DESIGN MODEL

for an Organisation's

BUSINESS MANAGEMENT SYSTEM

"How the Organisation operates and is managed"

Version: 2.0

24 March 2016

CONTENTS

INTRODUCTION

OBJECTIVES (of this document)

1. To explain the key elements to be considered when defining a Management System for (part or all of) an Organisation.

2. To provide a consistent format when focussing on how one or more selected aspects of the Organisation's existence and operations (such as quality of product, impact on the physical environment, safety, or development of staff) should be managed.

3. To enable the requirements for managing selected aspect(s) to be identified and presented in a consistent format.

4. To enable the requirements of international management system standards (such as ISO9001 and ISO14001) to be addressed without creating separate "systems" for each.

SCOPE

Any public or private sector organisation (the "**Organisation**").

> **Note** applies whether the Organisation is new or developing, manufacturing or service-based, internally focused or (see 2. above) seeking external certification.

BACKGROUND

How an organisation:

> a) establishes its policies and objectives and
>
> b) manages its activities to implement the policies and to achieve the objectives

is its "management system".

The best known international management system standard (ISO 9001) has often been used (incorrectly) as a design model and not (as was intended) as an assessment standard for how the organisation manages a specific aspect of its existence and activities (in this case its ability to meet customer requirements in relation to the quality of its goods and services).

As a consequence, many of the "management system descriptions" produced to meet "ISO requirements" merely reflect compliance with a particular standard rather than how the organisation achieves its objectives.

See our: "**Guidance Notes On The Design Model For An Organisation's Business Management System**" document for more information and advice, including fundamental definitions and interpretation of terms.

PREPARATION

Establish the current position of the Organisation in relation to all <u>key aspects of its existence and operations</u> which need to be managed.

Note: These may include (for example): Business start-up / Quality (of performance and product) / Environmental impact / Health & safety / Finance / Human resources & competency / Information technology / Production / Maintenance / Corporate social responsibility / Information security / Risk management / Business continuity / Sustainability / Reputation / Brand / Supply chain / Knowledge.

Determine the strategic direction of the Organisation.

Determine the desire for longer term sustainability.

Identify the Organisation's stakeholders and their interest in the Organisation's success.

Set clear & measurable business objectives, derived from the strategic direction of the Organisation and stakeholders' expectations.

Identify all relevant legislative and compliance requirements.

Identify the (physical and human) resources required.

Identify the effect that operations may have on others (including the environment).

Identify the factors which may influence successful performance (and a compliant product).

Identify practical ways to measure and review success against objectives.

Agree a simple, consistent terminology and presentation format to be used when describing the management system.

Identify the likely users of the management system description, and make it as clear, concise and relevant as possible.

PLANNING

OVERALL

Decide which aspects of the Organisation's existence and operations are to be actively managed / included in the system.

Clarify the business strategies to be followed.

Clarify the business objectives to be achieved and the relevant priorities.

Ensure that there is a clear management and reporting structure for all staff and functions.

Allocate a suitably qualified senior person to be accountable for each selected aspect of its existence and operations.

Define the policies, values and principles to guide the Organisation in achieving its objectives.

Anticipate potential problems which may affect successful performance.

Anticipate internal and external changes that may affect how the business is managed and operated.

PROCESSES

Design processes to deliver outputs and outcomes which will:

 - achieve the Organisation's objectives

 - comply with its policies, values and principles.

Identify how processes are linked, and ensure that they interact across the organisation to form a complete system.

Establish accountability for the performance of each process.

Define processes to the level of detail required for successful performance and to reflect the competence of those involved.

Clarify roles and responsibilities for the performance of individual tasks.

Determine the competences and capabilities required for these roles and responsibilities.

Identify other likely outcomes from each process.

Take account of influences that may affect and shape how processes work.

Establish effective methods to enable the Organisation to review and improve each process.

DEFINITION AND COMMUNICATION

Select the most appropriate medium (eg paper, Intranet, text, flowcharts) for the intended audience.

Consider how users will access the system definition and make it as intuitive and simple as possible.

Design a suitable structure for the system definition to make it easy for a user to find the information they need.

Be consistent - apply a few basic standards and simple conventions, and stick to them.

Be clear and concise.

Explain the system to users and promote its use.

Clarify responsibility for maintaining the system definition as the system develops and changes.

<u>OPERATING</u>

GENERAL

Communicate the Organisation's business objectives.

Communicate and apply policies, values and principles to guide the Organisation in achieving the objectives.

