

How 'Excellence' in Business can make the Difference

Expert knowledge means success

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Note: This publication has not been updated since it was last published. Some of the hyperlinks may have changed and may need updating. In addition, some of the information in this publication may be out of date.

Introduction

The British Quality Foundation was established to enhance the performance and competitive advantage of organisations in the UK thereby ensuring their long-term success. By promoting improvement techniques within its integrated EFQM European Excellence Model, the Foundation aims to assist any organisation that wishes to meet the needs of its customers, its employees, its financial stakeholders as well as the community in which it operates. This pursuit of Excellence can be applied to every activity at all levels in an organisation to increase efficiency, to reduce costs, to achieve greater satisfaction and to improve business results. Continuous improvement through the process of Self-Assessment against the EFQM European Excellence Model has become accepted in the UK as the way to achieve and maintain competitiveness.

Two of the main quality initiatives in the UK are Investors in People and the EFQM European Excellence Model. The former sets a standard for improving business performance through the development and management of the potential of the people in an organisation, while the EFQM European Excellence Model is the overall best practice framework that captures all the elements that an organisation needs for achieving success in its operations.

The EFQM European Excellence Model has been in existence in various forms since 1991. It is a comprehensive, holistic measure of overall business performance, developed by leading UK and European companies and tested by hundreds of others. It is accepted as the most comprehensive and reliable framework to help run a successful, progressive organisation now, and into the 21st century. It is used regularly by thousands of companies, both large and small including BT, ICI, Zeneca, ICL, Dutton Engineering, HSBC, TNT, The Post Office, Benefits Agency and many other private and public sector organisations, as a basis for continuous improvement.

The British Quality Foundation is the guardian and champion of the EFQM European Excellence Model in the UK and

uses the model as the framework for assessing applications for The UK Business Excellence Award.

Business Excellence

The EFQM Business Excellence Model

In 1989 the European Foundation for Quality Management (EFQM) was founded by the CEOs of 14 major European businesses. Its remit was to establish a model, applicable across all sectors and sizes of organisation, which organisations could follow to gain competitive advantage, or excellence. Organisations accredited with ISO9000 were failing as businesses and it was felt that a new business model that included both a quality standard and management process could be used as the basis for the quality improvements seen at the time in the Japanese market.

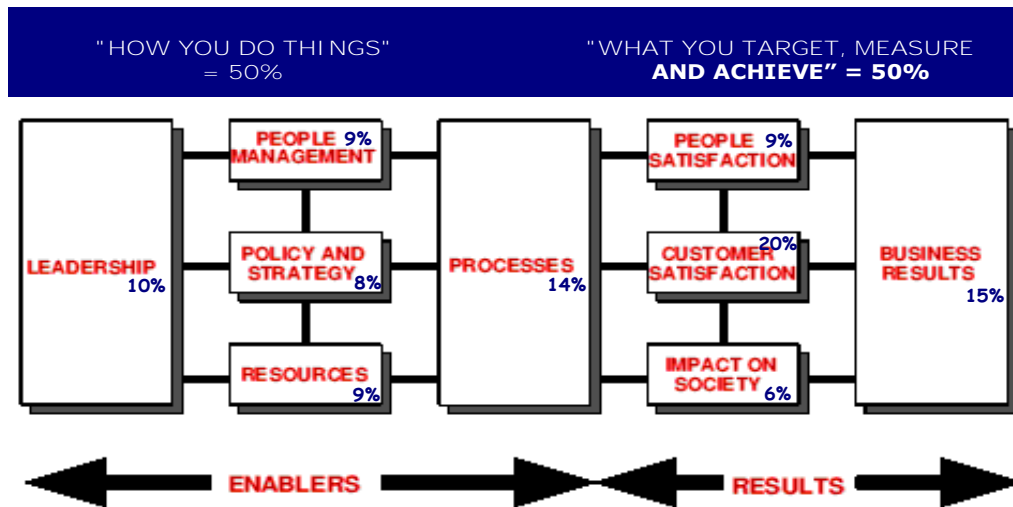
The EFQM formulated an excellence model based on some of the theories of Malcolm Baldrige, but which also incorporated the essence of the product and procedure of the ISO9000 quality model. In 1991 the EFQM model was released and renamed the EFQM Excellence Model (more popularly known as the Business Excellence Model); the first prizes for excellence were awarded in 1992.

