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Managing for sustainable success — A quality management approach

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

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ISO 9004 was prepared by Technical Committee ISO/TC 176, *Quality management and quality assurance*, Subcommittee SC 2, *Quality systems*.

This third edition cancels and replaces the second edition (ISO 9004:2000) which has been technically revised. Managing for sustainable success is a major change in focus for this standard, leading to substantial changes to its structure and contents.

Annexes A and B of this International Standard are for information only.

Introduction

This International Standard provides guidance to organizations on how to achieve sustainable success in a demanding, ever-changing, and uncertain environment.

Sustainable success is a result of an organization's ability to achieve its objectives in the long term with balanced consideration of the needs and expectations of its interested parties.

Annexes A and B provide tools for assessing an organization's strategy and its operations. This International Standard provides guidance to address the gaps identified as a result of the self-assessment in order to achieve sustainable success.

This edition of ISO 9004 has been developed to maintain consistency with ISO 9001. Both standards complement each other, but can also be used independently.

ISO 9001 specifies requirements for a quality management system that can be used for internal application by organizations, or for certification, or for contractual purposes. It focuses on the effectiveness of the quality management system in meeting customer and applicable statutory and regulatory requirements.

ISO 9004 gives guidance on a wider range of objectives of a quality management system than does ISO 9001, particularly in managing for the sustainable success of an organization. ISO 9004 is recommended as a guide for organizations whose top management wishes to extend the benefits of ISO 9001 in pursuit of systematic and continual improvement of the organization's overall performance. However, it is not intended for certification or for contractual purposes.

ISO 9004 can be used in combination with one of the established performance excellence models, especially in the early stages of the journey an organization takes when aiming for the achievement of sustainable success.

Although this International Standard utilizes the same eight quality management principles that provide the foundations of ISO 9001 (see ISO 9000:2005, clause 0.2), it does not give guidance on the application of ISO 9001 and other management system standards.

Managing for sustainable success — A quality management approach

1 Scope

This International Standard provides guidelines and tools for utilizing quality management principles to achieve sustainable success. It is applicable to all organizations, regardless of their size, type and activity.

This International Standard is not intended for certification, regulatory or contractual use.

2 Normative references

The following referenced document is indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 9000:2005 Quality management systems — Fundamentals and vocabulary.

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 9000 and the following apply.

3.1 Sustainable success

<of an organization>

ability of an organization or activity to maintain or develop its performance in the long term.

Note 1 Sustainable success emphasizes the need for a balance between the economic/financial interests of an organization and those of its social and ecological environment.

Note 2 Sustainable success relates to interested parties of an organization (such as shareholders, employees, customers, users, interest groups and communities).

4 Managing for sustainable success

4.1 Interested parties focus

Sustainable success is a result of an organization's ability to achieve its objectives in the long term with balanced consideration of the needs and expectations of all its interested parties. The groups or entities most often identified as interested parties are customers, investors/shareholders (owners), employees, suppliers, partners, the environment and society.

The needs and expectations of the main interested parties are usually given as following

- for customers: the quality and cost of products (including support),
- for shareholders: sustainable growth, value and profit, as well as agility to respond to the changes in the organization's environment (the term "agility" incorporates degree of speed, flexibility and innovation),

- for employees: the quality of their working environment (which can be affected by issues such as job security, degree of autonomy, recognition, adequate compensation and benefits, belonging, participation in decisions, progress and development, physical and cultural working conditions, and dignity),
- for society: social responsibility and good governance, environmental protection, sustainable use of natural resources,
- for partners and suppliers: shared benefits and sustainable partnerships.

An organization should implement its management system based on the quality management principles (see ISO 9001:2005, clause 0.2) to fulfil its customers' needs and expectations.

Additionally, it could need to complement its management system, or implement separate systems, on other management aspects (e.g. ISO 14001 for environmental management, OHSAS 18001 for occupational health and safety management) to fulfil other interested parties' needs and expectations.

4.2 Approaches of managing for sustainable success

4.2.1 General

The sustainable success of an organization depends on its ability to monitor its external and internal environment for opportunities, changes, trends and risks, and its ability to respond appropriately.

The organization should develop and maintain an ability to learn, change and innovate in response to the results of such environmental monitoring.

To achieve sustainable success, the organization should:

- establish a mission and vision (in this document a mission means the description of why an organization exists and a vision is a description of the desired state – what an organization wants to be and how it wants to be seen by its interested parties)
- perform strategic planning to identify the actions necessary to fulfil its mission and achieve the vision
- adopt a process approach and establish cohesive, efficient and aligned processes to accomplish the identified actions
- adapt its structure to align it with the (re)formulated strategy,
- measure the performance of its processes, with respect to their results, efficiency and effectiveness

The identification of appropriate actions should be reliant on

- the results of periodic monitoring of the organization's environment,
- the evolving needs of its interested parties, and
- assessments of its internal performance indicators.

4.2.2 Focus on Strategy

An organization's strategic planning should involve

- reviews and revisions of its mission and vision
- assessments of the changing needs and expectations of all interested parties

- decisions concerning the activities and resources required to fulfil the needs and expectations of its interested parties
- considerations of benefits, costs and risks for all interested parties over the full life cycle of the organization's products from design, manufacture, and service to disposal or decommissioning at the end of their useful life.

Note See ISO 14040, ISO 14044, ISO 14047, ISO 14048 and ISO 14049 for guidance on life cycle management.

- the allocation of resources through budgetary approval, and
- the communication of directives and authorizations to process owners.

4.2.3 Process approach

To facilitate the effective operation and interaction of its processes, the organization should adopt a process approach. The organization should establish effective, efficient and interrelating processes that reflect its interdependencies, constraints and shared resources (e.g. for managing information and data).

The management of processes applies to both operational processes and strategic planning processes.

The management of processes facilitates

- the achievement of planned results,
- the improvement of the effectiveness and efficiency of the organisation,
- the transparency of operations within the organization,
- the lowering of costs and the shortening of cycle times, through the effective use of resources,
- the identification of opportunities for focused and prioritised improvement initiatives,
- the encouragement of the involvement of people and the clarification of their responsibilities,
- cooperation amongst the diverse functions of the organization.

4.2.4 Continual Improvement

Sustainable success relies on the implementation of activities by the organization that foster continual improvement. The sequence of steps needed for continual improvement follows a "Plan-Do-Check-Act" (or PDCA) cycle. The relationships between the steps of the PDCA cycle and managing for sustainable success are shown in Fig.1.

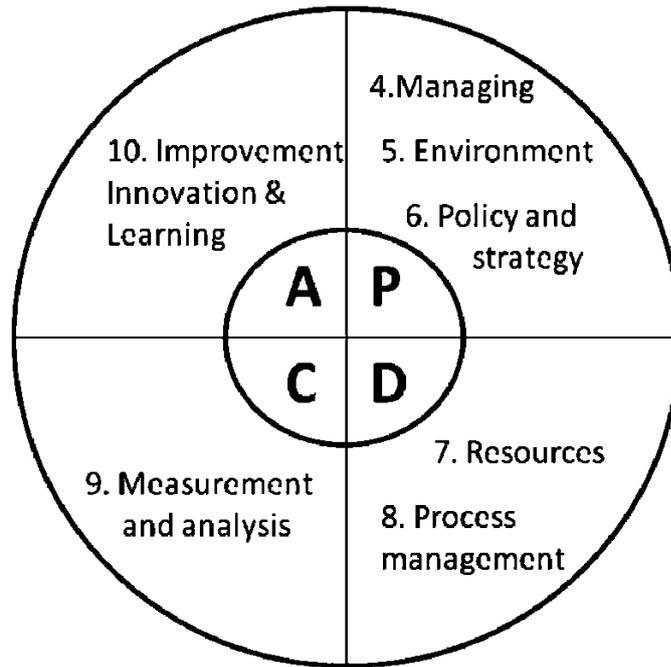


Figure 1. Sustainable success management based on the PDCA cycle

Note 1 The numbers given in Figure 1 represent the relevant clauses of this International Standard

4.3 Management Responsibility

Management is responsible for the sustainable success of the organization and the outcomes of its processes, through the establishment and deployment of the organization's strategy and policies, and the provision of required resources.

This will require management to plan, develop and implement a management system to ensure that the organization

- meets the needs and expectations of its customers,
- identifies and assesses the needs and expectations of other interested parties,
- prioritizes and determines what needs and expectations of the interested parties will be addressed,
- meets statutory and regulatory requirements,
- assesses its environment and results, to identify the need for improvement and innovation
- provides the structure, processes and resources needed to implement its strategy and policies
- creates and maintains a working environment that enables people to become fully involved in achieving the organization's objectives.

4.4 Assessing sustainable success

In order for an organization to determine its progress in the achievement of sustainable success, it should perform periodic self-assessments of its strategy and operations. The results of such self-assessments should be used to identify opportunities for enhancing sustainable success, growth and improvement.

The results of assessments are usually more balanced and complete when the assessments are conducted by cross-functional teams.

Note Annexes A and B provide tools for assessing an organization's strategy and operations.

5 The organization's environment

5.1 Changing environment

Organizations, whether they are large or small, for profit or not-for-profit, operate in an external environment that is continually undergoing change.

An organization needs to monitor and analyse the external environment in which it operates constantly, to obtain data and information on which it can make decisions for organizational change and innovation, to maintain and improve its performance.

5.2 Monitoring

Through monitoring its environment, an organization is able to collect data and information which can assist it to

- identify and understand the present and future needs and expectations of all defined interested parties,
- assess the strengths, weaknesses, opportunities and threats of current and emerging markets,
- assess the strengths, weaknesses, opportunities and threats of alternative, competitive or new product offerings,
- understand current customer trends, needs and expectations,
- discern relevant information concerning statutory and regulatory requirements and changes,
- understand the labour market and its effect on the loyalty of employees,
- understand the social, economic, ecological trends and local cultural aspects relevant to the organization's activities,
- identify the long and mid term development of resources, including natural resources,
- identify new and improving technologies,
- assess current organisational and process capabilities,
- recognize learning from the development and implementation of good practices.

5.3 Analyzing

An organization should evaluate the risks related to its external and internal environment and propose scenarios for eliminating, reducing, controlling or influencing them. This will require the organization to collect relevant data and information and analyse their potential impacts on its policy and strategies.

