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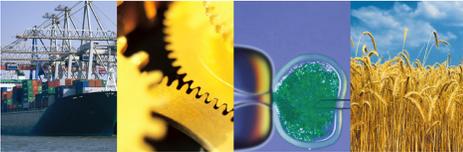
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**ISO 9000 – What does it mean for law firms, accounting firms and their clients?**



**TAGLaw/TIAG International Conference  
Geneva  
May 11th 2011**

Dr Nigel H Croft  
Chairman, ISO/TC 176/SC 2 (Quality Systems)




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**ISO/TC176**

- "ISO" = International Organization for Standardization
  - Confederation of National Standards Bodies
  - Based in Geneva
- Standards development work is done by Technical Committees comprising experts nominated by their national standards body or liaison organization.
- "TC1" was the first Technical Committee (1948!!) for standardization of screw threads
- "TC 176" = Technical Committee Number 176 for Quality Management and Quality Assurance
- "TC 176/SC 2" is the subcommittee responsible for ISO 9001 and ISO 9004 standards, among others

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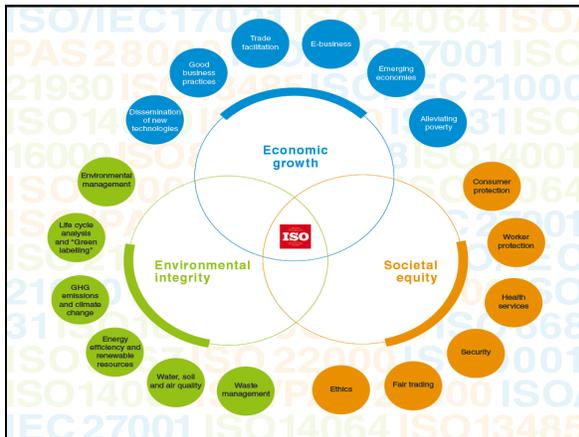
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### Responding to market needs

Over 40 new technical bodies established since 2005

- Information and societal security
- Response to climate change
- Energy efficiency and renewable resources
- Sustainable building design and operation
- Water services
- Nanotechnologies
- Intelligent transport systems
- Food safety management
- Health informatics
- Social responsibility
- Tourism and related services
- Fisheries and aquaculture
- Carbon footprint
- Services
- Biotechnology
- Finance
- Biofuels





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## Background

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History and context of ISO 9000 standards on Quality Management




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**“Quality management”**

- It’s about **more than** “ISO 9001”
- It’s about **more than** “procedures”
- It’s about **more than** “compliance”
- It’s about **more than** “certification”

Product quality ➔ Total Quality

- It’s about providing confidence and **getting results!**

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**What is quality??**

- Formal definition.....  
 “degree to which a set of inherent **characteristics** fulfils **requirements**”

*Distinguishing feature*  
 (Physical, sensory, behavioural, temporal, ergonomic, functional)

*Needs or expectations that are stated, generally implied or obligatory*

In other words: “Are expectations being met?”

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**What are the characteristics in the case of TAGLaw / TIAG?**

- Quality of work
- Service
- Responsiveness
- Communication
- Ethics
- Confidentiality
- (Avoidance of) Conflicts
- Billing



Taken from the TAGLaw website

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### Quality Management System

“set of *interrelated or interacting elements* to *establish policy and objectives* and to *achieve those objectives*”

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### TAGLaw member’s objectives

- *Provide excellent, timely and cost-effective legal services to clients of member firms.*
- *Develop and maintain strong client relationships and personal service, enhanced by the international resources shared among network members.*
- *Communicate clearly with clients on terms of professional engagement and progress of business.*
- *Share international expertise and resources with member firms.*
- *Provide referral opportunities to other members when appropriate.*

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### TIAG Members’ Committment

- Dedication to 100% client satisfaction
- Thorough understanding of client’s business
- Continual awareness to anticipate client’s needs
- Knowledge of client’s industry and marketplace
- Commitment to responsiveness and accessibility

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## What is "ISO 9000"?