The content of the model focused on the philosophy and practice of Total Quality Management and many national quality bodies in Europe adopted the model, including the British Quality Foundation. By 1999 over 10,000 organisations across Europe were using the model. In April 1999, the model was revised to reflect a shift in focus towards innovation and creativity, and the growing importance of partnerships and knowledge management and was renamed the EFQM European Excellence Model.

The EFQM European Excellence Model is an ideal framework against which Self-Assessment can be carried out. The process and the Model's generic criteria have been shown to be applicable to any organisation or component part. Whether you are in the public, private or voluntary sector, the EFQM European Excellence Model encompasses all the ways in which your organisation meets the needs and expectations of its stakeholders, customers, staff and the surrounding community. It then helps you to rate how your organisation is doing and to identify the gaps in performance.



The Model



The EFQM European Excellence Model:
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The nine elements of the Model have been identified as the key components of business excellence. By using all of the nine criteria an organisation can assess its overall strengths and measure its progress towards excellence or 'best in class'. Essentially this tells us that: Customer Satisfaction, People (employees) Satisfaction and Impact on Society are achieved through Leadership driving Policy & Strategy, People Management, Management of Resources and Processes, leading ultimately to excellence in Business Results.

The nine criteria fall into two groups: "Enablers" and "Results". The Enablers are concerned with what is done to run the organisation and how it is operated. The Results are concerned with what the organisation has achieved and is achieving as seen by the stakeholders i.e. customers, employees, the community and those who fund the organisation.

The EFQM European Excellence Model graphically demonstrates the following premise:

Customer Satisfaction, People (employee) Satisfaction and Impact on Society are achieved through **Leadership driving Policy and Strategy, People Management, Resources and Processes** leading ultimately to excellence in **Business Results**.

The EFQM European Excellence Model Criteria

The EFQM European Excellence Model has nine criteria and 32 sub-criteria for self assessment as shown below:

1. Leadership

1. Leaders develop the mission, vision, values and ethics and are role models of a culture of Excellence
2. **Leaders are personally involved in ensuring the organisation's management system is developed, implemented and continuously improved**
3. Leaders interact with customers, partners and representatives of society
4. Leaders reinforce a culture of excellence **with organisation's people**
5. Leaders identify and champion organisational change

2. Policy and Strategy

6. Policy and Strategy are based on the present and future needs and expectations of stakeholders
7. Policy and Strategy are based on information from performance measurement, research, learning and external related activities
8. Policy and Strategy are developed, reviewed and updated
9. Policy and Strategy are communicated and deployed through a framework of key processes

3. People

10. People resources are planned, managed and improved
11. **People's knowledge and competencies are identified, developed and sustained**
12. People are involved and empowered
13. People and the organisation have a dialogue
14. People are rewarded, recognised and cared for

4. Partnerships and Resources

15. External partnerships are managed
16. Finances are managed
17. Buildings, equipment and materials are managed
18. Technology is managed
19. Information and knowledge are managed

5. Processes

20. Processes are systematically designed and managed
21. Processes are improved, as needed, using innovation in order to fully satisfy and generate increasing value for customers and other stakeholders
22. Products and Services are designed and developed based on customer needs and expectations
23. Products and Services are produced, delivered and serviced
24. Customer relationships are managed and enhanced

6. Customer Results

25. Perception Measures
26. Performance Indicators

7. People Results

27. Perception Measures
28. Performance Indicators

8. Society Results

29. Perception Measures
30. Performance Indicators

9. Business Performance Results

31. Key Performance Outcomes
32. Key Performance Indicators

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The Model is essentially an umbrella under which all improvement activities and initiatives fit - a description of the relationship between the Model and three of these - ISO 9000, Investors in People and Chartermark, is available in a brochure from the British Quality Foundation (Quality Links).

The Model offers a practical and proven way of giving an organisation a thorough health-check and a flexible prescription for improvement.

People, Processes and Results

Processes are the means by which the organisation harnesses and releases the talents of its people to produce Results. In other words, the processes and the people are the **Enablers** that provide the **Results**.

