

## REENGINEERING AND QMS PREMISES OF DEVELOPMENT TO EXCELLENCE

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**Abstract:** Theorists and practitioners of quality sometimes "forget" basic object and subject of quality- BUYERS, dealing with different problems, as quality, causes and limits of quality improvement, combinations of standards etc.If we want to leave behind that situation, it is necessary to change behaviour of all business factors, or reengineering, according to processing model of quality system. If it results with buyer's satisfaction, one of the basic conditions for business success is accomplished. In this paper, process reengineering is priority, as well as management re-engineering, project reengineering, all in function of quality.

**Keywords:** buyer, management reengineering, business excellent and self-valuation

### 1. INTRODUCTION

It is very important to have modern factors of development in our mind when we discuss about progress. That is postulate **of market**, as **the only valuator** of successful project realization in development system.

The market is a personification of customer and everything behind it that conduces excellence. Excellence is defined throughout needed level of quality and necessary reengineering process.

If we know that reengineering and quality is base of the modern development, conditions for modern development are:

- implementation of JUS ISO 9001-2000 standard
- reengineering of all business processes, management and projecting on processing principle
- excellence in function of buyers pleasure
- evaluation to self-valuation

### 2. DEMANDS OF ISO 9001/2000 STANDARDS

JUS ISO 9001-2000 standards define basic process model with connection between customers demands and pleasure throughout four modules (Figure 1):

- managements responsibility,
- resources managing,
- realization of products,
- measuring, analyzing and improvement.

In mosaic of criteria and forms (quality system, reengineering, business excellence), buyers are on the central place, as a mover, valuator and CUSTOMER.

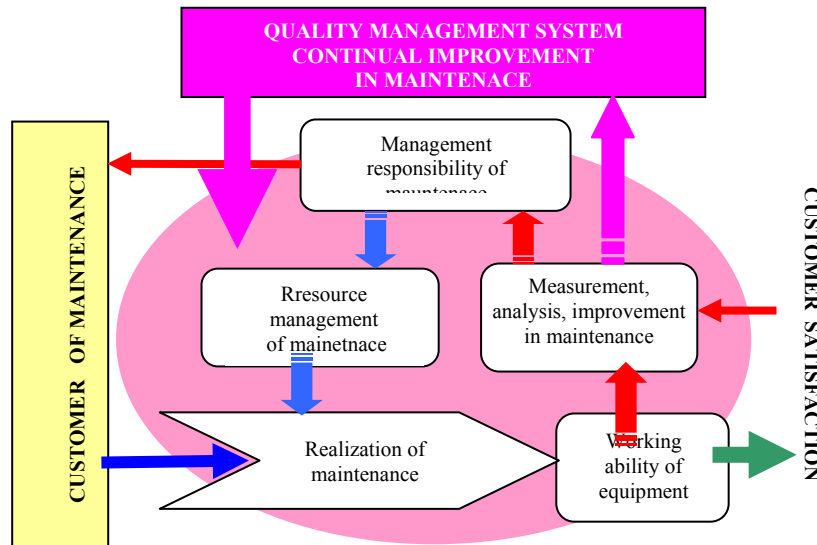


Fig. 1: Models of process of ISO 9001/2000 standards

### 3. PROCESS REENGINEERING

Reengineering is a big project of any company with important goal to improve significant characteristic of key process by using simple possibilities. It actualizes buyer's expectation. Process is different jobs flow that turns buyer's wishes into real value (figure 2).

Then, these values start to raise and change throughout many companies' function.

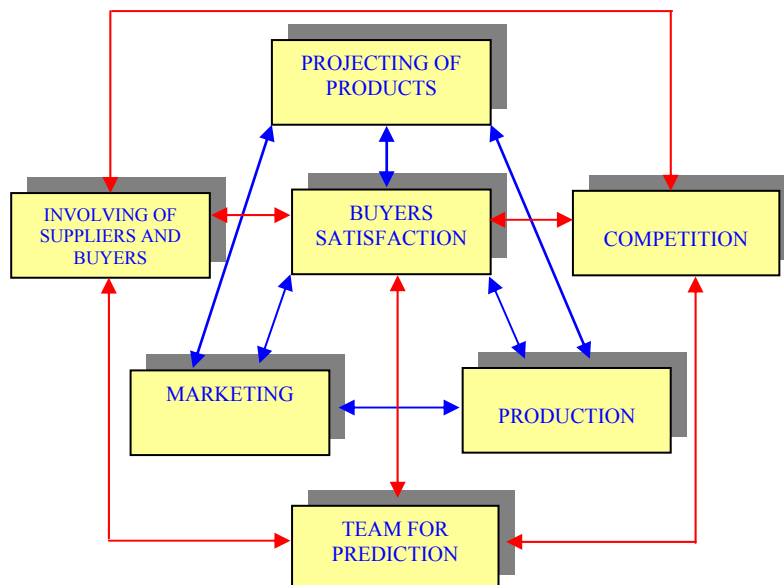


Fig. 2: Interaction of influent factors in reengineering process

Figure 3. show “3x3 principles” in engineering process.

