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Benefits of an Integrated Management System for SME's

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Topics Covered:

What is an IMS?	Implementing	System Comparisons
• Common IMS examples • Advantages of an IMS • What an IMS does not guarantee	• Implementing Integrated Management System	• Management Systems that can be integrated

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Why do SME's implement an Integrated Management System?

The main reason is that many SMEs are suppliers to large companies that impose quality and other requirements such as safety on their supply chain. In many cases, these requirements can only be met by implementing a management system and being certified. Also, governments apply quality, environmental and even sustainability criteria in their purchasing and procurement activities. SMEs are therefore forced to implement quality and other management system requirements to stay in business.

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What is an Integrated Management System?

- Integrates all of an organization's systems and processes in to one complete framework
- Achieves organizational objectives by
  - Reducing inefficiencies
  - Improving performance
- Binds the entire organization in a unified management system with the intent of maximizing efficiency and minimum disruptions

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What an Integrated Management System is not

For something to be integrated it does not just sit next to the other components/processes.

- It has to be fixed to the others so as to make a whole. Therefore, putting the financial system, the quality system and the FAA Advisory Circulars system into one book of policies and procedures is not integrating management systems.
- Creating one national standard for management systems is not integration.
- Buying a software package which handles quality, safety and environmental documentation is not integration.
- Merging disciplines such as putting the quality manager, safety manager and environmental manager in one department is not integration.

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Advantages of an Integrated Management System

Share Best Practices of all Management Systems	•Risk Awareness & Mitigation •Attention to State/Local/Federal Statutes •Corrective Action/Preventive Action
Unify your Organization	• Shared Objectives • Minimize Conflicts Between All Systems • Balance Conflicting Objectives • Management Focus
Effective processes	• Improved Understanding of Processes • Harmonize and Optimize Practices • Create Consistency

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Potential Advantages*

Integrated Elements	Advantages
Audits	Reduced costs
Training	Reduced time consumption
Purchasing	Simpler documentation
Supplier Assessment	Less procedures and less paperwork
Corrective Action	Multi-functional audits
Preventive Action	Improved decision making process
Document Control	Higher transparency
Procedures	Clearer responsibility
Work Instructions	Better structured processes
Process Control	Enhanced effectiveness
Organization	Higher awareness and acceptance
Responsibility Statements	Improved communication
Management Review	Reduction of coordinated problems
Communication	Improved image with customers
Goals	Enhanced Corporate identity
Targets	Better innovation

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What an Integrated Management System does not Guarantee

Integrated Management Systems

- Does not eliminate the need for certification to each standard.

Third Party Auditors

- Few Auditors share multiple skills.
- All auditors may not be familiar with your industry.

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How should systems be integrated and implemented?

There are several approaches which can be taken, depending on an organization's current position. The pressure to integrate a company's management systems will be from within. It is doubtful that customers will demand an IMS. There are no national or international standards for integrated management systems. For ease we will classify them into the following categories: Conversion, Merging and System Engineering.

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Conversion

If an organization has a certified QMS, it can build upon that by adding the necessary processes to cater for quality, safety, regulatory and environmental, along with other, requirements of management system standards.

All systems should share the following processes:

- document development and control
- training
- internal audit
- management review
- corrective action
- preventive action

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Conversion (continued)

There are a few important additions:

- Risk Assessment - This should address safety risks, environmental impacts and process failure modes. By having a common approach it will be easier to compare risks occurring in different parts of the business.
- Regulations Management - This should cover the capture of regulations on health, safety, security, etc., and their analysis and impact.
- Program Management - This should focus on specific improvement programs such as safety, environmental and security improvement.
- Public Awareness - this should address the notification aspects of health, safety and environment.

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Merging

If an organization has more than one formal system – e.g. a quality management system such as ISO 9001:2008 or AS9100, AS9120 and ASA-100 or FAA AC-0056A - it can merge the two systems and proceed to integrate other systems as it begins their formalization. With this method the organization can merge documentation where it supports the same process. However it will remain two separate systems unless the labels are removed and quality, safety and environment are no longer separated at the detail level.

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System Engineering

Whether an organization has an existing formal system or no formal system, it can adopt the system engineering approach to management system development, i.e. design a system top-down to fulfill a specific objective. The benefits are that one coherent system can be built which serves business needs and does not tie the organization to a particular standard. The standards are used to assist in identifing tasks and processes. This approach starts by looking at the business as a whole and establishing its purpose, mission and core processes which achieve this mission.

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System Engineering (continued)

The steps which follow on from this are as follows:

- model the business;
- deploy functions to the model and form process development teams;
- analyze business processes using flow charts;
- standards and failure mode analysis techniques;
- formulate operational policies which will govern the processes;
- develop procedures to control each business process which define who does what where, when and how;
- capture existing documentation;
- identify documentation needs by linking the existing documents to the control procedures;
- develop document development plan;
- document the system; and
- implement the new practices.