For convenience, Enablers and Results are used to group criteria. The Enablers criteria are concerned with how results are achieved. The Results criteria are concerned with what the organisation has achieved and is achieving. For the purposes of meaningful assessment for the Award, a relative value must be ascribed to the nine criteria within the model. The figures in the Model show the maximum number of points that may be given to each of the criteria as well as the equivalent percentages.

Enablers and Results are each valued at 50%. Customer Satisfaction 20% attracts the highest value followed by People Management and People Satisfaction 18%. Business Results 15% is the next most highly valued criterion which covers the organisation's continuing success in satisfying the needs and expectations of everyone with an interest in the organisation, financial and non-financial, and in achieving its planned business or service objectives. The assessors will give approximately equal weight to achievement in both of these areas.

Publications are available¹ from the British Quality Foundation for people who want to know what Business Excellence is, what it can achieve for an organisation, and how it can be made to work in practice, for example:

[The Model in Practice](#)

ISBN: 1-899358-34-X

Order Code: MODEL

Price: Members £22.00, Non-Members £27.50

[How to use the Model](#)

ISBN: 1-899358-50-1

Order Code: HOWM

Price: Members £22.00, Non-Members £27.50

and many other relevant titles.

[Fundamental concepts](#)

- Leadership and consistency of purpose - Leaders develop the organisation's culture and inspire its people. Leaders drive the resources and efforts of the organisation towards a culture of excellence.
- Policy and Strategy - Policy and strategy are deployed in a structured and systematic way across the whole organisation and all activities are aligned. The behaviour of the organisation's people is consistent with its policies and its values.
- People management, development, involvement and satisfaction - The full potential of the organisation's people is released through shared values and a culture of trust and empowerment. Communication and involvement are pervasive and supported by opportunities to learn and develop skills. Satisfaction of employees is monitored and continually improved.
- Customer focus - Customer satisfaction and other issues that influence loyalty are measured, analysed and understood. The delivery of value to the customer, the final arbiter of product and service excellence, is the primary focus.
- Supplier partnerships - Alliances and partnerships with suppliers are built on trust and integration where appropriate, generating value and improvements for both parties.
- Processes and measurement - Processes are understood, owned and systematically managed. Measurement and prevention-based improvement activities are associated with the daily work of everyone and with all processes.
- Continuous improvement and innovation - A culture of continually learning and improving is encouraged and innovation is welcomed and recognised. Benchmarking against competitors and 'best in class' is a key driver of improvement activities in all aspects of the organisation.
- Public responsibility - The organisation and its people have an ethical and environmentally responsible approach to all operations and strive to exceed the expectations and regulations of the community at large.

- Results orientation - Sustainable success is seen as being dependent upon balancing and satisfying the needs of all stakeholders involved. This includes the people employed, customers, suppliers, all those with a financial interest in the organisation, as well as society generally.

Organisational Improvement through Self-Assessment

Consider these questions:

- How can you improve the performance of your own organisation if you cannot measure it?
- How can you improve your most important practices and processes if you cannot identify and isolate them?
- How can you manage numerous initiatives, like ISO 9000 and Investors in People, without a business improvement framework to put them into context?
- If you don't know where you are now, how do you know where you are going and how to get there?
- How well are you performing in the market place against other organisations?
- How do you compare with world-class performance in your sector?

If you are seriously committed to improving the performance of your business, the above are some of the questions you need to answer.

In many fields of endeavour, performance can be easily and continually measured, comparisons made with the competition, strengths recognised and developed, weaknesses identified and eliminated.

Until now, assessment and measurement of business performance has been out of reach for most UK organisations. The ASSESS range of products from the UK's leading and only independent business excellence organisation, The British Quality Foundation will help you answer the questions shown above and a lot more besides.

A recognised approach to capturing the benefits of the Business Excellence Model is the process of business Self-Assessment. This allows you to make a valuable comparison of your business against the Model and benchmark against Britain's best companies and indeed those across Europe. It points you to those priority areas in an organisation that can benefit from improvement and possible change.