- A whole **series** of standards related to **quality management systems**
- Aim is to help organizations be more **effective** and **efficient**
  - Effective = Achieving the planned results
  - Efficient = Optimizing use of resources

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## ISO 9000



- "Fundamentals and Vocabulary"
  - Describes the core principles behind a quality management system, including:
    - Process and system approach
    - Role of top management
    - Documentation
    - Evaluation (audit; self-assessment, management review etc)
    - Use of statistical techniques
  - Definitions (very important!)

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## ISO 9001



- "Specifies quality management system **requirements** for organization to:
  - **demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements**
  - enhance customer satisfaction....."



NOTE: "Services" are a specific kind of product, and are also covered by ISO 9001

**An organization that demonstrates it is meeting these requirements can then be "ISO 9001 certified" by an independent certification body (NOT by ISO!)**

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**ISO 9004**

- Provides “**Guidelines**” for achieving sustained (long-term) success using the Quality Management System
- Focus on **efficiency**
  - Financial resources and results
  - Use of natural resources
  - Competence and motivation
- Allows for self-assessments (maturity model)
- **Not** for certification

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**Basis for ISO 9001 and ISO 9004**

- 8 “Quality Management Principles”
  - Customer Focus
  - Leadership
  - Involvement of people
  - Process approach
  - System approach to management
  - Continual improvement
  - Factual approach to decision making
  - Mutually beneficial supplier relationships

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**Fundamentals of “ISO 9000”**

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The “Process Approach” and PDCA cycle

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## The focus of ISO 9001:2000 and ISO 9001:2008



- **LESS** focus on “procedures” and “records”
- **MORE** focus on “process control” and “results”
- **A “documented system” – NOT a “system of documents”**

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## 3 core concepts.....



- Identify the processes needed
- Manage the processes using “Plan-Do-Check-Act”
- Continually monitor the risks

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## Process



- “Set of interrelated or interacting **activities** which transforms inputs into outputs” (ISO 9000:2005)
- Outputs from one process are typically inputs into other processes
- Overall aim is to **add value** by planning and controlling processes

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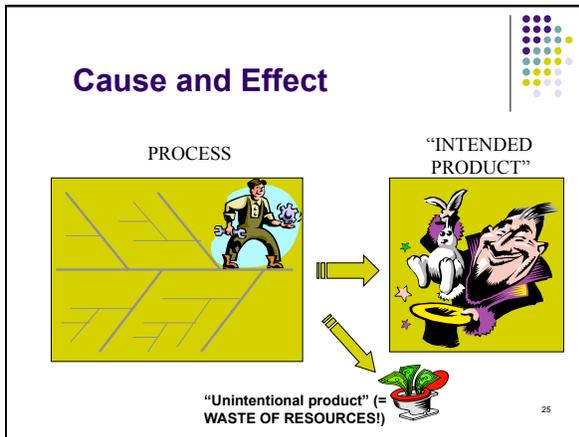
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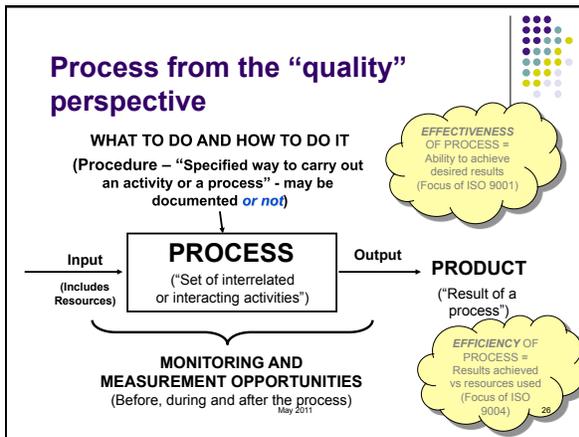
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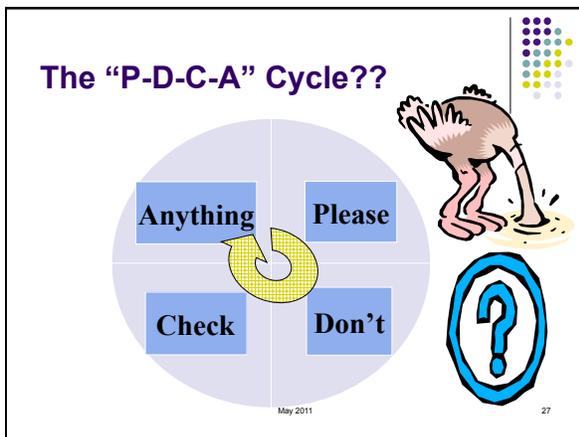
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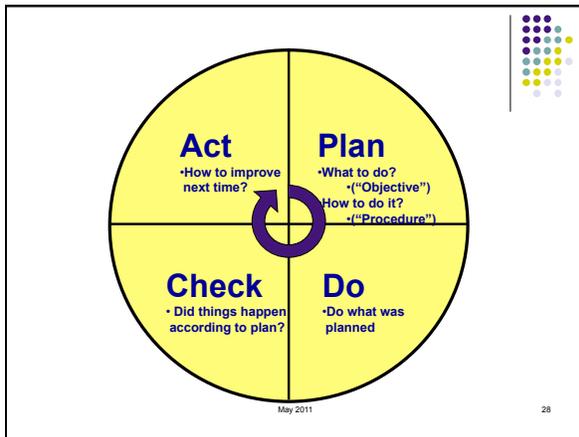
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**Plan:**