The data and information that are gathered should enable analysis of issues such as

- how the needs and expectations of customers and defined interested parties might develop over time,
- which existing products provide most value for its customers currently,

- which products will the organization need to realize in the future to meet the changing needs and expectations of its interested parties,
- what distinctive features can the organisation offer to its chosen markets,
- how will the market for the organizations' existing products evolve in the mid and long term,
- what new markets or opportunities could emerge,
- how will the competitive environment develop during the mid and long term,
- what changes can be expected in the statutory and regulatory environment that will affect the organization.

6 Policy and strategy formulation, planning and deployment

6.1 Policy and Strategy formulation

To achieve sustainable success, an organization should develop policies and strategies that not only satisfy its current aims (e.g. to fulfil its mission and vision) but also define the capabilities that could be needed to respond to any emerging opportunity or risk.

The activities needed for the formulation of such policies and strategies should include the definition, periodic review and, when appropriate, revision of the organization's current purpose, aims, strategies and policies; this can be accomplished through

- the analysis of internal and external environments (see 5.3),
- the identification of capabilities and resources that exist currently and planning for what could be needed in the future,
- the development and updating of policies and strategies to ensure consistency with the organization's purpose and key aims,
- the description of value propositions for target markets and customers, and
- the determination of the products to be provided.

The development and updating activities should define timeframes for the accomplishment of the strategic aims and should ensure that the plans and resources are appropriate to fulfil the objectives within the defined timeframe.

6.2 Policy and strategy planning and deployment

6.2.1 Planning

An organization should translate its formulated policy and strategies into objectives for the different levels of the organization, plan the activities needed to achieve these objectives and evaluate the strategic risks.

Planning includes:

- the setting, aligning and cascading of objectives (translation of the objectives to the lower levels of the organization),
- assessing and understanding the organization's current position and the possible root-causes of problems from the past (in order to avoid repeating the problems),

- keeping the internal and external interested parties engaged and informed, getting their commitment, keeping them aware of progress against the plans and getting their feedback and improvement ideas,
- anticipating the impact of potential conflicts resulting from the attempted balancing of the needs, expectations and priorities of different interested parties,
- reviewing, and updating as necessary, the management systems and associated process structure,
- establishing effective tracking and reporting mechanisms,
- providing the resources for corrective actions if performance indicators fall below standards or targets,
- providing the resources for preventive actions to address risks and potential problems.

6.2.2 Scenarios and strategic risks

To evaluate risks or opportunities, the organization should identify, analyze and prepare scenarios to respond to alternate foreseeable futures. Factors that the organization should consider include

- future technologies,
- the socio-economic environment (in particular the market place, competitor activity etc.),
- the political environment,
- the availability of resources,
- possible disruptions in the balance between the needs and expectations of interested parties.

6.2.3 Deployment into processes and structures of an organization

To support the effective deployment of its policy, strategies and objectives the organization should construct a process map to show how its activities relate to each other.

Each process should be assigned a “process owner” who should be made responsible for the operation of that process and accountable for the results of the process.

A process map should be a key input into an organization's management review activities, to enable its management to identify the key processes, to review the organization's structure and processes in a systematic manner, and to make changes as necessary. A process map can also be used to communicate the policy, strategies, objectives and agreed responsibilities throughout the levels of the organization.

Interested parties should be able to identify their interests within the process map.

7 Resources

7.1 Management of resources

An organization should identify the internal and external resources that are needed for its development and for the achievement of sustainable success.

The organization's policies and methods for resource allocation should be consistent with its strategy.

The organization should establish, implement and continually improve appropriate plans for the development, allocation, provision, monitoring, maintenance and protection of resources. The extent of protection the

organization should apply to the resources should balance the risks of their potential scarcity. The organization should periodically review the suitability of the identified resources and take corrective action, if required.

The organization should also periodically review its plans, to determine their effectiveness and to modify them, if necessary; such reviews should take into consideration the balance between short and long term resource objectives.

7.2 Financial resources

An organization should identify its financial needs and acquire the necessary financial resources for its current operations and for future investments.

Financial resources can be in the form of cash, securities, or other loan facilities, and can be provided by different investors such as shareholders or financial institutions.

The organization's management should develop and implement processes for monitoring and controlling the use of financial resources, and the return on investment, as well as for realizing their effective and efficient allocation.

7.3 Human resources

7.3.1 General

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.

Human resource management should be performed through a planned, transparent, ethical and socially responsible approach.

7.3.2 Management of Human Resources

The organization's management should ensure that its people understand the importance of their contribution and roles in achieving the sustainable success of the organisation, by empowering the people to

- translate the organization's strategic and process objectives into their own personal objectives, and to establish plans for their realisation,
- identify constraints to their performance,
- accept ownership and responsibility to solve problems,
- evaluate their performance against their own personal objectives,
- actively seek opportunities to enhance their competencies and experience,
- actively seek opportunities to enhance the success of the organization, and
- freely share information, competence and experience within the organization.

7.3.3 Competence of people

In order to ensure that its people have the necessary competence, the organization should establish processes to identify, develop and improve the competence of its people through the following steps:

- a) identifying the competencies the organisation will need in the mid and long term,

- b) identifying the competencies currently available in the organisation and the gaps between what is available and that which is needed currently, and will be needed in the future,
- c) implementing actions to close the gaps,
- d) reviewing and evaluating the effectiveness of the actions taken, and
- e) maintaining the competencies that have been acquired.

The above actions should form a part of the organization's human resources development plan.

7.3.4 Involvement and motivation of people in the organization

An organization should motivate its people to understand the significance and importance of their responsibilities and activities in relation to the creation and provision of value for the organization and its interested parties.

To enhance its people's involvement and motivation, the organization should consider aspects such as

- developing a mechanism to share and use the competence of its people, e.g. a suggestion scheme,
- introducing an appropriate recognition system and evaluate the people's accomplishments,
- defining reward and promotion schemes,
- establishing a skills qualification system to promote self-development,
- continually reviewing the level of satisfaction and needs of its people, and
- providing opportunities for mentoring.

7.4 Partners

7.4.1 Partners and partnerships

An organisation should consider partnerships as a particular form of resource, where the partners invest in and share the profits or losses of the organization's area of activity. The partners can be expected to contribute any type of resource, and this should be defined in the partnership agreement.

Partners can be suppliers, financial institutes or any other interested party of the organization.

An organization and its partners are interdependent; a mutually beneficial relationship enhances the ability of both to create value and optimise costs.

The organization should establish processes to select and evaluate its partners, to ensure that the products or other resources provided by partners meet the needs and expectations of the organization.

7.4.2 Selection of partners

In selecting partners, an organization should consider

- their potential contribution to the organization's activities and ability to create customer value,
- the potential enhancement of its own capabilities that can be achieved through the collaboration with partners, and
- the potential risks derived from relationships with partners.

7.4.3 Issues to be considered concerning partners

An organization should regard its partners as equal collaborators in providing products to its customers and should give consideration to issues such as

- the provision of (strategic) information to partners,
- supporting partners, in terms of providing them with resources,
- the sharing of profits with partners, and
- improving the performance of partners.

7.4.4 Evaluation of relationships with partners

An organization should evaluate its relationships with its partners and enhance its capability by giving consideration to aspects such as the

- increased customer value of products provided through collaboration with partners
- capabilities of individual partners
- maturity of the partners' quality management systems

7.4.5 Improvement of the partners' capability

Together with its partners, an organization should seek to continually improve the quality, price and delivery of products provided by the partners and their quality management systems, based on the results of evaluations of their performance.

7.4.6 Review of relationships

An organisation should review its relationships with its partners continually, while considering the balance between its short and long-term objectives.

7.5 Infrastructure

An organization should consider the dependability, safety, security, cost, and environmental impact of its infrastructure in relation to its objectives. The organization should review its infrastructure and its related management processes at defined intervals, in order to ensure that the infrastructure meets its current and expected future needs.

The organization should identify the risks associated with its infrastructure, consider their consequences, and protects the needs and expectations of its interested parties.

The organization should establish a contingency plan that details the actions to be taken to control its identified risks and their consequences.

The organization should plan, provide and manage its infrastructure effectively and efficiently.

7.6 Work environment

An organization should ensure that its work environment complies with all applicable regulatory and statutory requirements (including those for occupational health and safety). At the same time the organization should look for ways to maintain its sustainability and competitiveness by encouraging productivity, creativity and well-being in the workplace for the people in the organisation and all other personnel who are working at or visiting the organization's premises (e.g. customers, suppliers, partners etc.).

7.7 Knowledge, information and technology

An organization should treat knowledge, information and technology as essential resources. It should develop, implement and maintain processes to identify, obtain, maintain, protect, use and evaluate the need of these resources. The organization should share such knowledge, information and technology with its interested parties, as appropriate.

The organization's information and communication systems need to be robust and accessible, to ensure its capability. The organization should manage the safety, data integrity and archiving of its information, to ensure that it is secure.

7.8 Natural resources

The efficient use of natural resources (such as, water, oil, minerals, raw materials etc.) is indispensable for the sustainability of an organization and for conservation of the environment. The organization should consider the risks and opportunities related to the availability of such resources, not only in the short, but also in the mid and long term. Additionally, the organization should analyze whether there could be any side effects from their exploitation, use and disposal.

The organization should develop a plan for the application of responsible practices and actions to ensuring the continuous provision of energy, while protecting the natural environment and saving its resources.

Minimization of environmental burden over the full life cycle of the products and organization's infrastructure should be a key consideration for the organization in its design, manufacture of a product or execution of service, distribution, product use and disposal; integration of environmental aspects into product design and development should be given appropriate consideration.

8 Process management

8.1 Types of processes

Processes are specific to an organization, and vary depending on its type, size and degree of development. Processes can be identified in terms of the following main types:

a) Management processes

These include the processes relating to strategic planning, establishing policies, setting objectives, providing communication, ensuring availability of resources needed, considering costs, analysing the benefits and risks over the full life cycle of products, and management reviews.

b) Realization processes

These include all the processes that provide the intended output of the organization. (e.g. marketing, design, manufacturing, service delivery, after-sales servicing). These processes can also be defined as those creating value for the customers and external interested parties of the organization.

c) Support processes

These include all those processes needed to contribute directly or indirectly to the realization processes (e.g. financial, training, maintenance, sales, etc.).

d) Processes for measurement and evaluation

These processes act as a basis for corrective and improvement actions; they include audit and review of the management system, and the evaluation of process outputs (results) compared to objectives.

