

# ISO 9004:2009 for Auditing

## Fundamentals of Business Sustainability

### Course Orientation

Supporting the Work of Quality Professionals <sup>TM</sup>

Both corporate sustainability and sustained success concepts apply on the level of organizations and are interrelated. Managing for sustained success using the guidelines of ISO 9004:2009 contributes to corporate sustainability. This training provides practical information on how to use the new ISO 9004:2009 to find opportunities for improvement that can drive the performance of an organization to long term success. It explores two frameworks related to corporate sustainability: sustainability evaluation models and guidelines on sustainability reporting. The connections between ISO 9004:2009 and key elements of main sustainability evaluation systems (used in calculations of the Global 100 Most Sustainable Corporations [9] and Dow Jones Sustainability Indexes [8], as an example) are explained and mapped.

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## Guidance Documents and Auditing

The new international standard ISO 9004:2009 [1] provides guidance to organizations for achieving sustained success. It contains no audit criteria, and is not intended for certification, regulatory or contractual use.

How can the application of ISO 9004:2009 add value to the auditing?

To answer this question we need to review key guidance on auditing:

1. Clause # 65 of Frequently Asked Questions (FAQ) published by International Organization for Standardizations (ISO) [2] says:
  - Auditors should be able to demonstrate competency in: **a general understanding of ISO 9004.**
2. According to advice from Auditing Practices Group established by the International Accreditation Forum (IAF) and ISO:
  - The output of [value-added] audits is usually a report which covers the issues going **beyond mere compliance** with the requirements of the standard and identifies opportunities for business performance improvement in general without offering specific solutions [4].
  - A “value-added” approach asks the question “How can we use our ISO 9001-based quality management system to help us **to improve our business?**” [3]
3. The international Standard ISO 19011:2002 states that:
  - Auditors should have knowledge and skills in the following areas: [*including*]-B Management system and reference documents [*including*] : **application of the reference documents [such as ISO 9004: 2009] to different audit situations**, Ref: ISO 19011:2002 Cl 7.3.1 B [5]

In summary, managing for sustained success and corporate sustainability stand considerably above the requirements of ISO 9001:2008 and are addressed by the evaluation of performance aspects of audited processes. Auditors need an understanding of ISO 9004:2009 to raise opportunities for improvement that can drive the performance of the client's organization toward long term success.

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## Training Plan

### What is Sustainability?

The three concepts associated with the word “sustain” have different backgrounds but revolve around achieving long term gains in different areas such as fulfilling needs (sustainable development), achieving objectives (sustained success), or creating shareholder value (corporate sustainability). Managing for sustained success using the guidelines of ISO 9004:2009 contributes to corporate sustainability. The corporate sustainability evaluation models and reporting guidelines define measurable intangible values required to create long-term shareholder value. This part of the training program explains the history of concepts related to sustainability, provides an overview of sustainability evaluation schemes and guidelines on sustainability reporting, as well as an overview of organizations that provide services related to sustainability.

#### **Specific skills you will take away from this session:**

- Understand the relationship between Sustainable Development, Sustained Success, and Corporate Sustainability
- Choose a sustainability evaluation scheme and a sustainability reporting system based on business objectives
- Be familiar with the history of key concepts, practices, and organizations in the areas related to sustainability

### ISO 9004 and Sustained Success

The guidelines of ISO 9004:2009 explain how to develop and maintain interrelated processes, capable of continuously producing values required to achieve objectives in a long-term. ISO 9004:2009 provides a long-term perspective on the processes defined by ISO 9001:2008 and helps to evaluate performance aspects during auditing. ISO 9004:2009 suggests that business processes can be ranked as one of the five maturity levels for sustained success. Compliance with the requirements of ISO 9001:2008 is equivalent to level two on the five-level maturity scale for sustained success. This part of the training program explains the structure and the key elements of ISO 9004:2009 and the application of the maturity level model for sustained success.

