



April, 2008

The Value of ISO 9001 to Federal Programs

By Matthew Sweatt

While adoption of ISO 9001 is steadily growing, there are many who view the standard as inappropriate or of limited applicability to government programs – and question its efficacy outside the manufacturing arena. That view is sometimes fueled by misconceptions about ISO, and perceptions that ISO 9000 has failed as an approach to quality management.

ISO 9001 Misconceptions

The belief that ISO 9001 is primarily an industrial standard is understandable, given that the International Organization for Standardization (which took the name ISO from the Greek word isos, meaning “equal”) was formed to develop and promote common industrial standards worldwide. Unlike the majority of ISO standards, however, ISO: 9001 is in fact a generic standard – applicable to any industry and any type of organization – business, non-profit or government. ISO: 9001 is based on a systematic, process approach and strives to control and improve organizational results.

Because ISO standards first took root in Europe, it’s easy to see why perceptions linger that ISO isn’t relevant in the U.S. In truth, as of December 2005, ISO 9001 had been adopted by 161 countries/economies, to the tune of 776,608 certifications.* The U.S. ranks 6th worldwide in certificates (44,270 as of December 2005 – nearly quadruple the number reported just four years earlier). Five of the top ten countries, by certificate volume, are not European – China is number one, while Japan is number three. The global trade implications, as well as the fact that ISO 9001 is increasingly a requirement for federal suppliers and contractors, are driving U.S. adoption.

Nor is ISO 9001 new in the federal arena. The General Services Administration’s Office of Property Management, with a then \$1.5 billion budget, claimed to be the first Federal agency to become ISO 9000 certified back in 1997. NASA and DoD have both cited ISO certification as an important means of improving quality and reducing the federal burden in quality system oversight. An October 2006 Federal Aviation Administration Aviation Safety media release claimed bragging rights as the largest federal business to achieve ISO 9001 certification (with national and international sites comprising almost 6,500 employees). And the Small Business Administration website includes a link for ISO 9001 resources.

Quality – or Just Standardization?

Critics sometimes claim that ISO 9001 helps organizations consistently produce low quality. It’s true that ISO 9001 doesn’t ensure product quality – but it does provide a systematic quality management framework, and is grounded in eight principles that are largely common to effective quality approaches: Customer Focus; Leadership; Involvement of People; Process Approach; System Approach to Management; Continual Improvement; Factual Approach to Decision Making; and Mutually Beneficial Supplier Relationships.

Like any quality framework or management tool, how ISO 9000 is applied is at least as important as the approach itself; stellar blueprints don’t ensure a well-constructed building, and the world’s best wrench set doesn’t make a worker a master plumber. Many perceived ISO 9001 failures can be ascribed to organizations that adopt the standard with a focus on marketability rather than achieving quality, and to poor implementation of the resulting quality systems.

The keys to successful ISO 9001 execution are strategies that are common to other effective quality approaches. The foremost requirement is strong and sustained leadership commitment. Any organization

achieving certification will need to make continuous quality investments in employee training, process review and refinement, and frequent and meaningful customer evaluation and feedback.

It's also essential to engage workers at every level, with more than pro forma ISO 9001 training. In numerous organizations, a well-implemented quality initiative energizes workers. Perhaps this is because a quality focus reinforces the importance of their role, and affords opportunities for training and professional growth. Perhaps it's because internal assessments and client evaluation are a form of direct attention and positive feedback. It's also likely that a meaningful quality initiative is something workers can buy into with pride and identify with, seeing it as professionalizing their work.

A final tactic for implementing ISO 9001 or any other quality strategy is to tie quality assessment and benchmarks to corporate and employee rewards. SoBran, for example, has a number of government incentive fee type contracts, in which client performance evaluations directly dictate the fee amount. In turn, this distributes the incentive fee to the employees who support each contract. The result is consistent increases in our evaluation scores and customer satisfaction.

ISO 9001 Benefits

Companies that make effective use of ISO often cite improved quality in deliverables, reduced cost of production and shorter cycle times thanks to improved processes and higher efficiency. The benefits are similar, whether the organization is focused on products or services. For service providers, this means improved employee morale, greater productivity and increased quality of service. Many of federal contracts are extremely demanding – in some cases with zero tolerance for errors. On a daily basis, worker buy-in into a company-wide quality initiative improves the performance of critical, but sometimes tedious and repetitive tasks. For government programs, these effects equate to better ROI, faster results and improved quality, as well as heightened contractor responsiveness and ability to respond quickly to evolving requirements.

Independent research bolsters these anecdotal reports. For example, a 2001 survey by the Universidad del Valle de Atemajac of 711 Mexican government institutions that implemented ISO 9000 found that 77% achieved significant improvements in delivery time, productivity and customer satisfaction. If the approach can yield significant improvements in a challenging government environment, it speaks well to its efficacy among government contractors that enjoy far greater flexibility and adaptability in their management approach and quality system execution.

Another significant benefit often cited is the standard's impact in freeing the government from providing oversight of contractor quality systems – or telling industry how to do its job. ISO 9001 allows government to focus on defining requirements and specifications, which remains one of the central challenges in federal procurement, while freeing contractors to make optimal use of best practices.

Even though ISO: 9001 is only a framework, it takes large strides in ensuring a systematic approach to quality, as well as the benefits identified above. In this information age, government personnel must take a new strategy in management. Gone are the days of the command and control management techniques of the past, managers must now allow spontaneous ordering to take effect, and contractors to make real time decisions to react quickly and maintain government competitive advantages. ISO:9001 above all else allows the government to deliver a quality standard, or commander's intent, and contractors are now capable of solving issues to realize this intent by their own means.

****Based on the ISO 2005 survey of certifying organizations; the actual certification numbers are probably significantly higher.***

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