QuEST Forum Academy
Who is QuEST Forum?

Global community of Service Providers, Suppliers & Liaisons

Jointly create, develop and share quality management standards, best practices offerings and industry-leading resources

Develops & maintains TL 9000, an information and communication technologies (ICT) industry quality management system standard
Created by the QuEST Forum

Globally recognized quality standard, designed to improve communications products: hardware, software and services

Built on ISO 9001 and the eight quality principles

Includes requirements for continual improvement, customer satisfaction and reporting of industry standard measurements
QuEST Forum Academy

• Offers value to members and prospective members by providing educational opportunities consistent with the intent of TL 9000 and the best practices introduced at QuEST Forum’s conferences.

• Provides a top-quality educational system that supports quality and process improvement focusing upon the needs of the ICT industry.
Embrace “Risk-Based Thinking”
Using ISO 31000

Robert B. Pojasek, Ph.D.
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Star Wars: A New Hope

A long time ago in a galaxy far, far away…

Dark Side

Threats & Opportunities

ISO

Light Side
Understanding the Force

"I find your lack of faith disturbing."
-- Darth Vader
Key Message #1

ISO 31000:2009 has established risk management as the way organizations can meet their objectives in an uncertain world!

“A Jedi uses the Force for knowledge and defense, never for attack.”
Three Styles of Risk Management

• **Hazards Management** – Identify the threats and seek to manage them through risk assessment (reactive focus)
• **Control Management** – Used in the internal control of financial risk management (ERM focus)
• **Opportunity Management** – Focus on the opportunities at the interface between risk management and strategic planning
Risk is the effect of uncertainty on objectives

Uncertainty is the state of deficiency of information related to, understanding, or knowledge of an event, and its consequence, or likelihood.
Two Types of Effects

The force is an omnipresent energy

NEGATIVE (THREAT)

POSITIVE (OPPORTUNITY)

Dark Side

Light Side

UNCERTAINTY

OBJECTIVES
Role of Sustainability

- EFFECT
- UNCERTAINTY
- OBJECTIVES
- NEGATIVE (THREAT)
- POSITIVE (OPPORTUNITY)
- RISK ASSESSMENT PROCESS
- SUSTAINABILITY
- RISK MANAGEMENT
What is Sustainability?

Sustainability is the capability of an organization to transparently manage its responsibilities...

• Environmental Stewardship
• Social Well-Being
• Economic Prosperity

over the long term while engaging with its stakeholders
What is Risk Management?

• Coordinated activities to direct and control an organization so it is possible to meet its objectives
• Comprised of three elements (principles, framework, and process) to create a systematic, transparent and credible approach that works in any scope and context
• Companies seek to create a risk-aware culture that enables it to harness the light side of the force
Sustainability & Risk Management

Sustainability is:
• Finding *opportunities* to offset the threats
• Using *responsibility* to deal with uncertainty

Sustainability management is:
• The range of activities that an organization intentionally undertakes to offset the effects of uncertainty with opportunity and innovation

Effective sustainability management is:
• Executing these activities *efficiently* and *effectively* in a way that demonstrably improves the ability of the organization to operate in a “looking forward” mode while meeting its sustainability results and overall *objectives* (efficacy)
Key Message #2

ISO embeds risk management in all of the management system standards through the development of “Risk-Based Thinking”

"You will find that many of the truths we cling to depend greatly on our own point of view."
-- Obi-Wan Kenobi
“RISK” in ISO 9001:2015

ISO/TC 176/SC2
Document N1222, July 2014

Useful documents

ISO 31000:2009 Risk Management – Principles and guidelines
“Risk” in ISO 9001:2015

- Taking a systematic approach to risk, rather than treating it as a component of quality management
- Organization becomes *proactive* rather than purely *reactive* by preventing or reducing undesired effects and promoting continual improvement
- Effectiveness, Efficiency and Efficacy
Structured Risk Management

ISO 31000
(Principles, Framework, Process)

ERM
(Financial)

OMS
(Operations)

ISO MS
(Functions)

