

Open letter to Stevan Breeze, chief executive of the British Standards Institute

Dear Mr Breeze,

I should like to comment on your response to my article in the Telegraph and ask you to answer some questions.

Firstly, you should not confuse correlation with cause and effect. The fact of the matter is Dalepack, the company that you cite as benefiting from ISO 9000 registration, could not have become a supplier to Ford without first registering to ISO 9000. To attribute Dalepack's success to ISO 9000 registration is to hoodwink the reader. We need to know whether Dalepack's success is attributable to the Standard's requirements or the fact of registration and, if the former, whether such success is generalised, achieved by others. I shall return to this.

The same problem occurs with the research you cite claiming economic benefit from registration; ISO 9000 has become a requirement to trade. We cannot rely on economic data to give us knowledge about the true consequences of registration as the populations being researched are distorted. Some markets are closed to those who do not register.

I refute your suggestion that I wilfully misunderstand the processes that go into getting an international standard. I have studied the process for many years; have found it lacking in evidence, experience- rather than knowledge-based and, inevitably, a process of compromise amongst the various interests involved. Indeed, I devoted a whole chapter of my book to the process of revising ISO 9000 and came to the conclusion it could hardly be called a quality process.

I return to the question: is ISO 9000 beneficial, does it lead organisations to good things? I came to conduct the largest ever opinion survey because of the obvious disquiet in the market place. The results were disturbing but not illuminating. To learn more I conducted case studies (included in my book). It led me to conclude that the requirements of the Standard always caused organisations to do things that worsened economic performance and prevented them from seeing things they should see and act on to improve economic performance. In short, ISO 9000 is based on bad theory, not quality theory. My perspective was informed by what I had learned from the leaders of the quality movement, especially Deming and Ohno.

There is no doubt the main reason organisations register to ISO 9000 is because of market-place coercion 'you comply or we won't buy'. You say that last year registrations grew by 10% and you say this is good going, but you neglect to mention that this represents a fall in growth – it was running at 50% five years ago – despite the low rate of penetration of organisations world-wide: ISO 9000 has achieved less than 1% penetration of all registered companies.

You also neglect to report that the number of registrations is actually falling in 'mature' countries (for example, UK, France, Germany) and the overall growth rate this year is only accounted for by the rapid rate of growth in those countries seeking

to join the world economy. Coercion maintains growth. If it were value-in-use that maintained growth would we not see continued growth in the 'mature' countries?

I anticipated a fall-off of registrations with the arrival of the year 2000 revision as the Standard became even more onerous. In the summer of 2003 Quality World reported that 6,000 UK firms had formally confirmed that they would not be transitioning to ISO 9000: 2000. Of the remaining 61,000, only 16% (as of Dec 2002) had successfully transitioned. You will recall that the remaining 84% (51,250 firms) were obliged to transition before the end of 2003 or lose their ISO 9000 certification.

On your website you declare there will be a 95 per cent conversion rate by the first quarter of 2004. How has it been possible to assess 51,250 firms in one calendar year (a rate of 200 per business day) and have all of them "pass" without the accreditation process being utterly corrupt and/or lacking in credibility? Was this the biggest rubber-stamping exercise in history? It is said ISO 9000 might be hard to get but it is even harder to lose; it is in the interests of the certification bodies to keep their clients.

I am not the only person to voice doubts. In 2001 Dr. Lawrence Eicher, then Secretary-General of ISO challenged ISO 9000 certification bodies - and the accreditation bodies that approve them as competent - to do a better job of weeding out malpractice and dishonest operators. In a direct message to the conformity assessment community, he said: "[you] need to be concerned if [you] want to avoid being seen as charlatans ... you need to police yourselves".

In the same year, the UKAS Chief Executive Linda Campbell said: "It would appear... that there is cause for concern. There is enough smoke to suggest fire. In particular we hear of allegations that certification bodies mix certification with the provision of consultancy in such a way as to undermine the independence of the certification process."

The phenomena they describe are only to be expected from this system. To police the system is to fundamentally miss the point, particularly if you purport to promote quality.

You claim that the Standard represents 'best practice'. How do you square that assertion with the fact that the Toyota Production System (TPS) is not registered? As a beacon of genuine best practice the TPS stands far beyond others on all measures. Toyota executives, having tried ISO 9000 in one of their Japanese plants, rejected it.

Despite this phenomenal fact, growth of registrations in Japan continues apace. Japanese component manufacturers are obliged (coerced) to register to ISO 9000 to supply world markets. They need no such requirement to supply Toyota. In the May-June 2003 issue of "Management System", the magazine of the International Standards Organisation, it was reported that by 2006 eight of every 10 cars will 'run on' ISO9001: 2000. The other two will be Toyotas.

Clearly our ideas about 'best practice' differ. You seem to think 'best practice' is the result of people sharing opinions, I think 'best practice' should be determined empirically. The same problem is occurring currently with what is called the Call Centre Association's 'best practice' standard. People in the call centre industry have

written a standard and your people will happily take fees for assessing conformance to it, but no one is concerned about determining whether the standard is worthy. I maintain this standard ought to be called the 'sweat shop' standard, for it contains all of the features that have created the sweat shop phenomenon.

My questions to you:

What do you believe accounts for the decline in registrations to ISO 9000 in 'mature' countries?

Who is responsible for determining whether any management standard is worthy?

Given that every commentator, whether for or against ISO 9000 accepts there are problems, what percentage of inappropriate, poor or dysfunctional applications would you consider as acceptable?

I look forward to hearing from you.

Yours sincerely

John Seddon