We must not forget gratitude to the team that successfully realized all reengineering requests.

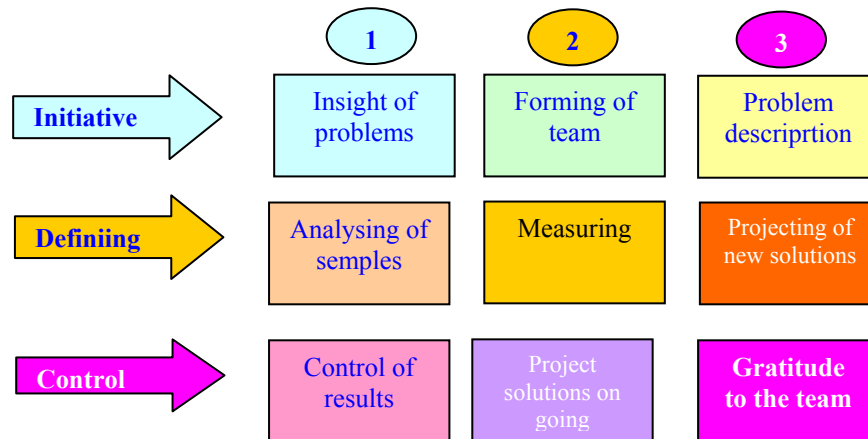


Fig. 3: Principle 3x3 in reengineering process

### 3. MANAGEMENT REENGINEERING

In recent times, when knowledge about managements' significance have real dimension, there are certain need of finding the best way of management organization. Management reengineering has its own space between two extreme variants of organizing: classic (or hierarchical) and network or team approach. Those two ways show important differences and both are used in different business systems, successfully or not (figure 4).

It is very characteristic that lider manager never lose leading role. Instead, way of managing of business system is changing. Therefore, management stops to be effective by setting up tasks to the lower levels in organization.

Managers have to be open for suggestions in process of making decision. Figure 4. show reengineering flow, from hierarchical to network approach in management organization, with flattened organization in the middle. It is less authoritatively management with wider circle of associates.

Digression from traditional management organization in direction to team organization becomes evolutionary. It is evolution from industrial organization to informatics organization and it is, from modern process aspect, road to efficient capture of market, satisfied buyers and business excellence (Figure 5).

When we achieve planned goal by using reengineering, activities are focused on improving of accomplished performances that make buyers satisfied.

It is “responsibility” of buyer who stands on quality, who accepts only excellent quality of products. In that case, responsible management uses reengineering to achieve important improvement of its business system. Management want to achieve further improvement by using program QMS.

Compatible engineering and QMS consist in buyer's satisfaction.

### 4. PROJECTING AS A FUNCTION OF BUSINESS EXCELLENT

Core business in every business system is to realize buyer's satisfaction. In that condition, we use method of projecting by decomposition. It is based on axiomatic projecting in function of buyer's satisfaction (figure 6).

