

ISO 9001 Survey

Our seventh survey of registered companies takes a closer look at the client-registrar relationship.

by Dirk Dusharme

When ISO 9000 first appeared on the scene, many considered it simply another fad for quality managers with short attention spans. Others saw it as a ploy to line the pockets of consultants who'd already made lucrative use of total quality management, quality circles and reengineering in their advertising literature. Only seven years ago, a surprising number of quality leaders still viewed ISO 9000 with suspicion (see www.qualitydigest.com/april97/html/cover.html).

At the time, it seemed that organizations were less interested in what ISO 9000 offered in terms of a quality management system framework than in what registering to the standard might do for their marketing profiles. Companies were quick to see that "ISO 9000-registered" looked impressive in print and on banners in airports from Detroit to San Jose.

Of course, for companies with international customers or—as the standard continued to evolve—to conduct business with automakers, ISO 9000 registration became a requirement. This led some to view it as a trade barrier and others to chalk it up as necessary but nonvalue-adding work.

Table 1: Motivation for Seeking Registration

| | Market Pressure | Competition | Perceived Benefits |
|---------------------------|-----------------|-------------|--------------------|
| All responses | 47% | 42% | 58% |
| Registration required | 57% | 41% | 54% |
| Registration not required | 18% | 45% | 72% |

The question asked was, "What was your company's initial motivation for becoming registered?" Note: Respondents were allowed to check more than one answer.

Lost during much of the initial ISO 9000 clamor and acclimation were those voices that cried in the wilderness: "The standard is really going to benefit your business."

By December 1998, nearly 272,000 companies were registered worldwide, with 33,500 of those in North America ("The ISO Survey of ISO 9000 and ISO 14001 Certificates, 12th cycle, 2002," www.iso.org/iso/en/iso9000-14000/pdf/survey12thcycle.pdf).

During that same time, *Quality Digest* began conducting annual surveys about the satisfaction of registered companies with their registrars as well as the standard itself. We published three annual surveys related to registrar customer satisfaction and three more concerned with ISO 9001:2000 (one on how the standard was perceived and two detailing the transition status from the 1994 to the 2001 version).

This, our seventh survey, comprises three facets. The first focuses on why companies get registered, the second on satisfaction with registrars and the third on plans that registered companies have for the future. The survey was sent to all registered U.S. and Canadian companies for which we had fax numbers. The results that follow are based on about 1,150 respondents.

Why get registered?

Twenty years after its inception, ISO 9001 is largely recognized as a reliable framework for an organization's quality management system. Some criticism still exists, but—particularly given ISO 9001:2000's process approach—most companies now believe that registration does have value above and beyond attracting and keeping new customers.

In this year's survey, when asked whether the initial motivation for registration was due to market pressure, to stay ahead of competition or for the actual perceived benefits of registration, 58

percent of respondents indicated that the benefits of registration were their motivation. This was significantly more than the 47 percent for market pressure or 42 percent for competitive purposes. (See table 1 above. Note: Respondents were allowed to reply with more than one answer for this question.)

However, the high percentages of all three responses indicate that while benefits might be the most important motivator, competition and market pressure are still viewed as significant.

Following past surveys, registrars have asked us whether responses varied depending if companies were required to register. Not surprising, the above data (segregated by whether a registered company's clients required it to be registered or not) show two very different perspectives. Of those who are required to register, 57 percent say that market pressure is the prime motivator, followed by 54 percent for benefits and 41 percent for competition. Compare this to those for whom registration isn't required: 72 percent report that

Table 2: Rating Registrar Performance

| Attribute | Performance* | Importance Ranking** |
|--|--------------|----------------------|
| Knowledge and ability of auditors | 2.1 | 1 |
| Thoroughness of auditor | 2.4 | 4 |
| Service received from auditors | 2.4 | 3 |
| Auditor understands my business | 2.6 | 5 |
| Availability of auditor | 2.6 | 8 |
| Consistency in standards interpretation and audit findings | 2.6 | 2 |
| Flexibility in scheduling | 2.9 | 9 |
| Registrar's response time to questions or concerns | 3.0 | 6 |
| Fast turnaround on reports | 3.2 | 11 |
| Registrar's response time for a quote | 3.4 | 13 |
| Service received from registrar's office | 3.4 | 7 |
| Price | 3.4 | 10 |
| Value-added services | 3.7 | 12 |

**Based on their experience with their registrar, respondents were asked to rank the performance of their registrar or registration on a scale of 1 to 10, with 1 being most favorable. **Importance ranking is based on table 3, with 1 being most important.*

Table 3: Criteria for Rating Registrars

| Attribute | Mean |
|--|------|
| Knowledge and ability of auditors | 1.6 |
| Consistency in standards interpretation and audit findings | 1.8 |
| Service received from auditors | 2.0 |
| Thoroughness of auditor | 2.1 |
| Auditor understands my business | 2.2 |
| Registrar's response time to questions or concerns | 2.6 |
| Service received from registrar's office | 2.7 |
| Availability of auditor | 2.9 |
| Flexibility in scheduling | 3.0 |
| Price | 3.1 |
| Fast turnaround on reports | 3.5 |
| Value-added services | 3.8 |
| Registrar's response time for a quote | 4.3 |

Respondents were asked to rate the importance of each attribute on a scale of 1 to 10, with 1 being most important.

benefits are the prime motivator, followed by competition at 45 percent and market pressure at 18 percent.