Unlocking the power of the model - "ASSESS" - a unique and progressive system

As part of its mission to enhance the performance of all organisations in the UK, the British Quality Foundation has developed ASSESS - three software products (also paper based) which provide easy access to the knowledge and power of the Business Excellence Model. This approach to performance measurement and continuous improvement allows any organisation, whatever its size, structure or culture, to measure its own performance against the Model and benchmark against other organisations.

ASSESS is a family of three products, (**RapidScore**, **TeamScore** and **ValidScore**), a comprehensive, holistic measure of overall business performance, providing a progressive system of Self-Assessment against the Business Excellence Model. You can use them in your own time and without an expensive investment in time or money. They can be used to assess your entire organisation or just parts of it. All three products are based on a questionnaire approach and the software is designed to run on a Windows based PC. They are also available as paper based versions. ASSESS uses the latest version of the Model. They are the only Self-Assessment products to be mapped directly onto the sub - criteria and 'area to address' level of the Model and have been tested to ensure they are accurate. Undertaking Self-Assessments over time is a recognised path to entry for the UK Quality Award for Business Excellence - the UK's premier business prize.

Which ASSESS product is for you?

RapidScore:

- quick and simple to use
- can be completed in about 2 hours
- provides a basis for improvement action

TeamScore:

- a more rigorous approach
- requires brief evidence of existing practice
- provides detailed improvement pointers

ValidScore:

- uses the more rigorous approach of TeamScore
- has external Validation by BQF

All the ASSESS products are supported by a Helpline.

All ASSESS users of **RapidScore**, **TeamScore** and **ValidScore** are given a logo to display on their letterheads and printed material for one year (once the data has been returned to the Foundation for benchmarking). This shows your staff, customers, suppliers and competitors that you are committed to continuous improvement.

Users of **ValidScore** reaching a score of 350 points or more will be given a 350+ logo and certificate showing the date of validation.

Users of **ValidScore** reaching a score of 500 points or more will be given a 500+ logo and certificate showing the date of validation.

If an organisation achieves a validated score above 500, they are strongly encouraged to apply for the UK Quality Award for Business Excellence.

Benefits from using ASSESS

ASSESS products provide a progressive path to business excellence based on Self-Assessment, benchmarking and best practice.

The British Quality Foundation's **RapidScore**, **TeamScore** and **ValidScore** enable an organisation to measure its progress towards business excellence. They compare the organisation with the Business Excellence Model and a wide range of UK businesses, including those most admired and respected. ASSESS will identify those areas which can most benefit from improvement and change. The ASSESS range of products

provide a progressive system for Self Assessment and benchmarking which is a vital part of your journey to business excellence.

European Centre for Business Excellence

The European Centre for Business Excellence (ECforBE) is the research and education division of Oakland Consulting plc. They work in strategic partnership with Leeds University Business School and other business schools across Europe and in the Far East to provide a rigorous, yet pragmatic and highly adaptable approach that embeds real change within organisations through the application of both leading edge and established knowledge and skills.

The ECforBE will both inspire and stimulate your thinking.

Every organisation is different. Every organisation is unique. Our turnkey approach to organisational and individual development, built on our solid foundations of research and specialist expertise, provides a tailored approach that will support your own individual route map to organisational transformation.

UK Quality Award for Business Excellence

The President of the Board of Trade launched the UK Quality Award for Business Excellence in February 1994. In the same year, the then Prime Minister presented the inaugural Awards to Rover Group and TNT Express. In 1995, the Award categories were extended to include the Public and Voluntary Services and the President of the Board of Trade presented to ICL High Performance Technology the only Award won. A fifth Award category, for Small Businesses, was introduced in 1997. This has since been replaced by an Operational Unit Award.

Invitation to apply for the Award

The Award was introduced as a means of identifying, rewarding and publicising outstanding organisations as role models for others to follow. The Award scheme, and the underlying model, provide a framework against which organisations can assess and measure themselves to identify areas for

improvement and ultimately, to help them achieve the highest standards.

Each year a small number of equal status Awards can be made in a number of different categories based on size and on public or private ownership. To receive an Award, applicants must demonstrate that their approach to Business Excellence has contributed significantly towards satisfying the expectations of customers, employees and others with an interest in the organisation.