Compliance Programs

Strategic Decision - Making

Conformance

Compliance
# New MSS Format

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>1.</td>
<td>SCOPE</td>
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<td>2.</td>
<td>NORMATIVE REFERENCES</td>
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<td>3.</td>
<td>TERMS AND DEFINITIONS</td>
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<td>4.</td>
<td>CONTEXT AND THE ORGANIZATION</td>
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<td>5.</td>
<td>LEADERSHIP</td>
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<td>6.</td>
<td>PLANNING</td>
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<td>7.</td>
<td>SUPPORTING PROCESSES</td>
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<td>8.</td>
<td>OPERATIONS</td>
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<td>9.</td>
<td>PERFORMANCE EVALUATION</td>
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<tr>
<td>10.</td>
<td>IMPROVEMENT</td>
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### Functional MS Programs

<table>
<thead>
<tr>
<th>Category</th>
<th>Standard</th>
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<tbody>
<tr>
<td>Risk Management</td>
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<tr>
<td>Quality</td>
<td>ISO 9001:2015</td>
</tr>
<tr>
<td>Environmental</td>
<td>ISO 14001:2015</td>
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<tr>
<td>Health &amp; Safety</td>
<td>ISO 45001:2016</td>
</tr>
<tr>
<td>Sustainability</td>
<td>ISO 26000 + BS 8900</td>
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</table>
Risk-Based Thinking

- Articulate the Organization’s Objectives
- Determine the Internal and External Context
- Identify Stakeholders’ and their Interests
- Determine the Opportunities and Threats
- Articulate the Context of the Risk Assessment
- Prepare the Risk Map
Risk Criteria for Jedi Quality

<table>
<thead>
<tr>
<th></th>
<th>Trivial Negative</th>
<th>Minor Negative</th>
<th>Moderate Negative</th>
<th>Major Negative</th>
<th>Extreme Negative</th>
<th>Extreme Positive</th>
<th>Major Positive</th>
<th>Moderate Positive</th>
<th>Minor Positive</th>
<th>Trivial Positive</th>
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<tbody>
<tr>
<td><strong>Almost Certain</strong></td>
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<td></td>
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<tr>
<td><strong>Likely</strong></td>
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<tr>
<td><strong>Possible</strong></td>
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<tr>
<td><strong>Unlikely</strong></td>
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<tr>
<td><strong>Rare</strong></td>
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Opportunities and Threats

<table>
<thead>
<tr>
<th>THREAT RESPONSE</th>
<th>GENERIC STRATEGY</th>
<th>OPPORTUNITY RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid</td>
<td>Eliminate uncertainty</td>
<td>Exploit</td>
</tr>
<tr>
<td>Transfer</td>
<td>Allocate ownership</td>
<td>Share</td>
</tr>
<tr>
<td>Mitigate</td>
<td>Modify exposure</td>
<td>Enhance</td>
</tr>
<tr>
<td>Accept</td>
<td>Include in baseline</td>
<td>Ignore</td>
</tr>
</tbody>
</table>

“Use the force, Luke!”
Key Message #3

Sustainability focuses on the upside of risk management

"I can save him. I can turn him back to the good side. I have to try."

-- Luke
Sustainability Process

The sustainability process should be:

• An integral part of management
• Embedded in the culture and practices
• Tailored to the operational activities of the organization

The purpose of risk assessment:

• Provide evidence-based information and analysis to make informed decisions on how sustainability can create opportunity to offset threats
View Of Business Sustainability

Organizational Definition of Sustainability → Managing the Organization → Operations Management → Managing Uncertainty (Risk Management) → Meeting Objectives Achieving Sustainability
Sustainability & Risk Management

Compliance
- Comply with applicable rules and regulations

Assurance
- Supports disclosures (e.g. Federal Trade Commission “Green Guides”)

Decision Making
- Ensures that appropriate risk-based information is available

Efficient Operations/Effective Processes/Efficacious Strategy
- Risk management helps create efficient operations, effective processes and efficacy of strategy to ensure the best outcome with reduced volatility of results
Sustainability and Risk

• Provides a structured, credible foundation for discussions about sustainability as a means for organizations to meet their objectives
• Allows organizations to make sustainability part of what every member does every day
• Builds on what is already there through the guidance using principles, a framework and a process
• Sustainability is the way that organizations manage their risk
Key Message #4

Accept the three elements of the international risk management standard.

“Do. Or do not. There is no try.”
Meeting Objectives

*Principles* guide the creation of the framework

*Framework* is designed to help the organization meet its objectives.

