

Finding a catalyst for change

ISO and the Excellence Model run in parallel, an impossible challenge? Don't be so sure...

We often receive questions about the implementation of ISO and the EFQM Model within the same organisation. How can you do it? What does it take? Is it even possible? There is no perfect answer but an example of a successful implementation should help ease any doubt about the possibility to work in parallel with both approaches. *Rob Jackson, from Ricoh UK, will share with us his experience of the subject.*

Could you introduce your organisation and explain why it started implementing ISO and then the EFQM Model?

Ricoh UK Products Ltd is a manufacturing subsidiary of Ricoh Company. Its headquarters are in England and it produces copiers, toner, production print machines and recycled products for the European market. It employs 603 permanent and 216 temporary employees, with a turnover of £384 million for the 2013 financial year.

RPL has a track record of pioneering the introduction of ISO standards within the Ricoh Group and the author has published a number of papers on the benefits of operating an Integrated Management System approach to professional bodies within the UK business community. Meanwhile RPL is one of only a handful of organisations who have received the UK Excellence Award on more than one occasion and also to have received the BQF's Gold Medal for Excellence (for outstanding and sustained excellence).

From 1984 to 1992, RPL went through a period of rapid growth. This growth stabilised in 1992. We then decided to consolidate our efforts and from this point we began our ISO and Excellence Model journeys. In terms of ISO management system certification, our motivations were clear. Our organisation had grown rapidly and we needed to bring order to the chaos. We also required a wider definition of quality management principles in order to promote a more decentralised quality management culture. We achieved certification to ISO9001 in 1993 and this represents the core management system, to which our subsequent ISO14001, ISO27001, and OHSAS18001, certifications have been aligned. The ultimate goal of our ISO journey was to reduce corporate risk across all four management disciplines.

A well organised business however, is not necessarily a successful one, and in a fast moving market, we were concerned that a fastidious compliance culture could prove to be a handicap.



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During the late nineties we were acutely aware of the fact that we were facing a sustainability challenge, as more and more added value operations were being switched to China and the case for a European manufacturing base became weaker. What we needed was a framework that would act as a catalyst for change, to ensure the long term prosperity of the business. From 1997 onwards, we turned our attention to the EFQM Model as a source of inspiration and after a short consensus building period, we launched our Excellence Model journey in 1999. This has proven to be the single most beneficial investment made by the organisation to date, and has facilitated the transformation of RPL from a purely manufacturing operation into a Customer Service led organisation with a number of self-developed independent businesses.

Could you describe the implementation phase of both ISO and EFQM?

Our ISO and Excellence Model journeys have run in parallel however, the implementation phases have been managed very differently. ISO certification has been managed through a series of projects running from 1993 through to 2006. The outcome of each project had a predictable outcome and the necessary steps to achieve certification were fairly straightforward to plan.

Our Excellence Model journey on the other hand, has been managed as an initiative rather than a project. Here, the outcome of the investment was unknown at the start with no predictable return, and only case study testimony to fall back on. In this respect the

launch of the initiative was very much a calculated leap of faith, and in many ways the implementation phase is still on-going as we move into the seventeenth year of deployment.

In both cases the journey has been made without recruiting additional staff into specialist roles. There is no dedicated Business Excellence Manager responsible for managing the excellence journey and there are no dedicated managers responsible for managing our ISO certifications. Our policy throughout has been to integrate our new approaches, roles and responsibilities within the existing organisation structure to ensure that the approach is truly embedded and not seen as an add-on or a cost centre based resource. We have found this policy to be extremely beneficial as it truly tests the organisations appetite for change. It is one thing to accept the existence of a support team which may or may not stand the test of time, it is quite another to accept additional roles and responsibilities which modify your own job description and competency profile.

What are the advantages of the EFQM and ISO? How do the 2 complement each other?

Whilst there is the potential for considerable overlap between ISO Management Systems and the EFQM Excellence Model (particularly in areas such as customer satisfaction management and objective setting) we are careful to distinguish between the two key roles that we intend them to play. Our ISO Management Systems support our Standardise -Do-Check-Action (SDCA) cycle, whilst the EFQM Excellence Model looks after the Plan-Do-Check-Action (PDCA) cycle, with the two cycles meeting in the middle at the 'Do' stage. As such the two are inextricably linked and very complimentary.

