

MANAGEMENT SYSTEM MANAGEMENT BY MATRIX

## **Assessing your management system and the approach that you take**

## About the author

John Osborne is Product Manager for BSI Training. The following content is based on his observations over the 10 years of involvement with management systems both as a trainer and business development manager.

In the article John addresses areas of concern experienced by many management system professionals, and converts them into a series of matrices with guidance on how to change and improve as required or desired. Although primarily focused on quality management systems, many of the matrices are valid for all types of management system which comply with the requirements of a particular standard or industry scheme.

After each matrix there is a list of possible actions to be taken. In most cases an organisation will have a situation that does not fall exactly in one of the four boxes. However, it is hoped that the commentary will still provide some useful ideas and that by going through the process management system professionals will be able to use the matrix to help set goals and plans.

This white paper can also be downloaded at [www.bsigroup.co.uk/matrices](http://www.bsigroup.co.uk/matrices) and John can be contacted at: [john.osborne@bsigroup.com](mailto:john.osborne@bsigroup.com)

## Is your business engaged with the system?

Matrix 1 begins by addressing a familiar complaint from system managers, that of engagement with the system.

BUSINESS ENGAGEMENT WITH THE SYSTEM?			
		Staff Engagement	
		High $\longrightarrow$ Low	
Management Engagement	High	1) Well done	2) Avoid loss of interest
	Low	3) Opportunity	4) Challenging

Matrix 1

1. Well done: keep going but ensure that you communicate with both groups on a regular basis and celebrate success.
2. Avoid loss of interest: if enthusiasm from the top is not being matched, they could lose interest. Understand the reason why staff are not engaged, perhaps by implementing a survey. Consider the introduction of improved processes, procedures and work instructions or a new approach to auditing which would change the situation. You may also like to look at the competencies staff require and taking action to address any areas where those competencies need improving. Simply improving communication about the purpose of the system may also help.
3. Opportunity: use the enthusiasm of staff to identify some quick wins and then make sure that management is brought into these and understands how they were achieved.
4. You have a challenge: try and understand the reasons with both groups. Take advantage of a critical business issue, for example the high cost of quality, to engage with senior managers and gain their support. Maybe use your certification body to help with internal communication or briefing.

## So why do you have a management system?

In the introduction to ISO 9001, it states that the decision to introduce a quality management system is a strategic decision which should be taken by the senior management of the business. Once taken and certification achieved, this is often forgotten. The matrices below may help you to keep this thought alive and enable you to identify how the system can contribute to the competitive environment that you are in.

Matrix 2 identifies typical drivers for implementing a management system.

BUSINESS DRIVERS FOR THE MANAGEMENT SYSTEM			
		External Drivers	
		High $\longrightarrow$ Low	
Internal Reasons	High	1) Investment	2) Business improvement
	Low	3) Cost	4) Why do it?

Matrix 2

1. Investment: achieving satisfied stakeholders and delivering internal changes that benefit the business is obviously the best way to achieve return on the investment being made. Many clients have reported significant improvements by simply improving communication between teams.
2. Business improvement: in this situation organisations use the framework to assist with improving their processes to either reduce costs or improve customer satisfaction. A mature approach to process management can be a major benefit in achieving this.
3. Cost: experience shows that when organisations only implement for an external reason such as customer demand without appreciating the internal benefits that can be achieved, it becomes a business cost rather than a business tool that can drive change and improvement.
4. Why do it? With no internal or external drivers it is likely that the project will fail through lack of support. If it goes forward it may be useful to try and find a driver that people can buy into. For instance the loss of a major customer or a significant complaint.

## What is the purpose of your system – compliance or improvement?

This is often an area where major changes in perception and benefit can be achieved by making sure that the system is aligned with business needs. One of the key influences on this issue will be the nature of the industry/business that you operate in. Essentially if you are in a high risk business such as finance where it is heavily regulated or the food industry where risks are high, then you will tend to be higher on the compliance axis, but do not forget that the system is also a source of business improvement opportunities.

FOCUS OF YOUR MANAGEMENT SYSTEM			
		Compliance	
		High $\longrightarrow$ Low	
Improvement	High	1) Well done	2) Avoid jail!
	Low	3) Missing improvement opportunities?	4) Direction seeking

Matrix 3

1. Well done: this is a difficult balance to maintain but keep communicating those successes and from time to time review the balance in focus to ensure that it is in line with business needs.
2. Avoid jail: all organisations have some regulations that they need to comply with, for example data protection. Make sure that you have a full register and then reassess your approach.
3. Missing opportunities? Compliance may be important for your business and if it is business critical keep it up. But maybe you are missing improvement opportunities. Change the style of measurement and introduce some alternative audit and review processes that will generate ideas.
4. Direction seeking: do you really have a system? Perhaps now is the time to have a discussion with senior management to understand how you can contribute.

## Where does ownership of the system sit?

The complaint from many systems managers is that they are the only ones who take responsibility for documenting and controlling the system. This often means that they do not have the time to look at more interesting and rewarding issues such as 'cost of quality'. This is often because ownership has not been transferred to line or process managers.

SYSTEM OWNERSHIP			
		With Process Owners	
		High $\longrightarrow$ Low	
With System Manager	High	1) Conflict?	2) Under pressure?
	Low	3) Right direction?	4) Under control?

Matrix 4

1. Conflict? Whilst the system is being diligently managed make sure that it does not cause a power conflict. By giving away responsibility you may end up with more power by giving yourself more time to concentrate on critical issues.
2. Under pressure? Try to get out of the mass of documentation and work instructions by transferring ownership. Perhaps a start could be made by defining the role and responsibilities of a process owner.
3. Right direction? From observation this appears to offer most benefits and frees up the system manager to address more strategic issues and adopt a guidance or mentoring role that can be very satisfying.
4. Under control? Are you sure that the system is really effective and under control? Why not try working with a supportive process owner and work out an ideal balance and then use that as a model for demonstrating to others.