8.2 Managing the organization's processes

To achieve sustainable success, an organization should determine and manage all the processes, including outsourced processes, that are necessary for achieving its objectives, and should clearly define how these processes interrelate and interact.

Note For further information on the identification, planning, implementation and measurement of processes, see the paper giving "Guidance on the Concept and use of the Process Approach for management systems" available from www.iso.org/tc176/sc2.

8.3 Process responsibility and authority

An organization's management should appoint a person with defined responsibilities and authorities to implement, maintain and improve each process and its interaction with other processes; this individual is often referred to as the "process owner".

The management should ensure that the authorities, roles, missions, rights and duties of process owners are recognized throughout the organization, and that the process owners have the competences needed for the tasks and activities involved.

9 Measurement and analysis

9.1 Purpose

An organization's management should ensure that progress in achieving the planned results against the policies and objectives is a reality at all levels and in all functions in the organization. A measurement and analysis process should be used to monitor this progress, as it can provide the organization with the necessary data and information for effective decision making. The selection of appropriate key performance indicators and monitoring methodology are critical for the success of the measurement and analysis process.

9.2 Key performance indicators

Performance indicators allow an organization to identify and monitor trends. The performance factors that are within the control of the organization and critical to its success should be expressed as indicators that provide information on current and future performance. The indicators should be related to the organization's policies and strategies.

Performance indicators should be unique to the nature and size of an organization and to its products, processes and activities. They need to be consistent with the objectives of the organization, which should, in turn, be consistent with its strategy (see clause 6).

It is important for each organization to identify and select the performance indicators that provide specific information relating to its performance, risks, and opportunities.

In selecting performance indicators, the organization should ensure that they provide information that can be acted upon relating to

- meeting the needs and expectations of customers and other interested parties,
- a product's importance to the organization, now and in the future,
- the effectiveness and efficiency of processes,
- the effective use of resources,
- profitability and financial performance,

— losses.

9.3 Gathering data and information

9.3.1 General

An organization should use effective tools to gather information and data for use in performance evaluations. Information concerning the data to be gathered should be communicated to the process owners, as they should have responsibility for the gathering and monitoring activities.

9.3.2 Data in relation to key performance indicators

The methods used for collecting information and data regarding performance indicators should be practicable and appropriate to the organisation. Typical examples include

- interviews, questionnaires and surveys,
- check sheets that record the frequency of events,
- the monitoring and recording of process variables,
- the recording of sales figures,
- supplier reviews,
- field visits,
- reports and statistics provided by external agencies,
- benchmarking.

9.3.3 Internal audit

Internal auditing is an essential process for gathering information about the effectiveness of an organization's management systems in supporting the goal of sustainable success. Internal auditors should assess the documentation, implementation and effectiveness of the organization's quality management system. In some organizations comparable management systems, addressing specific requirements or market sectors, could also be audited (e.g. ISO 14001 for environmental management; ISO/TS 16949 for the automotive industry).

To be effective, internal audits should be planned and implemented consistently, by trained personnel, in accordance with the organization's audit schedule.

Internal auditing can be an effective process for identifying problems, risks and non-conformances that are subsequently addressed through root cause analysis and the development and implementation of corrective action plans. Verification that the actions taken have been effective can be determined through an assessment of their influence on the organization's improved ability to fulfil its objectives.

Note See ISO 19011 for further guidance on auditing.

9.3.4 Self-assessment

Self-assessments are a proven means of determining the degree of maturity of an organization (see Annex A). They can be used to examine an organization's capability to achieve its expected outputs, both at an overall level and at the level of its individual processes.

The results of self-assessments are an essential input into the management review process, as they support

- the continual improvement of the organization's overall performance,
- its progress towards sustainable success,
- innovation in its processes, products and system, when appropriate.

The results of self-assessments should be communicated to relevant people in the organization, and should be used to share understanding about the organization's environment and its future direction.

9.4 Review of data and monitoring the achievement of objectives

An organization should use a systematic approach to reviewing available information to ensure that the information is used to full effect. Sources of information can include data collected during monitoring, internal audit and self-assessment activities, as well as feedback from interested parties.

The reviews should evaluate the results achieved against the applicable objectives.

When reviews are carried out at planned and periodic intervals, trends can be identified; consequently, this should show the organization's progress towards achieving its objectives and also indicate opportunities for improvement.

Effective reviews of data can ensure that processes achieve the results required.

The outputs of the reviews can be used to benchmark internally between processes, or to show trends over time, and can be used externally against the results achieved by other organizations in the same or other sectors.

The outputs of the reviews can give an indication of whether adequate resources have been provided, and how effectively resources have been used in achieving the organization's objectives.

The outputs of the reviews should be presented in a format that can facilitate the identification and implementation of actual process improvement activities.

The results of improvement actions can be correlated with the effectiveness of data analysis.

9.5 Decisions

Decision-making is a process reliant on the output of the data reviews and other information gathering methods.

Decision-making processes should be managed at an appropriate level, and by persons who have the authority to ensure that effective action is taken in a timely manner (it is essential that decisions are taken in a timely manner in order for subsequent actions to be effective).

The output of the decision-making processes should be communicated in a manner that ensures understanding of the action to be taken.

The effectiveness of actions taken can be directly related to the quality of the decisions made, and is reflected in the actual improvements achieved by the organization. The level of improvements achieved can be used as an indicator of the effectiveness of the decision-making process (see clause 10).

10 Improvement, innovation and learning

10.1 Aiming for sustainable success requires improvement and innovation

Organizations that aim for sustainable success by balancing and increasing the satisfaction of their customers and other interested parties need to continuously develop their capabilities to improve and innovate. They should consider applying improvement and innovation to their

- products,
- processes,
- organizational structures (including the interfaces between their processes),
- ways of operating in their own environment (sometimes called “business model”), and
- quality management system.

The foundation for effective and efficient improvement and innovation processes is learning.

The key elements for effective improvement, innovation and learning processes are the methods used, suitable sources of information, adequate conditions, speed, timeliness, flexibility and the support of management for the people involved in these processes (there needs to be wide participation of the people both internal and external to the organization, including partners and other sources of knowledge).

10.2 Improvement

An organization should define its objectives for the improvement of products, processes, structures and quality management system based on the issues identified through

- the monitoring, measurement and analysis of feedback from its customers and other interested parties,
- the monitoring, measurement and analysis of the relevant realization and supporting processes,
- internal audits, and self-assessments,
- suggestions from people in the organization and partners,
- management reviews at operational and strategic levels,

Improvement activities can range from small-step ongoing continual improvement to strategic breakthrough improvement projects.

The organization's management should ensure that continual improvement becomes established as part of the organization's culture through

- providing the opportunity for the organizations people to participate in improvement activities,
- providing the necessary resources,
- recognition and rewards.
- continually seeking to improve the effectiveness and efficiency of the improvement process.

Breakthrough improvement projects usually involve significant redesign of existing processes and can include

- the definition of objectives,

- analysis of the existing processes (the “as-is” processes), the identification of opportunities for change and analysis of the possible benefits (both financial and non-financial) of such changes,
- project planning,
- risk-analysis related to all involved interested parties,
- identification of the resources needed,
- implementation of the improvements,
- verification and validation of the process improvements, and
- evaluation of the project, including lessons learned.

Breakthrough projects should be conducted using a combination of project management methods and approaches for the management of change that are suitable for the culture of the organization.

The Plan-Do-Check-Act (PDCA) methodology is a useful tool to define, implement and control corrective actions, and improvements. The methodology applies equally to strategic processes and operational activities (see figure 1).

10.3 Innovation

Major changes in an organization's environment could require innovation for the achievement of sustainable success. The management of the organization should identify such changes and initiate the innovations by use of a strategic planning process.

Innovation can apply to issues at both strategic and operational levels, through

- innovations in technology or product (i.e. innovations that not only to respond to the changing needs and expectations of customers or other interested parties, but that also anticipate possible changes in the organization's environment and product lifecycles),
- innovation in processes (i.e. innovation in the methods for product realization, innovation to improve process stability and reduce variance),
- innovation in the organization (i.e. innovation in the organization's constitution in response to changes in the organization's environment), and
- innovation in the operating model (i.e. innovation to ensure that competitive advantage is maintained and new opportunities are realized, when there are emerging changes in the organization's environment).

In planning innovations, the organization should check its ability to afford the proposed innovation activity, and identify and prioritize the resources (including information) to be used. The resources that the organization should consider include

- creative ideas from people in the organization, customers and other interested parties,
- the results from reviews of its strategy,
- the results of activities to improve its quality management system,
- the organization's performance (such as market share, sales, profits, and rating),
- the results of different assessments,
- the impact of the possible negative side effects if these innovations,
- its internal skills and knowledge as well as the skills and knowledge available from suppliers, partners, customers and other interested parties,

- the availability of scientific or technical information,
- its products that are approaching the end of their lives, and the need for replacement product offerings and solutions,
- the availability of (new) methods for innovation, while giving consideration to their expected benefits and risks.

The design, implementation and management of processes for innovation within an organization can be influenced by

- the urgency of the need for a specific innovation,
- innovation objectives and their impact on products, processes and the organization's structure
- an understanding of the reality of the organization's current situation and current capabilities, in relation to its innovation objectives,
- management's commitment to innovation,
- a willingness to challenge and change the status quo,
- the availability or emergence of new technologies
- the identification of barriers to innovation, and
- the successful exchange of knowledge and expertise internally, and with partners/suppliers outside the organization.

Innovation that is based on the organization's learning ability is essential for its sustainable success. Sustainable success is made possible only when the organization detects changes in its environment in a timely manner, understands its competences, innovates its capabilities and organizational constitution as necessary, and responds at a speed that reflects the urgency of its changing environment.

10.4 Learning

Through learning an organization can enhance, capture and formulate the knowledge, skills and experience of its personnel, and integrate them into organizational wisdom which can be shared and used by the organization to foster its improvement and innovation processes.

Development of the organization's learning ability depends on two aspects

- its ability to collect information, analyze, and gain insights from various internal and external events and sources,
- its ability to integrate personal competence and organizational competence – i.e. the ability to integrate the knowledge and thinking or behavioural patterns of its people into the value system of the organization.

