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What industrial marketers need to know now about ISO 9000 certification A review, update, and integration with marketing

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Abstract

The ISO certification process has been in existence for 14 years. During that time, hundreds of thousands of suppliers of mainly industrial products and services have become ISO 9000 registered. However, the adoption rate of ISO 9000 certifications in US industry has lagged that of other developed countries. This is now changing; the number of new ISO 9000 certifications being obtained annually in the US is currently higher than most other countries in the world. Concurrently, the ISO 9000 certification series recently underwent a major revision, and much has been learned about the ISO 9000 certification process over the last 14 years. Therefore, industrial marketers who have taken a wait and see approach or have decided that the process is irrelevant to their businesses may need to reconsider this decision. To assist in this process, this article reviews the former and current ISO 9000 certification process, discusses the criticisms of the program, provides information regarding costs and benefits of certification, and offers suggestions for effectively integrating certification with the marketing program. © 2002 Elsevier Science Inc. All rights reserved.

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1. Introduction

ISO 9000 originated in 1987 with a bulletin from the International Organization for Standardization (ISO). Its purpose was to provide a series of international standards dealing with quality systems that could be used for external quality assurance purposes. Companies interested in demonstrating that their procedures met international quality standards could seek ISO 9000 certification by hiring a registration (certification) organization, accredited by ISO, to perform a quality system audit and grant ISO 9000 certification. Currently, the American National Standards Institute administers this procedure in the United States where ISO 9000 registration has been sought and obtained by thousands of US industrial suppliers.

Now the ISO 9000 standards have been revised. New standards were officially published on December 15, 2000 and despite criticisms of the process, there is little sign of

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abatement of interest in ISO 9000 certification. Instead, the number of ISO 9000 registrations is increasing. By the end of 1999 there were 343,643 certifications in 150 countries, a 26.4% increase over the previous year. The second greatest number of new registrations by the end of 1999 was in the US (Australia was first) where 8067 new ISO 9000 certificates were issued, a 32.3% increase from the previous year. Further, the number of new US registrations has increased annually every year over the previous 5 years. Thus by the end of 1999, there were 33,054 ISO 9000 certificates issued to businesses in the US [1].

However, even though the growth in ISO 9000 certifications in the US continues, the total number of US registrations trails that of other regions. In fact, the US represents only 9.6% of companies registered worldwide, and total North American (Canada, Mexico, and the US) registrations represent only 13.1% of worldwide registrations. In comparison, European registrations represent more than 55% of the worldwide total, those in the Far East region represent about 16%, and the number of certifications in these regions is still increasing [1]. If US registrations continue to increase at the current rate, thousands more US

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suppliers will be considering joining the ranks of those already ISO 9000 certified. Further, since the overwhelming majority of certifications are issued to suppliers of business and industrial products and services, the industrial sector of the economy is where most of the increase will occur.

As a result, it is timely to revisit the ISO 9000 certification process. In doing so, this article will briefly review the ISO 9000 registration process and recent changes, review the criticisms of the process, and identify the costs and benefits of ISO 9000 certification. Further, to assist industrial marketers who may already have received ISO 9000 certification as well as those who may be considering doing so, this article will provide suggestions for effectively integrating ISO 9000 certification into the marketing program while avoiding marketing errors that may violate ISO guidelines.

2. ISO 9000: background and standards

ISO 9000 is one of many product and service standards developed by the International Standards Organization. Founded in Europe in 1947, the purpose of ISO is to facilitate worldwide trade through the development of international quality standards that add value to products and services. Among the activities of this organization, and perhaps the most influential and far-reaching, was the issuance in 1987 of the ISO 9000 series of international standards for quality management that provided companies with a series of guidelines regarding how to establish systems for managing quality products and services. Companies utilize the standards to document practices that impact the quality of their offerings. By following the ISO 9000 standards, companies can gain and maintain ISO 9000 certification, thus officially documenting that the processes influencing the quality of their products or services conform to ISO 9000 requirements.

The underlying premise of ISO 9000 certification is that the creation of products and services is the result of a system. The inputs to and outputs from the system can be measured at various points as the system adds value. ISO 9000 registration documents the procedures in the system and measures how well the procedures conform to such documentation. In short, ISO 9000 sets standards for quality systems, i.e., paperwork not products, by providing companies with a series of guidelines for establishing such systems.

ISO 9000 is actually several standards, and the standards were simplified in December 2000. (Table 1 outlines the original and revised ISO 9000 standards.) Under the revised program, ISO 9000: 2000 is the general standard that serves as an overall guide to the other standards. Its purpose is to provide definitions of terms and a basic explanation of the ISO 9000: 2000 standards. ISO 9001: 2000 consolidates the former ISO 9001/9002/9003 standards into a single document and is the only standard to which certification is currently assessed. ISO 9004: 2000 provides further guidance for continuous improvement of internal quality management systems.

As is the case with the recent revisions, periodically the standards are updated. Customized new programs, such as AS9000, QS 9000 and ISO 14000, have been added over the years. AS (Aerospace) 9000 was developed and implemented by the aerospace industry as was QS (quality system) 9000 by the automotive industry. Both industries needed more specific and prescriptive systems of standards. To illustrate, "QS 9000 includes stipulation for 100 percent on-time delivery, supplier development programs, and statistical record keeping far beyond what is required in ISO 9000" [2]. ISO 14000 was introduced in 1996 to provide a series of international standards for environmental management. These standards deal with environmental audits, labeling, environmental performance, and terms and definitions [3].

Now that the ISO 9000 series has undergone a major revision the result is a simplified version of the original

Tabl	e 1		
The	ISO	9000	series

Standard	Focus		
Original standard (ISO	9000)		
ISO 9000	Quality management and assurance standards for selection and use		
ISO 9001	Quality systems model for quality assurance in organizations whose processes include design, development, production, installation and servicing		
ISO 9002	Quality systems model for quality assurance in organizations whose processes include production and installation, but not design and development		
ISO 9003	Quality systems model for quality assurance in organizations whose processes use final inspection and testing to mee product and service quality requirements		
ISO 9004	Quality management and quality system element guidelines		
Revised standards (ISO	9000: 2000)		
ISO 9000: 2000	Quality management system fundamentals and vocabulary — defines terminology and standards		
ISO 9001: 2000	Quality management systems requirements — used to assess compliance with requirements (consolidates the former ISO 9001/9002/9003 into a single document)		
ISO 9004: 2000	Quality management systems guidelines for performance improvement — offers guidance for continual management		

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