The incentive for larger global organizations to move quickly with their transition plan lies in their ability to influence their supply chain partners. Through the setting of a transparent plan, the companies at the top of complex supply chains can focus on the elements in the international Quality Management System (QMS) standard ISO 9001:2015 that will resonate with their partners.

Richard Crute-Morris, LRQA Global Lead for ISO 9001, considers how the revision to 9001 is truly a once-in-a-lifecycle opportunity for organizations to drive supply chain collaboration, thereby reducing their risks and improving their performance.

What role does ISO 9001 play for organizations with long and complex supply chains?

The revision to ISO 9001 reflects the changes that have taken place globally since its last revision back in 2008. Organizations now operate in an increasingly complex, dynamic, global nature of competition and communication and this has prompted the revised ISO 9001 to draw organizations’ focus to external factors.

As a result, this means paying increased attention to outsourcing and the supply chain in the QMS, and in parallel, it forces organizations to carefully manage their reputation.

As Marcus Long, Chairman of the Independent International Organisation for Standardisation (IIOC) recently said, “the shifting economic balance between the production of goods and services is addressed within the revised standard as ISO 9001 has long battled against the claim it’s too manufacturing focused.”

The revised standard sees that ‘product’ has been amended to ‘products/goods or services’. It’s a seemingly small difference but this change is essential to battle those who have previously accused ISO 9001 of a narrow focus.” At LRQA, we agree with this position. Further, we agree with overarching market sentiment that risk management, strategic responsibility, customer satisfaction and supply chain management can now all be addressed in far greater detail thanks to the revision to the standard.
At LRQA, we believe that fundamental to the continued adoption of ISO 9001:2015 worldwide is the ability to explain the value it delivers. From simple customer case studies to complex economic research papers, the conformity assessment community needs to boldly fight the case for management system standards as a key tool to help business drive efficiency, enter into new export markets and deliver customer satisfaction.

The application of ISO 9001:2015 across organizational supply chains gives one element to deliver the assurance needed for successful businesses to operate across complex networks, often spanning multiple geographies. ISO 9001:2015 confirms that the supplier organization is robust and has effective systems deployed for the management of the supplier’s customer needs. The interested parties and risk reviews identify the potential issues and these can then be addressed jointly to a satisfactory conclusion.

Lead organizations also have the influence to specify the choice of Assurance Provider that can increase organizational performance and reduce risk.

What elements of the new revision to ISO 9001:2015 are most relevant for organizations in global supply chains?

In order for the supply chains to function effectively, the requirements and needs, whether specified or implied, need to be duly considered and suitable action taken to dispel any potential customer concerns.

The new and updated areas of Top Management and Leadership commitment within ISO 9001:2015 along with the focus on Organizational Context and Risk will help to deliver supply chain efficiencies. A commitment from Top Management and their direct involvement in the operation of the QMS is vital to ensuring that during any assessment the context review can be claimed to be robust.

Clearly, Top Management knows and drives the strategy and direction of the business. System and Operation Managers will obviously have their portion of this assigned, but the overall big picture lies with the Top Management.

Top Management will, naturally, be driven by customer satisfaction, as their business livelihood depends upon it. This needs to be actively translated into the management system for it to be effectively deployed. With the supply chain often being the cornerstone of an organizational modus operandi in relation to the provision of any products or services, it is of vital importance that both Context and Organizational Risk within ISO 9001:2015 are continually addressed to ensure customer satisfaction is maintained, and where possible, enhanced.

This focus inevitably leads on to the planning and operational elements within ISO 9001:2015 and the measurement of success through internal KPI type performance measures across the supply chain or through customer driven feedback.

How can ISO 9001:2015 help companies manage their supply chain risks?

The identification and clarification of requirements and any arising issues through the interested parties (Stakeholder) review helps all in the supply chain to understand the bigger picture needs.

Communication is of vital importance, and through the establishment of relationships, dependencies can be established; by then collaborating with those parties, either upstream, downstream or even with internal providers, an active approach to managing supply chain risks can be formulated.

Further, any identified risks can be cascaded throughout the supply chain giving sight of considerations and delivering assurances up to the lead organization. This approach can also be utilized for other supplier relationships, spreading best practice within the chosen specific sector as required.

How can an organization better manage its suppliers through the implementation to and certification against ISO 9001:2015?

By using independent accredited certification to ISO 9001:2015 as the core requirement for a quality focused management system, the organization can gain the assurance that their suppliers are all taking the same approach with the same fundamental goals. This approach can deliver a number of business benefits for the lead organization:

- demonstrating the ability to consistently provide products and services that meet:
  a. customer requirements
  b. applicable statutory and regulatory requirements
- enhance customer satisfaction through the effective application of the management system, including processes for:
  a. improvement of the management system
  b. the assurance of conformity to customer requirements
  c. the assurance of conformity to applicable statutory and regulatory requirements

The organization can supplement the core ISO 9001:2015 supplier (external provider) requirements through additional controls where deemed necessary. One such control could be a supplier audit; this would focus specifically on the service supplied to the organization. The audit scope could be from order placement through to delivery, including all specific controls, measures and inspections as a single process. The management system and supporting processes can be deemed to be effective as confirmed through the ISO 9001:2015 certification.