The organization needs to find and take advantage of both internal and external sources that can be used as the basis of learning, taking into account:

- a) internal issues;
 - changes in its technological capabilities that are necessary to meet the identified needs of its interested parties,
 - the capability to collect and analyze various types of information,
 - networking with suppliers, partners, customers and other interested parties
 - best practice within the organization

- problems, errors and "near mistakes"
- behavioural or thinking patterns in the organization;
- b) external issues;
 - the needs of customers and other interested parties, and changes in those needs,
 - changes and trends in the organization's competitive environment and factors affecting its competitive advantage,
 - changes and trends in emerging or substituting technologies,
 - benchmarking against successful organizations,
 - political and demographic changes and trends,
 - networks with universities and other academic or educational institutions.

The organization's management should establish the culture of a learning organization by promoting learning based on the autonomy of its people and a willingness to share the knowledge learned.

To learn effectively and to make learning a part of the organization's culture, its management should

- support initiatives in learning, and demonstrate its leadership by its own behaviour,
- stimulate networking, connectivity, interactivity and sharing of knowledge both inside and outside the organization,
- respect people's competence and supporting improvement of it,
- appreciate creativity, accepting heterogeneity and the use of errors or mistakes as opportunities for improvement,
- recognize and reward positive outcomes,
- make available open access systems for learning,
- demonstrate a readiness to accept lessons from internal and external sources,
- be open to criticism.

The transfer of knowledge requires that it be accessible to everyone, when and where they need it.

Mobilizing knowledge involves integrating and using relevant knowledge from many, often diverse, sources to solve a problem or address an issue. Using knowledge can be through the simple reuse of existing solutions that have worked previously; it can also come through adapting old solutions to new problems. Conversely, a learning organization learns from mistakes or recognizes when old solutions no longer apply. Use can also be through synthesis, i.e. the creation of a broader meaning or a deeper level of understanding. The more rapidly knowledge can be mobilized and used, the more competitive an organization can be at enhancing its sustainability.

Annex A (Informative) **Managing for sustainable success – The self-assessment tool**

A.1 Introduction

An organization should perform self-assessments to determine its position on the journey towards sustainable success.

This annex provides a self-assessment tool to enable an organization to identify opportunities for improvement and to establish action plans to achieve them. The self-assessment tool is based on the guidance given in the main body of this International Standard.

The results of an organization's self-assessments should be a valuable input into its management reviews, for both strategic and operational issues; consequently such assessments should be conducted periodically.

A.2 Description of the steps towards sustainable success (maturity levels)

Prior to using this self-assessment tool, users should familiarize themselves with the steps toward sustainable success (maturity levels) given in table A.1. These describe the degree of development of the capabilities of an organization on a cumulative rising scale from 1 to 5.

A.3 Strategic self-assessment

A strategic self-assessment is an activity that should be performed by (top) management, to obtain a quick overview of the organization's position towards sustainable success.

Annex B, table B.1, gives descriptions of possible strategic situations inside an organization against corresponding maturity levels. The table is based on the four elements of the "Plan-Do-Check-Act" (PDCA) methodology.

A strategic self-assessment using table B.1 should take approximately one to two hours to complete.

A.4 Operational self-assessment

An operational self-assessment is an activity that should be performed by process owners, to assess the essential capabilities of an organization.

Annex B, table B.2, gives descriptions of possible operational situations inside an organization against corresponding maturity levels. The table is based on the main clauses (4 through to 10) of this International Standard.

An operational self-assessment using table B.2 should take approximately 1 day to complete (including the time needed for correlating the results).

A.5 Using the self-assessment tool

The current situation in the organization should be compared to the descriptions of the possible situations given along the five steps towards sustainable success (maturity levels) shown in annex B, starting with level 1 and "climbing" to higher levels as far as the capabilities described are clearly demonstrated. The current position is the highest level fully achieved without there being any "gaps" in the specified capabilities.

A review of the gaps between the current level and the next level will help the organization in planning and prioritizing the improvement actions needed to move towards sustainability.

Table A.1 – Description of the steps towards sustainable success (maturity levels)

Maturity levels: Maturity elements:	Level 1	Level 2 (level 1 +....)	Level 3 (level 2 +....)	Level 4 (level 3 +....)	Level 5 (level 4 +....)
Focus on	Products	Customers, statutory and regulatory requirements	Some additional interested parties	Balanced focus on current interested parties	Balanced focus on emerging interested parties
Approach	Reactive	Process management based	Process management enabling flexibility	Effective interrelated processes approach based on innovation	Effective interrelated process approach including connections with relevant interested parties
Triggers used for improvement	Complaints & financials	Customer satisfaction data	Inputs from suppliers, partners and own people	Inputs from some other interested parties	Inputs from all remaining interested parties
Activities and systems	Basic working procedures in place	Quality mgt system implemented	Effective and integrated mgt. system	Agility (speed, flexibility and innovation) supported by mgt. system	Mgt. system supported by benchmarks
Results	Anecdotal (random) evidence of results	Some predictable results	Predictable results	Consistent, positive, results and sustained trends	Performance developed and maintain in the long term
Learning	Individual and anecdotal	Systematic learning from failures	Shared learning inside organization	Continual improvement based on learning and culture of sharing	Learning shared with relevant interested parties
PDCA working	Random use of the PDCA quadrants	Initial use of PDCA cycle in some processes	PDCA cycle applied and fully closed in key processes	Self-propelling PDCA applied organization wide, supported by innovation	PDCA propelled by all interested parties
	↓ Beginner organization	↓ Proactive organization	↓ Flexible organization	↓ Innovative organization	↓ Sustainable organization

A.6 Assessment outcomes and improvement planning

The completion of a self-assessment should be recognized as an important step in identifying opportunities for the future development of the organization.

The information gained from such a self-assessment should be used to stimulate comparisons throughout the organization, between its processes and between its different business units, to identify opportunities for improvement. It should also be used as an input into the planning of future assessments.

For ease of understanding and communication, the results of self-assessments should be presented in a way that gives a quick visualization of the organization’s maturity status against the guidance in clauses 4 to 10, and against the “continual improvement” aspect of the "Plan-Do-Check-Act" (PDCA) cycle. This will assist in the identification and prioritization of opportunities for improvement. The consistent use of this type of presentation can be used to give an ongoing illustration of the organization’s progress.

An analysis of the results, against the guidance in clauses 4 to 10, should be taken forward into the development of an improvement plan for the organization.

Annex B (Informative)

Managing for sustainable success – Self-assessment sheets

This annex contains self-assessment sheets which describe key characteristics related to the steps towards sustainable success (maturity levels) as seen from two views:

- a) Table B1 gives maturity level assessment sheets from a strategic view;
- b) Table B2 gives maturity level assessment sheets from an operational view.

Note 1 ISO 10014:2005 *Quality management systems — Guidelines for realizing financial and economic benefits* provides additional guidance that may be useful to organizations that wish to customize the self-assessment tool.

Note 2 Due to their size, it has been necessary to split the tables, and to present separate groups of columns on adjacent pages.

Table B.1 – The journey towards sustainable success
 – The strategic view assessment
 – Sheet 1

Level Focus area	1 Beginner	2 Proactive
	<p>The organization's focus is on its economic results, product performance, and compliance with some legal requirements. The organization's environment is not considered, except occasionally in a reactive approach. Information from the market is not systematically collected and the organization has no capability to anticipate on changes.</p> <p>The organization has not defined a formal strategy and only performance and economic objectives are stated. Departmental objectives are not aligned with the strategy.</p> <p>Communications only apply to financial, regulatory and legislative requirements, in a reactive way.</p> <p>Processes, resources and structure are not defined or planned in a systematic way. Tasks, responsibilities and authorities are unclear.</p>	<p>The organization has defined its Mission, Vision, Strategy and Objectives.</p> <p>Strategic intentions are limited to: financial results, regulatory and legislative requirements and customer satisfaction</p> <p>Objectives are aligned with the organization's strategies.</p> <p>Management communicates policies related to the quality management system to the entire organization.</p> <p>There is some monitoring and analysis of the organization's environment.</p> <p>The organization promotes communication with its main interested parties such as customers, suppliers, shareholders and personnel.</p> <p>Processes, resources and structure are defined, implemented and periodically reviewed according to the chosen strategies.</p>

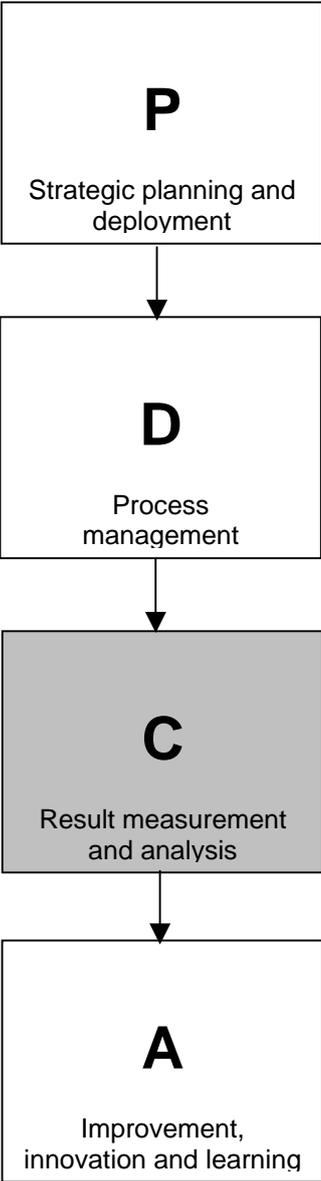
3 Flexible	4 Innovative	5 Sustainable
<p>The organization has formally defined its Mission, Vision, Strategy and Objectives. Periodical reviews take place to ensure the flexibility of the organization in accordance with its environment, needs, and its strategy.</p> <p>The strategy takes into consideration the main interested parties.</p> <p>The objectives are aligned with the strategies and deployed. The organization has implemented a continuous improvement approach.</p> <p>The organization environment is monitored and analyzed, to improve the organization and to identify opportunities and risks.</p> <p>The organization has identified opportunities for communication and getting feed back as an input for improvement.</p> <p>Processes and structure are defined and seen as a system. .</p> <p>The organization plans and provides the necessary resources to achieve the objectives, accordingly to its strategies.</p>	<p>The organization's environment is monitored and analyzed, to improve the organization and to identify opportunities and risks.</p> <p>Customer needs, legislative and regulatory requirements, its own experience and information related to internal and external environment opportunities and risks are collected and considered as inputs for innovation</p> <p>The strategy takes into account all interested parties, and is reviewed to improve continuously its efficiency and effectiveness.</p> <p>Periodical reviews of Mission, Vision, Strategy and Objectives take place to determine the capabilities needed for improvement and innovation.</p> <p>Gap identification and risk management are taken into consideration.</p> <p>The organization plans and provides the necessary resources to achieve the objectives.</p> <p>Communication processes are effective and efficient, and include contacts with other organizations to facilitate effective learning, Communications support the building of relationships and networks for innovation.</p>	<p>Customer needs, legislative and regulatory requirements, its own experience and information related to internal and external opportunities and risks are collected and considered as inputs for sustainability.</p> <p>Periodical reviews of Mission, Vision, Strategy and Objectives take place to determine the capability needed for sustainability through external and internal environmental analysis and experience.</p> <p>The strategic orientation covers all gaps between the capabilities needed and the ones currently available, as well as the opportunities and risks being identified, based on an understanding of the organization's gaps.</p> <p>The strategy is the main tool to manage the organization and its results towards sustainability.</p> <p>The strategy includes specific policies and objectives related to specific interested parties triggering excellent results for the organization.</p> <p>The organization's main indicators are continuously benchmarked to maintain a competitive advantage.</p> <p>The organization plans and provides the necessary resources to achieve the objectives and sustainability.</p>

