



e - Quality Edge

bringing quality information to South Africans since 1996

SAQI
The South African Quality Institute

Tel: +27 12 349 5006
Fax: +27 12 349 1232
www.saqi.co.za

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CONTENTS

PAGE

Welcome to the 2021
1st Quarter edition of our
e Quality Edge

1

To Set or To Follow:
Where has ISO Been?
By Peter Fraser

2

Ubuntu, Quality and Risk Management
By Jayet Moon and Veronica Stephens
with inputs from Ed van den Heever

4

Risk Management "Friend or foe"
By Eddie de Vries

6

Food, Cosmetic & Essential Oils
Program Launch (FCO Program)
By Jacques Snyders (SAQI MD)

7

The Evolution of Internal Audit
By Mike Smith & Norman Marks

8

Directors' Sentiment Index™ Report:
5TH Edition – CGF's observations
from a governance perspective
By Glen Talbot(CA) SA, Terrance Booyse
and Jené Palmer CA(SA)

9

Children in the time of lockdown
By Dr Richard Hayward

11

SAQI Development
programme Roadmap

12

SAQI 2021
TRAINING PROGRAMME

13



Welcome to the 2021 1st Quarter edition of our e Quality Edge



Paul Harding

We are pleased to bring you our online newsletter despite continued restrictions during the Covid 19 virus pandemic. We hope you are all keeping safe and well.

We have a variety of articles to share with you. We start with our international colleague Peter Fraser who asked the question – Should ISO be setting requirements or following demand? Another two international colleagues, Jayet Moon and Veronica Sphens, with support from our own Ed van den Heever look at risk management following South Africa's principle of Ubuntu.

Sticking to the theme of Risk Management, Eddie de Vries asks, Is Risk Management a friend or foe?

Jacques Snyders gives us feedback on the launch of SAQI's Food and Cosmetics Program.

Mike Smith then informs us of the Evolution of Internal Audit.

Our regular contributor Terry Booyse shares the Directors Sentiment Index Report and finally Richard Hayward shares thoughts on how children are coping in the time of lockdown.

SAQI are pleased to announce our updated Training programme for 2021 as well as the road map for our Development Programme

If any of you would like to contribute to future newsletters please contact us.

Feel free to pass on our newsletter to your network and we look forward to input from you for our next edition and stay safe.

Paul Harding

Paul Harding SAQI Chairman



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Quality:

helping South Africans live, learn and work better

Ubuntu, Quality and Risk Management

by Jayet Moon and Veronica Stephens
with inputs from Ed van den Heever

Africa Excellence Forum's Ubuntu Excellence Framework is unique amongst all global excellence models as it centers on sustainable excellence with a PEOPLE focus.

level, operational level or strategic level. Quality Guru, Dr. Joseph Juran was one of the first thought leaders to focus on Strategic Quality Management and its cascade through organizational functional levels (detailed in his book Juran on Quality Leadership). Juran's approach is summarized in Fig. 2. At every level of quality decision making, uncertainty abounds and correspondingly, risks exist as shown in outer loop of Fig.2.

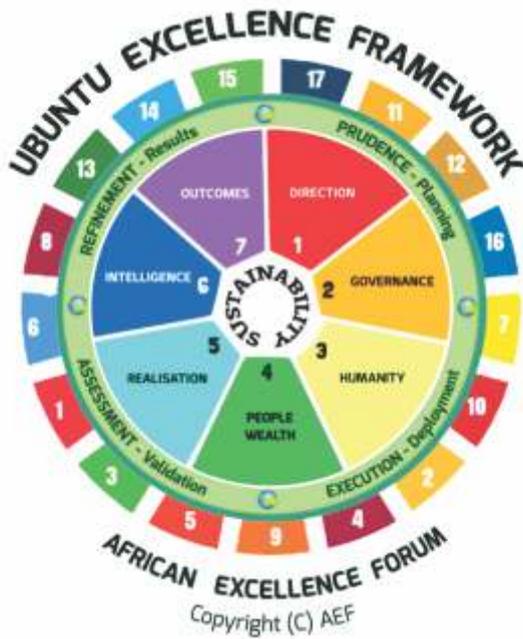


Figure 1 : Ubuntu Excellence Framework



Figure 2: Hierarchical Quality and Risk Management

The people centric approach has been implicit in some very successful cultures like those of Japan based Toyota Motor Corporation and U.S based Southwest Airlines. This approach is effective since it explicitly identifies and focuses on the most fundamental and important unit of an organizational system- the people. It must be analyzed then, in that context, how do people exercise prudence in decision making, in face of uncertainty, to ensure sustained continual delivery excellence?

The Ubuntu framework focuses on 'governance', which may include ethics, behavior and conduct underpinning governance of decision making systems like risk management systems. Governance in general refers to the system of management and controls exercised in stewardship of the organization (Baldrige 2020 definition) while Risk governance refers to the structural framework that governs the organizational risk management activities and related decision making.

