



**isqa 2010**

ieema sme quality award

# GUIDELINES TO APPLICANT

for IEEMA SME Quality Award

## Guidelines to Applicant

### CORE VALUES

#### **Leadership:**

The organization's senior leaders should set directions and create a customer focus, establish clear values and goals. Leaders shall pave a roadmap for following Quality initiatives and ensure creation of systems to support the same for achieving performance excellence. Leaders should inspire, motivate, and encourage your entire workforce to contribute, to develop and learn, to be innovative and creative. Leaders should serve as role models through their ethical behavior and their personal involvement in planning and communicating the Quality objectives and periodically review the organizational performance and ensure a corresponding unbiased reward system.

#### **Customer Orientation:**

Quality of Products and Processes are judged by an organization's customers. Thus, your organization must take into account all features and characteristics of product and service to establish a systematic mechanism of seeking and obtaining Customer's feedback through all modes of customer access. Customer-driven quality initiatives have both current and future components: understanding today's customer desires, anticipating future customer desires and marketplace potential. These factors include your organization's customer relationships, which help to build trust, confidence, and loyalty.

#### **System Principles:**

The term "system" refers to approaches that are well laid out, repeatable, and use data and information so that learning is possible. In short, approaches are systematic if they have built in opportunity for evaluation, improvement, and sharing, thereby creating win-win situation.

#### **Personal Learning:**

While in SMEs organizational learning will be the basic criteria for any improvement initiative, personal learning needs to be embedded in the way your organization operates. That means learning is a regular part of daily work; is practiced at personal level; results in solving problems; is focused on building and sharing knowledge throughout your organization; is driven by opportunities to effect significant, meaningful change.

**Quality Management by Facts:**

Organizations depend on the measurement and analysis of data derived from Quality Initiatives in order to improve organizational performance. A major consideration in Quality performance improvement and change management involves the selection and use of performance measures or indicators. Performance measurement should be based on relevant data relating to customer, product, and service performance; comparisons of operational, market, and competitive performance; cost, and financial performance; Data should be actionable, analyzable and analysis should support evaluation, decision making, and Improvement.

**Results and Value Creation:**

An organization's Quality performance measurements need to focus on key results. Results should be used to create and balance value for your customers. Creating value for your Customer helps to build trust, confidence, and loyalty.

**Long term vision and planning:**

Creating a sustainable organization requires understanding the short- and longerterm factors that affect the Quality of your products and services. Hence, any Quality initiative requires a strong future orientation and a willingness to make long-term commitments to meet customers' expectations, new business and partnering. A focus on the future includes developing your workforce and succession planning and creating opportunities for innovation.

**GLOSSARY OF KEY TERMS****Action plan**

"Action plans" are details of resource commitments and time horizons for accomplishment.

**Analysis**

The term "analysis" refers to an examination of facts and data to provide a basis for effective decisions. Analysis often involves the determination of cause-effect relationships.

**Approach**

"Approach" refers to the methods used by an organization and includes the appropriateness of the methods and the effectiveness of their use.

**Benchmarks**

"Benchmarks" are one form of comparative data. "Benchmarks" refers to processes

and results that represent best practices and performance for similar activities, inside or outside an organization's industry. Organizations engage in benchmarking to understand the current status with respect to world-class performance. Other comparative data organizations might use include industry data collected by a third party (frequently industry averages), data on competitors' performance, and comparisons with similar organizations.

### **Customer**

The term "customer" refers to actual and potential users of your organization's products, programs, or services. Customers include the end users of your products, programs, or services, as well as others who might be their immediate purchasers or users.

### **Cycle Time**

"Cycle time" refers to the time required to fulfill commitments or to complete tasks. The time measurement plays a major role in improving competitiveness and overall performance. Cycle time improvement might include time to market, order fulfillment time, delivery time, changeover time, customer response time, and other key measures of time.

### **Deployment**

"Deployment" refers to the extent to which an approach is applied and evaluated on the basis of the breadth and depth of application of the approach to relevant work units throughout the organization.

### **Empowerment**

"Empowerment" refers to giving people the authority and responsibility to make decisions and take actions. Empowerment results in decisions being made closest to the "front line," where work-related knowledge and understanding reside. Empowerment is aimed at enabling people to satisfy customers on first contact, to improve processes and increase productivity, and to improve the organization's performance results.

