



# *Auditing for Prophet or Profit*

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# *Basic Auditing*

- Report document inadequacies
- Report ineffective implementation
- Report failure to maintain system

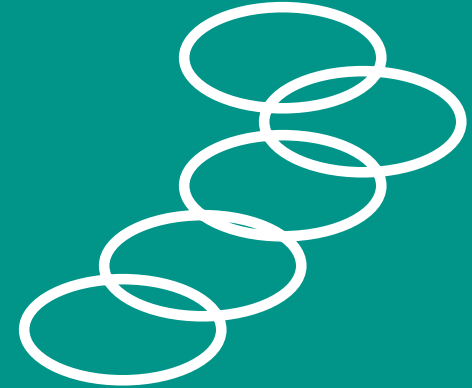
*Maintain readiness for external audits*

# *Customer Expectations*

- **Cost of doing business?**
- **Cost of prevention?**
- **Management strategy for improvement?**

# *Management Partner*

- ***Link findings to business needs***
  - ***R/P Matrix***
    - Cost - Opportunity - Risk***
  - ***Non financial***
    - ***work environment***
    - ***community***
    - ***diversity***



# *Excellence - Outstanding*

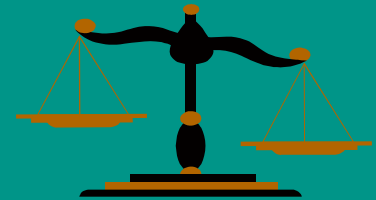
- *Assess Effectiveness*

- *Define*

- *1996: After the Quality Audit*
- *1999: ISO/DIS 9000*
- *1999: The Quality Audit Handbook*

# *Effectiveness*

- ***Optimum balance***
  - ***Output goals***
  - ***Process***



~~*The end justifies the means*~~

***Peak processes ensure desirable outcomes***

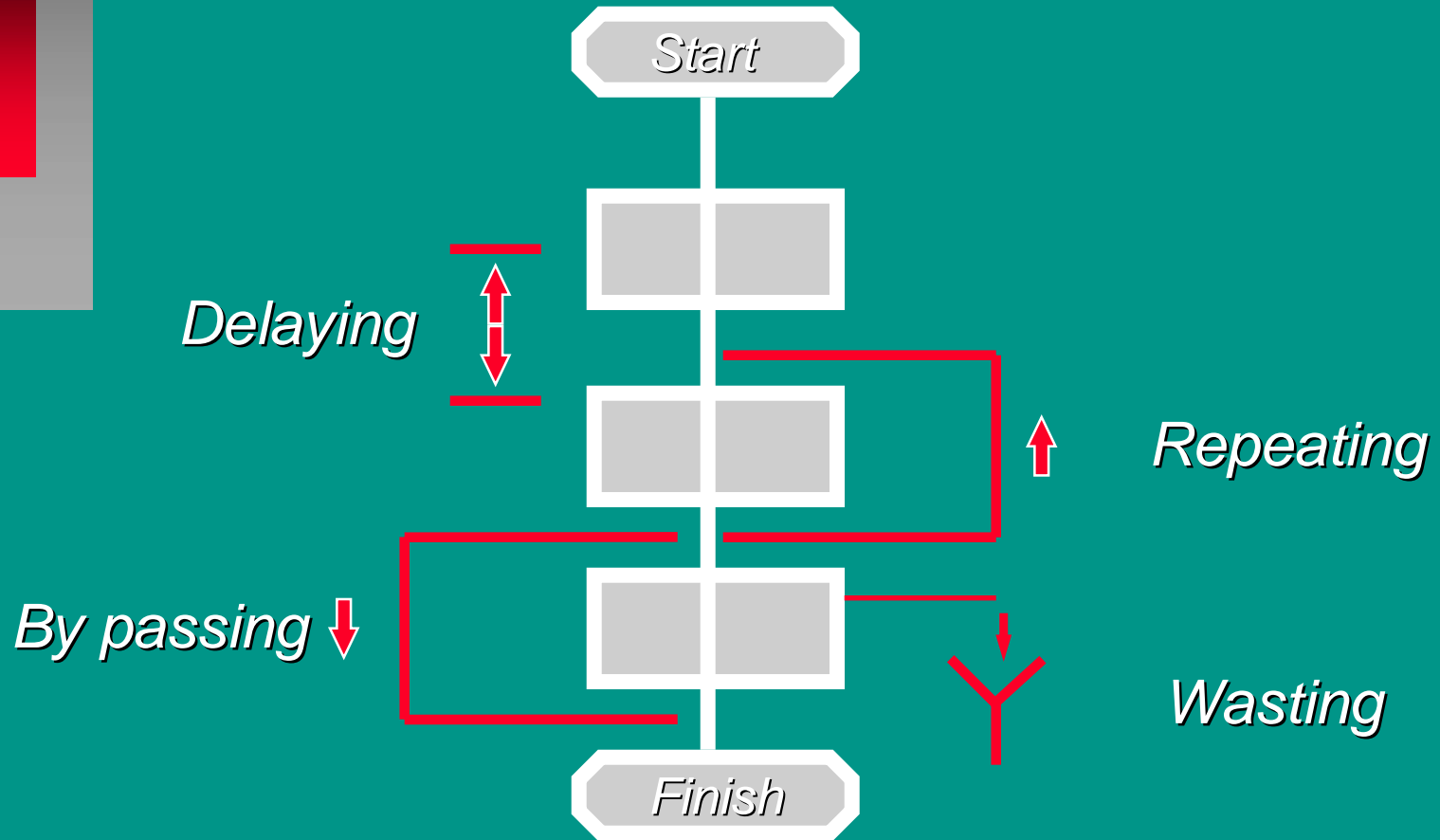
# *Process Performance Indicators*

- *Delaying*
- *Repeating*
- *Bypassing*
- *Wasting*

*Radar Scan*



# *Process Performance Indicators*





# *Sampling for Performance*

- ***Representative***
  - *Random Sampling*
- ***Extra thorough***
  - *Larger samples*
- ***Known suspect areas***
  - *Directed Sampling*