The three aims of the Awards are to:

- Assist organisations to improve
- Identify role models to demonstrate what can be achieved
- Recognise those who have shown exceptional ability and performance in the management of their organisation.

In addition to the UK Business Excellence Award, four Special Achievement Awards may also be given for outstanding performance in the areas of:

- Leadership
- Employee Satisfaction
- Customer Satisfaction
- Corporate Social Responsibility.

An Award winner can be of any eligible size or type, but in its drive for Excellence, it will be seen as a role model of best practice against which other similar organisations can measure their achievements in their own drive for continuous improvement.

Organisations can apply for The UK Quality Award for Business Excellence at any stage in their journey of continuous improvement. An application represents an opportunity to discover whether the organisation rates as an outstanding role model and, if not, provides the means by which it can assess and improve its position in comparison to other excellent organisations.

Benefits of applying for the Award

The challenge of making an Award application will bring an organisation substantial benefits. The objective consideration of the key features of an organisation's strategy and the development of soundly based improvement plans is the most valuable aspect of adopting the self assessment approach, which is the first step in any application for the Award.

Applying for the Award will:

- motivate people and focus their efforts on self analysis and continuous improvement,
- foster teamwork in working to tight deadlines and providing an exciting challenge,
- increase awareness of total quality principles by involving many people in the application,
- provide a further training and communication tool through the submission document which describes the entire organisation in strategic and operational terms.

To assist an organisation in establishing the necessary self assessment programme prior to applying for the Award, the Foundation and other service providers offer a range of products, awareness workshops and training programmes.

There is great value in this process of Self-Assessment, and even if the organisation is unlikely to achieve the standard necessary to win an Award, the added impetus of going through a complete award cycle enables it to assess its strengths and level of maturity against each category within the Excellence Model.

A team of trained, independent assessors, made up of senior managers and quality professionals, who provide a valuable feedback report, assess each application. The Report presents the perceived strengths and the areas for improvement for each of the criteria addressed in the organisation's application.

The most valuable aspect of adopting the Self-Assessment approach, based on the Business Excellence Model, is the detached look at the key features of an organisation's strategy and the evolution of a soundly-based improvement programme. Generally the benefits of the process of Self-Assessment will far outweigh the costs incurred. Furthermore, making an application for the Award can be a useful means of enthusing and focusing the efforts of all the people in the organisation on continuous improvement as the means to achieve excellence.

Benefits of winning an Award

There is considerable status attached to winning an Award. The high profile promotion of an Award winner, together with the opportunity to use the Award logo, will confirm the organisation's position as one of

the most successful in the United Kingdom. Recognition will also be demonstrated by the number of visits requested by other interested bodies and requests for speaking engagements where the winners share their achievements and are able to promote themselves as organisations of established Excellence.

In the year following presentation of the Award, winners are able to share their experiences at conferences and seminars organised by the Foundation, offering a platform for the promotion of their status as leaders in industry and/or the public sector. In addition to enjoying the intrinsic benefits gained from implementing a Business Excellence programme, winners of the Award can also expect to benefit from the emergence of new customers, new business opportunities and improved customer perceptions of goods and services offered.

Award categories

Entry to the UK Quality Award is open to all organisations in the UK, whether public or private, small or large, national or multinational, established for the creation of profit, the containment of costs, the provision of public services, or the generation of income for distribution. When classifications of size are taken into account, there are five entry categories:

- Private organisations with more than 250 employees
- Private organisations with fewer than 250 employees
- Public and voluntary organisations with more than 250 employees
- Public and voluntary organisations with fewer than 250 employees
- Operational Units: i.e. parts of companies run as cost centres, e.g. production units, assembly plants, sales and service functions.

Eligibility

Eligibility for the Award is intended to be as open as possible with some minor restrictions to ensure fairness and consistency. An Awards Eligibility Committee exists to act as the final arbiter on eligibility matters.

Applicants for categories 1 to 4 may apply as entire organisations or as subsidiaries of larger groups. A subsidiary can be any division or business unit run as an independent business.

