

The Real Reasons Why Printers Should Consider Developing Management Systems

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Too many times we hear stories of companies struggling to sustain the gains from their continuous improvement efforts, or we hear horror stories of poor results with their company's strategic initiatives. These issues are indicative of a program or initiative that lacks a holistic view of their operations and how they run their business.

Japs-Olson recognized this issue early on in their continuous improvement journey. Developing a smart, customized, documented management system has helped Japs-Olson more effectively run their business and has been a good decision for many reasons. Key benefits have been that the management system has captured all their continuous improvement efforts, helped Japs-Olson realize and sustain the gains made, and developed a robust framework for addressing future changes.

A significant commitment in their next step in continuing improvement and making a serious bid to rise to the upper echelons of world-class excellence began in 2004. Through their research, they knew they needed to start an effective continuous improvement program, but they weren't sure which methods would give them the most bang for their buck. Should they pursue a Lean program or develop a formal management system? They decided to start with Lean.

The decision was made to use Lean concepts to improve a single operation, and it grew from there. For almost four years, Japs-Olson trained more and more of their employees on Lean concepts, identified potential projects, held kaizen events, and developed experienced and knowledgeable improvement teams. They realized many significant improvements, and it started changing the culture of the organization.

Japs-Olson realized Lean concepts provide very good tools that are useful in many different situations. But there was still something important missing. There were still huge communication gaps between different parts of the organization that were not addressed through their Lean efforts. They realized Lean doesn't teach a company to manage the overall business; it just teaches how to improve what you already have!

So, in 2008 Japs-Olson decided to develop a quality management system to see if that would provide the key that was missing. Ultimately, they

found by developing and implementing a management system that met the requirements of ISO 9001, their documentation provided an overriding structure to manage and help them achieve their strategic goals. Their quality management system (QMS) became the guiding force for how things are done at Japs-Olson

When working on Lean, they had focused on many different pieces of the organization in many different improvement projects. But International Standard Organization (ISO) was different because it focused on the overall structure of the company. ISO gathered all those pieces they already had into a cohesive system. That system was clearly documented, responsibilities assigned, and measuring and monitoring tools identified and implemented. In particular, communication between the systems was improved. ISO became the way Japs-Olson is run. Lean is now understood to be a primary tool in the box for making improvement happen.

Why Do Companies Become ISO Certified?

Many companies become ISO certified because their customers insist on it. They often don't understand why their customer has this requirement so they do a minimum amount of work to create a management system that simply sits on the shelf to be dusted off when auditors come to town.

But customers have valid reasons for preferring suppliers that are ISO 9001 certified, such as:

- Improved communications
- Accurate and timely corrective actions
- Processes that have repeatability and consistency
- Processes that are measured and monitored
- Reduced spoilage and rework

Customers know if their supplier hasn't developed and implemented a solid management system, then the concepts listed above either are inconsistent or even absent. If the supplier has a certified QMS, then they have seriously considered and addressed these issues and figured out how to make them work in their culture. The chances of customers having a more successful relationship with that supplier are greatly improved. ISO is all about running an organization well and keeping the focus on customer needs and requirements. No wonder customers want their suppliers to be ISO certified!

What about Japs-Olson's Suppliers?

Since becoming certified to ISO 9001 in the fall of 2008, Japs-Olson's perspective on vendor relationships has changed significantly.

Before ISO, a tour through a potential vendor's operation would focus on machines, products, and capacity. Today when Japs-Olson tours an operation, the focus is on how their critical vendors run their businesses. What systems do they have in place? How well do they complete corrective actions? Do they have standard work instructions for their employees to follow? Is everything in place so they can meet all of Japs-Olson's requirements for product?

Another way to explain it is, as our supplier, you are an extension of Japs-Olson. You need to mirror our operations so product moves smoothly and our strict quality standards are met. Therefore, we expect a lot from our suppliers. As we develop our relationship, we will continue to monitor your processes, work instructions, flexibility, and performance.

Of course, this “new” way of touring a company is how our customers evaluate Japs-Olson so it makes sense that Japs-Olson evaluates its suppliers using the same type of measurements.

How Does a QMS Improve Flexibility in This Rapidly Changing World?

Many printing companies have been forced to downsize by the slowing economy. For any company, the impacts from downsizing are huge. But a well implemented management system helps manage those issues and in many cases minimizes them. For example, it provides valuable measurements to determine what changes should be made and when. Then it provides a method to make those changes so the business moves forward as smoothly as possible even in less than prosperous times. Also, ISO documentation defines responsibilities and ensures the work of the company will carry on as usual.

When business improves again, it presents a different set of challenges. Notably new hires must be trained and become productive as quickly as possible. A quality management system provides this structure to ensure upsizing occurs relatively painlessly.

What Value Do Audits Have?

Most companies aren't happy to have auditors evaluating them. But at Japs-Olson, ISO audits are an extremely valuable tool to help us improve. ISO audits provide measurable and quantifiable information to determine whether processes are being done according to plan throughout the organization.

In particular, internal audits are the most valuable. The reason internal audits are done by Japs-Olson employees is because they know where all the real problems and issues are in the operations (a.k.a “where the dead bodies are buried”)! With that in mind, internal audits provide great input to improvement programs. Internal audits allow us to examine our processes under the microscope and gather measurements and data about issues that are found. Based on the findings, we can decide how important the issue is and what kind of fix (corrective action) would be most appropriate.

If Japs-Olson's internal audit program is working well and finding all the problems, then when the external auditors arrive, they are simply confirming their systems are working as they should and that we continue to improve.

Here is the truth about companies who have smart, well-documented, customized management systems:

- It keeps the organization focused on achieving their strategic initiatives
- It helps keep *everyone* focused on the customer
- It improves communication between departments, customers, and suppliers
- It ensures people have the correct information to do their jobs accurately and efficiently
- It provides reliable data so people can make the right decisions
- It helps everyone improve what they do

Is an ISO management system right for you? Consider the following:

- How do you want to run your business? Do you want to run it based on data or emotions?
- Are systems and processes valuable to you?
- What is your spoilage and rework? Do you want to reduce it?
- Do you want your people to work more accurately and effectively?
- Do you want to sustain your Lean and other improvement initiatives?
- Do you want repeatability and consistency in processes throughout your organization?

If you do, then developing a management system is worth your time and effort. Using the ISO 9001 standards will provide the structure to help you develop a smart, customized management system of your own that will provide the tools that will help your company become world class.

It is your decision!

Chris Illa and Kristine King will be presenting a case study on quality management systems at the 2011 Continuous Improvement Conference, April 10–13 in Kansas City. The event focuses on operational excellence and Lean Manufacturing. Visit www.printing.com/ciconference for more information.

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