

We want to thank our readers for the positive response regarding our last two newsletters on creating business results for the New Year and the difference between a vision, mission, goal, and objective. Thanks and keep feeding us your ideas and suggestions.



We also want to congratulate our client Triad Electronic Technologies for achieving registration to the ISO 9001:2000 Quality Management Standard in 5 months. Through their hard work and dedication they received no nonconformance's resulting from their Registrar Audit!

Internal Auditing: A Tool for Effective Process Mapping

Internal audits are often scheduled, and therefore conducted according to the ISO 9001:2000 clause structure. Most organizational audit systems start with a formalized checklist where auditors ask questions to ensure employees know their jobs, check for available procedures, and determine if documents and records are being utilized. These audits are mostly focused on judging conformity than evaluating effectiveness. Looking clause by clause, the quality management system may appear conforming, yet be fragmented and ineffective.

Auditors must adopt the process approach and assess the quality management and operational system through its natural workflow. Of course, this requires understanding the business, its processes and the integration of linkages that drives effective auditing and process mapping. Audit planning and interviews should identify for each process:

- Inputs: What, when, and from whom?
- Resources: With what people, materials, equipment?
- Methods: How done (procedures and instructions)?
- Controls: How monitored and controlled?
- Measures: What are performance indicators?
- Outputs: What is delivered, when, and to whom?

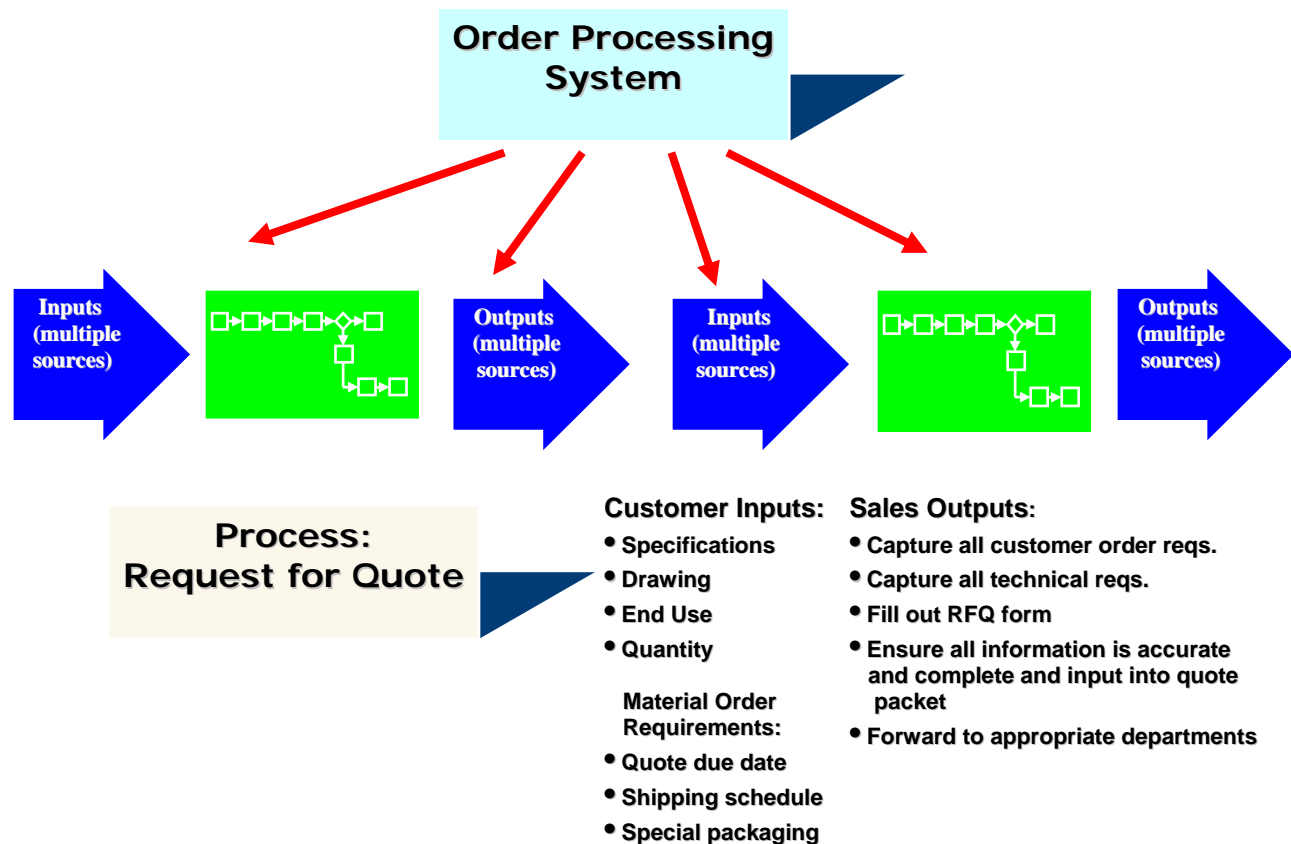
These valuable process components are ignored with traditional auditing. The traditional "process" audit has been a short, detailed evaluation of a single process within a department. The audit scope may not have included the process interactions outside the functional area. ISO 9001:2000 requires an audit of the entire system, either at one time or spread over multiple subset audits. This broader view must address the process linkages to evaluate the overall system. To be less disruptive, and maintain quality awareness, audits of individual processes may be scheduled each month until the full system is covered.