### **Goals**

"Goals" refers to a future condition or performance level that one intends to attain. Goals can be both short and longer-term. Goals are ends that guide actions. Quantitative goals, frequently referred to as "targets," include a numerical point or range. Targets might be projections based on comparative or competitive data. The term "stretch goals" refers to desired major, discontinuous improvements. "Innovation" refers to making meaningful change to improve products, programs,

services, processes, or organizational effectiveness and to create new value for Customers.

### **Integration**

“Integration” refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analyses to support key organization-wide goals.

### **Leaders**

“Leaders” are Owners, Proprietors, Partners, Directors, Presidents or Head of Units as the case may be depending on the size, structure and type of the company.

### **Learning**

“Learning” refers to new knowledge or skills acquired through evaluation, study, experience, and innovation.

### **Measures and Indicators**

“Measures and indicators” refers to numerical information that quantifies input, output, and performance dimensions of processes, products, programs, projects, services, and the overall organization.

### **Process**

“Process” refers to linked activities with the purpose of producing a product or service for a customer (user) within or outside the organization. Generally, processes involve combinations of people, machines, tools, techniques, materials, and improvements in a defined series of steps or actions. Processes rarely operate in isolation and must be considered in relation to other processes that impact them. Processes require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures, measurement and control.

### **Productivity**

“Productivity” refers to measures of the efficiency of resource use.

### **Purpose**

“Purpose” refers to the fundamental reason that an organization exists. The primary role of purpose is to inspire an organization and guide its setting of values. Purpose is generally broad and enduring.

### **Results**

“Results” refers to outputs and outcomes achieved by an organization and are

evaluated on the basis of current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements.

**Senior Leaders**

“Senior leaders” refers to an organization’s senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports.

**Trends**

“Trends” refers to numerical information that shows the direction and rate of change for an organization’s results. Trends provide a time sequence of organizational performance. A minimum of three historical (not projected) data points generally is needed to begin to ascertain a trend.

**Value**

“Value” refers to the perceived worth of a product, service, process, asset, or function relative to cost and to possible alternatives.

**Values**

“Values” refers to the guiding principles and behaviors that embody how your organization and its people are expected to operate. Values reflect and reinforce the desired culture of an organization. Values support and guide the decision making of every member.

**Vision**

“Vision” refers to the desired future state of your organization. The vision describes where the organization is headed, what it intends to be, or how it wishes to be perceived in the future.

## Understanding the Criteria for Evaluation And Writing of the “Application Document”

### 1. Leadership Involvement / Commitment:

#### A. Involvement

1. HOW leaders perceive Quality Systems and guide to ensure implementation of the same in their Organisation?
2. HOW leaders personally involve in ensuring that the Quality Systems are developed, Implemented and Improved continually?

#### B. Commitment

1. HOW leaders communicate with people of the organization to motivate them in implementing Quality Management Systems and sustaining them?
2. HOW leaders Role-model themselves in reinforcing a culture of Quality across the organization?

#### C. Customer Impact

1. HOW leaders interact with Customers, understand their changing needs and expectations and facilitate Continual Improvements in Quality Systems?

### 2. Customer focus

#### A. Customer Orientation

1. Address HOW organisation’s people recognize customers’ needs and incorporate in the Quality Systems and improve the processes of manufacture and testing.
2. Does the Organisations’ people recognize concept of “INTERNAL CUSTOMER” and follow it in the product delivery process?

#### B. Customer Complaints

1. Does the organization have a systematic process to collate customer complaints, resolve them and report to customer and if yes, HOW?
2. Does the organization have a systematic approach to gather the results of corrective actions taken on customer complaints, analyse and use the same to improve the process? If yes, HOW?

#### C. Customer Feedback

1. Does the organization have a systematic approach to proactively obtain the same to improve processes, product quality and develop new products to meet customer expectations? If yes, HOW?

### 3. Quality System

#### A. Process Orientation

1. HOW does the organization ensure updated “Awareness of Quality Systems” among all the people across the organization?
2. Is the organization ISO 9001 certified? If so, present the Quality Organisation and the implementation of systems.