## How do you audit, review and improve?

A BSI Benchmark survey shows that one of the weaker areas of management system performance is that of improvement. This can often be traced to a weakness in internal audits, how improvement can benefit an organisation, use of improvement tools and ineffective management reviews. In this section we offer a few thoughts on those areas of the system.

### Internal audit

The focus and nature of your internal audits presents one of the major opportunities to change perception of system at all levels of the business. There are many myths about internal audit and the methods used. Make sure that you are not hindered by a myth!

### Approach to auditing

AUDIT APPROACH			
		Focus	
		Procedure → Process	
Output	Compliance ↓ Improvement	1) Could be right?	2) Missing an opportunity 1
		3) Missing an opportunity 2	4) Don't lose sight of compliance!

Matrix 5

1. Could be right? In heavily regulated sectors this could be essential, however in other environments you may be missing a big opportunity to identify improvements and improve the reputation of the system.
2. Missing an opportunity 1: using process auditing techniques is the most effective way of identifying opportunities for improvement. Refresher training for the auditors may be useful and keep them motivated. As with situation 1 it will also add value to the system perception.
3. Missing an opportunity 2: the opposite of box 2 – you have an improvement tool or approach. Using the system process framework for auditing will reveal increased opportunities for improvement. Improvement opportunities are usually found in gaps of communication between departments or functions which procedure based audits do not uncover.
4. Don't lose sight of compliance: it sounds like you have a sound approach but do make sure that you have the right focus on the critical compliance issues

## Business approach to improvement

There are many tools and frameworks available that will assist the improvement process but often we find that these are certainly not used in a systematic way. SPC and FMEA are commonly employed but rarely do organisations have a system in place such as Six Sigma.

APPROACH TO IMPROVEMENT			
		Tools Used	
		Defined $\longrightarrow$ Ad Hoc	
Systematic Approach	High	1) Impressive	2) Training opportunity
	Low	3) No sharing of best practice	4) Quick wins

Matrix 6

1. Impressive: with a defined set of tools and a structure you may be ready for benchmarking with other organisations. Also don't forget to communicate and celebrate successes.
2. Training opportunity: with commitment and a structured approach it is probable that you are not maximising the improvements or that you do not make the changes stick. You could consider looking at the Six Sigma toolkit and identifying those that are appropriate for your business.
3. No sharing of best practice: with a defined tool set but no structure you are probably hiding the business impact of the changes and also missing opportunities to share best practice.
4. Quick wins: with no structure or defined set of tools it is probable that either improvements made are not communicated and celebrated, or that the tools used do not deliver the maximum benefits. Starting with a 5s<sup>1</sup> programme or structured problem solving training may be the best way forward to deliver quick wins.

<sup>1</sup> 5s refers to a Japanese business improvement methodology.

## Management review

MANAGEMENT REVIEW			
		Frequency	
		As needed $\longrightarrow$ Once a year	
Management Involvement	High	1) Integrated with business	2) Addressing the right issues?
	Low	3) Opportunity	4) Just to achieve certification?

Matrix 7

1. Integrated with business: this is where we believe mature and healthy systems are operating. Well done but keep the enthusiasm alive by continually reporting on critical business issues and successes.
2. Addressing the right issues? So management want to be involved but you only give them a chance once a year – try and move them into box 1 by looking at the style and purpose of the meetings. Make sure business not system issues are high on the agenda. Perhaps include the management reviews as part of board meetings, after all your customers are your greatest asset and having a quality management system is all about meeting their needs and requirements.
3. Opportunity: the involvement may be low, but they turn up monthly to a meeting. Capitalise on this and ensure that you take the opportunity to communicate to them how the system is helping to meet the business objectives and challenges.
4. Just to achieve certification? It's likely that the only reason management attend is because they have to and that the meeting delivers no real benefit other than meeting certification requirements. Take another look at the agenda and purpose and try and integrate with the monthly senior management meeting.

## And last but not least your certification body (CB)

How do you and your colleagues view the relationship with the certification body? Is it one that is suffered or one that is viewed as collaborative in the same way that other critical relationships are viewed? Reassessing this and having a mature discussion with your CB may deliver some quick changes.

YOUR CERTIFICATION BODY		Their Role	
		Compliance $\longrightarrow$ Value adding	
<b>Your View Of The Relationship</b>	Foe $\downarrow$	1) Traditional	2) Don't be afraid
	$\downarrow$ Friend	3) Challenge them more	4) Healthy

Matrix 8

1. Traditional: this is possibly the most common relationship which is not fulfilling for you or your assessment team and worse you are probably not getting value for money. Have a heart-to-heart conversation about the situation. Whilst there are constraints they need not stop a fruitful relationship.
2. Don't be afraid: you are getting valuable feedback but take a wider look at the relationship, there may be many opportunities for a closer relationship and increased value for money.
3. Challenge them more: so you feel good about the relationship but what about using that to ensure you get the right feedback. Don't be afraid to suggest areas that need investigation or where you would like internal support. There is much a good assessment team can do without offending regulatory constraints.
4. Healthy: it looks like you have mastered the art of working with the certification body; make sure that you are aware of all the services such as free webinars and events that are often available.

## Summary

A management system is a business asset and can have a major impact on the financial performance of a business, its exposure to risk, staff morale and the organisation's ability to adapt to changes demanded by customers and external stakeholders. Whether it is regarded as an asset or cost can have a major impact on the recognition and job satisfaction for the system manager. This document aims to reassess both approach and attitudes towards management systems as well as provide some ideas for further process improvements.

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