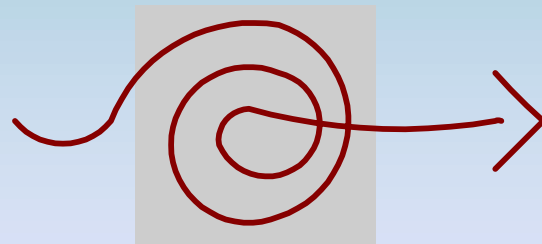


A Unified Approach to
**Business & Quality
Management Systems**



E. Metzler Associates, LLC

Why should
Business Management and
Quality Management
be treated as a single management
system?



Aligning Business & Quality

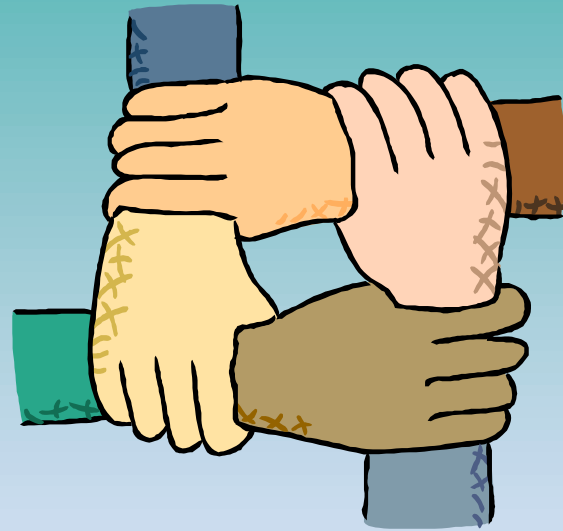
- Establish alignment in principle
- Establish compatibility in process management
- Describe an approach that works
- Benefits & risks
- Summary
- Q & A

Business principles vs. Quality principles



Quality Language

- Plan
- Do
- Check
- Adjust



Business Language

- Set objectives
- Determine actions
- Communicate/Delegate
- Execute
- Monitor & support
- Review & respond



Aligning terminology



Goals

- Regardless of whether we're talking Business or Quality:
 - Control processes to predict results
 - Eliminate waste - be lean
 - Meet customer requirements
 - Improve quality
 - Improve profits



Impediments

- Perception of Quality as cop
- Perception of Quality as “non-value-added” role - even re product
- Quality budgeted as overhead
- Non-recurring costs of making changes
- Fear of change - “If it ain’t broke...”



Overcoming the impediments

- Tailor system scope
- Develop QMS consistent with business principles
- Demonstrate performance: benchmarks & measurements
- Involve Operations & Executive management in QMS via process ownership
- Use QMS as a tool for organizational learning & improvement



Step 1: Planning the system



Step 1: Planning the system

- Set business objectives
- Set policy
- Use objectives & policy as basis for your business model



Step 1: Planning the system

- Include quality management elements:
 - Process controls
 - Measurements
 - Records
 - Key inputs
 - Key outputs

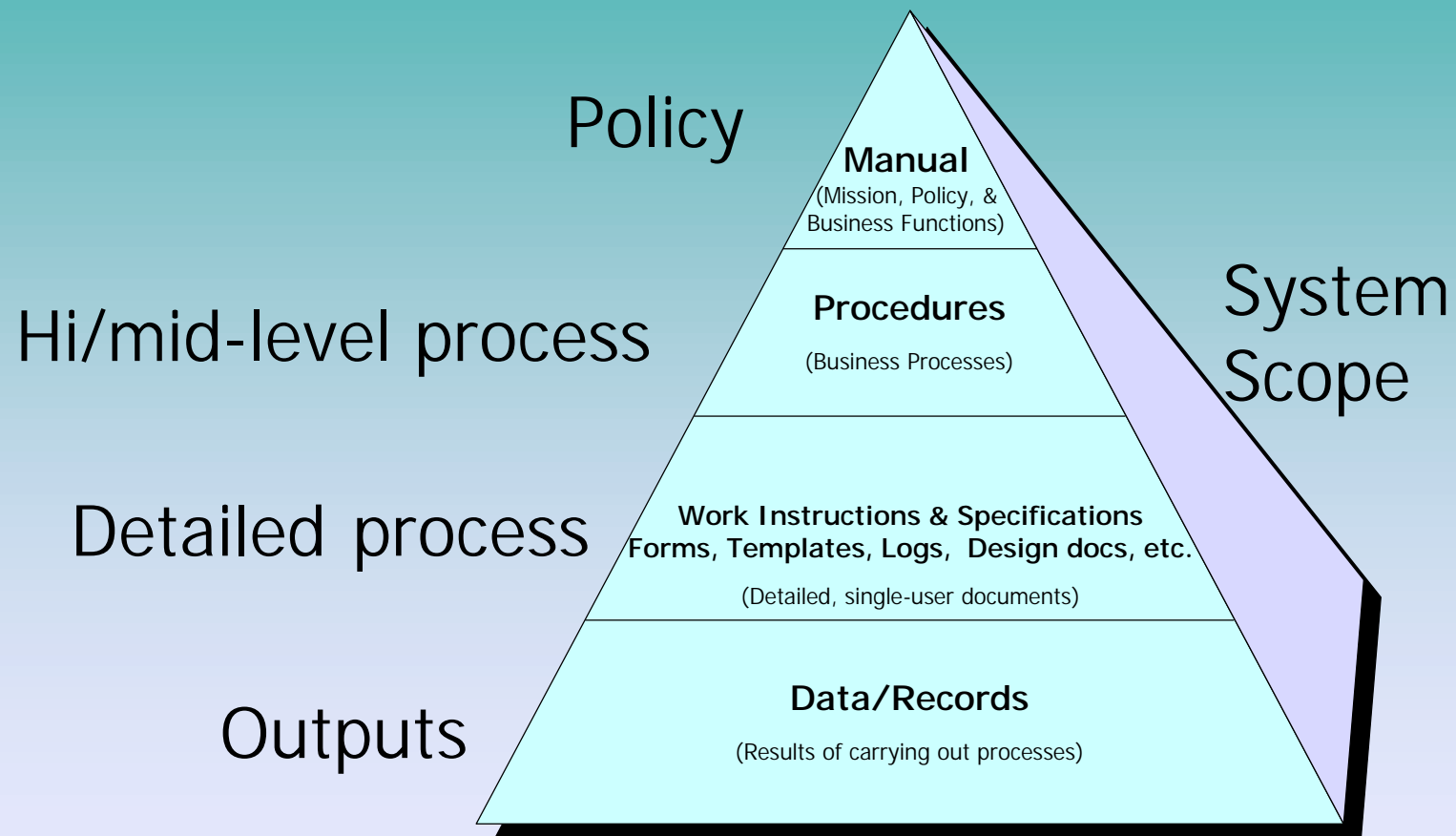


Step 1: Planning the system

- Include business management elements:
 - Responsibility
 - Management endorsement
 - User validation
 - Resource requirements
 - Key inputs
 - Key outputs