*Stallite Scan*



# *Directed Performance Sampling*

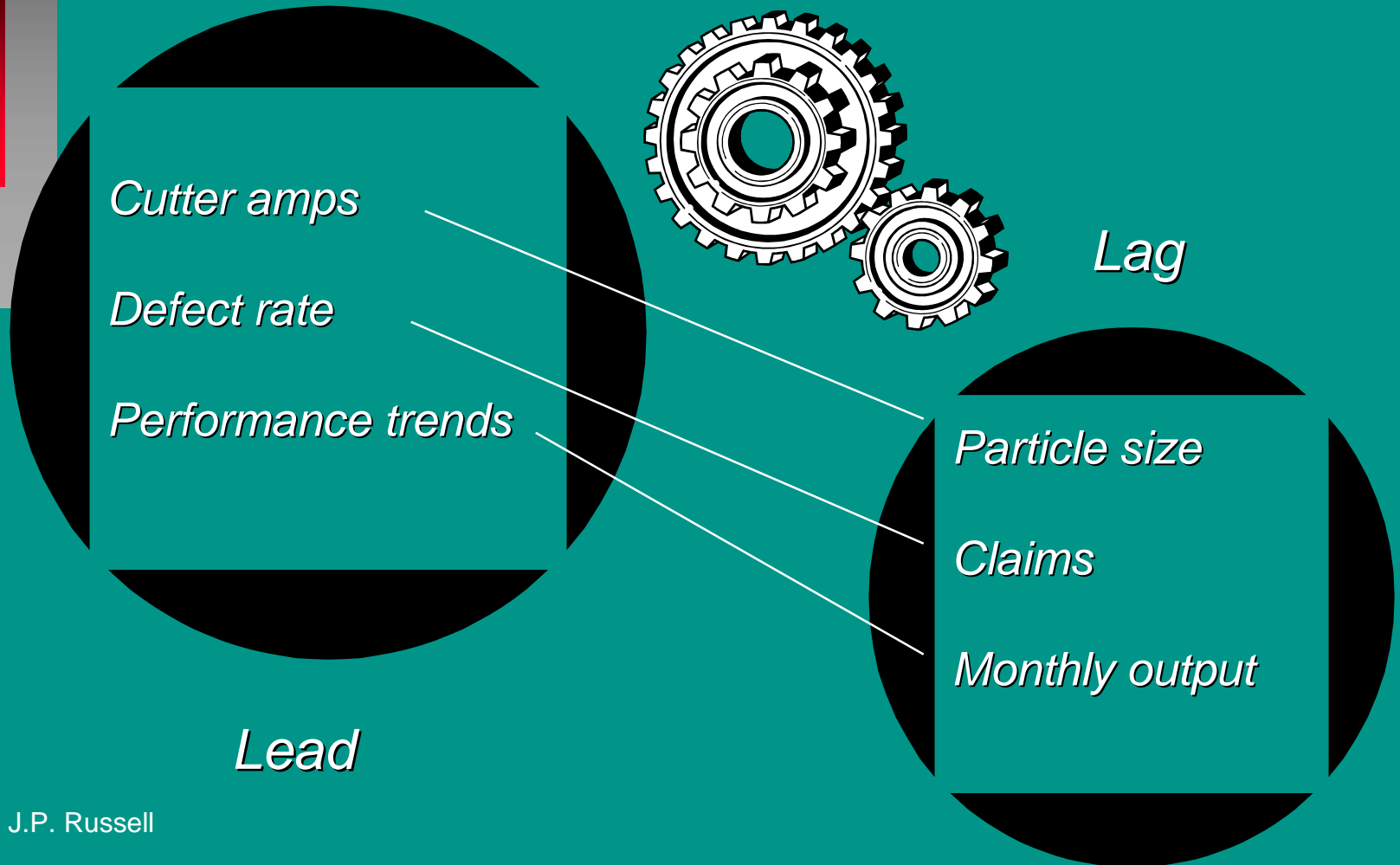
- *Meet with customers*
- *Brainstorm*

*Backlog of CAs  
Excessive changes  
Hold areas  
Out of the way areas  
Tour  
Check attendance  
New processes  
Missing responsibility*

# *Analyzed Performance Indicators*

- ***Lagging indicators***
  - *past laurels*
  - *records for verification*
- ***Leading indicators***
  - *future performance*
  - *basis for adjustments*

# *Indicators*



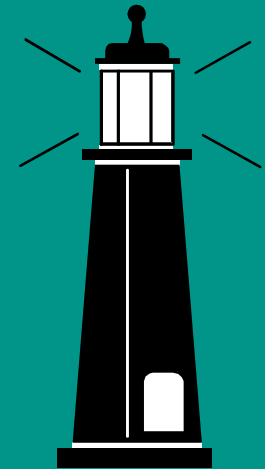
# *The Prophet*

- Continuous compliance
- Continuous improvement
- Continuous failures

*IN-CONTROL or IN-TROUBLE?*

# *Auditing of the Future*

- *Find weaknesses and rectify*
- *Forecast performance and plan*
- *Share best practices and grow*



# *Power Process Audits*

- *Part of business strategy*
- *Audit objectives linked to organization goals*
- *Value added*

# *Auditing for:* *Continuous Improvement*

- *Fix what you find*
- *Improve process performance with power audits*
- *Assess the system to identify new directions*