To be eligible, every Applicant needs to demonstrate a broad range of functions examinable against the Award criteria. The following requirements apply:

- Applicants can be from private, public or voluntary sectors.
- An operational unit of a larger company may apply if it is run as an independent cost centre, e.g. factories, assembly plants, sales and marketing functions, research and distribution units.
- Applicants must demonstrate 3 years of continuous operating history in the UK.
- 50% or more of the Applicant's employees or asset base must be examinable in the UK.
- For parent organisations with less than 250 employees the whole organisation must apply.
- A maximum of four applications will be eligible in any one year from a parent organisation.

Registration²

Applicants wishing to apply for the UK Quality Award for Business Excellence must register their intent to apply by completing a Registration form and submitting this to the Awards Office by a specified date. A deposit of £700 must accompany the Registration form along with a copy of the applicant's latest self-assessment. (Award Applicants from the preceding year do not need to provide the self assessment material). If the self assessment results are acceptable, the applicant will be invited to apply for the award by submitting an Application by the due date.

The registration form must be signed by the applicant's chief executive officer to indicate that all the information contained in the form is correct, that all requirements of the submission have been met, that eligibility rules have been met and that all remaining fees will be paid.

Application form

A more detailed Application form must be completed after registration to accompany the submission document, and forwarded to the Awards Office by the application deadline specified in the timetable. At this stage the balance of the application fee must also be paid.

Submission document

The submission should be divided into the following sections:

- Title page, including the name of the organisation making the application, its

address and the date of application

- A completed copy of the application form (with each copy)
- Table of contents
- Overview - This is a summary of up to four pages of information about the applicant and its business or service, including:
 - history
 - organisation chart
 - principal products and/or services
 - values and objectives
 - customer and supplier base
 - partnership arrangements
 - technology and raw materials
 - business environment
 - regulatory environment
 - key product/service quality factors
 - other important factors.

Self-Assessment material

Self-Assessment material comprises the vast majority of the applicant's submission document. It is important that information submitted aligns with the Award assessment criteria as outlined in the relevant 'Guide to Self Assessment' available from the Foundation. The submission document must address all 32 sub-criteria of the Excellence Model and be a maximum of 75 sides of A4 paper. Information in excess of 75 pages will not be taken into account in the assessment of the application. 10 copies of the submission document are required.

The submission document should be formatted as follows:

- typed in English
- using a font size no smaller than 10 point
- loosely bound for ease of processing
- numbered on each side.

Fees and costs

A deposit of £700 is payable upon an application being accepted for the 2005 process. The balance must accompany the Application form and submission document. The full amount depends on the size of the organisation applying and the different rates for 2005 are as follows:

- Organisations with fewer than 250 employees £3000 plus VAT
- Organisations with more than 250 employees £4000 plus VAT.

It should be noted that applicants are also responsible for site visit expenses for the assessment team. The Awards Jury may select high scoring submissions for site visits, in which case applicants are expected to bear the costs incurred by the visiting assessors.

These costs will be established nearer the time.

The Baldrige Criteria for Performance Excellence

The British Quality Foundation's initiatives are aimed at UK-based businesses. It's interesting to draw some comparisons with what's happening in the US. The Baldrige Criteria for Performance Excellence is designed to assist US businesses and non-profit organisations in delivering ever-improving value to customers, resulting in marketplace success, and in improving overall company performance and capabilities through the use of the Malcolm Baldrige National Quality Award framework, core values and methods.

The Baldrige Criteria for Performance Excellence assesses:

Customer-Driven Quality

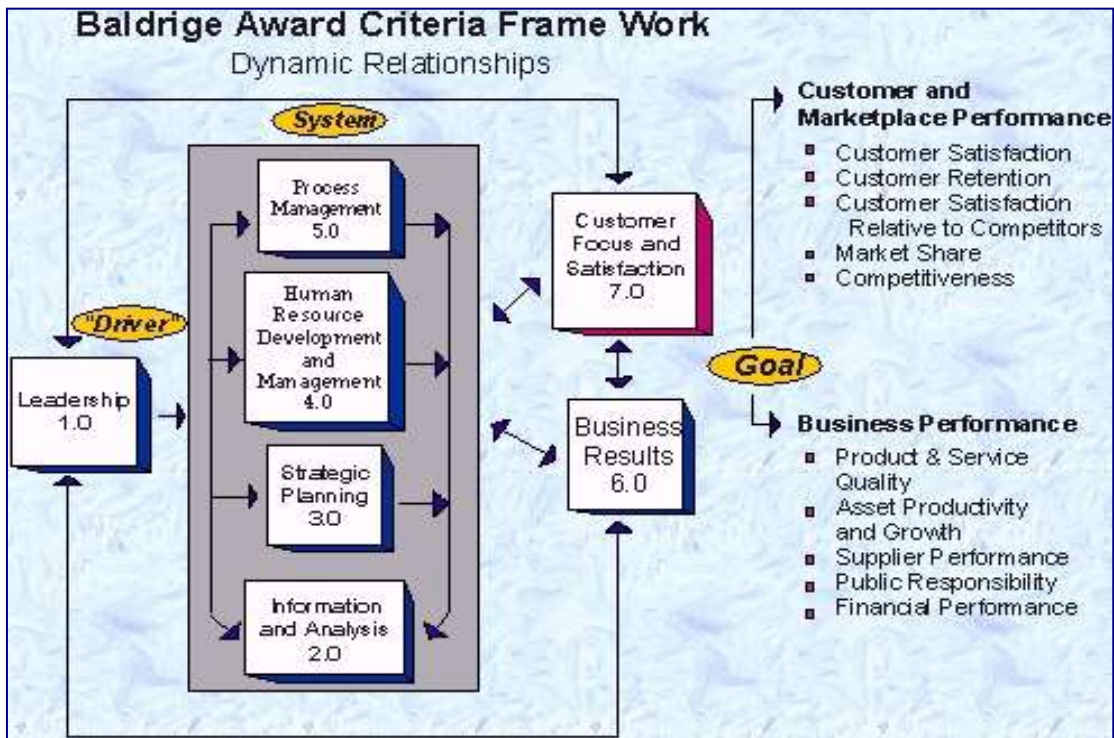
Customer-driven quality demands constant sensitivity to emerging customer and market requirements, and measurement of the factors that drive customer satisfaction and retention. It also demands awareness of developments in technology and of competitors' offerings, and rapid and flexible response to customer and market requirements.

Leadership

Through their personal involvement in activities, such as planning, communications, review of company performance, and recognition of employees' achievements, the senior leaders serve as role models, reinforcing the values and encouraging leadership and initiative throughout the company.

Fast Response

Success in competitive markets increasingly demands ever-shorter cycles for new or improved product and service introductions. Faster and more flexible response to customers is also now a more critical requirement.



Continuous Improvement and Learning

The term "continuous improvement" refers to both incremental and "breakthrough" improvements. Improvement is driven not only by the objective to provide better products and services, but also by the need to be responsive and efficient. Continuous improvement requires a quantitative basis for assessing progress and for deriving information for future cycles of improvement.

Employee Participation and Development

A company's success in improving performance depends increasingly on the skills and motivation of its workforce. Companies need to invest in the development of the workforce through ongoing education, training, and opportunities for continuing growth.

Design Quality and Prevention

Business management should place strong emphasis on design quality - problem and waste prevention achieved through building quality into products and services and into production and delivery processes.

Long-Range View of the future

Pursuit of market leadership requires a strong future orientation and a willingness to make long-term commitments to all stakeholders -

customers, employees, suppliers, stockholders, the public, and the community. Planning needs to anticipate many types of changes, especially those that may affect customers' expectations.

Management by Fact

A modern business management system needs to be built upon a framework of measurement, information, data and analysis. A major consideration in the use of data and analysis to improve performance involves the creation and use of performance measures or indicators, which should be selected to best represent the factors that lead to improved customer, operational, and financial performance.

Partnership Development

Companies should seek to build internal partnerships (such as agreements with unions) and external partnerships with customers, suppliers, or others to better accomplish the organisation's overall goals.

Corporate Citizen Responsibility

Corporate responsibility refers to basic expectations of the company such as business ethics and protection of public health, safety, and the environment.

Results Orientation

An organisation's performance system must be focused on results - results that are guided by and balanced by the interests of all stakeholders.