Step 1: Planning the system



Policy

- Mission, vision, direction
- Goals, rules, guidelines
- Policy drivers: business, customer, legal, and regulatory requirements
- Determines business model based on organization and business requirements



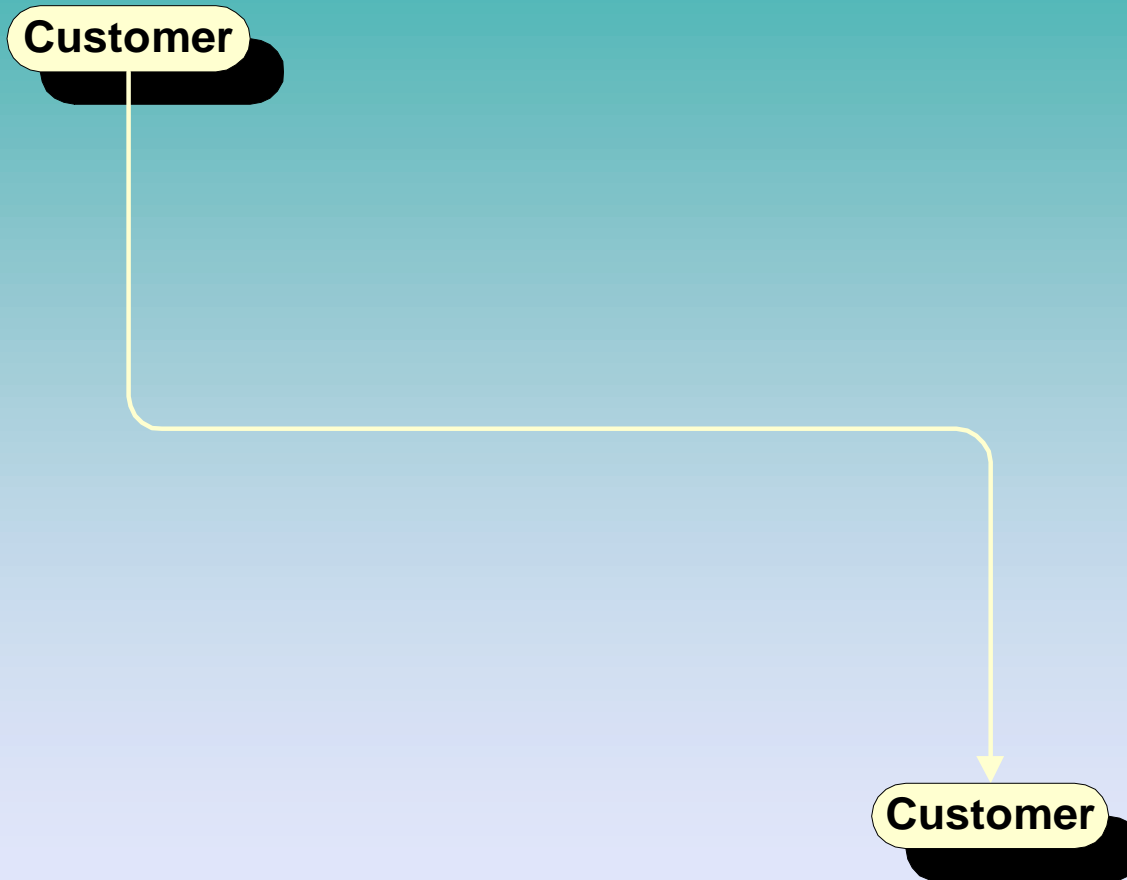
Policy drives function

- Base functions on policy requirements
(no policy = no function)
- CORE: directly related to providing product or service
- SUPPORT: needed to administer/run the company

