

OBJECTIVES & TARGETS

that are compliant with ISO requirements

by Mickey Jawa, CEO, SatiStar Management Consulting

The ISO standards provide requirements for the establishment and deployment of objectives and targets for all business processes. They also require that appropriate measuring and monitoring systems be set up to identify any performance issues so that corrective actions can be implemented as needed.

Most managers understand that it is good business practice to create and deploy business objectives and targets across the organization.

They also understand that it's important to ensure that they monitor and measure performance – and to apply appropriate controls to ensure the attainment of those objectives and targets. A good system will ensure that any performance gaps are quickly identified and trigger actions to close those gaps.

The same managers often have great difficulty understanding that these same good business practices have been codified within many of the ISO Management System standards. This confusion is often caused by the terminology used in the ISO standards – which might be quite different from the terminology used within your organization.

Objectives vs Targets

According to ISO9000:2005, a Quality Objective is something sought, or aimed for related to Quality. A Target is a quantified goal related to that objective.

Objective: To reduce energy and water use.

Target: Reduce energy and water use by 20% by the end of next year.

ISO Standard Requirements

Within most of the ISO standards that define requirements for Management Systems (such as ISO9001, ISO14001, ISO18001, etc.) there are requirements for the establishment and documentation of Objectives and Targets for all relevant processes.

Within ISO9001:2000 it begins with Section 4.1 that requires that you:

- identify all of your key business processes,
- develop the means to monitor, measure and analyze the performance of these processes,
- understand the results you plan to achieve with these processes
- implement actions to address any identified performance gaps.

Section 4.1 specifically states that:

The organization shall

- a) identify the processes needed for the quality management system and their application throughout the organization (see 1.2),
- b) determine the sequence and interaction of these processes,
- c) determine criteria and methods needed to ensure that both the operation and control of these processes are effective,
- d) ensure the availability of resources and information necessary to support the operation and monitoring of these processes,
- e) monitor, measure and analyse these processes, and
- f) implement actions necessary to achieve planned results and continual improvement of these processes.

Later on in the same standard, section 5.4.1 states:

“Top management shall ensure that quality objectives, including those needed to meet requirements for product [see 7.1 a)], are established at relevant functions and levels within the organization. The quality objectives shall be measurable and consistent with the quality policy.”

Most companies fall into the trap of defining only a set of top-level objectives and targets for the entire organization. The ISO9001:2000 standard clearly requires that objectives and targets be established and deployed everywhere.

One reason for creating and deploying a set of quality objectives and targets for your organization is to ensure that all personnel are aware of, aligned with and supporting the results you want to achieve with regard to quality management.

Another reason is because it is a requirement of ISO9001:2000.

A Simple Solution

It is important to not overburden the organization with too many things to measure. You should only be measuring those things that are important to determining how well your business processes are performing.

The process approach to auditing requires that auditors develop an understanding of each of your business processes (including inputs, outputs, resources required, qualification). It also means that you need to define how you'll measure and monitor the performance of each of your processes.

We recommend that you:

- Create a list of all of the processes involved in your business (including those related to the Revenue Generation, Product Development and Order Fulfillment processes).
- Add all of the support processes required by the ISO9000 standard (Corrective Action, Preventive Action, Continual Improvement, Control of Non-Conforming Product, Training, Calibration, Preventive Maintenance, etc.)
- Finally, add the Management System processes (Internal Audit, Management Review, Customer Satisfaction, etc.)
- For each of these processes you need to create a set of Objectives that define the outcome you wish to achieve.
- Then you need to figure out how to measure those objectives by identifying the minimal set of key performance indicators (KPIs) that will let you know the performance of that process.

- For each of these KPIs you need to create specific measurable targets (goals). Provide specifics on "when" you plan to achieve that target.
- Finally, collect data on the actual process performance versus the target for each of the objectives.
- You will require a specific action plan to address all objectives for which there is a performance gap.

Every process should have at least one Objective:

Process	Objective	KPIs	Target	Actual	Action Plan

Include Existing Corporate Objectives

You may have existing Objectives and Targets within your organization that originate either at your top management level or result from your annual Goals-Setting process. You should also give consideration to including these within your overall O&T listing. This simplifies on-going management of these objectives and also ensures that the management team treats the entire list as important to the business.

This enables the Quality Manager to engage the entire leadership team in seeing the relevance of ISO to their specific jobs.

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