Table B.1 – The journey towards sustainable success
 – The strategic view assessment
 – Sheet 2

Level Focus area	1 Beginner	2 Proactive
<p style="text-align: center;">P Strategic planning and deployment</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">D Process management</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">C Result measurement and analysis</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">A Improvement, innovation and learning</p>	<p>Resources are identified for operational processes only.</p> <p>The organization determines its needs and necessary resources without monitoring and controlling.</p> <p>No identification or plans regarding natural resources and the impact on natural environment.</p> <p>The processes are not identified and there are no objectives for these processes.</p>	<p>The organization has identified resources for operational processes and for the customer related processes.</p> <p>There are processes to identify natural resources (e.g. energy, water, oil, minerals)</p> <p>The management has defined objectives for improving the effectiveness of the processes.</p> <p>Processes are aligned with strategy and policies.</p>

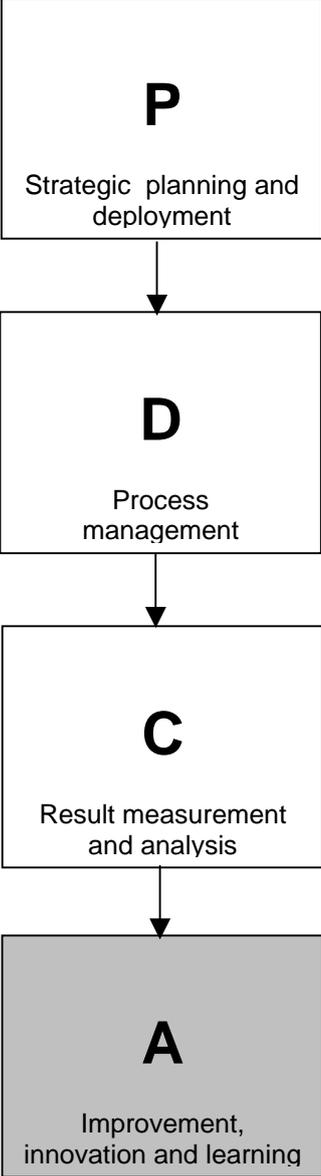
3 Flexible	4 Innovative	5 Sustainable
<p>The organization has implemented managerial, operational and supporting processes and has identified the necessary resources.</p> <p>Process for improvement of the management system is in place, related to the expectations of the main interested parties.</p> <p>Plans are made for use, control, protection and development of the resources including the natural resources.</p> <p>Objectives for improving the effectiveness of the processes are stated. Objectives are aligned with some of the strategies and policies.</p>	<p>The processes are aligned with mission, vision, strategies of the organization.</p> <p>The organization has implemented and improved effective and efficient strategic, operational and support processes, including relations with all relevant interested parties.</p> <p>The processes work in integrated way; the process owners have defined objectives deployed from the strategic plan, which includes innovation and improvement.</p> <p>The organization has developed an effective and efficient plan for controlling, protecting and developing its resources.</p> <p>The organization has developed and implemented a process to use the natural resources efficiently, considering the availability of these resources.</p> <p>This process takes into account the environment issues during the entire life cycle of the products.</p> <p>Processes and structures, seen as the parts of a system, are defined, implemented and periodically reviewed according to organization strategies.</p>	<p>The organization has identified strategic resources to develop and achieve sustainability through its strategy and planning.</p> <p>The organization has developed an effective and efficient plan for controlling, protecting and developing its internal and external resources.</p> <p>The efficient use of natural resources, the minimization of the environment impacts and the conservation of the natural environment contributes to sustainability of the organization.</p> <p>Processes and structures, seen as a part of a system, are defined, implemented, maintained and periodically reviewed according to strategies, with aim to achieve and ensure sustainability.</p>

Table B.1 – The journey towards sustainable success
 – The strategic view assessment
 – Sheet 3

Level Focus area	1 Beginner	2 Proactive
 <p>P Strategic planning and deployment</p> <p>D Process management</p> <p>C Result measurement and analysis</p> <p>A Improvement, innovation and learning</p>	<p>Only financial indicators are used, in combination with some basic non-financial indicators (like on-time delivery, number of customers complaints, basic customer satisfaction surveys.).</p>	<p>Periodical Quality Management System review meeting includes qualitative goals, quantitative targets, main processes performance, product quality indicators and customer satisfaction measurements.</p> <p>There is no clear link between objectives and performance indicators.</p> <p>Accuracy of data that made up indicators is not known and data analysis is very basic.</p> <p>Capability studies of main realization processes are conducted, mostly based on customer requirements, conclusions are of limited use.</p>

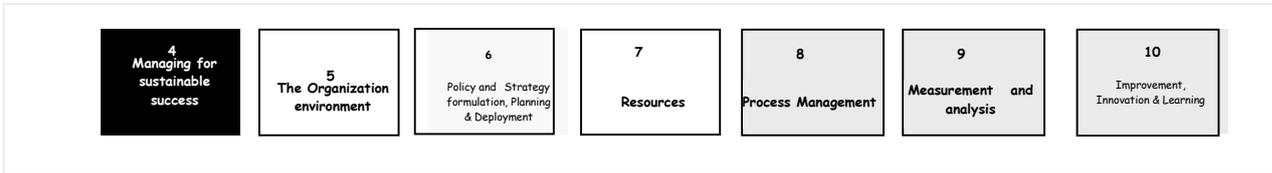
3 Flexible	4 Innovative	5 Sustainable
<p>Management decisions are data driven. The organization relates the important goals to performance indicators. New plans are followed by metrics and indicators.</p> <p>Managers are trained and skilled in basic statistical analysis. If necessary, managers are supported by data analysis specialists. This leads to data break-down to meaningful conclusions.</p> <p>In addition to Formal Quality Management System Review, a data analysis report is issued monthly or even weekly. This report is considered as a useful “navigation compass” by managers.</p> <p>Data accuracy is audited.</p> <p>R&R studies are performed, particularly when data comes from judgements, opinions, etc.</p> <p>Statistical analysis made to support decisions. Data is deeply analysed in order to identify root causes and to define action plans.</p> <p>The organization has business intelligence tools to “mine data” as required by changing situations.</p> <p>The capability (i.e. variability) of new, critical processes is systematically studied and variation components are known. When appropriate advanced statistical techniques as Robust Design are used.</p>	<p>Organization policies, objectives and vision are deployed to the organization structure and processes. This deployment links the policy, objectives and vision to consistent performance metrics and process indicators and covers all significant aspect of the organization.</p> <p>These indicators are stratified through the organizational levels covering all significant financial, operational aspects but not the full aspects related to the stakeholders (e.g. employee satisfaction index).</p> <p>Main operational indicators are reported in official reports (e.g. letter to shareholders).</p> <p>Most of the main organization indicators show competitive levels against the reference information. These results are considered in future objectives setting.</p>	<p>The organization includes indicators for all sustainability constraints for the organizations and these indicators are highlighted.</p> <p>Indicators used cover all significant aspects of the organization related to the interested parties.</p> <p>Aspects critical for sustainability of the organization are the cornerstones of policies and strategies. These aspects are monitored and related to strategies designed to reduce the impact of these constraints upon the organization.</p>

Table B.1 – The journey towards sustainable success
 – The strategic view assessment
 – Sheet 4

Level Focus area	1 Beginner	2 Proactive
 <p>P Strategic planning and deployment</p> <p>D Process management</p> <p>C Result measurement and analysis</p> <p>A Improvement, innovation and learning</p>	<p>Learning, improvement and innovation of the organization is not covered by strategies and policies.</p> <p>The organization has not defined a way how to take advantage of the internal knowledge.</p> <p>The improvement of products and processes is realized in an ad-hoc way, following the regulatory requirements or the customers' complaints.</p> <p>The organization creates and introduces new products solely based on the ad-hoc requests from sales process.</p>	<p>The organization has defined its policies for learning and improvement of processes and products.</p> <p>The organization has established a management system for continuous improvement of processes. Results are evident via measurements and audits.</p> <p>Training programmes are defined and adapted to the changing technologies used in the products and processes.</p> <p>Analyses of the customer needs and expectations are systematically performed to improve the existing and to generate new products.</p> <p>The organization uses external references to improve the management system, as for example the International Standard ISO 9001.</p>

