



Penarth's Quick Guide to Management Systems

WHAT IS A MANAGEMENT SYSTEM?

For the purpose of this Guide, a *Management System* is a way of organising the way in which an organisation, be it a company, government organisation, educational establishment, charity, etc., sets out to organise the way in which it manages its activities so that they conform to the requirements of a Standard.

The Standard may be issued by British Standards (BS), the International Standards Organisation (ISO), or other similar body, e.g. Medicines and Healthcare products Regulatory Agency (MHRA).

Conformance with the requirements of a Standard can be assessed by an accredited Assessment Body, e.g. BSI, LRQA, SGS, the organisation can then be registered with the United Kingdom Accreditation Service (UKAS) and can display the appropriate logos on its documentation, etc.

The Standards which Penarth Management is most commonly asked to work with are:

- BS EN ISO 9001 "Quality management"
- BS EN ISO 14001 "Environmental management"
- BS OHSAS 18001 "Occupational health and safety"
- BS EN ISO 13485 "Medical devices – quality management"
- ISO/IEC 27001 "Information security"
- ISO 22000 "Food safety"

For a complete list, see www.penarth.co.uk or look at our latest Newsletter.

The structure of each of these Standards is similar, so it is possible to build a Management System which addresses the requirements of more than one Standard. This takes advantage of the commonality of the various Standards and so avoids duplication of effort. These are described as *Integrated Management Systems*.

THE PURPOSE OF THIS GUIDE

This Guide has been written to explain some of the steps an organisation needs to take when a Management System is designed and implemented to ensure that it is effective across the whole organisation, rather than being just the pet project of a small group of individuals. Only in this way will the organisation truly benefit from the effort that will be put in.

MANAGING THE PROJECT

The organisation must appoint someone, or a small team, who will be fully involved in the development and ultimate operation of the Management System. The title *Systems Manager* is used in this Guide to describe this person or this group.

Even if consultants are being used to help create and implement the Management System, the Systems Manager must not leave the job to outsiders, no matter how closely they become integrated into the organisation.

In the long run, it is the Systems Manager who will have to take on the ongoing responsibility of how the system develops and operates.

The Systems Manager must also be someone senior and respected in the organisation. In fact, in many small companies, the Managing Director decides to take on the role of Systems Manager directly. Depending on the size of the organisation, the Systems Manager's job may be full-time, but usually it is combined with an existing job.

The Systems Manager also becomes the *management representative*, a requirement of the Standards.

More information on the specific tasks of the Systems Manager is given later in this Guide.

BUILDING THE MANAGEMENT SYSTEM

Any business which is being successful will have tried and tested ways of doing its key activities, whether associated with sales, production, service or human relations. The new formal Management System must build on this foundation: it must not become a separate structure. What is usually found is that certain functions may need to be strengthened or introduced in order to meet the requirements of the Standard.

The system also needs to be documented. Whereas in the past this would be paper-based, increasingly the system will be held electronically with staff and operatives accessing it on screen.

The essence of the Management System is that it contains information saying how the organisation carries out the different functions in a way that satisfies the requirements of the Standard.

As most businesses have developed their ways of working over a considerable length of time, the first requirement is to understand and write down how things are done now. This should immediately involve the people doing the job.

Then a comparison is made between what is happening now and what the Standard requires. Gaps and conflicts will almost certainly be discovered: the organisation must decide how to resolve any such issues. This then leads to a final set of documents. These are usually called *Procedures* and may be supported by *Work Instructions*, *Method Statements* or similar giving detailed instruction or guidance on how to carry out specific tasks. Increasingly, Procedures are represented by *Flow Charts*.

Remember that there can be a trade-off: the better people are trained, the less there may be a need for detailed instructions.

Finally, it is usual to write a *Manual*. This is simply an overall description of the Management System and shows how the specific requirements of the Standard(s) have been addressed. This is of value to outsiders such as the Assessor but is not usually distributed internally.

IMPLEMENTING THE MANAGEMENT SYSTEM

Having built the Management System, it has to be implemented.

First, each of the Procedures needs to be made accessible to the people that it affects, and they need to have read and understood them.

Secondly, it is a requirement of each Standard that the organisation should periodically audit its activities to check that they are being carried out in accordance with the Procedures. This process can have three outcomes:

- Everything is in good order
- Work is not being carried out in accordance with the Procedure, and the method of working must be corrected.
- There is nothing wrong with the way of working, but it is not in accordance with the Procedure. The Procedures should be revised.