By making expectation requirements clear through the use of specifications, launch plans and regular supply chain reviews - for example - the ISO 9001:2015 certified supplier needs to re-evaluate their stakeholder needs and take the appropriate action to address these.

What advice would you give to organizations looking for better transparency of their supply chain risks and opportunities?

The key to ensuring better transparency is to promote open, frank and honest discussions about the requirements and expectations and addressing any issues that arise from stakeholder and risk review activities.

Involvement of all of the stakeholders concerned will result in an effective solution that is accepted by all, due to their involvement and understanding of the issue.
Regular review and feedback communications are essential to review the performance data and the next improvement steps. This, of course, does not exclude the need to address those issues that need immediate action. Sharing and seeking advice for all parties can only lead to openness and trust.

When planning their transition to the revised standard, suppliers can share their plans with the lead organization to demonstrate their commitment.

For the thousands of organizations certified against ISO 9001:2008, what is your advice on getting started towards transitioning to ISO 9001:2015?

Forward-thinking businesses are leading the way, creating a competitive advantage in the eyes of their clients, supply chain and employees. Mapping out a transition plan to the new standard, including both training and assessment services, is positioning early adopters as the leaders in their industry in quality and risk management.

These market leaders are being driven by tangible business benefits, not the expiration date on their ISO 9001:2008 certificate.

As a result, transitioning sooner rather than later means that organizations and their supply chains can start enjoying the benefits from the revised ISO 9001:2015.

Start planning now with the knowledge that is already known or through discussion with your assessor; they will be able to give a perspective on readiness and suggest a suitable assessment and training services as well as a potential transition timeframe.

Why is it important for companies in the global supply chain to work with a globally recognized training, certification and assurance services provider?

Any lead organization has the influence to recommend the use of a global certification body to help minimize consistency risks across their supply chain.

A supplier may choose to select the same certification body as its major customers for the same reason.

The same is true for training services. Where there is a global certification provision, there is often a global training services provision supporting it. By utilizing this training there will also be a consistency of training throughout the supply chain, albeit with some specific tailoring for localization, but specifically with the lead organization.

As relationships mature, these can lead to the development of cross business activity, thereby promoting stronger links and improvements.

What is the role of Relationship Management in driving supply chain efficiencies, transparency and trust?

Within ISO 9001:2015, the Quality Management Principle 7 relates to Relationship Management. This states that “For sustained success, an organization manages its relationships with interested parties, such as suppliers.” The rationale behind this is that interested parties influence the performance of an organization; sustained success is more likely to be achieved when the organization manages relationships with all of its interested parties to optimize their impact on its performance. As a result, relationship management with a lead organizations’ supplier and partner networks is of particular importance.

In order for such relationships to co-exist between the lead organizations, partners and suppliers there needs to be transparency, not only in terms of what is needed but how these needs are to be translated and delivered. This is true, too, for transitioning from ISO 9001:2008 to ISO 9001:2015. Such transparency promotes collaborative development between all the partners in the supply chain.

Transparency in planning provides confidence within the supply chain that service delivery lead times will be met and that there is the constant assurance that customer satisfaction will continue to be achieved or excelled inside the supplier or partner organization, to the lead organizations and ultimately to the end user.

Does certification to ISO 9001:2015 deliver a competitive advantage for organizations looking to work in global supply chains?

The sooner organizations transition, the sooner they can start benefitting from the revised standard. ISO 9001:2015 allows organizations to assess their overall context to define who is affected by their work and what they expect. This focus will enable organizations to clearly state their objectives to their supply chain partners and identify new business opportunities.

The greater focus on customer satisfaction to ensure that organizations are consistently meeting their needs and exceeding their expectations, leading to repeat custom, new clients and increased business, will also drive supply chain collaboration as there is a shared mutual goal.

The other key benefit is that ISO 9001:2015 is designed to enable organizations to work in a more efficient way as processes will be aligned and understood by everyone, thereby increasing supply chain productivity and efficiency, bringing costs down.

The resultant planning and active progress towards transition for both the lead organization and suppliers drives a common understanding and sharing of goals. Enhanced performance of the whole supply chain develops as the transparency and communications of common challenges are resolved together. As a result, the supply chain becomes the certified recognition of that improvement journey, improvements that can deliver a once-in-a-lifecycle opportunity for organizations to drive supply chain collaboration, thereby reducing their risks and improving their performance.

Through our extensive range of training and assessment services, LRQA is helping organizations worldwide to migrate and transition to the new and revised ISO standards.