Step 2: Establish Business Model



Step 2: Establish Business Model

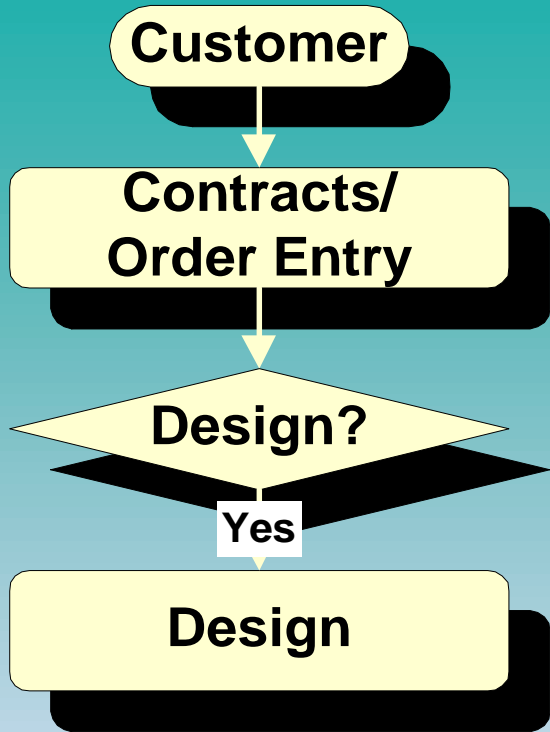


Customer

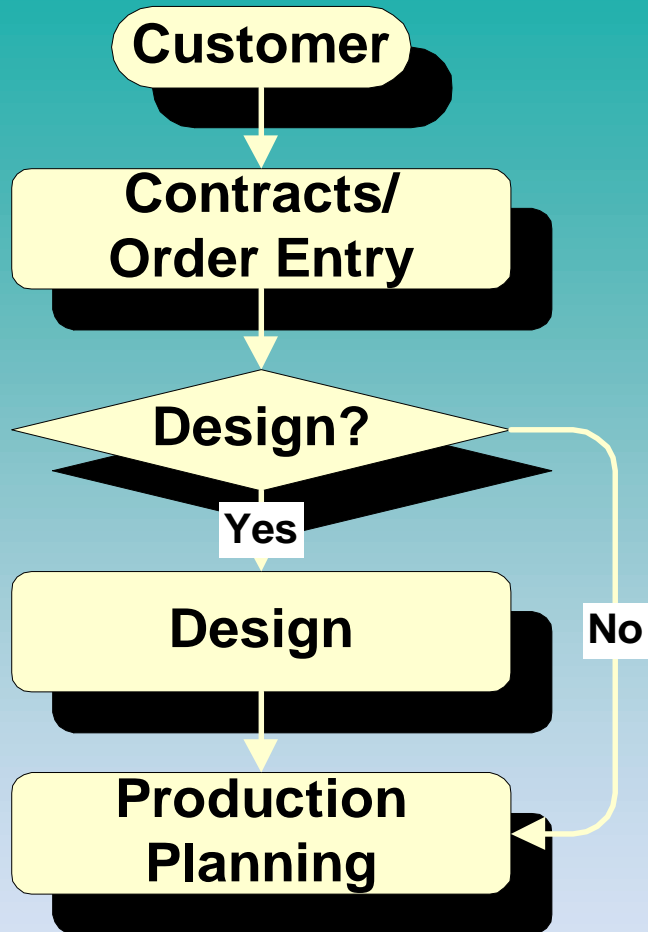


**Contracts/
Order Entry**

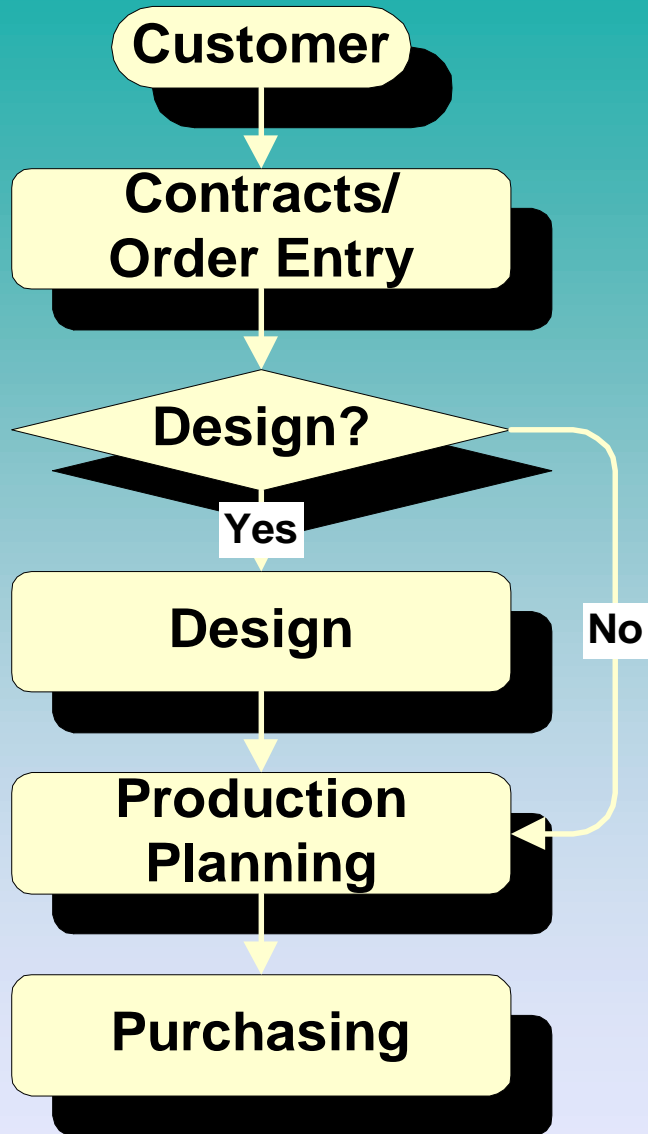
Customer



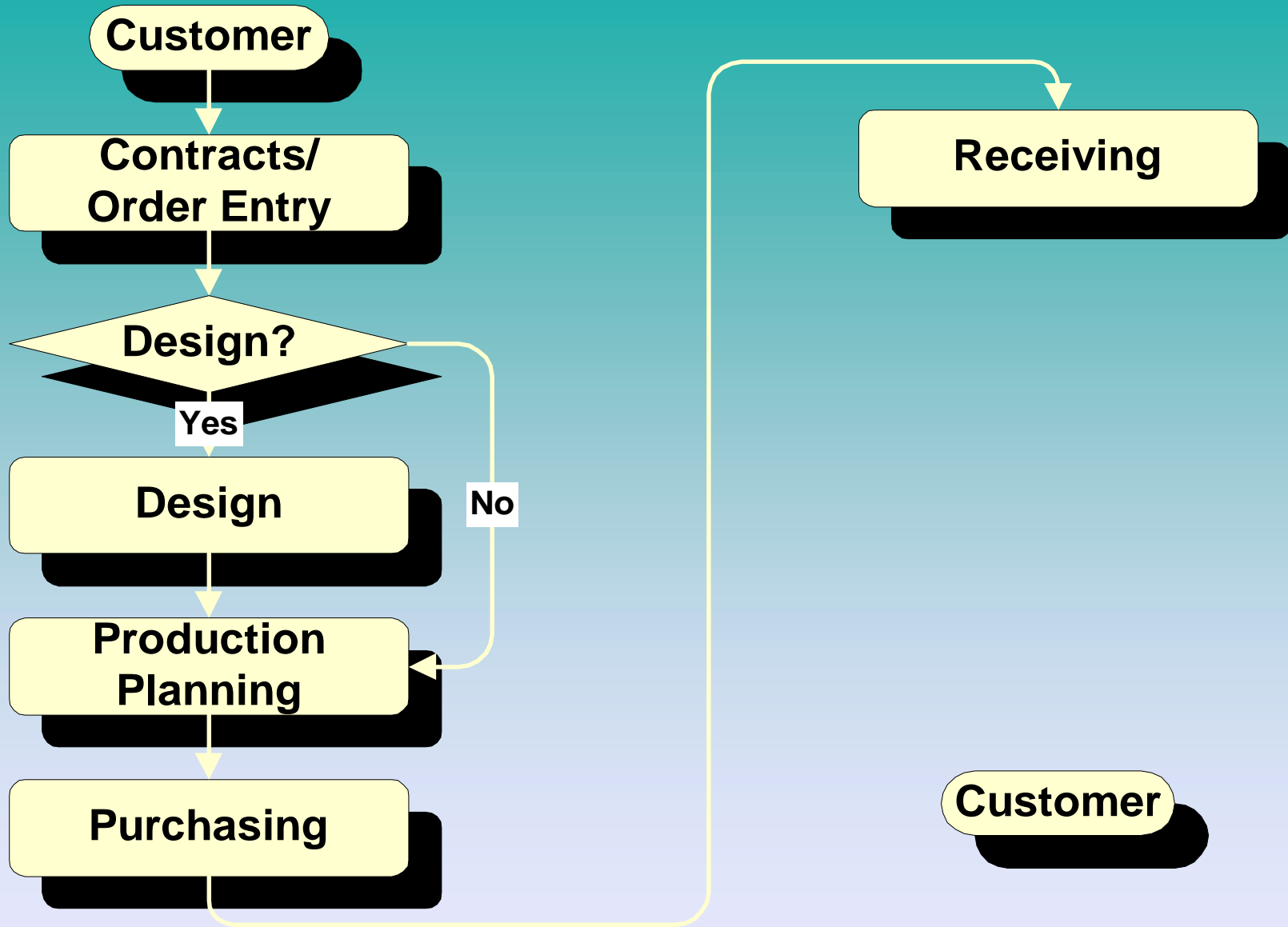
Customer

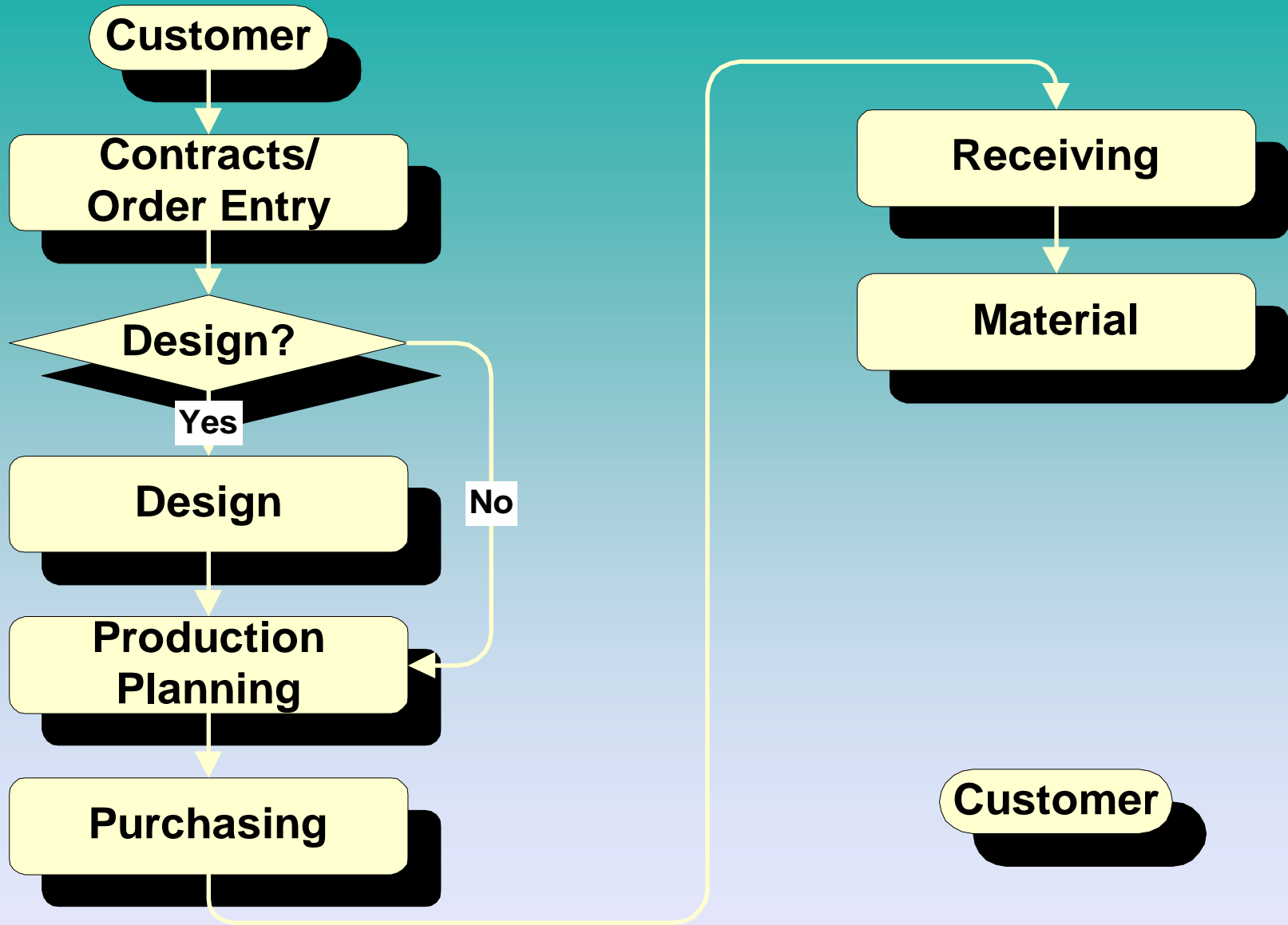


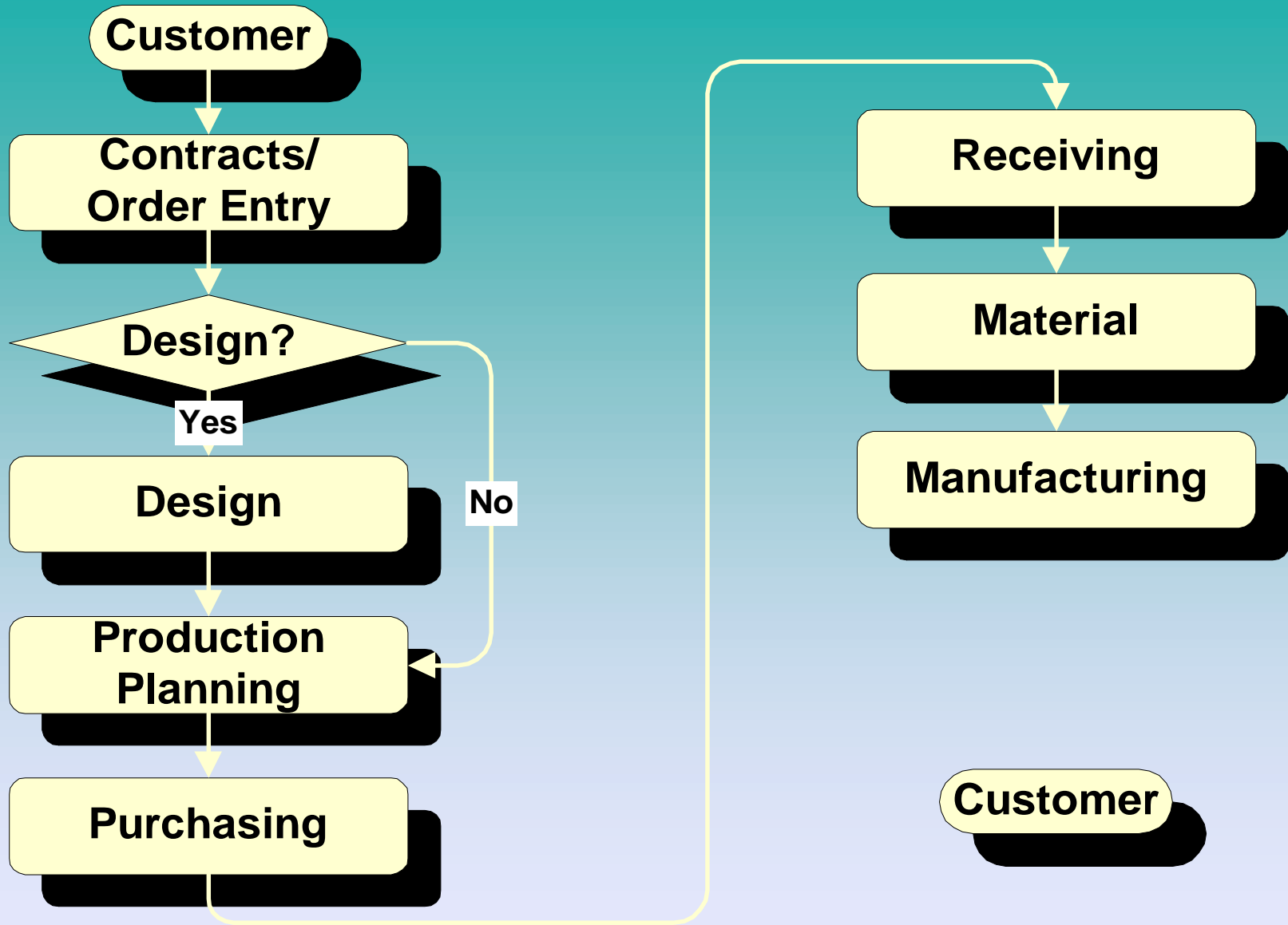
Customer



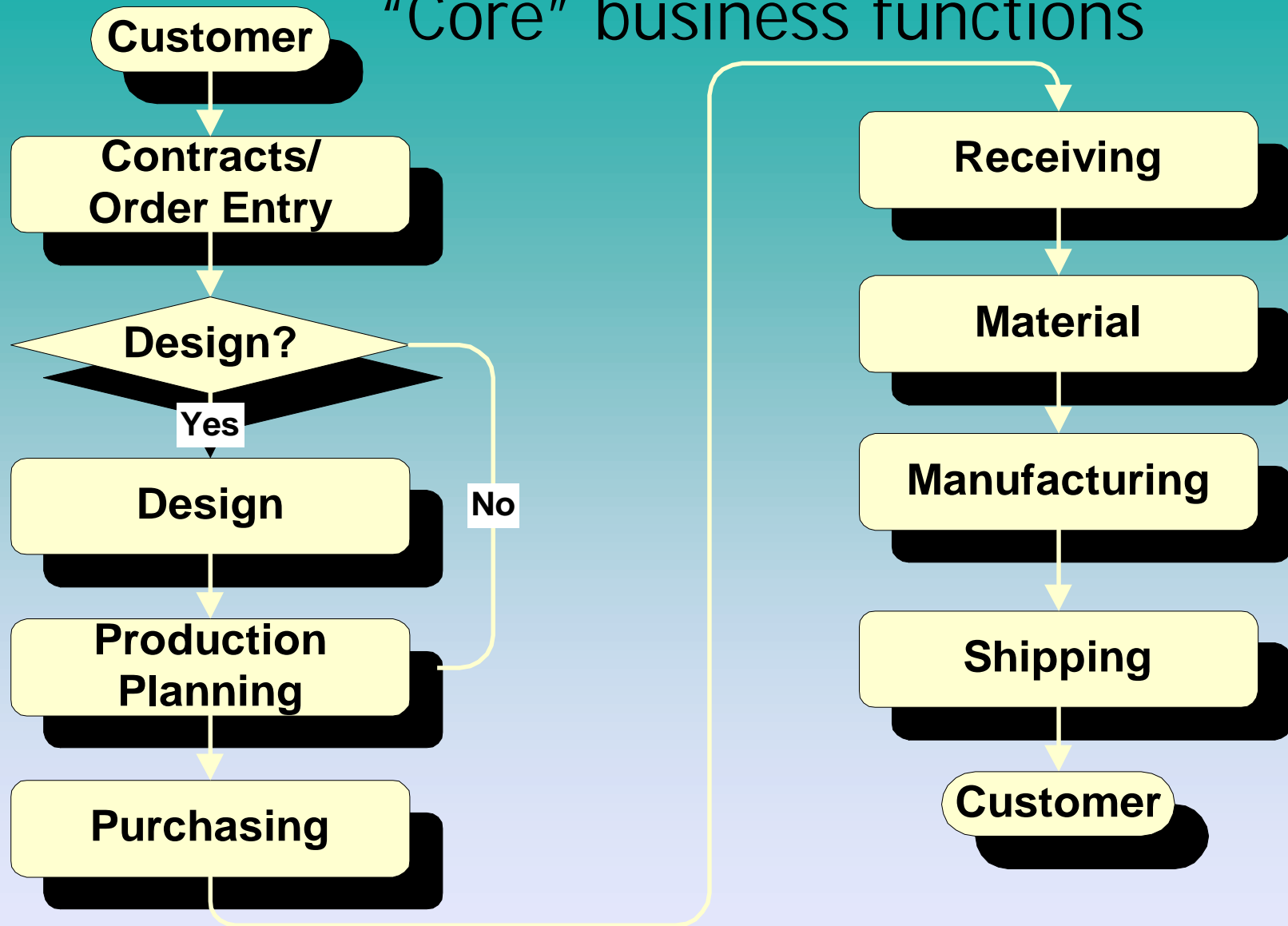
Customer







"Core" business functions



Supporting Functions

**Administrative
Support**