Process audits can be conducted horizontally or vertically. A horizontal audit follows a process trail across multiple functional areas. It is good choice for assessing the process interfaces between departments. A vertical audit covers all the key processes within a functional area. This approach is good at examining the interfaces within a department, but may miss the interactions with other departments.

ISO 9001:2000 uses the Plan-Do-Check-Act methodology. As a result, one logical requirement may be addressed in multiple clauses. Auditing by clause defines an artificial audit scope. A process may span different departments and a department may have multiple processes. So, audits should be scheduled for vertical (process) or horizontal (department) coverage. If scheduled by department, ensure interfaces with internal suppliers (upstream) and internal customers (downstream) are included. Whether auditing horizontally or vertically, remember audits must still address all the applicable clauses (requirements) over the annual audit schedule.

Let's look at a simple example of an Order Processing System.

System & Process Mapping



This example targets an order processing system and its linkage to a request for quote process. Customer inputs, material order requirements, and sales outputs can be identified, documented, and mapped using the six process components on page 1 to eliminate process waste and ensure accuracy.

Auditors should view the quality management system as a set of integrated processes (by understanding the interfaces and interactions). Adopt the process approach for your audits. Add value by looking at more than just conformity. Evaluate the linked processes for their "effectiveness". Verify their controls and identify any process risks. Also, determine opportunities for improvement. Auditors can promote the process approach through their own audit methods.

If you are interested in more on this subject and how to apply it to your organization, see our [Process Based Internal Auditor training course](#).

Data Rich – Information Poor

Quality and operational management systems require the collection and analysis of a lot of data. Organizations rely on this information to make important decisions. However, a new survey by Forrester Research shows most enterprises have a big problem with information quality (IQ). Forrester principal analyst Lou Agosta finds that while many firms have improved their IQ, problems persist. They are "addicted to data", he writes, "but in quality denial". Indeed, company-wide approaches to IQ seem to be the exception rather than the rule. Fully one-fifth of the firms responding to the survey had no consistent IQ strategy, and those that did, tended to have scattered approaches. Almost a third of the respondents to the survey dealt with Information quality inconsistently, on a localized basis rather than centralized.

Consequently, even though companies are gathering huge quantities of data from business processes and transactions, much of it is obsolete, duplicated, or just plain wrong, subverting its usefulness as actionable information. Moreover, inconsistent and inaccurate information creates business uncertainty, leaving a company swimming in a tide of data, but unable to confidently act on the data.

According to Agosta, it is not enough for companies to sift through data, looking for defects on a case-by-case basis; that's "firefighting, not information quality improvement". What firms need to do is to get serious with IQ improvement, and approach it strategically, as an information product quality control issue, in terms of a service-level agreement, or as a commitment to a system design for information quality.

Most importantly, companies have to be willing to take a close look at themselves and establish IQ processes before deploying technology to solve the problem. Enterprises have to create an information quality "safe harbor" that will allow employees to expose IQ problems without retribution, and then take steps to correct them. Agosta observes that a major reason why Information quality issues remain unresolved is that employees fear that company management will "shoot the messenger".

Companies need to implement a clear and consistent IQ policy and quantifiable processes across the enterprise and identify and empower an IQ evangelist to lead and coordinate the effort at the highest level. Agosta concludes that the problem, though substantial, can be solved through the application of Information Quality best practices. The above portion of this article was written by Matthew Friedman in Enterprise Applications.

Just A Thought . . .™



**Today is like a message in
a bottle...it's an adventure
waiting to happen.**