Prior to embarking on our ISO and Excellence journeys we often found that improvement initiatives fell away after a promising early start, mainly because we hadn't realised the importance of standardising the new improved approach before we moved on to the next level.

In terms of a face to face comparison between the structure of ISO Management Standards and the EFQM Model, the latter offers considerable advantages. The EFQM Model is holistic, encompassing every facet of the organisation and as such it develops a better understanding of how the business operates. It also helps clarify the likely impacts of our approaches on the overall performance of the business.

The EFQM Excellence Model also incorporates a RADAR scoring tool which has been used to assess the degree of excellence applied to approaches and results. This has been the stimulus for a huge investment in benchmarking related activities which have provided a constant source of inspiration when driving the business forward.

The key advantage of the ISO series of Management System standards is that they provide for compliance auditing of the organisations approaches. These compliance audits ensure that the validity of our approaches is continuously checked in support of our Corporate Governance approach. Measurement of performance against the EFQM Excellence Model on the other hand is an assessment rather than an audit with the outcomes being used as a stimulus for improvement.

How would you define Excellence now and then (when Ricoh started the implementation)

Excellence at Ricoh has always been about everyone striving to do something today a little bit better than they did yesterday. The Ricoh Way Production System (RWPS) sets out a series of 12 Key Fundamentals which empower people to challenge accepted working practices, working towards clear and motivational goals. The RWPS encourages improvement at all levels from incremental Kaizen related suggestions through to our step change Super Low Cost approaches which aim to cut cost or improve efficiency by 50%. Furthermore, it covers a number of Continuous Improvement methodologies which can be employed at any stage. The EFQM Excellence Model helps focus our Continuous Improvement activities by providing a clear rationale for target selection, based on suitable comparisons, together with a measurement method to evaluate the benefit. What's more it encourages everyone to consider the full range of stakeholders who may be affected by the change and any related approaches that need to be considered.

What advice would you give to a company who wants to implement the EFQM Model?

First and foremost, the model should never be imposed because its successful integration requires a full and sincere commitment. Indeed, the model itself is not prescriptive and will not guarantee excellence, it is the organisations creative interpretation that brings the model to life. This is why the commitment of the organisations people is so important.



Secondly, any organisation looking for a tangible link between short term profitability and the implementation of the model will probably be disappointed. The real benefits will be seen in the long term and in our experience it has been the long term sustainability of the business which has benefited most rather than any short to mid-term financial trend. In this respect it's important to manage people's expectations up front so that the commitment endures the inevitable ups and downs of any business cycle.

Thirdly, I would strongly advise anyone charged with 'implementing' the EFQM Model to redefine the objective immediately. In our experience the EFQM is never fully implemented and should be seen as a life-long commitment rather than a project. Here at RPL we have had to make conscious decisions from time to time, to suspend certain excellence related approaches in times when resources are stretched or our financial targets are threatened. Thankfully in all cases we have been able to pick these back up again during the upturn cycle. Similarly there are some areas of the model that we have yet to explore even as we move into our seventeenth year of implementation.

Finally be prepared to sell the benefits of the EFQM Model again and again to the most Senior Managers within the organisation. During downturn periods, initiatives such as this can be soft targets however this is exactly the time when you should redouble your investment in the Model. CEO's come and go, and we have found that a one-to-one engagement with any new arrival at the earliest stage is essential if you are going to secure a long term commitment. Seeing-is-believing visits, to award winning organisations can also be used to build a consensus on the way forward.

About Rob Jackson

Rob joined Ricoh in 1985 and has been instrumental in shaping their journey to excellence which has seen the Telford based plant recognised as a UK Excellence Award Winner on two separate occasions, and BQF Gold Medal Winner in 2009. Rob has a passion for excellence and has been an active member of the BQF for many years having taken on the roles of assessor, jury member, and guest speaker at one time or another. Rob has also pioneered the development of Integrated Management Systems within the Ricoh Group and has delivered papers on the benefits of the approach to a wide range of organisations within the UK business community. Rob is also recognised as a key contributor on a range of topics including the Strategy Deployment, Continuous Improvement and Sustainable Excellence. In his spare time Rob is a very keen cyclist and a lifelong Shrewsbury Town Football Club supporter.