3 Flexible	4 Innovative	5 Sustainable
<p>The organization demonstrates continuous stream of improvements, with implication for the development of personnel.</p> <p>Improvements are based on wide participation of personnel.</p> <p>Some people in the organization are involved in the management of the knowledge, but process is not formalized.</p> <p>The organization favours an environment of work suitable for improvement, innovation and the learning.</p> <p>Vertical and horizontal communication exist and support the evolution of the innovation and improvement processes in the organization</p> <p>The training programme is adapted to the changing needs both of the processes and of the products of the organization, concerning most of the personnel</p>	<p>The organization has defined and implemented an appropriate innovation process, which affects both the processes and the products.</p> <p>Knowledge management system is in place, using information and communication technology, focused on the sharing of the experiences of the personnel</p> <p>The system of management is improved, using approaches and tools for excellent management, based on the assessments of own situation.</p> <p>Training and learning programme of the organization is based on current and future needs defined in collaboration with the relevant, chosen interested parties.</p>	<p>The processes and products have been improved up to top level, being considered the best in class inside its sector.</p> <p>Knowledge management is considered to be the key for the success of the organization at strategic and operative levels.</p> <p>Building and sharing of knowledge is seen as being the base for effective and efficient innovation process.</p> <p>The organization has defined a plan for innovation, which forms a part of strategic plan developed by works teams, formed and focused on establishment of new concepts, innovative products and efficient processes.</p> <p>The organization is considered a sustainable leader, for its aptitude to generate innovative products, efficient and respectful processes, with good economic results, and appropriate social and environmental impact</p>

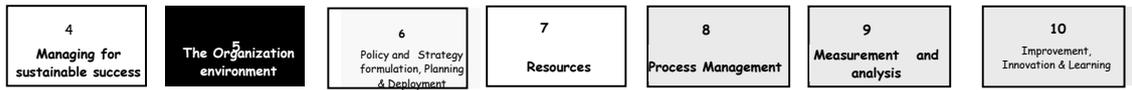
Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 1



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
4.1 Interested Parties Focus	Focus is limited to customers and shareholders.	Focus on customers, shareholders and employees.
4.2 Approaches for managing for sustainable success	No evidence of consistent application of focus on strategy, process approach and continual improvement.	Focus on strategy and process approach are applied in the organization. Started with use of continual improvement.
4.3 Management Responsibility	Management responsibilities are defined for key processes related to fulfilling the customer needs and complying with regulatory requirements. A limited number of working instructions and procedures are in place to support the critical activities.	Management responsibilities being defined include initiation of improvement activities related to products and processes. Mgt. system is implemented and maintained covering all key processes and key interfaces
4.4 Assessing Sustainable Success	Self-assessments are limited to some reviews of new products.	Self-assessments are performed to identify opportunities for improvement of the key processes in the organization.

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
Focus on some other interested parties next to customers, shareholders and employees.	Focus on nearly all relevant interested parties.	Focus on all interested parties.
Continual improvement is applied in some key processes, next to focus on strategy and process approach.	Focus on strategy and process approach and continual improvement are applied in the all key processes inside organization.	Focus on strategy, process approach and continual improvement are fully applied in the organization.
<p>Management responsibilities are defined for all processes and activities aiming for improvement of the organization to increase flexibility.</p> <p>Mgt. system is implemented and maintained covering all processes and interfaces supporting increase of the flexibility of the organization.</p>	<p>Management responsibilities are defined for all processes and activities aiming for improvement of the capabilities to innovate effectively.</p> <p>Mgt. system is implemented and maintained covering all processes and interfaces supporting increase of the innovative capability of the organization.</p>	<p>Management responsibilities are defined for all processes related to fulfilling the needs and expectations of all relevant interested parties.</p> <p>Mgt. system is implemented and maintained covering all processes and supports interrelations with all relevant interested parties.</p>
Self-assessments are performed to identify opportunities for improvement of the flexibility of the organization. Managers and key people in organization are involved.	Self-assessments are performed to identify opportunities for improvement of the key capabilities of the organization. Managers and key people in organization are involved.	Self-assessments are performed to identify opportunities for enhancing sustainable success. High percentage of people in organization is involved in self-assessments.

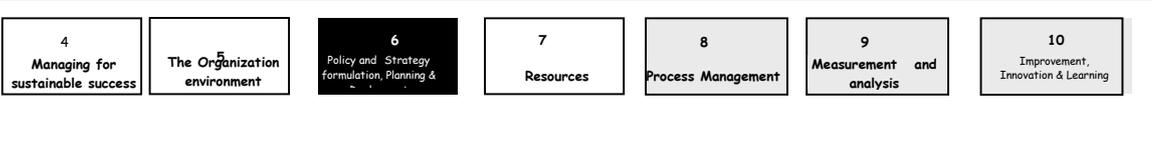
**Table B.2 – The journey towards sustainable success
– The operational view assessment
– Sheet 2**



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
5.1 Changing Environment	The organization has not identified its stakeholders and/or the organization has not defined key information channels to monitor the environment in which it operates beyond its commercial relations with clients	The organization has identified its stakeholders and has established channels of information with its clients and suppliers
5.2 Monitoring	The organization only looks for external information when management and/or product and/or service related problems arise.	<p>The organization updates the information about applicable legislative and regulatory requirements and commits to comply with them.</p> <p>The organization has information on its operating market and uses it to design its long term strategic plan.</p> <p>The organization knows and develops its current capabilities across processes</p>
5.3 Analysing	<p>The organization has not defined its policy and strategy in a formal way</p> <p>The organization does not investigate in a systematic way external relevant information</p> <p>Only economic and financial objectives have been defined.</p>	<p>The organization has defined its policy and strategy, on the basis of information of the market, its customers and suppliers</p> <p>The organization evaluates the level of fulfilment of its customer needs.</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
The organization has established communication channels with its stakeholders and obtains from them relevant information to focus better on products and/or services	<p>The organization searches for information about good external practices in other organizations and learns from them for improvement purposes.</p> <p>The organization innovates both its products/services and its processes, always looking for differentiation and added value.</p>	The organization proactively investigates the current and future needs of stakeholders
<p>The organization updates information on technology and innovation that can affect its products, services and processes</p> <p>The organization collects and keeps updated relevant macroeconomic information for later analysis</p>	The organization updates information on local cultural aspects that can affect its activities	The organization is recognized as the best in class regarding innovation, technology, competitiveness and social impact
<p>The organization analyzes the possible areas of future operating markets and the keys for differentiation</p> <p>The organization analyzes the possible legislative and regulatory changes and their possible impact on its processes, products and services</p>	<p>The organization evaluates and checks in a constant way its aptitude to satisfy and to go beyond the needs of its stakeholders</p> <p>The processes of the organization ensure the quality and the innovation of its processes, products and services, measured across results indicators</p>	<p>The organization extensively analyzes possible situations on the basis of different emergent risks and opportunities and is prepared for potential changes.</p> <p>The sustainable level of the organization is analyzed in a constant way as well as the value added of products and / or services for the stakeholders</p>

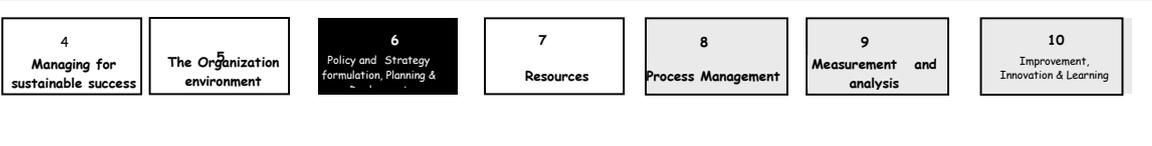
Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 3



Level Clause	1 Beginner	2 = (level 1+....) Proactive
6.1 Policy and Strategy Formulation	The organization has not performed an analysis of its environment's evolution, nor defined future strategies. The organization has not defined its mission or vision. The organization has not identified the different parameters on which to base its strategy.	Strategy focused on the products related customers' needs and expectations. Random analysis of environment's evolution and internal capabilities Mission and Vision not formally established.

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>Systematic analyses of environment's evolution and internal capabilities</p> <p>The organization evaluates periodically its defined strategic orientations to ensure that they are adequate and effective, modifying them when necessary.</p> <p>Mission and Vision periodically updated.</p> <p>Strategy considers its capabilities and necessary resources in order to satisfy them.</p>	<p>The vision and the mission are reviewed in terms of effectiveness and efficiency and adapted continuously on the basis of the changing needs and expectations of the market and interested parties.</p> <p>Agile and dynamic strategy process in place consider aspects such as: work environment, learned lessons from previous experiences.</p>	<p>The organization has monitoring mechanisms in place which allow to identify at any moment the trends in its internal and external environment and to adapt continually its strategies and capabilities.</p> <p>The mission and the vision of the organization provide continually value for all the stakeholders, is dynamic, lean on the information technologies and it is committed as much with the social responsibility of nowadays as in the future at all the levels.</p>

Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 3 (continued)



Level Clause	1 Beginner	2 = (level 1+....) Proactive
6.2 Policy and Strategy Planning and Deployment	<p>Some plans are defined in the short term</p> <p>The policies and the objectives of the organization are not based on a strategy nor are aligned with the vision and mission.</p> <p>The organization has not identified nor analyzed nor understood the factors of its environment which condition its evolution or permanent presence in the market.</p> <p>The organization has not defined a communication process and only communicates in a reactive way when legally, financially or internally required.</p>	<p>The organization, taking the vision as a reference, defines the objectives and short term actions, being reviewed as part of the quality management system.</p> <p>The organization has policies based on the mission of the organization and measurable objectives unfolded in the main levels of the organization.</p> <p>Based on the customer's satisfaction, the organization has identified, analyzed and understood the factors of its environment which fundamentally condition its evolution or permanent presence in the market</p> <p>The organization has defined and implemented a systematic process for external and internal communication which complies with legislative, regulatory and quality management system requirements.</p> <p>The organization performs scheduled reviews of its quality management system, focusing on the fulfilment of requirements and the customer's satisfaction.</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>Strategy process considers interested parties aligned with the vision and mission of the organization. Strategy is deployed through objectives to all the levels of the organization and plans are developed.</p> <p>The organization systematically identifies, analyzes and understands the factors of its environment which condition its evolution or permanent presence in the market and identifies the associated risks and derived actions.</p> <p>The organization has identified and implemented communication opportunities and improvements, in relation with the main interested parties. It is getting feedback from them which is used to improve the organization and therefore supporting the development of its adaptability and flexibility.</p>	<p>Strategy process considers the needs and expectations of the present and future interested parties, the threats, the risks, the markets, the competition and the success factors, the new technologies, etc. as a reference, develops strategic plans which allow to improve continuously and to ensure its permanent presence in the market.</p> <p>Plans are evaluated for their effectiveness and efficiency and allows undertaking actions of improvement or innovation.</p> <p>The policies and the objectives are adapted permanently to provide an answer to the changing needs and expectations of the market and other interested groups.</p> <p>Policies and objectives are effectively communicated to the main groups of interest</p> <p>The organization systematically identifies, analyzes and understands the factors of its environment which condition its evolution or permanent presence in the market. It identifies and selects the associated risks and manages with the experience and learned lessons the changes necessary to introduce.</p> <p>The organization communication process is being improved by including contacts with other organizations to facilitate an effective and efficient learning capability and being proactive while building relationship and networks for innovation.</p> <p>The organization reviews and adapts permanently the strategy to ensure that the management system is continuously effective, efficient and competitive and the structure and the processes of the organization are able to provide answers to the present and future necessities of the stakeholders and changes of the environment.</p>	<p>The organization has an observatory which allows, based on the continuous analysis of environment's data, to develop and to update its short, half and long term strategic plans to ensure its permanent presence in the market. In obtaining such data, the following aspects are considered: positioning of the company compared to the competition and to companies considered like the best ones, future evolution of the markets and products, risks to which it can be put under, economic and demographic trends, data relative to social questions, new models of management, new technologies, necessities and expectations of the interested parties, etc.</p> <p>Realizing objectives has a positive impact on the product, the effectiveness of the operations, the financial yield and the satisfaction, the confidence and the loyalty of the stakeholders.</p> <p>Through the performance indicators of the organization, the perception of the interested parties and the pursuit of the evolution of the technology and markets and the comparisons with its referring competitors or companies at national or international level, management reviews and updates the organization's strategy in order to remain aligned with the standards of the market.</p>

Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 4



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
7.1 Management of resources	<p>The organization has not defined a process for planning of resources.</p> <p>The organization provides resources after a simple assessment of resource needs.</p> <p>The organization has only identified resources for operational processes.</p>	<p>The organization has defined and implemented a process for planning of resources, including identification, provision, monitoring of resources</p> <p>The organization has identified resources for operational processes, statutory and regulatory compliance and for customer satisfaction.</p>
7.2 Financial resources	<p>The organization determines its financial needs and acquires necessary financial resources without monitoring and controlling.</p>	<p>The organization has developed and implemented a process to determine its financial needs and to acquire necessary financial resources without monitoring and controlling.</p>
7.3 Human resources	<p>The organization provides training and other aspects to human resources without a systematic process.</p>	<p>The organization has defined and implemented a process to manage human resource competences and training,</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>The organization has defined, implemented and improved an effective process for planning of resources, including identification, development, provision, monitoring, maintenance and protection of resources.</p> <p>The organization has identified resources for operational processes, improvement of the management system and for the satisfaction of customers and some interested parties.</p> <p>The organization has developed an effective plan for controlling, protecting and developing its resources.</p> <p>The organization reviews periodically the suitability of the identified resources.</p>	<p>The organization has defined, implemented and improved an effective and efficient process for planning of resources, including identification, development, provision, monitoring, maintenance and protection of resources and associated risks of potential scarcity.</p> <p>The organization has identified resources for operation and improvement of the integrated management system and for the satisfaction of customers and all interested parties.</p> <p>The organization has developed an effective and efficient plan for controlling, protecting and developing its resources.</p> <p>The organization reviews periodically the suitability of the identified resources.</p>	<p>The resource allocation process is effective and efficient and totally aligned with strategic planning process to lead for sustainability.</p> <p>The actions to avoid potential scarcity of the resources have been successful. The organization has identified strategic resources to develop and achieve sustainability through its strategy and planning.</p> <p>The organization has developed an effective and efficient plan for controlling, protecting and developing its resources and external resources.</p> <p>The organization takes into consideration the balance between short and long term resource objectives.</p>
<p>The organization has developed and implemented an effective process to forecast and determine its financial needs, to acquire necessary financial resources, to monitor and to control the financial resources.</p>	<p>The organization has developed and implemented an effective and efficient process to forecast and determine its financial needs, to acquire necessary financial resources, to monitor and to control the financial resources.</p>	<p>The effective and efficient process to manage financial resources is totally aligned with the current and future needs and expectations of all interested parties and it leads to sustainability.</p>
<p>The organization has developed, implemented and improved an effective process to manage human resource competences, training, awareness, motivation needs and expectations.</p>	<p>The organization has developed, implemented and improved an effective and efficient process to manage human resource integrated competences, training, empowerment, knowledge, awareness, motivation, needs and expectations.</p> <p>The organization has implemented a strategic human resource management process.</p>	<p>The competences and satisfaction of human resources and the strategic planning permit the sustainability of the organization in the long term.</p> <p>People at all levels are the essence of the organization and their full involvement and motivation is evident.</p> <p>The human resource management is performed through a planned, transparent, ethical and socially responsible approach.</p>

Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 4 (continued)



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
7.4 Partners	The relationship with partners is mainly reactive and limited to what is necessary to deliver the organization's products	The organization has processes in place to select and evaluate suppliers.
7.5 Infrastructure	The infrastructure is provided when required by departments without plans or processes.	The organization has planned, provided and managed the infrastructure.
7.6 Work environment	The organization is not taking care, in a formal way, of the work environment. The organization tries to fulfil some requirements like regulatory and statutory and only improves the work environment after mandatory requirements from the customers or authorities	The organization has defined a process to ensure that the work environment complies with all applicable regulatory and statutory requirements (including those for occupational health and safety).

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>The organization does not limit the scope of its relationship with partners to suppliers. The scope is expanded to include some other interested parties.</p>	<p>The mutually established beneficial relationship enhances the ability of both the organization and the partners to create value.</p>	<p>Strategic processes are in place to select and evaluate partners.</p> <p>Partners invest in and share the profits or losses of the organization's area of activity.</p> <p>The mutually beneficial relationship enhances the ability of both the organization and the partners to create value and optimize costs.</p> <p>The organization continually reviews the relationship with partners while considering the balance between its short and long-term objectives. Future relationships are considered and support the strategy</p>
<p>The organization has effectively planned, provided and managed the infrastructure. This infrastructure and related processes are periodically reviewed.</p> <p>The organization has identified potential risk for the infrastructure.</p>	<p>The organization has effectively and efficiently planned, provided and managed the infrastructure. This infrastructure and related processes are periodically reviewed, taking into account all interested parties needs and future expectations.</p> <p>The organization has identified potential risk for the infrastructure and proposed preventive actions in an effective and efficient manner.</p>	<p>The infrastructure is effective and efficient to conduct the organization to sustainability.</p> <p>The infrastructure is totally aligned with mission, vision, strategies and interested parties needs and expectations.</p>
<p>The organization has implemented and improved an effective process to ensure that the work environment complies with all applicable regulatory and statutory requirements (including those for occupational health and safety).</p>	<p>The organization has implemented and improved an effective and efficient process to ensure that the work environment complies with all applicable regulatory and statutory requirements (including those for occupational health and safety).</p> <p>The process encourages productivity, creativity and well-being at work for people in the organization and other interested parties working for or visiting the organization.</p>	<p>The process implemented for the work environment supports sustainability and competitiveness.</p>

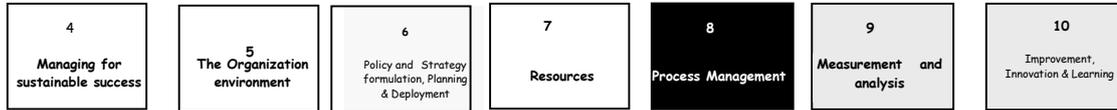
Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 4 (continued)



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
7.7 Knowledge, information and technology	The organization treats information, knowledge and technology without taking care of it as intellectual resources.	The organization treats information, knowledge and technology as essential resources. The organization has developed, implemented and is improving a process to identify, obtain, protect, use and evaluate information, knowledge and technology it needs.
7.8 Natural resources	The organization has no policies or plans regarding utilization of natural resources and the impact on natural environment.	The organization has developed and implemented a process to use efficiently the natural resources (energy, water, oil, minerals, ...)

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>The organization has developed, implemented and improved an effective process to identify, obtain, protect, use and evaluate information, knowledge and technology it needs.</p> <p>The organization shares information, knowledge and technology with its partners.</p>	<p>The organization has developed, implemented and improved an effective and efficient process to identify, obtain, protect, use and evaluate information, knowledge and technology it needs.</p> <p>The organization shares information, knowledge and technology with its partners and other interested parties.</p>	<p>The organization has a knowledge management process that ensures sustainability.</p>
<p>The organization has developed and implemented a process to use efficiently and to consider the availability of the natural resources.</p>	<p>The organization has developed, implemented and improved a process to use efficiently and to consider the availability of the natural resources. This process takes into account the environment in all life cycle of the products.</p>	<p>The efficient use of natural resources, the minimization of the environment impacts and the conservation of the natural environment conducts to the sustainability of the organization.</p>

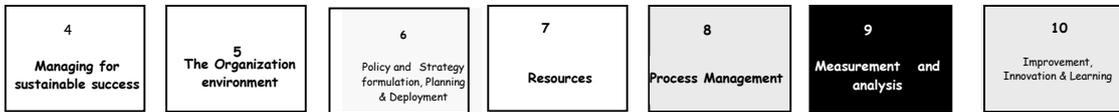
Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 5



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
8.1 Types of processes	The organization has not identified processes.	The organization has identified at least operational processes related to product realization.
8.2 Managing the organization's processes	The organization has not adopted a process approach	The organization has implemented a process approach at least in operational processes.
8.3 Process responsibility and authority	The role of process owner is not defined.	The management of the organization has appointed process owners related to product realization and customers.

