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Risk Management instead of Risk Avoidance!
Process management under ISO 9001:2015

Under the current global economic environment the perception on the quality of the product or service of a company may just be the pure definition of the company's ability to sustain its business, outperform its competitors, and grow its market. Most definitions on corporate quality focus on intangible factors as the continuous ability to improve its products and services, achieving its purpose, and perform to its shareholders.

How can a company achieve its intangible objectives through tangible and concrete measures?

Invariably a lot of company resources are spent on branding and market channel creation and management, given that it is the company's first point of contact with its customers whose acquisitions ultimately sustain its business.

Nonetheless, this external approach needs to be sustained by a strong internal environment focused both on the company's vision, and on the ability to deliver high quality products and services.

The best solution for achieving a strong internal environment is to put in place a Quality Management System (QMS), and ISO standard 9001:2015 is the current best approach to do it.

The standards defined by ISO 9001:2015 focus on the operational processes of the company, in order to achieve the goals of continuous improvement of products and services, increased involvement of people in the company's vision and goals, and increased customer satisfaction. Thus, signaling clients and prospective clients of the internal quality of the company.

About the authors

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How does ISO 9001:2015 interact with the corporate context?

ISO standards are principles not rules! The adoption of a QMS in accordance with ISO 9001:2015 is thus a custom-made process, in which the standards guide the company in the definition of internal processes focused on achieving its goals while exploring the available opportunities and managing existing risks.

ISO 9001: 2015 presents seven quality management principles that serve as fundamental beliefs for quality management, each principle being a benchmark for the definition of adequate processes:

1. Customer focus
2. Leadership
3. Engagement of people
4. Process approach
5. Improvement
6. Evidence-based decision making
7. Relationship management

In order to effectively implement a QMS based on the mentioned principles each company is encouraged to engage in a self-discovery exercise focused on the identification of existing internal and external issues, on the evaluation of the needs and expectations of its stakeholders, and on the assessment of the current risks and opportunities faced by the company.

Doing so, the company will be able to define a path for the implementation of a QMS that allows it to anticipate customer expectations, manage risks of failure, and undertake existing opportunities, guaranteeing the creation of a culture that fosters the work process, maintaining objectiveness, flexibility and versatility.

How can your company's view on risk affect its growth?

As a statistical concept risk can be defined as the probability of not achieving the expected outcomes. Historically, risks have generally be regarded as the possibility of underachieving, for instance as the likelihood that an event may hinder corporate performance and its business. Under this framework corporations are incentivized to adopt a risk matrix and a risk approach which allows for the identification, analysis, valuation and mitigation of risks.

Nonetheless, be aware that there is a clear distinction between not achieving and underachieving, as the former allows for the possibility of positive outcomes. As such, the corporations which are best suited for success are not the ones that mitigate all risks, but the ones which can manage them efficiently and effectively.

ISO 9001:2015 and the adoption of a QMS allows the company to take advantage of this more modern approach of risk management. By providing a framework based on risk thinking, the definition of the internal processes becomes dependent on the risks the company intends to mitigate, accept or even pursue.

Risks are not necessarily negative!

Risks become therefore a set of opportunities as the company may use them as a way for continuously improve its operations and processes. Consequently, by adopting more efficient and effective processes the company can gain a competitive advantage over its more conservative competitors and thus grow its business.

Is the design of processes crucial for an effective QMS implementation? Of course…

In order to properly implement a QMS system under ISO 9001:2015 a company needs to design and document the processes that allow it to identify and manage its risks while ensuring customer satisfaction, product quality, people involvement, and a full achievement of its mission.

However, as mentioned in a previous point-of-view paper "A company may believe that the sheer fact of having processes defined makes them more efficient and effective. This misbelief can lead to the standardization of all kinds of steps and actions within the organization. However, such kind of exaggeration will have counterproductive effects ".

Consequently, having processes by itself is not sufficient to have an adequate QMS.

In order to design proper processes a company needs to follow the two principles of process design, namely effectiveness, i.e. how processes can help the company reach its goals, and efficiency, i.e. how the company can use its resources in the best possible way.

A proper ISO 9001:2015 implementation is thus based on the implementation of processes that are both efficient and effective.

What is your company's stand on Quality Management? Are you managing risks or avoiding them? Are you standardizing or designing? Our specialists can help you address these questions!

> Documenting
> your processes
> is only part of
> the solution

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