This raises the question of whether companies that are required to register view the value of registration from a marketing perspective only, or whether they believe the standard adds value to the company's overall quality objective.

"I think this varies by industry," says Gary Minks, certification body director for TÜV America. "Companies in regulated manufacturing areas like the medical devices industry may not initially see the value. For example, to CE Mark a medical device for Europe, one requirement is having a quality management system in place. The prime motivator there is the industry requirement, but even where it isn't required, certified companies do see the value."

To test whether companies see intrinsic value to registration, we asked if they would keep their registration even if it wasn't required. Only 16 percent indicate they wouldn't. More than 60 percent of respondents say they would keep their registration even if it wasn't required, and the remainder are unsure. One interpretation of this data is that, as Minks points out, the initial motivator might be an industry requirement, but eventually companies see the internal value as well.

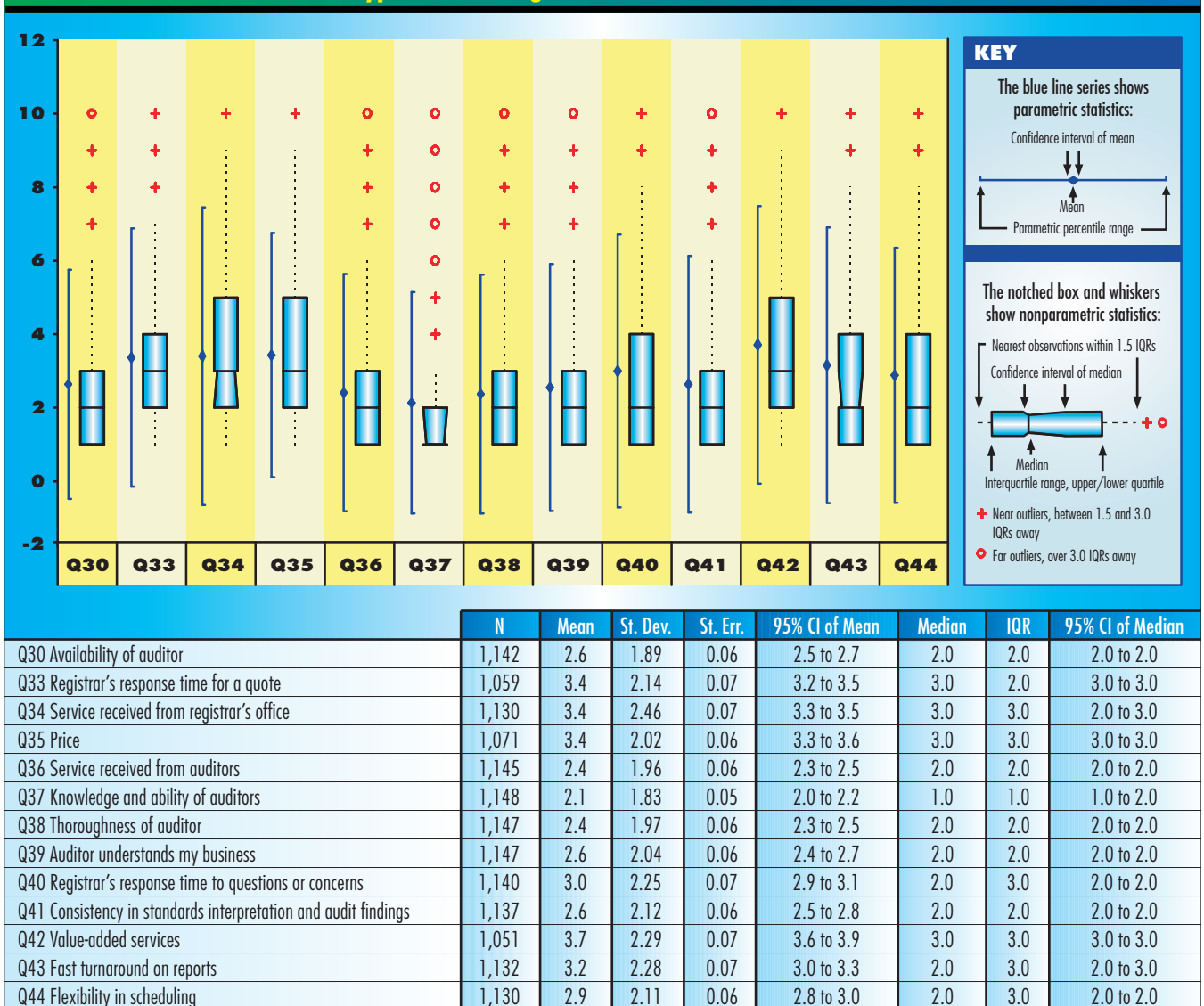
Accreditation

About 90 percent of respondents indicate that their ISO 9001 registration came from an accredited registrar, and their response to the question, "What value do you place on this accreditation?" indicates that they value it.

