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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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### ISO Mission

- ISO develops **high quality voluntary** International Standards which **facilitate** international exchange of goods and services, **support** sustainable and equitable economic growth, **promote** innovation and **protect** health, safety and the environment




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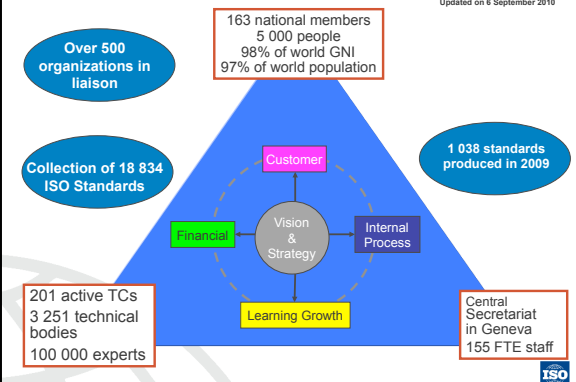
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### ISO – A Global Network

Updated on 6 September 2010



Over 500 organizations in liaison

Collection of 18 834 ISO Standards

163 national members  
5 000 people  
98% of world GNI  
97% of world population

1 038 standards produced in 2009

201 active TCs  
3 251 technical bodies  
100 000 experts

Central Secretariat in Geneva  
155 FTE staff

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### Standards for a better world




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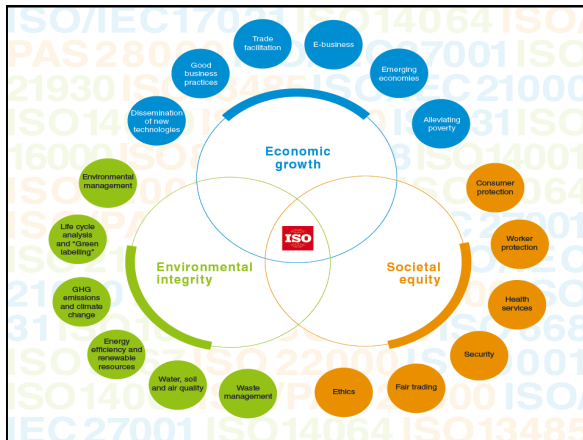
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### Responding to market needs

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

### 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”



- 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”

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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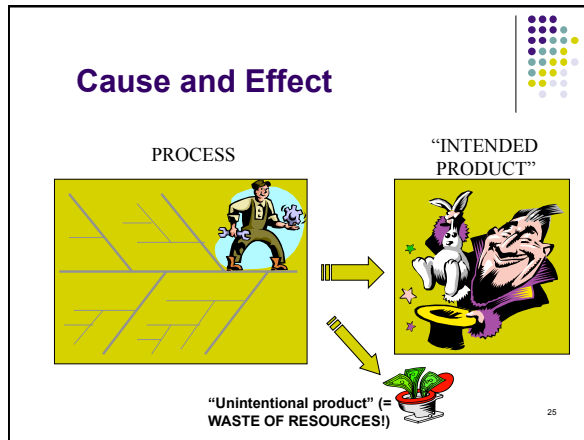
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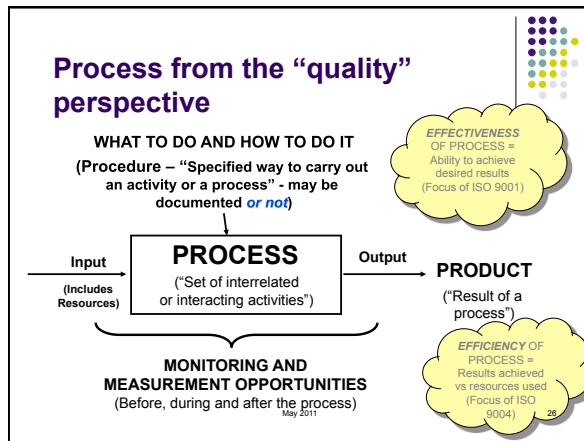
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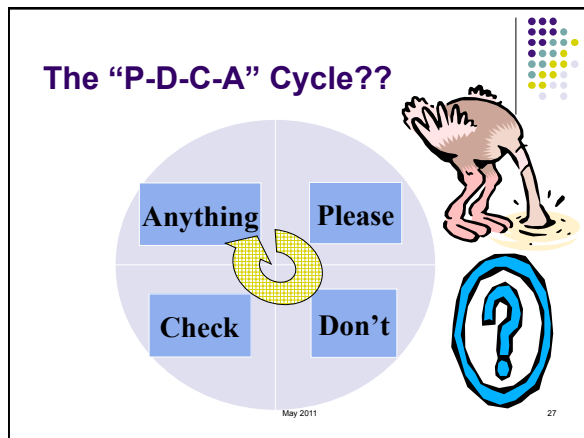
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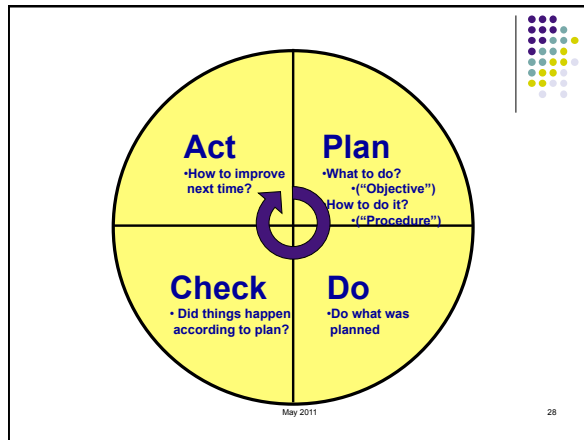
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### Plan:

- **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*

- determine the processes needed for the quality management system and their application throughout the organization,*
- determine the sequence and interaction of these processes,*
- determine criteria and methods needed to ensure that both the operation and control of these processes are effective,*
- ensure the availability of resources necessary to support the operation and monitoring of these processes,*
- monitor, measure, analyze and evaluate the performance of these processes,*
- 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.....

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- ensure the availability of resources necessary to support the operation and monitoring of these processes,*
- monitor, measure, analyze and evaluate the performance of these processes,*
- 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*

- determine the processes needed for the quality management system and their application throughout the organization,*
- determine the sequence and interaction of these processes,*
- determine criteria and methods needed to ensure that both the operation and control of these processes are effective,*
- ensure the availability of resources necessary to support the operation and monitoring of these processes,*
- monitor, measure, analyze and evaluate the performance of these processes,*
- 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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### 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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