

10 ESSENTIAL TIPS FOR A GREAT QUALITY SYSTEM!

Whether you are a business owner, manager, or quality practitioner, these brief articles will illustrate how a modern quality system can repay its investment many times over.



Set SMART Objectives

“Most of us respond to a challenge and perform better when we have a target to aim for. Without clear objectives, an organisation - just like a person - may drift aimlessly”.

ISO 9001 requires top management to establish quality objectives throughout their organisation. Unfortunately, this is an aspect of quality management to which many pay scant regard - taking the easy way out with a few hastily penned statements that are neither very challenging, or offer much reward.

The smart organisation can use this ISO requirement as a foundation stone of a great quality system. How? By closely linking them to the organisation's **true** mission and strategy, and making sure that they follow smart principles. This will bring focus to the quality system, and help integrate it into the business in general. So let's take a look at setting some smart quality objectives.

At the simplest level, an objective is a statement of a **specific**, desired outcome. To be of real value, there needs to be some structure and discipline around the planning of objectives, and the monitoring of progress towards them.

While not explicitly specified by ISO 9001, the concept of SMART objectives is a very useful guideline to follow. SMART is an acronym for Specific, Measurable, Attainable, Relevant, and Timed.

- **S - Specific** - The objective should be focused on only just one thing
- **M - Measurable** - It should be possible to measure whether or not you achieve the objective
- **A - Attainable** - The objective should be within your capabilities
- **R - Relevant** - The objective should be something of importance
- **T - Timed** - There should be a timescale or deadline for achievement of the objective

There are some possible variations on this theme. For example, the 'R' can be used to denote 'Realistic'. We consider that topic is already covered by 'Attainable', so prefer the definition listed above.

An objective should be focused on one **Specific** thing. It should clearly state what you are expecting to achieve. A good tip here is to include an 'Action' verb - and only one. It should be made clear who has overall ownership or responsibility for ensuring achievement.

Objectives should be **Measurable**. That way, we have something definite to aim for, and can clearly establish whether we have achieved the objective. In most cases, we should be able to track progress as we work towards the objective. Before setting an objective, we need to know the current situation, and might have to obtain some form of data or statistics to establish that.

Some organisations put generic objectives in their quality policy or manual e.g. *'we will offer the fastest delivery possible'* and back that up with something more precise e.g. *'This year, we will deliver 95% of orders within 48 hours'*. These measurable objectives are sometimes referred to as targets.

Some examples of measurable objectives:

Achieve ISO 9001 certification by the end of the calendar year

Train 5 people internal auditors by 31 October

Customer focus: Send at least 10 newsletters to our mailing list over 12 months from (date)

Equipment utilisation: Improve ratio of operating hours over possible hours to an average of 98% over (time period)

Customer focus: Set up and conduct an online customer survey by (date)

Preventive action: Establish a business continuity plan by (date)

Preventive action: Implement program of loss prevention initiatives by (date)

This year, we will deliver 95% of orders within 48 hours

Achieve a DIFOT (Delivery in full and on time) average of at least 96% over (date period)

Implement an account manager programme for our 50 biggest customers by (date)

Establish a Facebook page on our web site by (date)

Establish eCommerce facilities on our web site by (date)

Establish an electronic document management system by (date)

Train 5 people on the use of (x) software by (date)

Reduce number of credit notes issued to an average of less than (x) per month over 12 months from (date)

Add sustainability consideration to design / design review process

Complete roll-out of new Windows/Office programs by (date)

Objectives should be **Attainable** - after all, there is little value in setting targets that cannot be reached. While some may consider that inspirational, the inevitable failure to hit the target may cause loss of morale and commitment to any future targets that are set.

Objectives should be **Relevant**. Ask yourself this question...Would anyone really care if we met the target or not? If the answer is no, then perhaps the objective doesn't warrant setting in the first place. Just like other aspects of the quality system, your objectives should be relevant to the needs and expectations of the organisation and interested parties – like your customers. An objective of delivering a certain percentage of orders within a defined time span could certainly be expected to be of interest to customers!