The performance of your risk assessment *process* feeds back into the framework.
## Risk Management Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creates and protects value</td>
<td>Creates and protects value</td>
</tr>
<tr>
<td>Tailored to each organization</td>
<td>Tailored to each organization</td>
</tr>
<tr>
<td>Explicitly addresses uncertainty</td>
<td>Explicitly addresses uncertainty</td>
</tr>
<tr>
<td>Transparent &amp; inclusive</td>
<td>Transparent &amp; inclusive</td>
</tr>
<tr>
<td>Integral part of organizational processes</td>
<td>Integral part of organizational processes</td>
</tr>
<tr>
<td>Based on best information</td>
<td>Based on best information</td>
</tr>
<tr>
<td>Systematic, structured, &amp; timely</td>
<td>Systematic, structured, &amp; timely</td>
</tr>
<tr>
<td>Facilitates continual improvement</td>
<td>Facilitates continual improvement</td>
</tr>
<tr>
<td>Part of decision-making</td>
<td>Part of decision-making</td>
</tr>
<tr>
<td>Human and cultural factors included</td>
<td>Human and cultural factors included</td>
</tr>
<tr>
<td>Dynamic, iterative, responds to change</td>
<td>Dynamic, iterative, responds to change</td>
</tr>
</tbody>
</table>

Principles influence the design and implementation of the risk framework and the risk process
Risk Management Framework

Mandate and Commitment

Framework Design

Framework Improvement

PDCA Cycle

Framework Monitoring & Review

Framework Implementation

Supporting structure to meet objectives
Risk Management Process

Identify, analyze, and evaluate risks and treat risk in its context
CONCLUDING THOUGHTS

“Fear is the path to the dark side… fear leads to anger…anger leads to hate… hate leads to suffering.”
Key Messages from Today’s Webinar

Key Message #1 – ISO 31000 is how organizations meet their objectives in an uncertain world

Key Message #2 – “Risk-Based Thinking” is being embedded in all of the management systems that your company is using

Key Message #3 – Sustainability focuses on the upside of risk (opportunities) and is proactive not reactive

Key Message #4 – Accept the three elements of the international risk management system architecture
Sustainability and Risk

- Risk management provides a structured, credible foundation for discussions about sustainability as a means for organizations to meet their objectives.
- Allows organizations to make sustainability part of what every employee does every day.
- Builds on what is already there through the guidance using principles, a framework and a process.
- Sustainability is the way that organizations gather knowledge that leads to innovation and value creation.
May the Force be with You!

- Dark Side
  - Reform: Hazard Management
    - Tolerance
    - Inhibit
    - Failure
    - Mitigate
  - Fearful of Requirements

- Light Side
  - Conform: Control Management
    - Acceptance
    - Doubt
    - Uncertainty
    - Manage
    - Auditing of Compliance
  - Perform: Opportunity Management
    - Investment
    - Enhance
    - Success
    - Embrace
    - Creating Value

Contribution

Maturity
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To suggest potential topics and presenters for QuEST Forum Academy, a Project Submittal Form is requested. To download the spreadsheet Form, click here. Note the Instructions on the first tab of the spreadsheet. Please email the completed form to QFAsubmittal@questforum.org.

If you have problems with understanding or completing the Form, or with questions about the QuEST Forum Academy, please contact us.

For training related to TL 9000 adoption and implementation, click here.

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Webinar: QuEST Forum TL 9000 R6.0 Requirements.

Thank you for your interest. This webinar concluded on 17 September 2014, 10:00 am CST, but you can download the presentation here.

This webinar was a presentation by QuEST Forum Integrated Global Quality (IGQ) leaders on the plan to update TL 9000 R6.0 requirements to include ISO 9001:2015.

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Learn more about the update and revision of the TL 9000 Requirements Handbook

…and awaken The Force!
To suggest potential topics and presenters for QuEST Forum Academy, please visit http://questforum.org/resources/webinar.html to download a Project Submittal Form. Email the completed form to QFAsubmittal@questforum.org.
Does your company operate in the ICT space? Are you a QuEST Forum member? If not, sign up today and reap the immediate benefits of membership.

http://questforum.org/member/overview.html

For additional information, please visit:

http://tl9000.org
http://questforum.org

Thank You!
Thank you for participating QuEST Forum Academy

You will be directed to a survey and your feedback is appreciated.