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System Engineering (continued)

With this approach, existing descriptions of processes, tasks, etc., are in use when they serve the process objective. If they do not, they should be discarded and rewritten. Throughout, the focus is on process, not separate disciplines.

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Considerations for the Integrated Management Process

- The extent to which integration should occur.
- The political and cultural situation within the company.
- The levels of competence necessary.
- Legal and other regulatory requirements.
- Clear objectives for the integration project.

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Implementing an Integrated Management System

Define your Integrated Management System

Make sure you have a well developed process understanding

Following the Plan Do Check Act Cycle

Step 1 **Step 2** **Step 3** **Step 4** **Step 5**

Define your Integrated Management System Manual

Install common system processes

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Success Factors

- Know your organization, your processes, your products and your customers and other interested parties;
- Decide where you want to go and how (vision and mission);
- Specify by setting objectives and targets;
- Clarify roles and responsibilities for action using procedures, instructions and action plans;
- Measure progress (very) regularly and make revisions when needed; and
- Communicate internally and externally.

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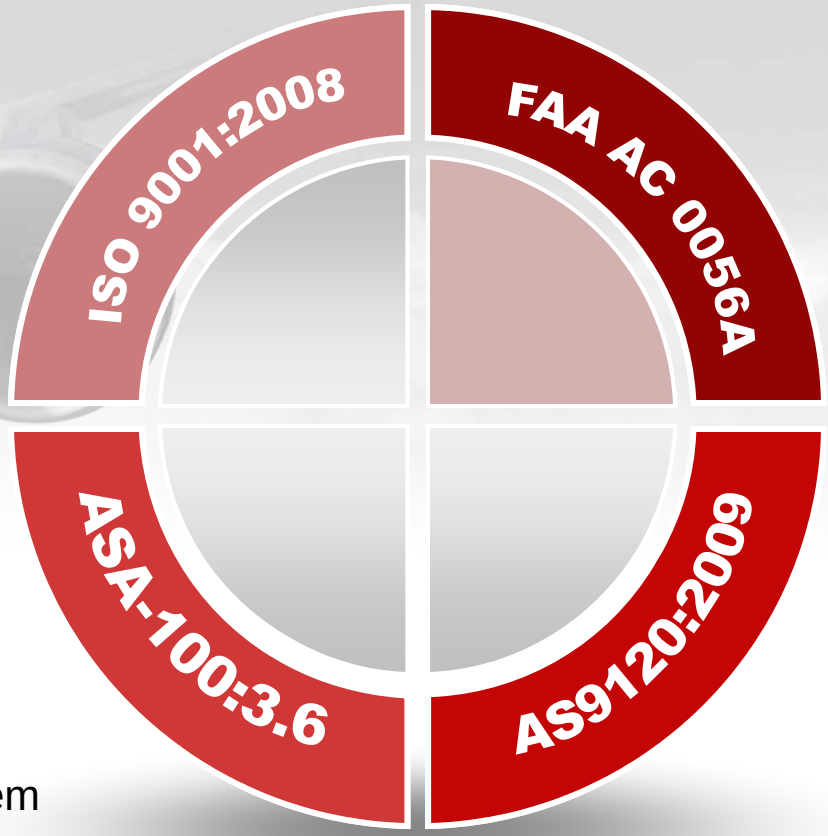
Management Systems for Integration

Quality Management System requirements for Organizations General

Voluntary Industry Distributor Accreditation Program



Aviation Suppliers Association Quality System Standard

Quality Management System requirements for Aviation, Space and Defense Stockist Distributors

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Comparison of Process Similarties

Process	Management Systems		
	ISO 9001	AS9120	ASA-100
4.2.2	X	X	X
4.2.4	X	X	X
6.2.2	X	X	X
6.3	X	X	X
7.4.1	X	X	X
7.4.2	X	X	X
7.4.3	X	X	X
7.5.3	X	X	X
7.5.5	X	X	X
7.6	X	X	X
8.1	X	X	X
8.2.2	X	X	X
8.2.5 (8.2.4)	(X)	X	X
8.5.3	X	X	X

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Tangibles of an IMS

Encourages risk management: Provides third party reassurance that applicable laws and regulations are continually observed and that the organization's social, environmental and financial risks are being met.

Gives a competitive edge: By meeting contractual requirements and removing barriers to trade, independent assessment to Integrated Management provides purchasers with confidence in suppliers, products, services and goods.

Attracts investment: Demonstrates independent assurance of an organization's internal controls, efficiency and effectiveness in helping to meet corporate governance requirements.

Improves & protects brand reputation: The perception of your organization's brand is vital in today's markets. Consumers are demanding transparency in organizations while certification can help organizations meet those demands.

Raises stakeholder perception and satisfaction: Proves senior management's commitment to continually monitor and improve, creating a better performing organization.

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Consideration

When determining if an integrated management system will work for your organization, you should consider the management structures and styles within which it must be embedded.

You need, therefore, to assess how effectively and efficiently the organization is currently managed in a general sense.

There are many factors which can affect how an organization operates.

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Do You Have Any Questions?

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