Objectives should be **Time-based** e.g. they will be achieved on a consistent or average basis over a period of time, or there is a definite end-date for achievement.

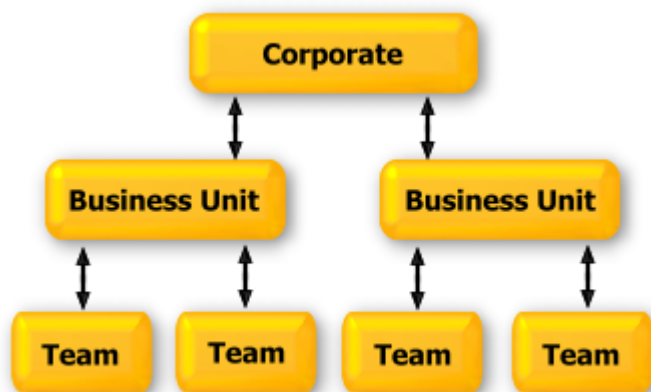
Before setting an objective, we need to know what the current situation is – and we might have to obtain some form of data or statistics to establish that. We might consider where the best opportunities are for improvement. Using the Pareto Principle (or 80:20) rule, we could prioritise our efforts to where the greatest benefit may be achieved. The various individuals or business units may be given different objectives that reflect their scope for improvement.

In view of the above, an example might be that we have become aware of customer concern about deliveries not always being on time. We may have learnt that from a customer survey or perhaps just from anecdotal evidence. Taking on board the customer concern, we may decide to undertake a sampling of our current delivery performance. This will give us a benchmark on which to base any improvement initiatives. If an examination of current delivery performance reveals that on average we deliver 90% of orders within 48 hours, rather than arbitrarily setting a target of say improving to 95% by the end of this year, we might look at what improvement is realistically possible. This might include a 'Cause and effect' analysis to establish what causes the late deliveries, and perhaps do some brainstorming to establish what improvement actions can be taken. It may then be possible to get a clearer idea of what can be achieved by them. Having looked at all the contributory factors, we might only realistically expect to hit 93% this year. What we have started to do here is to establish a SMART objective.

Overall corporate objectives should relate to those for business units or departments. This should be a 2-way process:

- (1) Corporate objectives and targets helping to inform and structure those at lower levels, and
- (2) Corporate objectives and targets being achieved by the combined achievement of numerous contributory objectives and targets.

This may be referred to as the **cascade effect**.



Quality objectives are typically set at management review and business planning meetings. They may also be set in the event of:

- An existing objective being achieved
- Time-expiry of an existing objective
- A new opportunity or threat being presented

Objectives are often documented in business plans, or a specific spreadsheet or software application.

ISO 9001:2015

In the 2015 edition of the standard, requirements for objective planning are tightened up. It is specified that an objective should include a description of who is responsible, what is the target, when is it planned to be achieved. Progress must be monitored. Objectives are also required to be set for relevant processes.

**The comments on ISO 9001:2015 are based on the draft release and subject to change.*

An example of an **Objectives workbook** is included in the **Quality Manager** toolkit – available in QudosClub and Qudos 3. For a more sophisticated and integrated approach, **Qudos 3** has a dedicated Objectives module – linked to action plans with email notifications.

Qudos Club

The online resource library for compliance and risk management. www.qudosclub.com

Qudos 3 software

The comprehensive solution for compliance, risk, and document management www.qudos-software.com



Qudos Management Pty. Ltd. Quality | Health & Safety | Environmental management

320 Adelaide Street, Brisbane, QLD 4000

Tel: +61 (07) 3010 9259

3 Spring Street, Sydney, NSW 2000

Tel: +61 (02) 8249 4670

Email: info@qudos-software.com

Web: www.qudos-software.com

www.qudosclub.com