

Management Review: A Process, Not an Event

Successful organizations use frequent management reviews to foster continuous improvement.

BY LARRY MARTOF

THE AISC CERTIFICATION PROCESS ENCOURAGES MANAGEMENT TO IMPROVE THEIR FIRMS IN TWO KEY AREAS: QUALITY AND CUSTOMER SATISFACTION. Continuously reviewing (and achieving) management goals can ensure an organization's success.

Management review is often misunderstood and underutilized, but it is the process that supports continuous improvement and emphasizes its importance in the drive for success. Not by accident, management review is an essential requirement of the AISC quality certification programs. The *Certification Standard for Steel Building Structures* (commonly known as the *Building Standard*) defines the management review in section 5.2, Direction and Leadership. It requires that reviews be performed at planned intervals and requires the assessment of opportunities for improvement and the need for changes to the quality management system. It also sets forth specific requirements for records of this review.

Let's begin to look more closely at the process of conducting a management review and explore the specific requirements of the *Building Standard*. First, consider the concept of *process*, which by definition is *a systematic series of actions directed to some end*. A process takes inputs, performs some value-added activity and produces outputs. So, management review takes required and desired data as inputs, uses brain-power to process and analyze the data, and then produces directives for action, resource allocation, and improvements.

Management review goes far beyond something that happens in a weekly production planning meeting, schedule review meeting, or other such event. These types of meetings are very important to the day-to-day operations of any organization, but they have an entirely different focus. They tend to focus on the "now" and are more of a firefighting activity, where a good deal of effort is spent on corrective measures with little consideration given to preventing recurrence. Management review, by contrast, is focused on the "what if" and planning for improvement: identifying root causes of non-conformances, developing effective corrective and preventative action, and eliminating recurrence of non-conformances.

Management reviews draw much of their power from the requirement that they occur at "planned intervals." The planning and scheduling used to determine how and when this process will

be performed contributes a strategic, forward-looking importance to the review. Planning and scheduling also provides ample notice for the assembly and submittal of data that will be used in the management review. Typically, reviews are conducted between one and four times per year. In my experience, I have found that the most successful organizations are conducting management reviews three or four times per year. This allows them to take the required inputs and evaluate them a few at a time instead of trying to cover them all at once. Management reviews are done best when they follow a simple defined and documented process that ensures that all aspects are covered and that good records are maintained.

Management Review Inputs

The *Building Standard* states the following requirements for management review:

"Management review requirements will be defined by the Fabricator. This will include a specific method to obtain, report and appropriately analyze the following:

- Results of internal and AISC audits,
- Customer feedback,
- Process performance and product conformity,
- Output from previous management reviews."

In plain English, these requirements describe the first two parts of a process. The inputs are identified, and we are asked to perform a value-added activity—in other words, to analyze—these inputs. The identified inputs can be further described as follows:

→ **Results from internal and AISC audits** is the compilation of findings from these audit types. It should include any results from other audit activities such as third-party inspections, customer visits and supplier audits. Include responses to any

AISC audit corrective action requests. This is also a good time to assemble supplier and sub-contractor performance records since the management review should include an analysis of their ability to meet the organization's needs.

→ **Customer feedback** is the assembly of any form of customer communications. Gather for review and analysis: customer survey data, field complaints or issues, gain of new customers, loss of established customers, awards, letters of recognition, and even employee retention information. (Employees are customers to

A management review produces output that ultimately positively impacts the customer.

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management too!)

→ **Process performance and product conformity** are directly related to meeting customer requirements. Process performance can be evaluated through analysis of meeting delivery requirements, achieving cost/profit targets and meeting project schedules, so gather these records. Product conformity looks at product defects, error trends, first pass quality and field issues. Assemble inspection reports, nonconformance reports, corrective measures and field fix data. Include corrective action implementation and effectiveness data. Remember that shop and erection drawings and the drawing process are part of the fabricators product too.

→ **Output from previous management reviews** is needed to support the process of evaluating and updating the status of any actions that were generated from prior management review(s). Close monitoring of actions from management reviews enables management to successfully use the process to gain improvement in quality.

The quality policy and quality objectives are two additional management review inputs required by the *Building Standard*. The quality policy should be available and reviewed by management to ensure that it is still suitable for the organization. Changes in business activities may prompt a change in the policy and/or the quality objectives. The quality objectives will more than likely be covered when process performance and product conformity are discussed. But the quality objectives should also be reviewed to determine if they are still appropriate and to assure that the established objectives,

targets and goals are adequate.

Use the management review process to evaluate goals and to change them as needed. Sometimes an organization will unintentionally set a goal too high, making it impossible to obtain. There is nothing wrong with lowering a goal and then raising the bar as you begin to meet a goal on a consistent basis. Just make sure that the focus is on meeting the quality policy objectives, that progress toward a goal is measurable, and that the progress measurement is defined. Internal communications should be used to make everyone aware of the organization's current quality policy and keep them focused on meeting the desired quality objectives.

Management Review Outputs

The output of management review process should be taken as input into the organization's process of continuous improvement. Specific outputs required by the *Building Standard* are:

"The output from management review shall include the record and implementation of any decisions and actions related to:

- *Improvement of the effectiveness of the quality management system and its processes,*
- *Improvement of product quality,*
- *Resource needs."*

The outputs of regular, planned, effective management reviews are decisions and actions that result in continuous quality improvement. The improvement may be to the quality system or processes covered by the quality system; it may be product improvement; or it may be improvements pertaining to personnel, the work environment, or the facility. Decisions and actions related to

resource needs may include training, continuing education, new equipment, computer network updates, or new software programs. All of the outputs of management review ultimately impact the customer through improved product, ability to meet schedule demands, fewer defects, and an overall ability to consistently meet customer requirements.

Management Review Records

Of course, what good is a management review process if you don't take credit for your achievements? That is why records of management review are necessary and required. The records help the organization stay on top of decisions, actions, and action items that are assigned. The records provide a trail for identifying trends, provide evidence that the process is working to improve quality, and become a valuable tool for business planning.

An effective management review process is an essential tool for improvement in quality and customer satisfaction. Organizations that have this type of effective process in place have positioned themselves for growth and long-term success because the management has focused the organization on meeting the needs of the customer and continuous improvement.

A sample management review meeting agenda and note-taking templates can be downloaded from the "resources" section at www.qmconline.com. **MSC**

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