Fifty-one percent of respondents say they place great value on accreditation, while 38 percent place only some value on it. In addition, as shown in table 5, 43 percent indicate they wouldn't keep their registration if the certificate wasn't accredited, whereas 29 percent indicate they would keep it. When this question was asked only of those who put great value on accreditation, 56 percent indicate they wouldn't keep it, and 20 percent say they would.

"I think that a heavy percentage of those [who would keep an unaccredited certificate] may not understand the value," says Minks. "Chances are their customers wouldn't accept a certificate if it wasn't accredited. The accreditation mark gives the customer the assurance that the registrar is credible. It also ensures that all

Table 4: Overall Results for Each Type of Client-Registrar Interaction



registrars are playing by the same rules—it levels the playing field.”

Customer satisfaction

Based on past telephone surveys with registered companies, we identified two questions that represent overall customer satisfaction with registrars: “I am satisfied with the level of service my registrar has given us” and “I would recommend our registrar to our suppliers or customers.” As with past surveys, registrars scored well with both questions, landing at the very high end of the four-point scale. (See table 6.)

About 92 percent of respondents either agree or strongly agree with the statement, “I am satisfied with the level of service our registrar has given us” (47% strongly agree, 45% agree).

About 90 percent of respondents either agree or strongly agree with the statement, “I would recommend our registrar to our suppliers or customers” (47% strongly agree, 43% agree). These high scores are consistent with what we observed during the first three years we conducted customer satisfaction surveys.

Registrars also perform well on each of the attributes that clients consider most important when dealing with a registrar. This year we asked respondents to rate the importance of various aspects of the client-registrar experience. Not too surprising, the top five responses dealt with the auditor—the “face” of the registrar.

The aspect that respondents indicate as most important are the “knowledge and ability of auditors,” which received an average score of 1.6 out of 10, with 1 being most important and 10 least important. (See table 3.)

Next is “consistency in standards interpretations and audit findings,” with a score of 1.8.

Table 5: Would You Keep Your Registration Without the Accreditation?

| Yes | No |
|--------------------------------|-----|
| All responses | |
| 29% | 43% |
| Accreditation has great value. | |
| 20% | 56% |
| Accreditation has some value. | |
| 38% | 37% |

Table 6: Overall Customer Satisfaction With Registrars*

| Mean | St. Dev. | St. Err. | 95% CI of Mean | Median | IQR | 95% CI of Median |
|---|----------|----------|----------------|--------|-----|------------------|
| I am satisfied with the level of service that our registrar has given us. | | | | | | |
| 1.6 | 0.69 | 0.02 | 1.6 to 1.7 | 2.0 | 1.0 | 2.0 to 2.0 |
| I would recommend our registrar to our suppliers or customers. | | | | | | |
| 1.6 | 0.69 | 0.02 | 1.6 to 1.7 | 2.0 | 1.0 | 1.0 to 2.0 |

* Based on a four-point scale (strongly agree = 1, agree = 2, disagree = 3, strongly disagree = 4)

Based on past surveys and conversations with ISO 9001 managers, our interpretation of respondents rating these two aspects as most important reflects two pri-

mary complaints. Often, when clients are dissatisfied with their registrar, it's because the auditor didn't understand the client's industry or how to apply the standard within that context. Another peeve is lack of consistency from one audit to the next or between auditors. Therefore, it isn't surprising that most respondents prefer to work with the same auditor each time. Nearly three-quarters (73%) of respondents indicate they would rather work with the same auditor or team of auditors at each audit than have to pull from a pool of auditors.

The third most important aspect rated by respondents is "service received from auditors."

The least important aspects are the "registrar's response time for a quote" and "value-added services."

After asking respondents to rate the importance of these aspects, we asked them to rate how well their registrars did in each of them. In table 2, we've ranked registrars' performance in 13 aspects, according to the mean scores for each. The aspect where registrars performed the best (indicated by the smallest value) is at the top. Next to that, we've shown the importance ranking based on the data from table 3.

