

# Director

BUSINESS WISDOM MAKING EXCELLENCE A HABIT

## Achieving excellence

How to fine-tune your business  
so it performs at its best



In association with

**bsi.**



## Let's be clear, ok is not ok. Especially not for BSI who help organizations make excellence a habit.

In fact, when it comes to understanding what it takes to achieve and maintain excellence, we're the experts. We uncover, benchmark and understand what makes organizations excellent, day in, day out. With more than 60,000 certified clients globally and the expertise that comes from 110 years of delivering standards, we can help you perform better, reduce risk and achieve more sustainable growth.

So if 'good enough isn't really good enough', or your organization is already excellent and you want to help keep it that way, talk to us on 0845 080 9000 or go to [www.bsigroup.com/iod](http://www.bsigroup.com/iod).



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## How to secure business success

In challenging times ensuring your company performs at its very best is key to survival



Whether in manufacturing or in services, in big companies or small, all businesses face similar challenges, but how they respond will affect whether they flourish, survive or close. At BSI, we've spent the

past 100 years helping businesses in their pursuit of excellence. From entrepreneurs to established companies, achieving true success is about how you perform day in day out. This means an organisation's competitiveness and ability to survive is determined not only by the management but how the business operates at every level – from the boardroom to the reception.

BSI's proprietary benchmarking research clearly shows that firms which adopt and implement effective management processes and have a clear customer-centric focus will not only gain competitive advantage but will be able to excel and stand out from the crowd.

This booklet, the first in a regular series, shows how BSI can help you put the frameworks in place to ensure your business is fit for the future, as well as today. I look forward to hearing your feedback.

**Howard Kerr** *Chief executive, BSI Group*

# Boosting the bottom line

With business profits under pressure, taking the right approach to achieving excellence can make a huge difference – driving revenue up and costs down

To survive and prosper in today's tough economy, organisations have one key imperative: to prop up profits. They must relentlessly pursue the twin goals of increasing revenue and reducing costs.

The big question, of course, is how? One answer is to focus on quality. A quality management system such as ISO 9001 provides a best-practice framework to ensure company processes meet customers' requirements.

Research has repeatedly shown that organisations which use ISO 9001 deliver improved customer satisfaction and, as a direct result, they have boosted their bottom line. They also see non-financial benefits, including higher staff engagement.

First published in 1979 as a British Standard (BS 5750), ISO 9001 is one of the most successful management tools of modern times.

## REAPING REWARDS

**BSI clients that achieved ISO 9001 certification report major benefits from the quality standard. Among UK businesses...**

- 75% improved their levels of customer satisfaction and loyalty
- 77% boosted their operational performance
- 74% acquired new customers and retained existing clients
- 44% achieved cost savings

Source: BSI Excellerator Research 2011

## TANGIBLE BENEFITS

Recent analysis of published academic research papers by BSI shows that companies implementing and certifying to ISO 9001 perform significantly better than those without it. This is supported by BSI's own customer research (see panel, left).

Maureen Sumner Smith, global marketing director at BSI, explains the real gains from ISO 9001 certification in an economic downturn: "Competition is fierce, so differentiating factors become vital. Being independently audited to an internationally recognised management system standard is such a factor – and one that customers are increasingly demanding from their suppliers."

"In tough times, businesses must continue to focus on key actions that are

pivotal to delivering revenue growth, while at the same time tightly controlling their costs. They must also make every effort to sustain a pipeline of new sales opportunities and improve customer satisfaction and loyalty. An independent audit to a management system provides companies with a way to achieve this, and to demonstrate that they have done so to stakeholders."

One million ISO 9001 certificates issued worldwide is impressive, but that still leaves many businesses failing to assess how they could benefit financially. BSI has the solution. It has developed an ROI calculator that produces a report to show the difference ISO 9001 will make to their bottom line.

For more information on the calculator and on how to apply for ISO 9001, visit [www.bsigroup.com/iod](http://www.bsigroup.com/iod)

## RAISING THE STANDARD

By **Dr Steve Tanner**, VP HR performance management at Etisalat and former executive director of the European Centre for Business Excellence



Past research I have conducted has convinced me of the benefits of ISO 9001 certification. Often the overriding one is access to markets, and this is especially the case for SMEs.

After 30 years working with quality standards, I thought I had seen it all. But I have gained a new perspective on ISO 9001 from working for Etisalat, which has operations in 18 countries and is one of the largest telecoms companies in the Middle East. As a quasi-government organisation, Etisalat has no need of ISO 9001 to trade. It adopted the standard in many of its operations, including many similar in size to an SME, of its own free will. The benefits fall into three main categories.

First, certification has brought an element of recognition and pride, demonstrating that the organisation is as good as the best in the West.

Second, it has ensured consistency of service, which – with more than 60 per cent of the workforce coming from diverse backgrounds outside the Middle East – is vital in achieving customer excellence. ISO 9001 has also helped support growth, as process systems have been replicated in new areas.