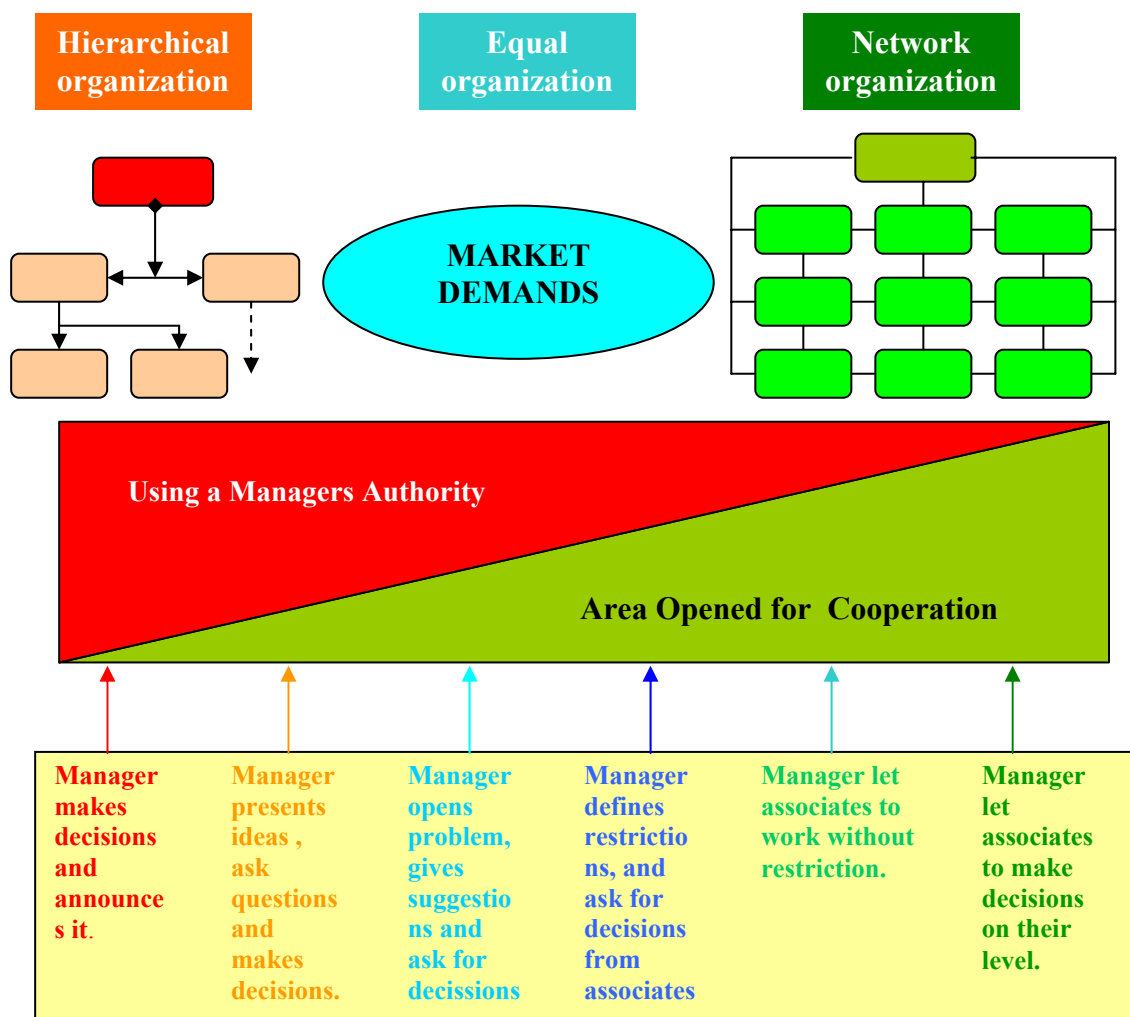


Fig. 4: Management reengineering phase

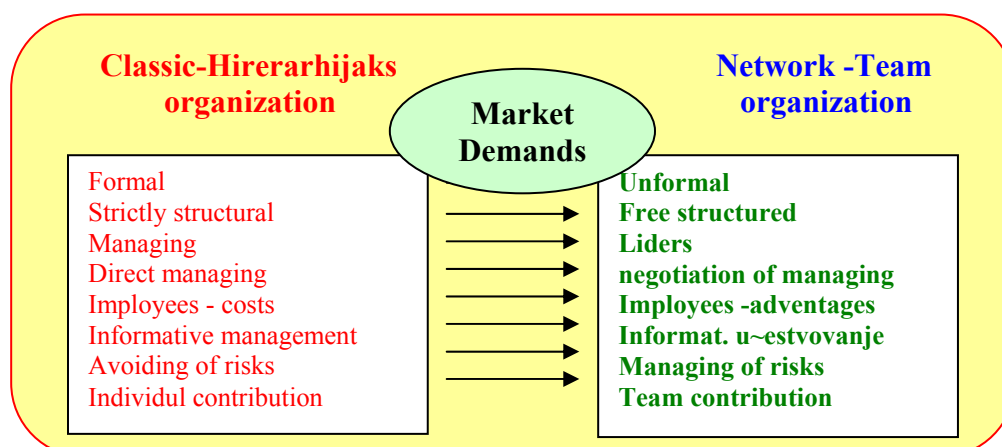


Fig. 5: Reengineering of organization in function market demands

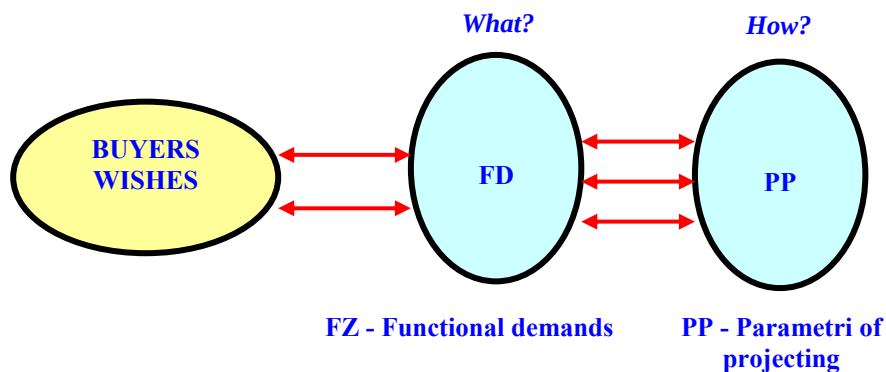


Fig. 6: Projecting in function of buyers demands

### 5. IMPROVEMENT OF BUSINESS RESULTS IN FUNCTION OF QMS

In the beginning, process of initiation and improvement of quality system is time taking. Latter, when company achieve basic reengineering activities (R) and results begin to stagnate (BR), further improvement and full affirmation of reengineering have to be supported by maintaining a development of quality system (QMS). It is shown on diagram (Figure7).