Ensure that people involved in each process are competent (or are trained).

Provide information and support for staff and other stakeholders.

Ensure that required resources are available.

Balance the objectives of each process with other business objectives.

Ensure that factors and risks which can influence performance are monitored and managed.

Manage the outcomes from each process.

Measure processes in a way which is affordable and provides enough information to allow the Organisation to manage each process.

PRODUCTION AND DELIVERY

Ensure that customer and other stakeholder requirements are clear.

Anticipate requirements for product use and eventual disposal as appropriate.

Only accept work which the Organisation is capable of undertaking.

Communicate with customers at appropriate stages throughout production and delivery.

Establish evidence that provides assurance that the product meets requirements, and document this when required.

Verify that the product complies with requirements before delivery if possible.

Take appropriate action when problems arise.

Validate processes at appropriate intervals.

Ensure that product and process changes are controlled to ensure that they benefit the Organisation and satisfy the needs and expectations of stakeholders.

MANAGING RESOURCES

PHYSICAL

Ensure that goods and services supplied to the Organisation are controlled by specifying requirements, checking, storing and using as appropriate.

Take care of customer property when under the control of the Organisation.

Control the receipt or creation, updating, issue and use of documents.

Control the receipt or creation, updating, retention and disposition of records.

Ensure that equipment used is maintained and is calibrated where necessary.

Ensure that the work environment is suitable for staff and others.

PEOPLE

- Individuals

Recruit, deploy and promote individuals (whether employed or contracted) on the basis of their competence and potential in relation to the skills and knowledge required.

Make clear what is expected of individuals and hold them to account.

Ensure that people comply with legal requirements, industry regulations, organisational policies and professional codes.

Encourage and support learning and self development.

Establish and maintain an effective reporting and management structure.

Identify training requirements for staff, contractors and suppliers where necessary to support the Organisation's operations.

Arrange such training where required.

- General

Maintain records of the competence and training of staff and of the suitability of contractors.

Keep staff and contractors informed of process performance, plans and developments when required.

Encourage and support staff to take responsibility for their own actions and to take decisions within agreed boundaries.

Encourage creativity and innovation where possible.

Encourage co-operation.

Identify and resolve conflict.

Plan for succession where appropriate.

REVIEWING AND IMPROVING

AN INDIVIDUAL PROCESS

Understand the characteristics of individual processes and their inter-relationship.

Set and monitor priorities for review and improvement.

Review and improve process performance against objectives (according to priorities).

Review and improve the efficiency of the processes (according to priorities).

Ensure that people involved in the process continue to have the required competency.

Ensure that required resources are available.

Assess possible process changes for risk and potential return against potential investment cost.

Manage, communicate and measure the effect of changes in a process.

THE OVERALL SYSTEM

Identify, record and communicate lessons learned and opportunities for improvement.

Review the continuing relevance of objectives against the Organisation's mission and stakeholder needs.

Monitor the quality of operations and progress against plans and take appropriate corrective action where necessary.

Identify systemic issues and trends and recognise their impact upon current and future work.

Take opportunities when they arise to achieve longer-term aims.

Revise the system as appropriate in response to internal and external changes.

Ensure that people are aware of forthcoming changes and how they will be affected.

STRUCTURING THE SYSTEM DESCRIPTION

The structure, design and presentation of the System Description should make it as easy as possible for a reader to find any required information. The following topics should be considered and, if relevant, included in an appropriate sequence and format to suit the Organisation.

INTRODUCTION

Brief explanation of:

- the Organisation, its mission, objectives and values
- the contents of the System Description (including its Scope).

DETAIL

a. Roles (within a departmental structure if appropriate).

b. Processes required to:

- Plan and Organise (manage the business strategy)
- Get Work and Do Work (manage operations)
- Manage Resources (support operations)
- Manage People (support operations)
- Review and Improve (manage performance).

c. Documents, records and other sources of information needed to support the processes

 - all grouped in a suitable way to enable a reader to find required detail easily.

USING THE SYSTEM DESCRIPTION

The prime objectives of the System Description should be:

- to understand and communicate how work is done

- to encourage standardisation and compliance where relevant

- to manage change.

It should also provide a consistent framework against which to consider the implications of any chosen aspects of the Organisation's existence and operations and how they are to be actively managed. Demonstration of compliance with one or more external standards should require only an explanation of how specific requirements are addressed, since the operation and management of the organisation has already been defined.