Third, it has created a passion for continuous improvement. ISO 9001 has identified many opportunities to improve performance. It is a standard that has truly stood the test of time.

# How standards helped our businesses grow

Quality management systems allow companies to secure new contracts and prepare for

expansion. Two very different firms talk about their experiences...

## CASE STUDY 1:

**FIELD INTERNATIONAL**  
Adopting a standards-based quality management system helped this aerospace company grow and improve its processes

Field International is a world leader in aircraft maintenance and production tooling, ground support equipment, military components and bespoke precision engineering.

The company's ambition to become a global, single-source supplier to airlines and maintenance organisations was the catalyst for implementing the ISO 9001 and AS 9100 standards – in an increasingly complex industry, where mistakes can have serious consequences, it knew it would have to ensure consistent quality and reliability.

Field International identified the need to improve its business management system and turned to BSI due to its proactive approach and has found many benefits in transferring its management certifications from another auditing body. By using the audits to identify system improvements, rather than merely highlight the company's weaknesses, with the support of BSI, Field International has now a much-improved robust



### MAKE EXCELLENCE A HABIT BY...

- Monitoring what you do
- Identifying ways you can improve
- Involving your staff in all processes

management framework that has benefited the business across all areas and laid solid foundations for further growth.

Activities are monitored and measured, deficiencies are detected, and new processes have been implemented, resulting in cost savings, reduced waste, and less inappropriate or rejected work. Better communication with customers has improved service delivery and reduced complaints.

The effect on staff has been equally encouraging, as quality manager Adrian Gauden explains: "Introducing a management system takes time and effort, but overall the staff in general realise that the company would not run efficiently without the structure of our Business Management System and support from BSI."

## CASE STUDY 2:

**DB CONSTRUCTION**  
Standards have brought lucrative new contracts and record growth for this family-owned civil engineering contractor

In the tender-driven world of construction projects, DB Construction showed its commitment to quality and environmental best practice by registering to ISO 9001 Quality Management and ISO 14001 Environmental Management standards.

With a diverse range of clients in both the public and private sectors, the company recognised the need for certification to compete for future business, particularly for local authority projects. Thanks to its dual certification, DB can now demonstrate transparency in its operations and accountability for all the work it undertakes.

The investment in certification has certainly brought new business, with more projects won at both subcontractor and principal contractor level. But it has brought other tangible benefits too, including a reduction



### MAKE EXCELLENCE A HABIT BY...

- Driving up quality
- Being open and transparent
- Improving continually

in costs of five to 10 per cent, a sustained annual growth target of 34 per cent, and a workforce that has embraced the whole process.

The key to success for DB was to have BSI on board – an assessing body that understood the construction industry. BSI undertook an initial gap analysis of what DB did well and what areas needed attention. It then helped the company implement the management systems in a structured and logical way, communicating with staff and clients the whole time.

As quality director Jack Bowie explains: "BSI understands how our business works and can therefore see the benefit that we can derive from the standards. Certification has given us a clear competitive advantage."

"Certification has given us a clear competitive advantage"





## Building a business to last

Quality management is key to surviving tough times and achieving long-term success

Companies under stress are usually firefighting,” says Charles Corrie, business programme manager at BSI. “Have they taken the time to find out what’s really going wrong or to build a more sustainable strategy?”

All too often, says Corrie, the answer is “no”. And, while it is understandable that businesses misdiagnose their strengths and weaknesses when they are stretched, this can lead to decline.

A sister publication to ISO 9001 offers a solution. ISO 9004 provides a systematic approach to quality improvement that helps a business weather periods of economic turmoil so they can prosper in the long term. It does so by embedding quality management principles that address the needs of all stakeholder groups, including employees, suppliers, shareholders and the local community – not just customers, who are the focus of ISO 9001.

“Standards can help businesses weather periods of economic turmoil”

### SELF-ASSESSMENT IS VITAL

The rounded approach inherent in ISO 9004 promotes self-assessment as the key to identifying strengths and areas for improvement.

ISO 9004 builds upon ISO 9001’s customer focus, broadening the scope of quality management and enabling users to identify opportunities for improvement and innovation in leadership, strategy, resources, processes and management systems.

ISO 9004 is applicable to all sectors. It can be used either independently, in conjunction with ISO 9001, or alongside other management system standards. “The key is to embrace the concept of quality management and create a culture of continuous improvement,” says Corrie.



## Winning customers by working together

Small firms can bid with greater confidence for major contracts if they co-operate with each other. The BS 11000 standard shows them how

The difficulty in bidding for – and winning – major contracts has long been a bugbear for small and medium-sized companies (SMEs). All too often they lose out to large corporates which have pricing advantages and make slicker pitches.

As David Hawkins, operations director at PSL, a not-for-profit organisation linking up with BSI to promote partnership working, says: “Every time a large company wins and a small business loses a bid, the gap between the two gets bigger.”