#### B. Documented Procedures

1. Does the organization have the key product manufacturing processes documented? Explain.
2. Does the organization have the records of in-process and final performance measures identified as KPIs for meeting customer requirements? List and explain.
3. Does the organization have records of reviews and CAPA documented?
4. If the organization is ISO-9001 certified, present the records of status of Internal / External Audits thereof.

#### C. Quality Assessment

1. DOES the organization have a system to assess Quality levels at various stages of production like receiving inspection, in-process inspection, final testing etc?
2. EXPLAIN all the facilities are provided to measure Quality parameters at various stages?
3. Are there records of in-process measures and records of reviews?
4. WHETHER proper and complete CAPA documentation available? Explain how.
5. WHETHER Quality parameters are being reviewed at regular intervals by the Leaders? Explain.

#### D. Quality Improvements

1. WHAT are the sources and methods of gathering information for improvement of Quality Processes?
2. WHAT are the various Quality Improvement Initiatives in the organization? Describe QC, Kaizen and SGA projects.
3. HOW does the organization systematically analyse the processes, identify improvement areas and prioritise the initiatives for improvement projects?

### 4. Analysis & Learning.

#### A. Analysis of Data / Results

1. DOES the organization systematically collate the performance related data and results, analyse with a view to identify the opportunities for improvements? If yes, present results of such analysis and mention the improvements.

2. DOES the organization encourage participation of its people in group activities? If yes, present details of number of SGAs, Kaizen, Suggestion Schemes, QC etc.
- B. Learning & Implementation
1. Present the details of improvements achieved and quantitative benefits attained under different Quality Improvement Initiatives.
  2. Present a few QC / SGA project details. Some presentations may be seen during site visit.
  3. HOW does the organization recognize meritorious performance of its people in implementing and improving Quality Systems? Describe the systematic process of identifying such people / teams and the parameters used for measurement of performance.
- C. Training in Quality Systems
1. DOES the organization proactively support training of its people in Quality System related skills? If yes, present details.
  2. DOES the organization systematically identify individual's training needs (including leaders) based on their job demands and present maturity of their skills? If yes, describe the process.
  3. DOES the organization use external resources for training people on both technical and behavioural aspects of Quality Systems? Present details of programmes.

## 5. Performance Results.

- A. Financial Performance
1. Summarise the performance of the organization with respect to financial aspects over a period of at least last three years. Suggested parameters may include but not limited to the following:
    - Turnover against budget
    - Profitability (Gross margins & contribution)
    - Budget Vs Actual for Quality System related activities- segmented into training and Quality Improvement Projects.
    - Inventories as % of sale
- B. Quality Management Related Results
- Summarize your organization's KEY operational PERFORMANCE RESULTS that contribute to the improvement of organizational product and process quality. Furnish in the form of graphs, tables, diagrams and pictures, all the results of Quality initiatives like KAIZEN, QC, Improvement projects etc. with their relationship to the overall company performance. Some of the suggested their relationship to the overall company performance. Some of

the suggested parameters may include but not limited to:

- Number of people trained in all QMS related activities - mandays spent on training etc quantitatively.
- Number of people participating in QIPs
- Number of QIPs - type wise
- Process capability data
- Annual savings through QIPs adopted
- Cycle time improvements
- Product quality improvements achieved
- Customer satisfaction improvement attributable to quality improvements
- No. of customer complaints
- Rejection at incoming stage
- % rejection in process
- % rejection at final stage
- Quality rating given by customer.(CSI )
- No. of non conformities internal/external
- No. of assessors.( ISO9001)
- No. of trained people in six sigma, 7 qc tools etc.( Man days trained in Quality aspect )
- No. of product returned
- No of improvements projects

**Notes:**

1. This document is intended to be only a guideline for adding clarity to writing the “Application Document” and not limited to the bullet points.
2. While various processes that are presented by the applicant will be given credit, examiners will look for the maturity of the system while scoring.
3. Weightage for intangible aspects of initiatives will be scored based on the claims in the application document, the same will be finalized only after obtaining evidence during site visit.
4. SEGMENT your RESULTS by product and service types and groups by PROCESSES and location, and by market SEGMENTS, as appropriate. Include TARGETS set and achieved and appropriate comparative data within the industry.

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