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Questions & Answers
QUALITY ASSURANCE AND EXPORTING SERVICES

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This set of ten questions and answers provides tips on managing quality assurance and types of quality management certifications

1. What quality standards are relevant in services exporting?

The best way to assure potential customers that you can deliver quality services is to be registered to one of the international quality assurance standards: ISO 9000 or ISO 14000 (for environmental management services). In most markets, registration to these standards is not required; rather, it provides you with a competitive edge. Certain industries are beginning to require additional standard requirements, including testing laboratories, automotive, information technology, and aerospace.

Your firm may have initiated other quality-related processes such as business process re-engineering (BPR), continuous quality improvement (CQI), or total quality management (TQM). While these processes will help you identify what you need to do in order to improve quality, or to provide a particular level of service, or meet a particular level of client expectations, they will not necessarily give you international recognition.

2. What is "quality" in services?

The International Organization for Standardization (ISO) defines quality as the "totality of features and characteristics of a ...service that bear on its ability to satisfy stated or implied needs" (from ISO 8402). A more pragmatic definition is "to meet or exceed the expectations of customers."

3. What are the most common areas of quality failure?

- Lack of service standards regarding time/processes
- Customer demand is greater than the capacity to deliver
- Lack of clarity about how to handle nonstandard service requests from customers
- Inconsistent service to customers due to untrained staff
- Customers' expectations not being met
- Equipment malfunction
- Lack of a crisis management protocol

4. What quality standards matter to my market?

The requirement for registration to various standards is evolving *rapidly* and varies from market to market and industry to industry. You will need to research your precise market requirements. Often trade or industry associations have online links to standards and standards-setting bodies. The following may be useful sources of quality standard information:

- Industry associations (national/international)
- American Productivity and Quality Centre (*www.apqc.org*)
- International Organization for Standardization (*www.iso.ch*)
- Quality Network (*www.quality.co.uk*)

The industries requiring registration are changing rapidly, but some recent examples requiring ISO 9000/ISO 14000 registration of their suppliers include the following:
- Auto industry
- Pharmaceutical industry
- Aerospace industry
- Environmental industry
- Software industry

Some examples of private sector corporations requiring registration from suppliers include Ford, Chrysler, General Motors, IBM, Corning, Digital, DU Pont, Exxon Chemicals, Federal Express, Kodak, MonSanto, Xerox, Volkswagen, Renault, etc. Once again, requirements are changing virtually daily, so it will be important to verify the expectations of your particular customer.

Some examples of other national governments requiring ISO 9000 registration for suppliers include Australia, New Zealand, United States, Singapore, and the U.K. There can be additional regulations at the provincial or state government level.

5. What is ISO 9001:2000?

"ISO 9000" refers to the quality management standards. Under the 1994 version, there were three versions to which firms were able to become registered: ISO 9001, ISO 9002, and ISO 9003. As of 15 December 2000, these three standards have been merged into a single standard (ISO 9001:2000).

ISO 9001:2000 is based on eight universal quality management principles:
- Customer focus
- Leadership
- Involvement of people
- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision making
- Mutually beneficial supplier relationships

ISO 9001:2000 is organized into five sections, which correspond to the former 20 elements but also contain explicit requirements for achieving customer satisfaction and continuous improvement:
- Quality management system
- Management responsibility
- Resource management

- Service (product) realization (design, production, delivery)
- Measurement, analysis, and improvement

Further information on this standard can be found at *www.iso.ch*.

6. What is ISO 14000?

"ISO 14000" refers to the international standard on environmental management systems, and is now being completed by the International Organization for Standardization. The following are the core documents that will provide guidance to firms on the establishment, maintenance, auditing, and continual improvement of a firm's environmental management system:

Environmental Management Systems
      ISO 14001 -   Specification of requirements for registration to the standard
      ISO 14004 -   General guidelines on environmental management

Guidelines for Environmental Auditing
      ISO 14010 -   General principles
      ISO 14011 -   Audit procedures when auditing of environmental management systems
      ISO 14012 -   Qualification criteria for environmental auditors

Environmental Labels and Declaration
      ISO 14020 -   Basic principles of all environmental labelling
      ISO 14021 -   Self declaration, environmental claims, terms and definitions
      ISO 14022 -   Symbols
      ISO 14023 -   Testing and verification methodologies
      ISO 14024 -   Practitioner programmes and guiding principles
      ISO 14031 -   Environmental performance evaluation

Life-Cycle Assessment
      ISO 14040 -   Guiding principles and framework
      ISO 14041 -   Goals and definition/scope and inventory assessment
      ISO 14042 -   Impact assessment
      ISO 14043 -   Life cycle interpretation
      ISO 14050 -   Terms and definitions

7. How do I decide whether I should become registered to a quality standard?

Your primary concern should be whether or not registration would improve your competitiveness. Externally what matters is whether or not registration matters to your potential customers. In some instances, registration may be required. In other instances, registration may provide added assurance to the potential customer that you can deliver.

Internally, conformance (if not registration) to a quality standard should streamline your delivery system and help to eliminate re-work. Benefits from registration are only possible if there is clear management support for the initiative.

8. What is the process to become registered?

The following are the common steps in the registration process:

1. Choose a registrar to work with.

2. Evaluate your current procedures and documentation against the standard's requirements.

3. Address any procedural or documentation gaps.

4. Submit your documentation to the registrar for review.

5. Schedule an on-site audit by the registrar.

6. Address any nonconformances revealed in the audit.

7. Obtain certification.

9. What are the benefits of registration to a quality standard?

Benefits in the marketplace:
- Increased customer confidence
- Ability to meet bidding requirements for registration
- Better communication with suppliers (as part of the quality system)
- Decrease in complaints and customer dissatisfaction

Internal benefits:
- Better documentation of processes for delivery control
- More rigorous staff training
- Greater staff awareness of the factors that produce customer satisfaction
- Better selection of qualified subcontractors
- A rational basis for identifying key staff training needs
- Reinforcement of good work habits
- Reduced cost for re-work or last minute panics
- Common quality standards for working with partners

10. What are the costs of registration to a quality standard?

The cost will depend on the condition of your existing quality system, the size of your firm, the type of registration you require, and the particular registrar with whom you choose to work. Some registrars have discounted fees for small businesses and will negotiate a fixed fee so that you can budget more easily for the expense. Costs that you should expect include:
- Staff training in quality procedures and requirements of the standard
- Temporary personnel to back-up staff engaged in quality systems development
- Registrar costs for the audit

For smaller service firms, you can probably expect to pay at least $5,000.