

ISO 9004 Assessment Criteria Checklist for Performance Improvement

[Selected ANSI/ISO/ASQ Q9004 clauses for resource management and measurement, analysis and improvement]

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Instructions:

These assessment questions are organized by standard (ANSI/ISO/ASQ Q9004: Quality management systems – Guidelines for performance improvements) clause numbers starting with clause 4. The question order matches the order of the criteria in the guideline standard. This assessment assumes the organization has implemented an ISO 9001 quality management system or equivalent (no ISO 9001 questions are included). Key words are bolded to aid assessors and comments (not included in the standard) are in italic. ISO 9000 word definitions apply. Some word definitions have been augmented or taken from other sources for value added purposes. To conduct the assessment:

1. Read the question and collect evidence.
2. Rate the deployment of the criteria by the organization using the following 1-5 rating scale.

Maturity Rating	Description	Guidance
NA	Not Applicable	These criteria are not appropriate for the organization.
1	No formal approach	No systemic approach is evident. There are no results, poor results or unpredictable results
2	Reactive approach	Problem or corrective-based systemic approach. Minimum data on results is available. The organization responds to issues as needed.
3	Stable formal system approach	Systemic process-based approach. This is an early stage of systemic improvements. There is data available on conformance to objectives and existence of improvement trends. There is an established method or an approach.
4	Continual improvement emphasized	Improvement process in use, with good results and sustained improvement trends. The process is effective and is continually improved.
5	Best-in-class performance	Strongly integrated improvement process; best-in-class benchmarked results demonstrated.

Table 1: Ratings Table¹

3. Determine if there is a need for improvement and how adherence to the criteria would benefit the organization. If implementation would benefit the organization, mark the 'improvement' column with an 'X.' The maturity of some criteria may be rated a 2 or 3 but improvement may not be warranted or recommended at this time.

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Ref.	Question (<i>comments in italic are not in the standard</i>)	Rating 1-5	Improve X	Observation/Improvement Action <i>[evidence - data - action plan]</i>
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4. Record evidence and rationale for improvement in the observation/ improvement action column.
5. Answer all the questions and report areas identified as needing improvement.

There is some redundancy in clauses 4 and 5, however we decided to include all ISO 9004 criteria to ensure all important criteria are included in this assessment tool. Once you are beyond the system and management

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criteria, the guidance becomes less abstract. To conduct the assessment you will need a good grasp of some frequently repeated terms and phrases. Become familiar with the terms in table 2 appendix.

Effectiveness: 1) extent to which planned activities are realized and planned results achieved (ISO 9000, 3.2.14). 2) the consideration or balance between achieving the desired results (the product) and how they were achieved (the process) [After the Quality Audit, Quality Press, 2nd ed, page 116].	Interested Party: person or group having an interest in the performance or success of an organization (ISO 9000, 3.3.1). Interested party examples include: customers and end-users, people in the organization, owners/investors (such as shareholders, individuals or groups, including the public sector, that have a specific interest in the organization), suppliers and partners, and society in terms of the community and the public affected by the organization or its products. ISO 9004, 5.2.1
Efficiency: 1) relationship between the result achieved and the resources used (ISO 9000, 3.2.15). 2) accomplishes objectives and goals with optimal use of resources [After the Quality Audit, Quality Press, 2nd ed, page 113].	
Examples of support processes (7.1.3.1) : managing information, training of people, finance-related activities, infrastructure and service maintenance, application of industrial safety/protective equipment, and marketing.	Performance: 1) the act or process of carrying out something: the execution of an action. 2) the ability to perform: capacity to achieve a desired result . Accessed 5/20/03 Merriam-Webster Dictionary, http://unabridged.merriam-webster.com .
Continual Improvement: 1) recurring activity to increase the ability to fulfill requirements (ISO 9000, 3.2.13); 2) a process of on-going changes that add value to an organization (<i>Continual Improvement Assessment</i>).	

Table 2: Key Words

Some of the ISO 9004 criteria is new and some is an expansion of the scope of ISO 9001. A common theme throughout ISO 9004 is improving the effectiveness and efficiency of processes. Efficiency was excluded from the ISO 9001 conformance standard. In the simplest terms, adding efficiency means that process outputs should not only meet requirements, but be done on-time, within budget, without redundancy or waste and in a manner that pleases the output users (customers). The ISO 9004 criteria goes beyond meeting customer requirements to embrace the requirements of all interested parties. The performance improvement criteria scope also includes control of support processes as part of a mature management system. Overall, ISO 9004 criteria should apply to the entire organization and should not be limited to product or service line processes.

Tip: When assessing a function, first brainstorm and list interested parties. This will help you apply the criteria when asked about meeting the needs of interested parties.

We have reworded some criteria to improve the understanding and usefulness. If you have a question about the intent of the criteria refer to the standard for further clarification.