#### **Specific skills you will take away from this session:**

- Understand the structure, terminology and new elements of ISO 9004:2009
- Effectively use five maturity levels for sustained success to evaluate business process
- Select business processes with the most significant potential for sustained success

### Innovation Management

It is hard to underestimate the role of innovation in building a sustainable business. The ISO 9004:2009 states that “[The sustained success of an organization] can be achieved through awareness of the

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organization's environment, the effective management of opportunities and risks, learning from experience, and through the application of improvement and innovation." Is innovation an art or a science? Can we learn to innovate or must we rely on innovation geniuses? How can we incorporate innovation processes into the management system? This part of the training explains differences between innovations and improvements, gives an overview of main innovation tools and methods, and provides examples of effective innovation processes.

**Specific skills you will take away from this session:**

- Be familiar with the innovation life cycle, tools, and methods
- Understand the differences between innovations and improvements
- Apply ISO 9004:2009 guidance to evaluate continual improvements

## **Strategic Partnership**

ISO 9004:2009 positions interested parties in a framework of the organization's environment. Current, changing and expected needs of interested parties, as elements of the organization's environment, should be continuously monitored and analyzed. The ISO 9004:2009 puts an emphasis on selection, evaluation, and improvement of capabilities of interested parties and on sharing information, knowledge, profits, and losses with partners. This new focus on strategic partnership increases the importance of such processes such as monitoring, analysis, communication, and information management. This part of the training provides specific practical examples and best practices in the areas of establishing, maintaining and developing strategic partnership in accordance with the guidelines of ISO 9004:2009.

**Specific skills you will take away from this session:**

- Apply ISO 9004:2009 guidance to strategic partnership
- Define, manage and improve relationships with interested parties
- Select areas to apply KPIs, benchmarking, sharing, monitoring, and appraisals

## **Adaptive Planning**

More and more companies have recently transferred from annual to short term agile plans and budgets. How is this connected and how can this be supported by the quality management system? ISO 9004:2009 emphasizes the uncertainty of the organization's environment and the importance of monitoring and analyzing it to achieve sustained success. Adaptive planning is based on constant monitoring and analysis of both internal and external factors to identify risks, opportunities, and adjust plans. This part of the training explains the benefits of adaptive planning, guidelines of ISO 9004:2009 in the areas of monitoring, measurement, analysis and review, and provides practical examples of risk and opportunity management based on adaptive planning.

**Specific skills you will take away from this session:**

- Apply ISO 9004:2009 guidance to monitoring, measurement, analysis, and review
- Understand adaptive planning based on monitoring of uncertain environment
- Apply management of opportunities and risks for sustained success

## **Process/Service Management**

Sustainable companies have sustainable management systems based on sustainable processes. The new ISO 9004:2009 identifies several areas of process management to be enhanced for sustained success. Such areas are explained in this part of the training using examples of service processes. The reason for this is the continually increasing role of services for the success of an organization. Services now account for between 60 and 80% of GDP and employment in many modern economies. Producers of software, hardware, and infrastructure more and more frequently offer their product as a service. The training provides specific examples of applying ISO 9004:2009 guidelines in the area of process management.

**Specific skills you will take away from this session:**

- Understand “as a service” trend
- Apply ISO 9004:2009 guidance to process management
- Understand key criteria of sustainable processes

## **Proactive Learning**

Learning is another essential element for sustained success as defined by the new ISO 9004:2009. The scope of proactive learning is broad and it covers best practices and effective solutions outside of the scope of an expertise. Proactive learning helps to innovate and find solutions that are not immediately obvious. Different approaches for capturing knowledge provided by ISO 9004:2009 include collecting information from various internal and external sources, and learning from mistakes. This part of the training explores areas beyond the ISO 9001:2008 requirements for “competence, awareness and training” and explains processes that connect learning, innovation and competitiveness on the level of products, processes, and systems.

**Specific skills you will take away from this session:**

- Apply ISO 9004:2009 guidance to knowledge management
- Understand the benefits and essentials of proactive learning
- Connect proactive learning and innovation on the level of processes and systems

## Information Management

Information management becomes crucial in the digital age. Similar business processes, hardware, and software are shared among many competitors while information that is unique to the company can make a real difference. Right information helps to adapt to a rapidly changed environment and make right choices. Best business practices and lessons learned should be effectively shared and used. Informational assets need to be controlled and safeguarded. This part of the training is focused on ISO 9004:2009 guidelines on establishment, implementation and maintenance of processes to manage information and technology. It also explores the areas between information management systems based on the standards ISO series 27000 and ISO 9001 quality management systems.