The organisation must nominate who will be the *internal auditors*. These people will need some training in how to audit effectively and constructively. The *audit programme* is usually administered by the Systems Manager. Remember that auditors need to be managerially independent of the activities they are auditing yet need to understand the process.

LEGAL COMPLIANCE

Standards like ISO 14001 “Environmental management”, OHSAS 18001 “Occupational health and safety”, have a requirement that the organisation identifies any statutory or legislative requirements, and any other requirements of similar status, e.g. requirements from a parent body, trade association, etc. These are usually listed and described in a *Register of Regulations and Other Requirements*.

How the organisation sets about observing the requirements will need to be incorporated into the Procedures or Work Instructions.

The Standards require that the organisation should periodically test how it is actually complying with the legal requirements. This can be built into the audit programme.

Unfortunately, the law is always changing. Therefore the organisation needs to build in a means of keeping itself up-to-date, and then if necessary revising both the Register and the Procedures to remain in compliance.

DOCUMENT CONTROL

Whether the documented system is held on paper or electronically, it has to be kept up-to-date. No matter where the need for revision comes from, only one person, usually the Systems Manager, should be allowed to amend documents. Otherwise, chaos will develop.

A record of issue status and what amendments have been made will need to be kept. The people who are directly affected will need to be informed of the changes.

If the documents are held and viewed electronically, the process is easier to manage.

THINGS CAN GO WRONG (NONCONFORMITIES)

No organisation works perfectly: customers complain, accidents happen, product is faulty and is rejected, jobs overrun. An essential feature of the Standards is that such events are not swept under the carpet. They need to be reported openly, and investigated fairly, without looking for a scapegoat, and matters put right. The whole process is one of learning from mistakes so that performance steadily gets better.

The reporting process is often managed by the Systems Manager as part of his/her function of reporting on performance.

MANAGEMENT CONTROL

All the Standards require that the Senior Management Team should periodically review how the Management System is performing.

In the start-up stages of a new System, reviews may be needed every three months. As they settle down this may extend to every six months, and ultimately in small organisations to once a year.

The Standards require that there should be ways of measuring performance, which will obviously include reporting on what has gone wrong and what was done, or needs to be done, to put things right and to prevent them happening again.

CONTINUAL IMPROVEMENT

Most Management System Standards now have a requirement that an organisation should steadily improve its performance. This requires the setting of *improvement objectives* and deciding on the *management programme* which will lead to the achievement of the objective including person responsibilities, and then monitoring progress. If the objective and improvement can be measured in quantitative terms, so much the better.

The setting of objectives and monitoring progress is one of the functions of *Management Review*.

INVOLVEMENT OF THE MANAGING DIRECTOR

As the person who ultimately runs an organisation, the Managing Director, or whatever title denotes the person in charge, has to be seen to lead the Management System.

Specifically, this requires:

- Endorsing, signing and publicising the relevant Policy or Policies.
- Making sure that the necessary resources, whether equipment, infrastructure or people, are available for the organisation to work properly.
- Appointing the Systems Manager.
- Chairing the Management Reviews.

THE SYSTEMS MANAGER

To summarise the role of the Systems Manager, he/she will usually be responsible for:

- Managing the process of creating the System including the preparation of the documents.
- Managing the updating and distribution of documents, including any Legal Register.
- Managing the audit programme, setting the timetable, allocating trained auditors and ensuring that audit findings are followed up.
- Managing the relationship and arrangements with the external Assessors.
- Managing the relationship with any relevant outside Agencies, e.g. Environment Agency.
- Keeping control of the process of reporting, investigating and learning from nonconformities.
- Often ensuring that training programmes related to the subject of the Standard are put in place.
- Preparing for and steering the Management Reviews and ensuring that actions are followed up.
- Similarly, monitoring the programme of Improvements.
- Often, if calibrated instruments and measuring devices are used, controlling the re-calibration programme.

IN CONCLUSION

A reminder that running an organisation, whether with a formal Management System or not, requires the effort of every person who works there. This also includes any outsiders who are subcontracted to carry out specific functions.

They all need to be involved, from the time when the decision to build a formal Management System is taken, through the design and implementation stages to ultimate steady operation and improvement.



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