Now you are ready, Good Luck

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Selected Example Clauses 6.5, 6.6, 6.7, and 8.1

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Ref.	Question <i>(comments in italic are not in the standard)</i>	Rating 1-5	Improve X	Observation/Improvement Action <i>[evidence - data - action plan]</i>
6.5	Information (resource management)			
6.5-1	<p>Is management using data to make factual decisions and stimulate innovation? Does management:</p> <ul style="list-style-type: none"> a. identify its information needs, b. identify and access internal and external sources of information, c. convert information to useful knowledge, d. use the data, information, and knowledge for setting and meeting strategies and objectives, e. ensure appropriate security and confidentiality, and f. evaluate the benefits derived from using the information in order to improve information and knowledge conversion processes? 			
6.6	Suppliers and partnerships			
6.6-1	<p>Does management establish the kind of relationships with suppliers and partners that 1) fosters good communication, and 2) mutually enhances the effectiveness and efficiency of processes (customer, supplier, and partner) by creating value?</p> <p>9004 examples of increasing value include: optimizing the number of partners, setting up two- way communication links for rapid resolutions of problems, conducting joint capability studies, monitoring supplier delivery process efficiency, promoting continual improvement, participating in joint continual improvement projects, involve suppliers in product/service design stages, involve suppliers in determination of purchasing needs and strategies, and recognize achievements of suppliers and partners.</p>			
6.7	Natural resources			

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6.7-1	Has management considered the availability of natural resources which may influence the organization's performance? Definition: natural resources: capacities (as native wit) or materials (as mineral deposits and waterpower) supplied by nature. Accessed 5/20/03 Merriam-Webster Dictionary, http://unabridged.merriam-webster.com Bottom of Form			
6.7-2	Does the organization have plans (such as contingency plans), to ensure the availability or replacement of these resources in order to prevent or minimize negative effects on the performance of the organization?			
6.8	Financial resources			
6.8-1	Does management define financial resources needs and sources just as they do other resources (such as people or infrastructure)?			
6.8-2	Does the control of financial resources include activities for comparing actual usage against plans, and taking the necessary action?			
6.8-3	Does management plan, make available, and control the financial resources necessary to achieve the organization's objectives?			
6.8-4	Has management explored the development of innovative financial methods to support and encourage improvement of the organization's performance? Innovative methods could be: Activity Based Costing (ABC), Cost Opportunity Risk ⁱⁱ (COR), Reason-Pain or Finding-Pain Matrix ⁱⁱⁱ , and so on.			
6.8-5	Do management reviews include the financial reports of the quality management system's (QMS) performance and product conformity? Comment: Improving quality and the QMS will also result in financial benefits such as reducing failures and recalls, eliminating waste, reduce cycle times, reduce warranty claims, improve customer loyalty, and so on.			

8	Measurement, analysis, and improvement			
8.1	General guidance			

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8.1.1	Introduction			
8.1.1-1	Has top management ensured effective and efficient measurement, collection, and validation of data ? Is the data used to maintain and improve (ensure) the organization's performance and the satisfaction of interested parties?			
8.1.1-2	Does this (data management process) include review of the validity and purpose of measurements and use of measures (data) to add value ? 9004 example measurements of performance (<i>comments in brackets</i>): product (<i>yield, rate, throughput, on-time, defect free, etc.</i>), process capability, achievement of objectives (<i>progress</i>), satisfaction of interested parties (<i>survey, goodwill, loyalty, returns, participation, etc.</i>).			
8.1.1-3	Does the organization continually monitor performance improvement activities (actions)? Are there records of implementation of improvement actions? <i>Comment: Examples may be management review, functional reports, score cards, MBO, audits, and so on.</i>			
8.1.1-4	Are the results of the analysis of data from improvement activities one of the inputs to management review? Is the information used to improve organizational performance ?			
8.1.2	Data management issues to be considered			
8.1.2-1	Is measurement data converted to information and is that knowledge (information) benefiting the organization? <i>Comment: Does the process of analyzing and converting data to knowledge, benefiting the organization?</i> <i>Definition of Information: 1) something received or obtained through informing as knowledge communicated by others or obtained from investigation, study, or instruction. 2) the process by which the form of an object of knowledge is impressed upon the apprehending mind so as to bring about the state of knowing. Accessed 5/20/03 Merriam-Webster Dictionary, http://unabridged.merriam-webster.com.</i> <i>Note: Data is one of the most reliable sources of information.</i>			
8.1.2-2	Are measurement, analysis, and improvement of products and processes used to establish priorities for the organization?			
8.1.2-3	Are measurement methods employed by the organization reviewed periodically ? Does the review include accuracy and completeness of data?			
8.1.2-4	Is benchmarking of individual processes used as a tool for improving the effectiveness and efficiency of processes?			

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8.1.2-5	Are measurements of customer satisfaction considered vital for evaluation of the organization's performance? <i>Comment: One indication that customer satisfaction measures are considered vital to the organization would be linking individual and functional performance ratings to customer satisfaction measurements.</i>			
8.1.2-6	Are the results of measurement processes used as the basis for performance improvement and the involvement of interested parties? Is its (<i>information</i>) purpose clearly defined? Are the appropriate tools implemented for the communication of information? Is the communication with interested parties measured for effectiveness and efficiency to determine whether the information is timely and clearly understood?			
8.1.2-7	Are statistical techniques used (where appropriate) for the benefit of the organization? <i>Comment: Benefits may be the understanding of process and measurement variation and the subsequent control of variation</i>			
8.1.2-8	Is self-assessment conducted periodically to: 1) gauge (assess) the maturity of the quality management system, 2) determine the level of the organization's performance, and 3) define opportunities for performance improvement?			
8.2	Measurement and monitoring			
8.2.1	Measurement and monitoring of system performance			
8.2.1.1	General			

End example

ⁱ Taken from ANSI/ISO/ASQ Q9004-2000, Appendix A

ⁱⁱ Russell and Regel, *After the Quality Audit*, ASQ Quality Press, 2000

ⁱⁱⁱ Russell, *Continual Improvement Assessment*,