The Quality Standards

ISO 9000 and ISO 14000 in plain language

This section³ tells you briefly what ISO 9000 and ISO 14000 are and what they are not.

Both "ISO 9000" and "ISO 14000" are actually families of standards which are referred to under these generic titles for convenience. Both families consist of standards and guidelines relating to management systems, and related supporting standards on terminology and specific tools, such as auditing (the process of checking that the management system conforms to the standard).

ISO 9000 is primarily concerned with "quality management". Like "beauty", everyone may have his or her idea of what "quality" is. In plain language, the standardised definition of "quality" in ISO 9000 refers to all those features of a product (or service) which are required by the customer. "Quality management" means what the organisation does to ensure that its products conform to the customer's requirements.

ISO 14000 is primarily concerned with "environmental management". In plain language, this means what the organisation does to minimize harmful effects on the environment caused by its activities.

Both ISO 9000 and ISO 14000 concern the way an organisation goes about its work, and not directly the result of this work. In other words, they both concern processes, and not products – at least, not directly. Nevertheless, the way in which the organisation manages its processes is obviously going to affect its final product. In the case of ISO 9000, it is going to affect whether or not everything has been done to ensure that the product meets the customer's requirements. In the case of ISO 14000, it is going to affect whether or not everything has been done to ensure a product will have the least harmful impact on the environment, either during production or

disposal, either by pollution or by depleting natural resources.

However, neither ISO 9000 nor ISO 14000 are product standards. The management system standards in these families state requirements for what the organisation must do to manage processes influencing quality (ISO 9000) or the processes influencing the impact of the organisation's activities on the environment (ISO 14000).

In both cases, the philosophy is that these requirements are generic. No matter what the organisation is or does, if it wants to establish a quality management system or an environmental management system, then such a system has a number of essential features which are spelled out in ISO 9000 or ISO 14000.

The vast majority of ISO standards are highly specific to a particular product, material, or process. However, both ISO 9000 and ISO 14000 are known as *generic management system standards*:

- Generic means that the same standards can be applied to any organisation, large or small, whatever its product – including whether its "product" is actually a service – in any sector of activity, and whether it is a business enterprise, a public administration or a government department.
- Management system refers to what the organisation does to manage its processes, or activities. In a very small organisation, there is probably no "system", as such, just "our way of doing things", and "our way" is probably not written down, but all in the manager's or owner's head. The larger the organisation, and the more people involved, the more the likelihood that there are some written procedures, instructions, forms or records. These help ensure that everyone is not just "doing his or her thing", and that there is a minimum of order in the way the organisation goes about its business, so that time, money and other resources are utilized efficiently.

To be really efficient and effective, the organisation can manage its way of doing things by systemising it. This ensures that nothing important is left out and that everyone is clear about who is responsible for doing what, when, how, why and where.

Management system standards provide the organisation with a model to follow in setting up and operating the management system. This model incorporates the features which experts in the field have agreed upon as representing the state of the art. A management system, which follows the model – or "conforms to the standard" – is built on a firm foundation of state-of-the-art practices.

Large organisations, or ones with complicated processes, could not function well without management systems – although they may have been called by some other name. Companies in such fields as aerospace, automobiles, defence, or health products have been operating management systems for years.

ISO's management system standards now make these successful practices available for all organisations.

Useful Contacts

The British Quality Foundation
32-34 Great Peter Street,
London
SW1P 2QX
Telephone: +44 (0) 20 7654 5000
Website: www.quality-foundation.co.uk

International Organization for Standardization (ISO)

1, rue de Varembé,
Case postale 56
CH-1211, Geneva 20
Switzerland
Telephone +41 (22) 749 01 11
Website: www.iso.ch

UK Accreditation Service

UKAS
21-47 High Street,
Feltham, Middlesex.
TW13 4UN, UK
Tel: +44 (0) 20 89178400
E-mail: info@ukas.com
Website: www.ukas.com

UK Benchmarking Services -

contact your local Business Link
Website: www.businesslink.gov.uk

Further Information

This guide is for general interest - it is always essential to take advice on specific issues. We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

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¹ A number of publications relating to the Excellence model and how to use them can be found at: www.bqf.org.uk/efqm-excellence-model

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