- **What** do we want to achieve?
  - Vision
  - Mission
  - Objectives
- **How** can we achieve it?
  - Business plan
  - Strategies
  - Resources
- Dr Deming – “It’s pointless to establish an objective without defining a **method** to achieve it”

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**Do:**

- Get everyone involved, committed, and motivated (“Leadership”!)
- Carry out “the plan”
  - Deploy throughout the organization
  - Break down the objectives to the appropriate functions and levels
  - Make sure everyone does what is expected of them

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**Check:**

- Is this what we expected?
- Are the results OK?
- Look for **trends**



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**Act**

- Correct what went wrong (**Correction**)
- Plan to do it right next time (**Corrective action**)
- Learn to make things "error-proof" (**Preventive action**)
- Think – how can we do this.....
  - Faster?
  - Cheaper?
  - Better?
  - Safer?
  - More environmentally friendly?

} (**Improvement**)

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**Clause 4 – General requirements (simplified)**

- **Define the processes needed** for the quality management system (for example sales, planning, service delivery, internal audit etc)
- Use the "Plan-Do-Check-Act" methodology to **manage these processes**
- Prepare a Quality Manual and other documentation **as necessary to control the processes**
- Ensure documentation is kept up-to-date
- Provide **evidence that the processes are effective** (prepare records as needed)
- Define how to manage any **outsourced processes**

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### Typical ISO 9001 requirements.....

*"The organization shall*

a) determine the processes needed for the quality management system and their application throughout the organization,

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 necessary to support the operation and monitoring of these processes,

e) monitor, measure, analyze and evaluate the performance of these processes,

f) implement actions necessary for the improvement of these processes.

**WHAT THIS MEANS.....**  
 What **are** the key processes? Do we know?  
 – for example:

- Initial negotiation with client
- Preparation of briefs
- Competence development
- Planning for court appearances
- Internal audit
- Corrective action
- Customer feedback
- etc, etc

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### Typical ISO 9001 requirements.....

*"The organization shall*

a) determine the processes needed for the quality management system and their application throughout the organization,

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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 necessary to support the operation and monitoring of these processes,

e) monitor, measure, analyze and evaluate the performance of these processes,

f) implement actions necessary for the improvement of these processes.

• How do the processes fit together?  
 (Outputs from one process provide inputs into the next)

- Concept of "internal supplier / internal customer"
- Are we working as efficiently as possible to achieve a common objective and add value?  
 (Nothing "falling between the cracks")

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### Typical ISO 9001 requirements.....

*"The organization shall*

a) determine the processes needed for the quality management system and their application throughout the organization,

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 necessary to support the operation and monitoring of these processes,

e) monitor, measure, analyze and evaluate the performance of these processes,

f) implement actions necessary for the improvement of these processes.

• How are the processes **managed**?

- "Plan – Do – Check – Act"
- How much documentation is needed? (to **support** the processes)
- What monitoring and/or measurement is necessary?
- What about competence needs for those who are involved?
- Are the processes effective ("achieving the planned results")?