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>The organization has identified management, managing resources, realization and support processes related to customers and some additional interested parties.</p>	<p>The organization has identified management, managing resources, realization and support processes related to all interested parties.</p>	<p>All the activities are included in some type of process to permit the sustainability of the organization.</p>
<p>The organization has implemented and improved an effective process approach in strategic, operational and support processes.</p>	<p>The organization has implemented and improved an effective and efficient process approach in strategic, operational and support processes, related with all interested parties.</p> <p>The management and process owners have defined objectives for improving effectiveness and efficiency or innovation of the processes and are aligned with policy commitments and strategies.</p>	<p>The effectiveness and efficiency of the processes of the organization are aligned with mission, vision, strategies, values and sustainability</p> <p>The effective and efficient process approach between all kind of processes and transparency with all interested parties conducts the organization to sustainability.</p>
<p>The management of the organization has appointed owners for all processes related to customers.</p> <p>The owners improve the effectiveness of their processes.</p> <p>The management has an effective policy to avoid and clarify potential disputes in the process management.</p>	<p>The management of the organization has appointed owners of all processes related to all interested parties and all management systems (e.g. quality, environmental, health and safety)</p> <p>The owners improve the effectiveness and efficiency of their processes and policies.</p>	<p>The responsibilities and authorities are clearly documented and assessed to leads the processes and the organization to the sustainability.</p>

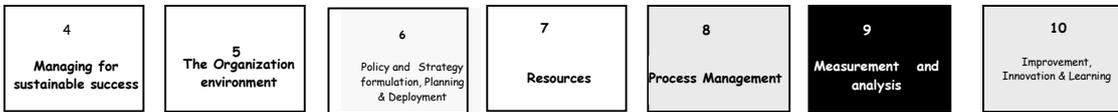
**Table B.2 – The journey towards sustainable success
– The operational view assessment
– Sheet 6**



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
9.1 Purpose	Only basic indicators as financial ones, on-time deliveries, customer complaints, basic customer satisfaction surveys, etc are used.	Formal Quality Management System Review is taken, but sometimes conclusions are not followed.
9.2 Key performance indicators	<p>No formal approach. Basic customer requirements and main process key indicators are known.</p> <p>Very Basic data available and the accuracy is doubtful.</p>	<p>Formal definition of main process key indicators. Often, the use of these indicators is reduced since they are not accurate or timeline.</p> <p>There are formal metrics for some objectives and processes. Often these metrics are very basic and not related to organization sustainability. Often the organization has difficulties to define metrics for the objectives and most of them are qualitative.</p> <p>Often Operational definition for indicators is with some “fuzzy points” that could lead to inconsistencies</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>Management decisions are data driven and therefore management supports measurement improvement.</p>	<p>The Management System is integrated, therefore measurement systems is company wide and comprehensive</p>	<p>The measurement system is considered by management as a “navigation radar” since the information provided is reliable, accurate, timeline and pertinent for organization sustainability</p>
<p>Management uses reliable metrics. Main sustainability constraints are identified and related to performance metrics that generate indicators. The organization relates the important goals to performance indicators.</p> <p>When appropriate advanced quality engineering techniques such as Robust Design, FMEA, DFSS, Lean, TOC, etc. are used to identify key indicators and key process parameters indicators,</p> <p>New plans are followed by metrics and indicators.</p> <p>Clear operational definition for indicators.</p> <p>Data accuracy is controlled.</p> <p>R&R studies are performed, particularly when data comes from judgements, opinions, etc.</p>	<p>Management Systems are coordinated or integrated with other organization systems which allow a clear identification of sustainability constraints and performance metrics are extended company wide as appropriate. This performance metrics system supports a reliable Business Score Card.</p>	<p>The performance metrics provides clear guidelines to design policies and objective to improve organization sustainability.</p> <p>Key indicators are clearly highlighted in the Business Score Card (BSC) and monitoring tendencies that could endanger sustainability of the organization take place.</p>

Table B.2 – The journey towards sustainable success
 – The operational view assessment
 – Sheet 6 (continued)



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
9.3 Gathering data and information	<p>No formal approach.</p> <p>No audit performed on periodical basis. At most in response to problems, customer complaints, etc.</p> <p>No self-assessment. Hence, no idea about the degree of sustainability of the organization.</p>	<p>Audits of Quality Management System are in place.</p> <p>Quality audits are not coordinated or combined with safety audits, operational audits, etc. The results of these audits are not considered by management as a “golden mine”.</p> <p>Sometimes auditors are very formalistic and do not provide improvement guidelines.</p> <p>Self-assessment, when performed, only relates to quality management system.</p>
9.4 Review of data and monitoring the achievement of objectives	<p>No formal approach. Basic objective related to financial aspects, customers complains, leading times, etc.</p>	<p>Periodical review of quality objectives through Quality Management System Review meeting. Often these objectives are very basic and not related to organization sustainability.</p>
9.5 Decisions	<p>Not sustainability improvement loop is in place, or a quality improvement loop.</p>	<p>The sustainability improvement loop is only related with the quality system.</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
<p>Measurement of processes and achievement of quality objectives are effective.</p> <p>Measurement approach is evolving to include sustainability constraints, since it is considered by management as a useful tool.</p> <p>When necessary, R&R studies are performed, particularly when data comes from judgements, opinions, etc. which makes these measures "reliable".</p> <p>Management understand the benefit of audits and they support audit improvements.</p> <p>Audits ensure data and indicators accuracy.</p> <p>Audit reports are analysed and generate effective improvement actions.</p> <p>Planning for new important projects, business, branches, etc includes systematically audits to track their evolution.</p> <p>Quality audits are somehow coordinated with safety audits, operational audits, etc</p> <p>Main sustainability constraints of the organization and key activities are known.</p>	<p>Quality measures are coordinated or even integrated with other areas.</p> <p>Management System Audits are often coordinated or even integrated and provide a good view of the "state of the art" and signal improving opportunities</p> <p>An assessment plan is in place and generates effective improvement actions and triggers innovation</p>	<p>Measurements are extended and cover all significant aspects related to the stakeholders highlighting tendencies that could endanger sustainability of the organization</p> <p>Audit reports are one of the main inputs used for designing and reviewing organization policies, strategies and contingency plans.</p> <p>The audit process is an effective tool to identify the problems, their root causes and to establish improvement actions to eliminate them.</p> <p>The assessment outputs are main inputs used for designing and reviewing organization's capabilities and the strategic plan.</p>
<p>Performance measurement is analysed by qualified people (statistician, quality engineer, "black belt") reporting formal conclusions.</p>	<p>There are a clear identification of sustainability constraints and a company wide approach to objectives related to sustainability.</p> <p>Assessment results are systematic input for the strategic plan.</p>	<p>Assessment process is an accurate and recognized tool for improvement in the organization.</p> <p>The evolution of the analysis of the assessment process indicates a good performance.</p>
<p>The assessment process is reviewed periodically regarding its effectiveness and timeliness of the data collected and the aim to support achievement of sustainability</p>	<p>The evaluation of the assessment process includes the contribution to sustainability, the degree of support of the decision and priority making process.</p>	<p>The evaluation of the assessment process includes the contribution to sustainability, the degree of support of the decision and priority making process.</p>

**Table B.2 – The journey towards sustainable success
– The operational view assessment
– Sheet 7**



Level \ Clause	1 Beginner	2 = (level 1+....) Proactive
10.1 Aiming for Sustainable Success requires improvement and Innovation	<p>Improvement activities are based on customer or regulatory complaints.</p> <p>Innovation is only related to products.</p> <p>Learning is only on individual base without sharing of knowledge.</p>	<p>Improvement and innovation activities are based on data giving the needs and expectations of customers.</p>
10.2 Improvement	<p>Organization does not have defined specific policies for improvement.</p> <p>The focus of the organization is on corrective actions.</p>	<p>The organization has a few defined specific policies for improvement.</p> <p>The focus is still on corrective actions although some preventive actions are implemented.</p>
10.3 Innovation	<p>Procedures for continual improvement are not established.</p> <p>No awareness of innovation.</p> <p>Inadequate planning for policy items.</p> <p>Results from plans are not assessed</p>	<p>Procedures for continual improvement are established, but any specifically for innovation.</p> <p>Slow reaction to change.</p>
10.4 Learning	<p>The organization has not developed educational/training plans.</p> <p>The organization has not understood the necessity of learning.</p> <p>Learning process has not been implemented.</p>	<p>Education/training programs are found and evaluated, and their effects are confirmed.</p> <p>Learning is only received by part of the organization.</p>

3 = (level 2+....) Flexible	4 = (level 3+....) Innovative	5 = (level 4+....) Sustainable
Improvement and innovation are applied to products, processes to increase flexibility.	Innovation is used to improve the way of operating. Quality management system is improved to be aligned with the innovations.	Improvement and innovation are applied to products, processes, structures, way of operating and quality management system. Learning is foundation for improvement and innovation processes.
<p>Organization has formally defined specific programs for improvement.</p> <p>Although there are some corrective actions, the focus is now on prevention.</p> <p>Some evidence of improvement is perceived.</p>	<p>Organization has formally defined and implemented specific strategies for improvement.</p> <p>Still having some corrective and preventive actions, but focus is on continual improvement</p>	<p>Organization has formally defined and implemented a Continual Improvement approach, widely applied by all employees.</p> <p>Continual Improvement and Innovation are part of the Strategy and Policies.</p> <p>Evidence of a strong causal relationship between the improvement and innovation and the organizational results.</p> <p>Some corrective and preventive actions with strong focus on innovation.</p>
<p>Effective planning of policy items is planned and implemented.</p> <p>Innovation planning is conducted in part of organization.</p> <p>Responses are made to visible and rapid changes but not to gradual changes.</p>	<p>Presence of mechanisms to measure and analyze environmental changes.</p> <p>Effective and efficient planning on policy items is developed and implemented.</p> <p>Change is being forecast, or action taken ahead of change.</p> <p>Organization wide innovation is taking place</p>	<p>Innovative planning is developed and implemented.</p> <p>Knowledge gathered and shared in the planning process is utilized in organizational knowledge.</p> <p>Results of continuing innovation are improving performance continually, placing the organization at the top ahead of other competitors.</p> <p>Environmental change through self-innovation and corporate culture of innovation is rooted in the organization.</p>
<p>Effective plan based on organizational knowledge is planned and implemented.</p> <p>Organizational knowledge is focused around a small knowledge base dependent only on certain personal.</p> <p>The appropriate Environment is created for organizational learning.</p> <p>The effect of learning is transmitted to part of the employee.</p>	<p>Organizational knowledge is utilized generally in management policy regarding to realization planning.</p> <p>In order to developed full integration of personal Knowledge into organisational knowledge, the company has mechanism and forums for sharing information.</p> <p>Learning continues throughout the organization towards improvements in performance.</p>	<p>Plans for continual improvement and innovation founded on knowledge gained through organizational learning.</p> <p>Learning is entrenched in organizational culture.</p> <p>The effect of learning leads to continual improvement in organizational performance.</p>

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² Available from website H<http://www.iso.org>H

³ Available from ISO Central Secretariat (Hsales@iso.orgH)