Supporting Functions

**Administrative
Support**

**Human
Resources**

Supporting Functions

**Administrative
Support**

**Human
Resources**

**Facilities &
Equipment**

Supporting Functions

**Administrative
Support**

**Human
Resources**

**Facilities &
Equipment**

**Quality
Assurance**

Supporting Functions

**Administrative
Support**

**Human
Resources**

**Facilities &
Equipment**

**Quality
Assurance**

**Sales &
Marketing**

Supporting Functions

**Administrative
Support**

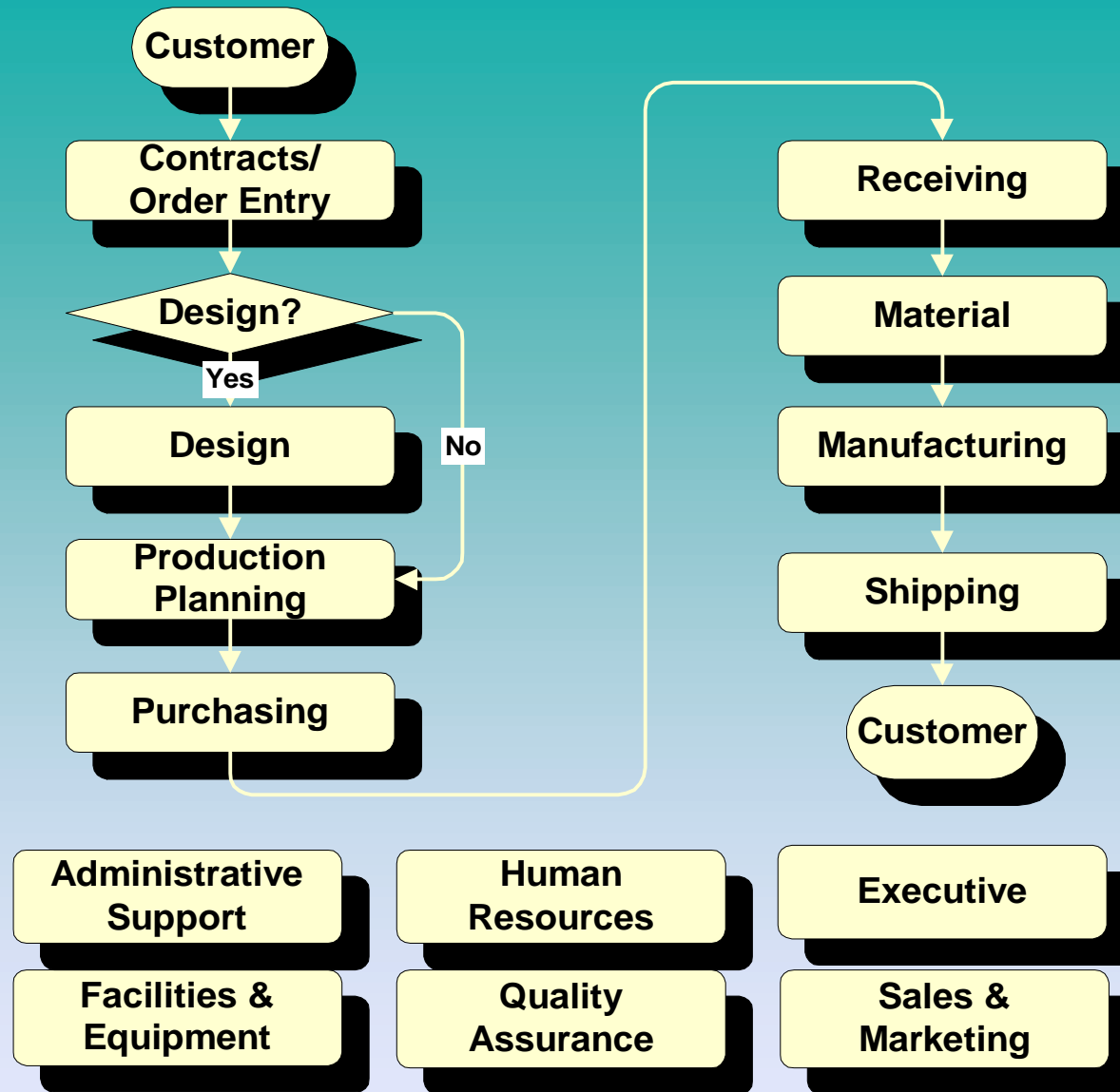
**Human
Resources**

**Facilities &
Equipment**

**Quality
Assurance**

**Sales &
Marketing**

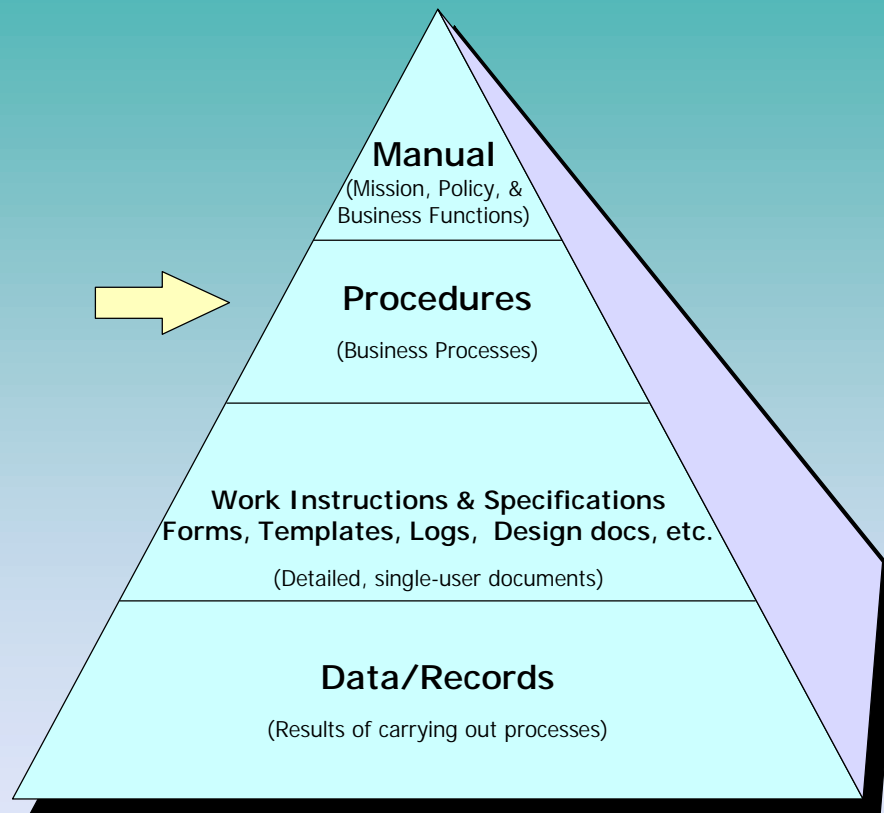
Executive



Step 3: Define Processes



Procedure Structure & Role



Procedure Structure & Role

- Content satisfies 90% of policy requirements
- Content driven by policy and business requirements
- Tailor to USERS and MANAGEMENT first,
- then customers, auditors
- Strictly defined

Procedure Structure & Role

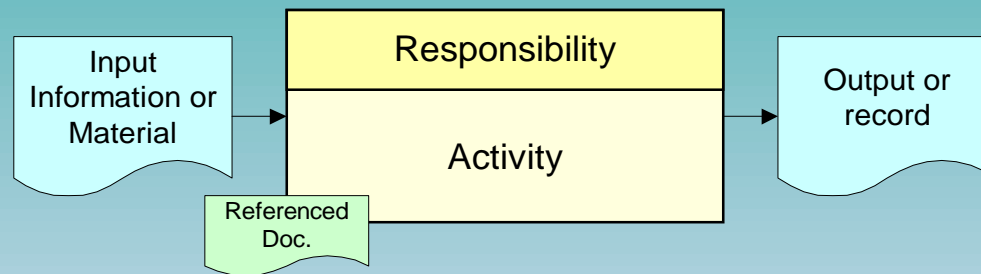
Purchasing

**Select, Qualify, & Monitor Suppliers
Purchase Materials & Services**

Quality Assurance

**Conduct Internal Audits
Perform Corrective & Preventive Action
Review Quality System
Establish & Apply Statistical Techniques
Introduce & Adjust New Processes**

Procedure Structure & Role



Procedure Structure & Role

E. Metzler Associates

20408 88th Ave. W.
Edmonds, WA 98026
425-640-7986

Document type:	Procedure
Document #:	20400
Title:	Select, Qualify, and Monitor Suppliers
Owner:	Process Owner (Manager)