But, adds Hawkins, it doesn’t have to be this way. He explains that the government is committed to opening up the tender process for high-value public sector contracts to SMEs – and to groups of small firms that collaborate with each other – so there is a golden opportunity to work together to win them.

### AN SME CAN USE BS 11000 TO...

- Identify how relationship management can help achieve its business objectives
- Evaluate benefits of entering into a single or multiple partnerships
- Select the right partner for its objectives
- Build a joint approach based on mutual advantage
- Develop added value from the relationship
- Develop and execute a partnership exit strategy

### THE ‘PRE-NUP’ FOR BUSINESS

The crucial issue for small and medium-sized firms is how to collaborate most effectively, while at the same time protecting their own assets and carefully cultivated reputations. They need a kind of pre-nuptial agreement in place.

This, in essence, is what the BS 11000 standard can offer. It provides a framework for managing collaborative business relationships for maximum benefit to all parties.

Using a step-by-step approach, it starts by requiring a company to apply best-practice principles to its own way of working.

“BS 11000 highlights the problem areas in a collaboration, so they can be addressed upfront,” says PSL’s Hawkins.

“This makes it easier for SMEs to build trust in each other and give confidence to potential customers.”

# Signifying best practice

Six Sigma is a powerful business tool that – if implemented well – can deliver excellence

The purpose of Six Sigma is to enhance business and quality performance by eliminating errors and waste. At the core of this proven management technique is the DMAIC methodology, which stands for:

- Define the problem
- Measure the current process
- Analyse key data
- Improve the process
- Control the process in future

Six Sigma was pioneered in the 1980s by electronics manufacturer Motorola, before being widely adopted, most famously by Jack Welch at GE.

The process has since been combined with the complementary discipline of lean manufacturing to create Lean Six Sigma, a powerful tool in promoting business and operational excellence across industry. The case study on FMG Support (far right) shows just how effective Lean Six Sigma can be, even in a service business.

But if you're investing in Six

## MAKE EXCELLENCE A HABIT BY...

- Viewing training as integral to your business strategy
- Measuring the impact of your training techniques
- Spreading the benefits of training throughout your organisation

Sigma to make you more efficient, it also makes sense to save time and money by implementing it correctly – or, as the quality gurus would say, by getting it right first time.

## A NEW STANDARD FOR SIX SIGMA

ISO 13053 is the new recognised standard for Six Sigma implementation. For the first time, it defines and establishes a best-practice framework where there has previously been no benchmark or common language.

ISO 13053 gives users recommendations on how to conduct each phase of the DMAIC method. It also defines the roles of the people involved in Six Sigma projects, clarifying the expertise they should have and the training they will require.



“Getting Six Sigma right first time helps you cut costs and maximise return on investment”

By specifying exactly what each stage of the DMAIC methodology should include, and what roles and responsibilities are involved, organisations can implement Six Sigma with confidence, minimising costs and maximising their return on investment.

For further information on our Lean Six Sigma training, please visit: [www.bsigroup.co.uk/training](http://www.bsigroup.co.uk/training)

## CASE STUDY: FMG SUPPORT

### Make your training pay

As the UK's largest independent fleet performance improvement company, FMG Support specialises in fleet incident management and roadside repair and recovery management. With 450 staff, an annual turnover of £80m, and plans to grow further, the need to attract, retain and motivate a skilled workforce is a priority.

Lean Six Sigma is the training method of choice for FMG Support because it not only aims to increase efficiency and improve business processes, it is also easy to measure return on investment. The company can see how the

programme impacts on its business and bottom line. On one project alone, for example, it produced cost savings and cashflow improvements of £800,000.

Lean Six Sigma relates to many aspects of business and can apply to a large number of sectors, but a particular feature is that once a staff member has completed the five-stage improvement process to becoming a certified Lean Six Sigma Black Belt, he or she can pass on the newly acquired skills throughout the organisation. That way, the maximum number of people can benefit from the investment.

Derek Robinson, FMG's business process improvement manager, sums it up: "Since being Six Sigma-trained, our business processes have become more polished, which in turn has resulted in significant savings for both the organisation and our customers."



# Achieving excellence

## 5 top tips for looking **inside** your business

- Know the goals and celebrate when each one is achieved.
- Have a clear business focus and then communicate it regularly.
- Make sure as leaders you demonstrate your commitment to the cause on an ongoing basis. Excellence is for life not just a project.
- Make continual improvement of your products, services and processes a way of life.
- Keep it simple.

## 5 top tips for looking **outside** your business

- Focus on your customers and make sure you deliver in line with their expectations.
- Identify and manage the few customers who deliver most of your business.
- Make sure that you understand and communicate your key business difference.
- Continually assess your competitive position – your competitors will be looking at you.
- Identify your critical business partners and suppliers and develop relationships so that they feel engaged with your business.