The Ubuntu framework starts with a strategic setting of direction towards the eventual achievement of desired organizational outcomes. Through this spectrum, the organization is called upon (through its people decision makers) to traverse through situational uncertainty everyday and challenged to take the right decision across many levels of organizational hierarchy. In the execution of strategic imperatives and deployment of operational plans, it bodes us well to study the effect of uncertainty on:

Risk governance includes :

1. Product/ Service or process related *objectives*
2. Operational *objectives*
3. Strategic *objectives*

- Risk planning to ensure a systematic scheme or framework for realization of risk management activities
- Risk identification by analyzing the set of activities within the process and its critical points
- Risk analysis and prioritization to consider preventive mitigations or level of risk acceptance
- Risk monitoring and control to keep an eye out for pain points and emergent issues

This effect of uncertainty on objectives is defined as 'risk', per ISO 31000:2018. Quality risk is the effect of uncertainty on quality objectives through the planning-deployment- validation- results loop. These quality objectives can be at product/process/service

The PDCA Approach, which is inherent in the Ubuntu framework, also forms the basis of proactive risk based thinking. We start by anticipating the risks to plan proactive mitigations and preventive controls for them in the Plan phase. In the Do phase, we launch the

...continue on page 5

product, process, or service. In the Check phase, we determine if the design-based mitigations worked (monitoring) and if the residual risk was indeed as expected, if any alarm signals or risk warnings appeared, and if any unforeseen risks emerged. In the Act phase, we implement the learnings for the risks that occurred in the earlier phases by enabling better preventive controls in the system. We document the new risks and assess their impact on the system, which is then followed by new controls for the same.

In the U.S. Baldrige Excellence Framework (2020), the Operations category which can correspond to the Realization category in the Ubuntu framework speaks to pursuing intelligent risks which are strategic opportunities for which the potential gain outweighs the potential harm or loss to the organizations future success. To make this determination, a well-governed risk management structure is essential.

The Ubuntu framework stresses on use of information to build knowledge and proposes continual gathering of new information to enhance knowledge which informs intelligence. Knowledge is the collection of skills and information acquired through experience while Intelligence is the ability to apply knowledge. This concept of information- knowledge- intelligence is central to risk management. In industry 4.0, with the inherent connectedness of systems, there is no dearth of information. The challenge is to rank and filter them for provision of diagnostic and predictive analytics to enable inclusive decision making. On one side, risk management is a tool that can make sense of the pervading information and ensure visualization of the state of business (e.g. by ranking and filtering) to create knowledge. On the other side, risk management can help effect and manage the connectedness of the business footprint by exposing gaps and prioritizing actions through risk intelligence and wisdom.

The Ubuntu framework, and its Intelligence Criterion (6) not only is a natural companion for risk intelligent organizational processes but also challenges us to think about risk to sustainability, risks to the people and risks to society. Truly risk intelligent organizations will develop people as risk intelligent decision makers who can think holistically (through the Ubuntu framework) and effectively use forward looking risk concepts and tools in making risk based decisions with sustainability front and center.



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1. Foundations of Quality Risk Management, Jayet Moon, by ASQ Quality Press, Milwaukee, WI, USA, 2020
2. Baldrige Performance Excellence Criteria, 2020

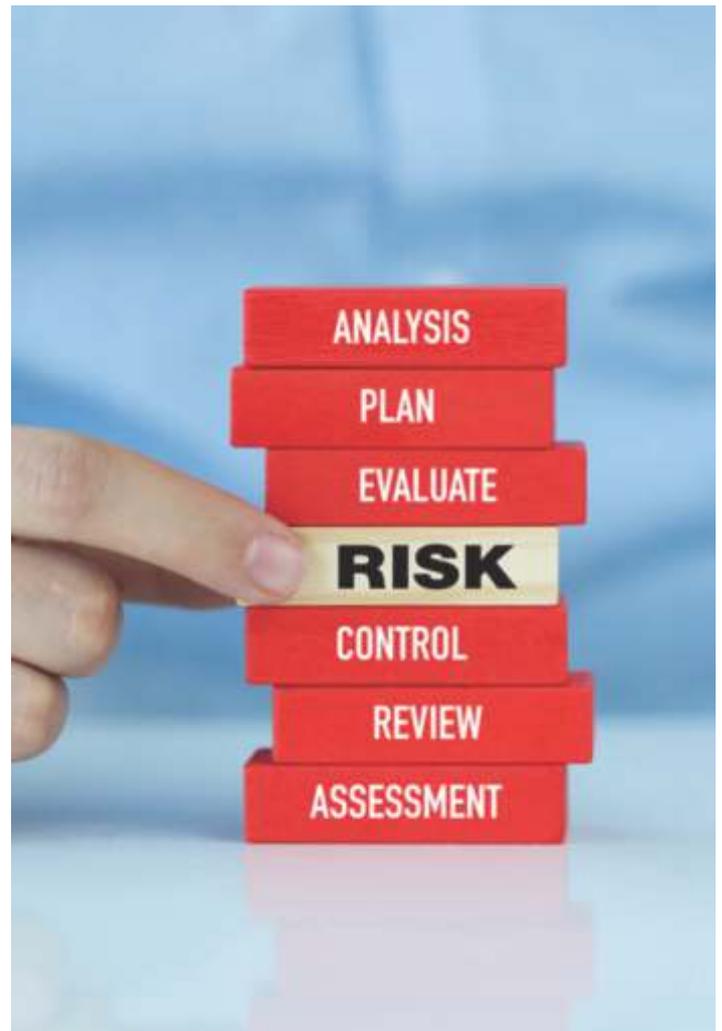
About the authors:

Jayet Moon

The author has earned a master's degree in biomedical engineering from Drexel University in Philadelphia, PA, USA and is a Project Management Institute (PMI) Certified Risk Management Professional (PMI-RMP). Jayet is also a Chartered Quality Professional in the UK certified by the Chartered Quality Institute (CQI). The author's new book, 'Foundations of Quality Risk Management' was recently released by ASQ Quality Press, WI, USA He holds ASQ CQE, CQSP and CQIA certifications.

Veronica Stephens

The author is the Vice President of Quality and Risk Management solutions for the firm Auchincloss-Stephens. She is a Risk management SME with over two decades of experience in Fortune 500 companies across a range of industries including pharmaceuticals, food production, consumables, durables and medical devices.



[back to contents page](#)