization).

As stated above quality at the organization level differs from production and product quality. Production quality is focused on producing products which have consistent characteristics or in other words is focused on assuring that there is no variance in the production process. Product and organization quality differ in whose needs and expectations should be met; product quality, which is the focus of ISO 9001, is about meeting needs and expectations of the customers while quality of an organization which is the focus of the new ISO 9004 is about meeting needs and expectations of all interested parties (customers being one of them)

Context of the organization - understanding the context in which the organization operates is the very first step and the basis for what an organization should do to achieve sustained success. As stated in the standard: “Understanding the context of the organization is a process that determines factors which influence the organization’s ability to achieve sustained success”. Context of the organization consists of three main domains: interested parties, external issues and internal issues. Without a proper identification of the relevant interested parties, their relevant needs and expectations, the external and internal issues the organization is facing currently and the ones it may face in the future the next processes of the management system will not provide the aimed result of sustained success.

External and internal issues are factors that can affect the organization's ability to achieve sustained success (examples of external and internal issues are given in the standard).

**Identity of an organization** - Defining and maintaining the identity of the organization is the first step in building a management system which will support sustained success and one of the main responsibilities of the top management. As stated in the standard: "An organization is defined by its identity and context. The identity of an organization is determined by its characteristics, based on its mission, vision, values and culture. "The four elements mentioned, mission, vision, values and culture are the building blocks of the foundation on which the organizations activities are built on. As these terms are many times confused and defined in different ways it was important to define them in the standard. They were defined as follows:

- mission: the organization's purpose for existing;
  - vision: aspiration of what an organization would like to become;
  - values: principles and/or thinking patterns intended to play a role in shaping the organization's culture and to determine what is important to the organization, in support of the mission and vision;
  - culture: beliefs, history, ethics, observed behaviors and attitudes that are interrelated with the identity of the organization. "
- Of course, these four elements of the organization identity are interrelated and the top management should ensure that there are aligned.

## Conclusion

Facing the continuously and rapidly changing organization's context, organizations which aim to achieve sustained success have to move to a more holistic view of their quality management system moving from just focusing on product/ service quality to quality of the organization.

The new ISO 9004: 2018 is a very helpful guideline for organizations that are intending to start their journey to achieve sustained success.

ISO 9004: 2018 structure follows the steps an organization should take to achieve sustained success. The first step is to determine and understand the context of the organization. Based on this data the organization top management should determine and enhance the organization identity consisting of its mission, vision, values and culture. The next step should be to determine and deploy the organization strategy, policies and objectives. To achieve the determined strategic intentions and objectives top management should ensure that the right processes are in place, that they are properly interrelated, that all needed resources are allocated and that the processes are aligned to the strategic intentions and objectives. Of course, the organization system and activities have to continuously improve and therefore processes for performance measurement and improvement should be established.

The standard provides also, in its annex, a tool for self-assessment. The self-assessment can help the organization to identify the gaps it has in different areas and to prepare a plan to close these gaps in its journey to achieve sustained success.

## References

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