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### Clause 5 - Management responsibility (simplified)



- Ensure top management is committed to quality and promotes a quality culture
- Promote a "customer focus" throughout the organization
- Define Quality Policy and measurable objectives
- Assign responsibilities and authority (including "Management representative" for coordination)
- Promote good internal communication
- Review the entire system periodically for effectiveness ("Management Review")

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### Clause 6 – Resource management (simplified)



- Ensure that the necessary resources are available
  - Competent people (with training provided as needed)
  - Infrastructure (buildings; equipment; Information Technology etc)
  - Appropriate work environment (cleanliness; noise; vibration; temperature; lighting etc) to achieve product quality

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### Clause 7 - "Product realization" (simplified)



- Plan production / service delivery processes
- Customer-related processes (including "contract review")
- Design the product – what are the characteristics to be met?
- Ensure quality of purchased products & services
- Control and validate processes as needed
- Ensure measuring equipment is calibrated to provide evidence of product conformity

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**Clause 8 - "Measurement, analysis and improvement" (simplified)**

- Monitor and measure processes and products as needed
- Aim is to **prevent** things going wrong
- **Correct** things that do go wrong, and make sure it doesn't happen again ("**Corrective action**")
- Monitor customer satisfaction, and respond to customer complaints
- Monitor entire system by analyzing data and carrying out internal audits
- Aim for continual improvement of system **effectiveness**

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**But don't forget!!!.....**

- All of this is very good
- BUT**
- Is it **achieving the expected results?**
- Is it **adding value?**

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**WHAT IS CERTIFICATION ALL ABOUT?**

- CONFIDENCE
  - Demonstrating that the organization does have a management system conforming to the relevant standard
  - Providing CONFIDENCE to the organization's customers and other stakeholders that the system is effective in achieving the desired outputs
    - "**Consistent conforming products**" (ISO 9001)
- NOTE – It's not an "**absolute guarantee**"!!
  - Based on sampling of organization's processes

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## Who is the "Customer" of the certification body?



- Contractual customer = certified organization
- **Ultimate customer** = those who purchase or receive products/services from the certified organization
  - *Trust in the ability of a certified organization to consistently provide them with products and services that meet their agreed requirements*

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## The certification process



- Organization implements its system; carries out its own checks via internal audits and management review
- Hires certification body (called "registrar" in the US) to carry out independent audit
- CB auditors (knowledgeable in the specific business) carry out "certification audit"
- If all is OK, CB issues certificate, normally valid for 3 years
- Subject to surveillance audits at least yearly
- "Recertification audit" after 3 years

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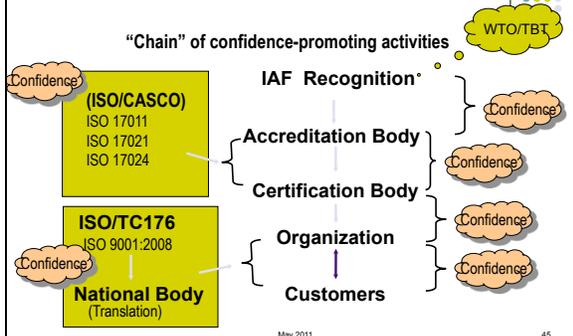
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## HOW TO PROVIDE CONFIDENCE?




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### What does ISO 9001 certification mean for TAGLaw/TIAG members?



- ISO 9001 certification demonstrates that the law or accounting firm:
  - Has a policy in place that is consistent with TAGLaw or TIAG's overall policy and objectives
  - Understands the needs and expectations of its customers, and explains clearly any restrictions
  - Has processes in place to provide confidence in its ability to meet TAGLaw or TIAG policies and client needs and expectations
  - Is continually improving its performance by using the "Plan-Do-Check-Act" methodology

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### What about TAGLaw and TIAG's ISO 9001- certified clients?



- ISO 9001 certification demonstrates that the client "takes quality seriously".....
  - Has a clearly defined quality policy
    - Must include commitment to comply with customer and statutory/regulatory requirements
  - Understands the needs and expectations of its customers, and has negotiated its contracts clearly
  - Has processes in place to provide confidence in its ability to meet its own policy and customer/statutory/regulatory requirements for the products/services it provides
  - Is continually improving its performance by using the "Plan-Do-Check-Act" methodology

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### Legal and accounting implications??.....



Over to you!!

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