



Continual Improvement

According to 8.5 of the ISO 9001:2000 Standard, your company shall continually improve the effectiveness of the quality system through the use of quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

Well most of you should be familiar with the old quality policy but now this needs to be layered within the organisation through internal objectives. This is the area we will start to look at this time:

You might have a quality policy but the standard now requires you to be able to not only measure whether you meet that policy but also that you should have objectives for the policy so "we want to deliver 95% of orders on time" is great, but the review process should now include "Now we have reached 95% the company must strive to make it 97% within six months". This objective can then be communicated down through the organisation by "Top Management" and may include smaller / component objectives and targets for individuals or departments.

This moves the standard closer to the European Foundation for Quality Model (EFQM), which encourages an organisation to manage its business through measurements and incremental improvements across the board both through internal improvements and external benchmarking exercises.

Corrective Action – when it goes wrong, what are you going to do about it?

Corrective Actions can become part of continual improvement chain when the same mistakes do not recur. The problems that call upon the use of corrective actions can often be a good starting place for continual improvement. After all focusing on your weaknesses might be uncomfortable but will make the most significant difference in a short period of time but we are looking for winners in the first instance and where significant improvement can be eeked out quickly more buy-in from employees and management can be gained at the outset, enhancing the scope for improvement going forward.



Application

None of this is rocket science, but it does focus on some of the things a small business typically does badly – it doesn't let directors direct, managers manage and leave the doing to the staff who are employed to do. The point of having managers is to help the doers do better, so how does the manager know if they have been more effective? - their staff are more effective. How does a Director know they have been effective? - their managers are now managing not doing.

Typical examples

A tooling engineer manufactures a part within a tolerance of 0.5mm as a result the company receives a 1.5% rejection rate from clients which gives an additional rework time of 5 days/year plus transport costs. The manager works with the engineer using his skill and experience to develop a solution in order to reduce the tolerance down to 0.2mm and the rework rate down to 1.5 days / year. Improved productivity and happier customers.

A Sales Director works with the Sales Manager to develop strategy for field sales representatives including training, feedback sessions, marketing. Individual target are created and monitored to pick up on poor performance and / or market trends.

Continual?

Not all projects have to be continual, you might decide to have a purge on stock for example which with a bit of planning can be very beneficial when cash is tight.

A word of warning.

Don't go into these without planning it first. Have definitive plans, targets and objectives. Work with areas you know can be improved a lot with the time put in. Make your time productive. Work the 80/20 principal it doesn't have to be perfect, just better and in a reasonable time. Concentrate on one problem at a time turn your worst area into at least an average area and if you can make it your best area easily then consider that bonus. Remember you will revisit this area again at a later date. Begin with useful measures and make them concrete. "I'm going to sort out the account department" is too vague. How about "our debtors pay us in 55 days, I'm going to work on them to get that below 45 days." Keep a measure of as many thing as you can and then you will know which areas are performing well without having to make managers do and directors manage again. More people are involved in improving the company instead of fixing the problems. The same activity from a different and profitable angle.....

A further explanation of EFQM and a synopsis of the model is on our website.

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