### **Specific skills you will take away from this session:**

- Apply ISO 9004:2009 guidance to management information and technology
- Understand correspondence between 27001:2005, ISO 9001:2008 and ISO 9004:2009
- Understand benefits of information-intensive culture and management by fact

## Social Responsibility

One of the first terms associated with the word “sustain” was “sustainable development” as defined by the Brundtland Commission in 1987 [7]. The essence of sustainable development lies in opening new perspectives on the interrelationship between environment and society based on environmental protection, economic growth, and social responsibility. In 2003 ISO set up a strategic advisory group (SAG) on social responsibility that created a draft known as ISO/CD 26000 that provides guidance on the underlying principles of social responsibility [14]. This part of the training provides an explanation of key elements of social responsibility according to ISO/CD 26000 guidelines and its correspondence with ISO 9001:2008 and ISO 9004:2009.

### **Specific skills you will take away from this session:**

- Apply ISO 9004:2009 guidance to human resource processes
- Understand the key elements and benefits of ISO/CD 26000
- Understand correspondence between ISO/CD 26000, ISO 9001:2008 and ISO 9004:2009

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## Online Training Materials

Online training materials include a comprehensive workbook, assignments, mini-tests, links and references. Access to the online training materials is provided after registration but no earlier than one week in advance of the subsequent virtual sessions.

Electronic files with a summary of online training materials in Adobe Acrobat format can be provided upon request.

## Certificates

Certificates of Completion will be awarded only to those who attend the entire course. It includes participation in all five modules and completion of all assignments.

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## References

- [1] ISO 9004:2009. Managing for the sustained success of an organization - A quality management approach.
- [2] FAQs on ISO 9001:2008. ISO. Available at [http://www.iso.org/iso/iso\\_catalogue/management\\_standards/iso\\_9000\\_iso\\_14000/iso\\_9001\\_2008/faqs\\_on\\_iso\\_9001.htm](http://www.iso.org/iso/iso_catalogue/management_standards/iso_9000_iso_14000/iso_9001_2008/faqs_on_iso_9001.htm)
- [3] ISO 9001 Auditing Practices Group Guidance on: How to add value during the audit process? Available at [www.iso.org/tc176/ISO9001AuditingPracticesGroup](http://www.iso.org/tc176/ISO9001AuditingPracticesGroup)
- [4] ISO 9001 Auditing Practices Group Guidance on: Added value certification audit versus consultancy. Available at [www.iso.org/tc176/ISO9001AuditingPracticesGroup](http://www.iso.org/tc176/ISO9001AuditingPracticesGroup)
- [5] ISO 19011:2002 Guidelines for quality and/or environmental management systems auditing.
- [6] ISO 9001:2008 Quality management systems – Requirements.
- [7] Report of the World Commission on Environment and Development: Our Common Future (UN Brundtland Commission report). Available at <http://www.un-documents.net/wced-ocf.htm>
- [8] Dow Jones Sustainability Indexes Key Facts 2009. The DJSI website at [www.sustainability-indexes.com](http://www.sustainability-indexes.com) and the SAM assessment website. Available at [www.samgroup.com](http://www.samgroup.com).
- [9] The Global 100 Most Sustainable Corporations in the World. Available at [www.global100.org](http://www.global100.org).
- [10] Cort, Gary and Natalia Scriabina. Shaping the Trends. Quality World, CQI Press, Vol. 3, No. 5. May 2009: 18-23.
- [11] Cort, Gary and Natalia Scriabina. Achieving sustainability through risk management. IRCA Infor, Issue 24, Dec 2009.
- [12] ISO Strategic Plan for 2005-2010: Standards for a Sustainable World, ISO, [www.iso.org](http://www.iso.org)
- [13] ISO Horizon 2010: Consultations to Update ISOs' Strategies for 2005-2010, ISO, [www.iso.org](http://www.iso.org)
- [14] ISO/CD 26000 "Guidance on Social Responsibility" issued on Dec 12, 2008.
- [15] ISO/IEC 27001:2005 Information technology — Security techniques — Information security management systems — Requirements