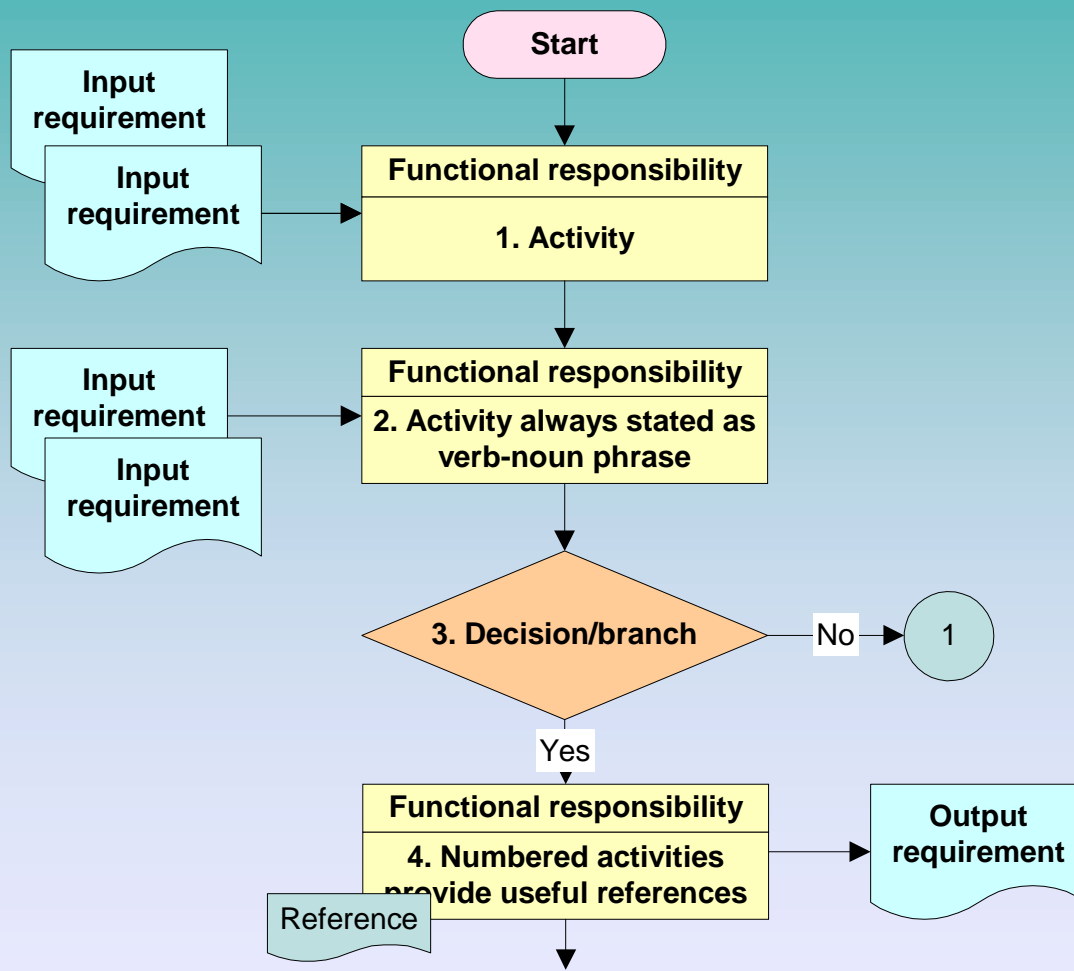
Approvals:	Signature	Date
Owner:	_____	_____
User Representative:	_____	_____
Management Representative:	_____	_____

Procedure Structure & Role

- Purpose
 - This procedure defines methods for selecting, qualifying, and monitoring suppliers.
- Scope
 - **Starts** with the selection of a potential supplier
 - **Ends** when the need for a supplier ceases, or with their disqualification
 - **Includes** all suppliers
 - (No **exclusions**)

Procedure Structure & Role

Select, Qualify, and Monitor Suppliers



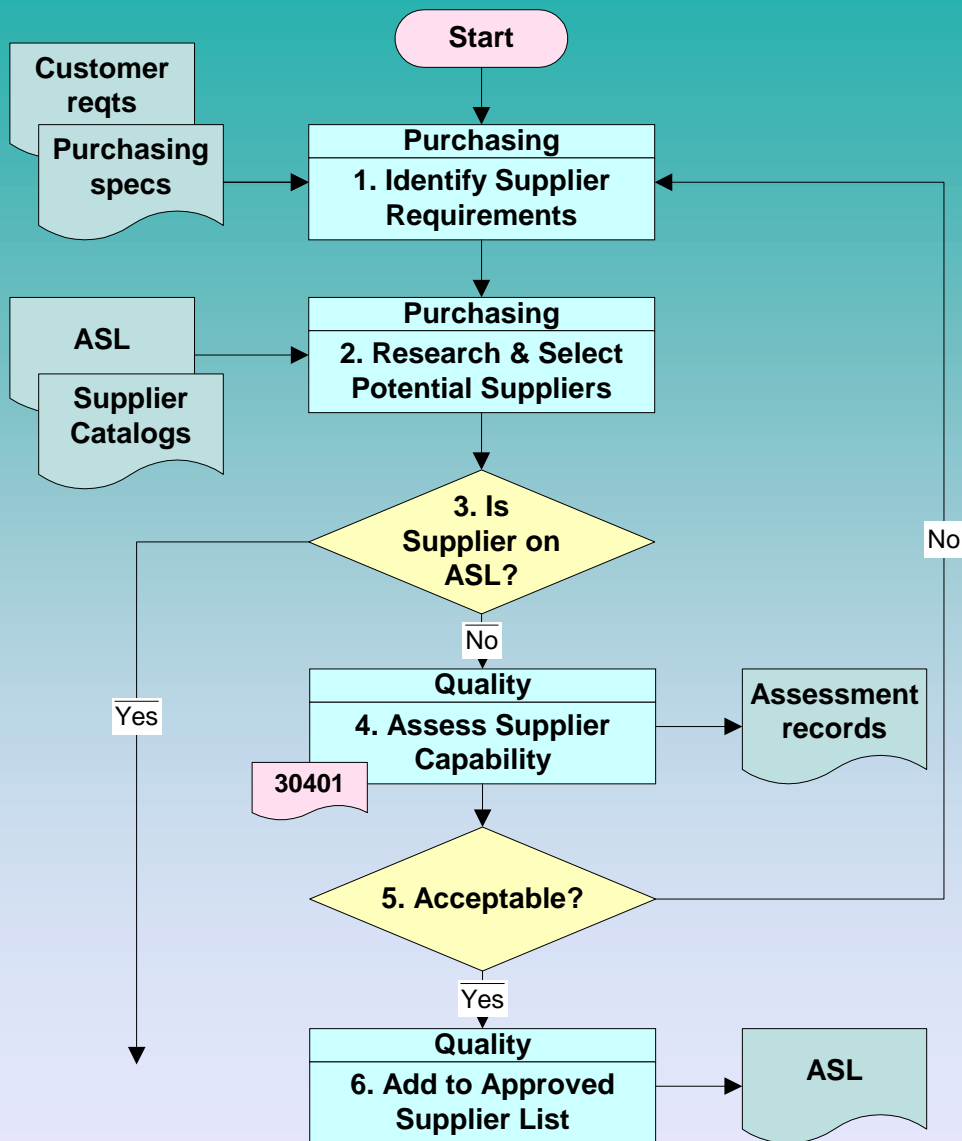
KEEP IT SIMPLE: Only six shapes are used.

KEEP IT BRIEF: policy is already stated in the manual, so don't repeat it here. If an activity needs no further explanation, no commentary is necessary)

2. Determine the capability of potential suppliers to satisfy the requirements. For Boeing parts finish processes, use only suppliers listed in D1-4426.

4. See 30401, *Qualify Suppliers*, for supplier assessment activities and records requirements. If more information is needed than can be simply stated in commentary, use a work instruction and include a reference.