It's encouraging to note that the aspect rated most important to clients—"knowledge and ability of auditors"—is also the one that registrars did best on. The aspects rated three, four and five in importance were also in the top five spots. This means that

Registrars are performing well in areas that are important to their clients

registrars are performing well in areas that are important to their clients, with one exception: The aspect rated second in importance by respondents—"consistency in standards interpretations and audit findings"—received only a mediocre score. Registrars would do well to flag this as an area for improvement.

In past surveys, no single aspect could be said to strongly affect any aspect of the registration experience and overall customer satisfaction. This year, working from the assumption that the experience as a whole affects overall satisfaction, we looked at the problem in a slightly different way.

As mentioned, respondents were asked to indicate the importance of each aspect of the registration experience. They also were asked to rate their registrars on these aspects. We then compared the two sets of answers and ranked registrars on how well their performance matched their clients' expectations. That score was then correlated to the registrars' rankings in the two overall customer satisfaction questions mentioned previously.

The comparison shows a fairly high degree of correlation. In general, the more aspects of the client-registrar experience on which the registrar performed well, the better it was perceived. Put another way, while there are some aspects of the registration experience that have more effect on overall satisfaction than others, there isn't any one overriding aspect (such as cost,

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size of registrar's company, knowledge of auditor, etc.) that strongly affects a client's overall perception of the registrar. Rather, it's how many of these aspects the registrar performs well on that affects overall perception.

For those who are interested, table 4 on page 26 shows the statistical data of how registrars as a whole performed on each of the client-registrar aspects. For each question from the survey (questions 30 to 44, except 31 and 32) we have shown the data displayed as both parametric and nonparametric statistics. When reading the graph, keep in mind that responses range from 1 to 10, with 1 being most favorable and 10 being least favorable. (Any graphs that extend below 1 are the result of how our statistical software handles the data.)

Why look further?

Another indication of whether clients are satisfied with their current registrar is whether they seek new quotes when it comes time to renew their registrations. When asked, "Do you seek quotes on the anniversary of your reassessment?" only 24 percent answered yes; more than 70 percent answered no.

"This doesn't surprise me at all," says Minks. "They feel they're getting value from their existing registrar. So for the small savings they might see, it isn't worth their while to change."

This also indicates that registration isn't a commodity, says Mark Romanowski, TÜV America's marketing director. "The value of the registration lies in the relationship between the client and registrar," he observes. "They want to continue to strengthen that relationship."

Romanowski's statement is likely true. In a highly competitive market—there are

fewer than 100 registrars in the United States and Canada—registrars have a client-retention rate that most industries would envy. More than 92 percent of respondents said they would retain their current registrar.

Help wanted

Strongly supporting the belief that ISO 9001 is an ongoing process, the majority of

Table 8: Training Courses of Interest to Clients

| | |
|------------------------|-----|
| Internal Auditor | 37% |
| Lead Auditor | 23% |
| Implementing | 20% |
| Introduction | 11% |

The question asked was, "What types of courses are you interested in?"

| Table 7: Intent to Purchase Standards Training | |
|--|------------|
| Standard | Percentage |
| ISO 9001:2000 | 56% |
| ISO/TS 16949 | 30% |
| ISO 14001 | 21% |
| ISO 13485 | 9% |
| AS9100 | 8% |
| OHSAS 18001 | 7% |

Note: Responses are only from those who indicated they plan to purchase training within the next 12 months.

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respondents indicate they would like their registrars to supply a variety of services to help with ISO 9001 implementation. Particularly wanted are helpful guidance, standards interpretation and information on standards.

Understanding the latest ISO 9001 revision is an issue for most registered companies. More than 73 percent of respondents indicate that more industry- or application-specific guidance for ISO 9001:2000 would have been useful during their transition or registration. More than three-quarters of respondents indicate they would like access to more information about the standard, and about 44 percent of respondents indicate they still need help interpreting it.

Most registrars apparently understand this need and have made efforts to keep their clients informed. In response to the statement, "Our registrar provides interpretive guidance in the form of guidance documents, checklists, cross-reference tables, etc.," 23 percent strongly agreed with it, 49 percent agreed, 17 percent disagreed and 7 percent strongly disagreed.

About 28 percent of respondents plan to purchase management-related training courses within the next 12 months. Of those, 56 percent will purchase training in ISO 9001:2000, 30 percent in ISO/TS 16949 and 21 percent in ISO 14001.

Conclusion

Now nearly 20 years old, ISO 9001 is firmly entrenched as a framework upon which a company can build a viable quality management system. Working in a highly competitive environment, registrars continue to provide excellent service to their clients and have a high percentage of client retention. While consistent standards interpretation and audit findings are an area where registrars could improve, in most other aspects of the client-registrar interaction, registrars are right on the money, focusing their efforts on the elements that matter most to clients. As in the past, clients continue to desire more training and information from the registrar to get the most out of their registration investments.

About the author

Dirk Dusharme is Quality Digest's technology editor.

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