Select, Qualify, and Monitor Suppliers

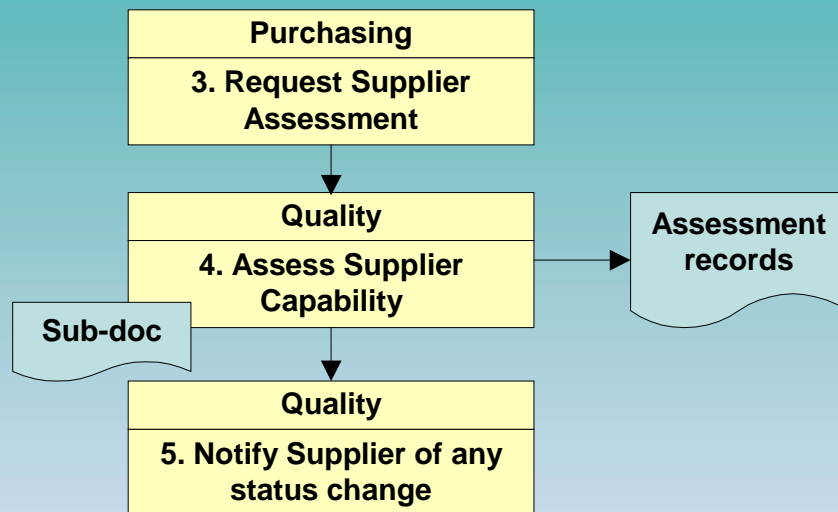


2. If possible, select approved supplier from Approved Supplier List (ASL)

4. Reference 30401, Assess Supplier Capability.

Procedure Structure & Role

Select, Qualify, and Monitor Suppliers

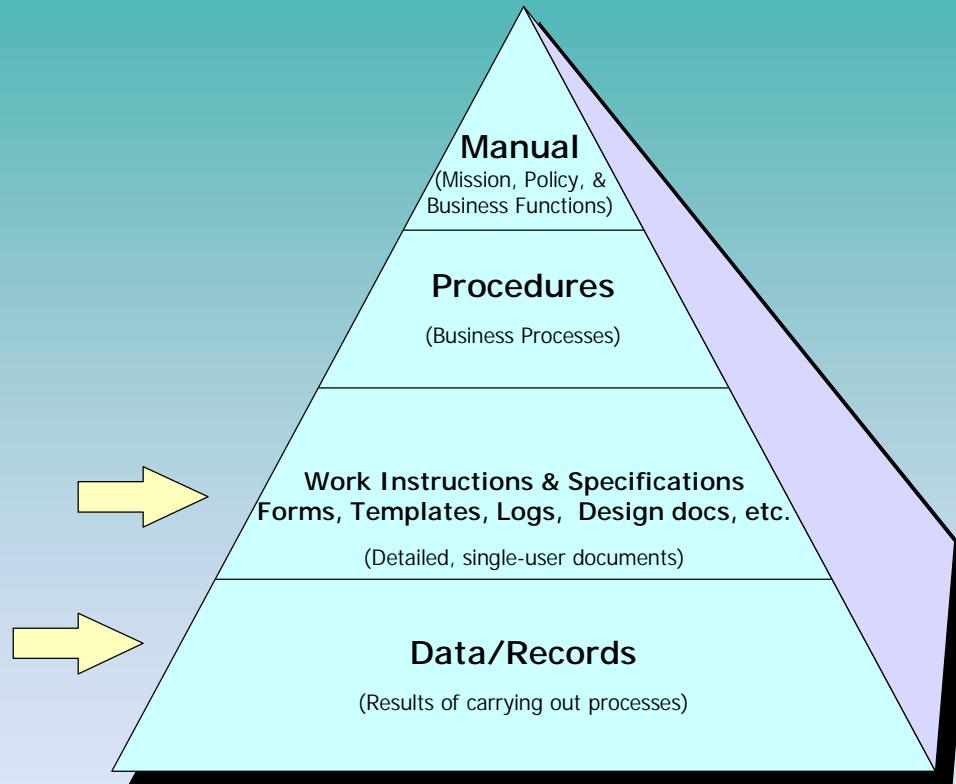


4. The ownership, purpose and scope of the subsidiary document is determined by the activity in this flowchart.

Step 4: Fill in the details



Work instructions, forms, etc.



Work instructions, forms, etc.

- Purpose, scope, content defined by parent procedures
- Tailor to USERS first,
- Then management, customers, auditors
- Looser structure: tables, charts, pictures, flowcharts, etc.

Potential Benefits & Risks

- What if we applied Quality principles to business processes?
 - Formal planning
 - Documented processes
 - Formal audits
 - Formal corrective/preventive action
 - Benchmarking & Measurement
 - Management Review

Potential benefits

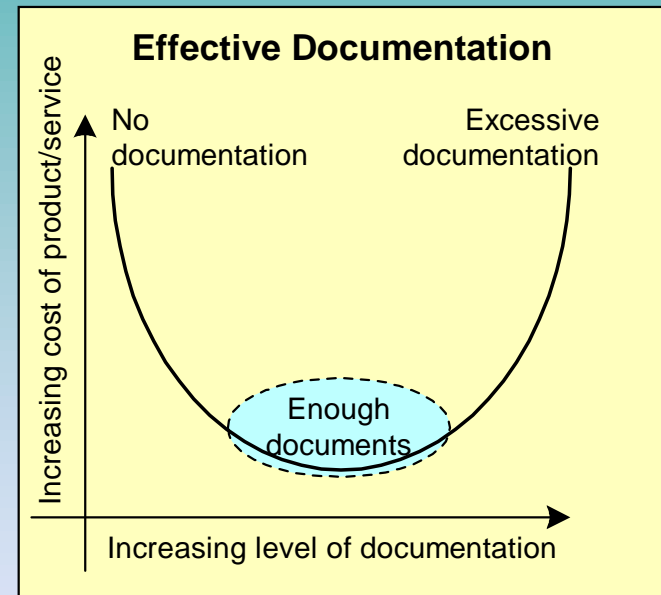


- Capability & capacity
- Job satisfaction
- Customer relations
- Profits
- Organizational learning & performance

Potential Risks



- Downside possibilities:
 - Micro-managing
 - Over-documenting
 - Abuse of quality tools
 - Restrictive environment
 - Inflexibility



Summary

- Step 1: Planning a system
 - Direction
 - Policy & principles
 - System scope



Summary

- Step 2: Business model
 - System scope
 - Satisfies objectives & policy
 - Reflects company organization
 - Identify Processes



Summary

- Step 3: Define Processes
 - Policy drives process
 - Use purpose/scope as planning tools: no gaps, no overlaps
 - Flowchart model
 - Key activities, ins/outs, records, measurements
 - Ownership and User Representation: accountability and buy-in



Summary

- Step 4: Fill in the details

- Procedural flowcharts provide reference & context for ALL system documentation



- Parent flowcharts define purpose, scope, ownership of subsidiary documents

- Document requirements defined by USER needs



This approach works for



ANY BUSINESS