Figure 8 shows confirmation for hypothesis explained on figure 7 (exemplar is company "Zitopromet" –Spuz, Montenegro, winner of National Oscar Quality 2000). Reengineering is limited in technical and technological sense by system development. After early reconstruction a modernization, its further development has very delicate growing. At the same time, quality system has less restriction and it is condition for improvement of companies dealing.

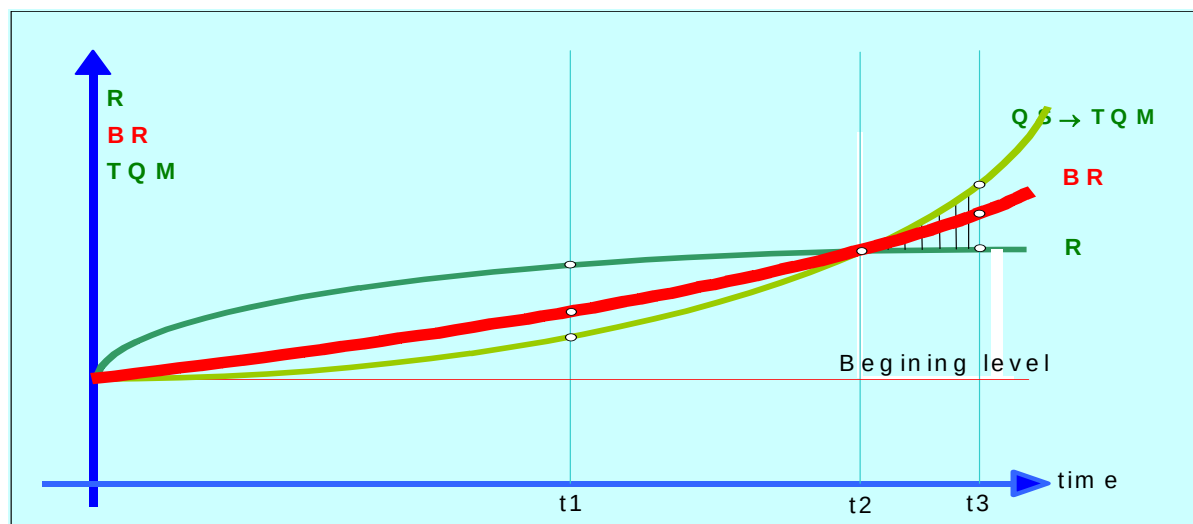


Fig. 7: R - DMS - BR diagram of business system development and improvement

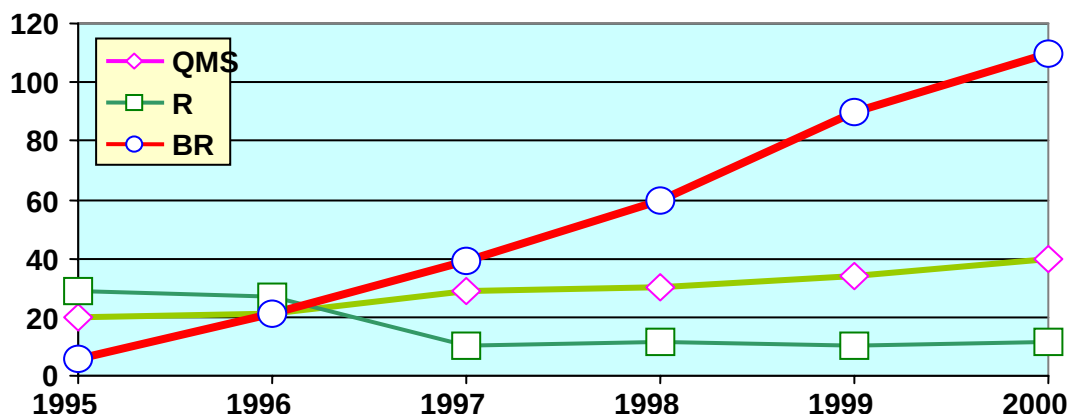


Fig. 8: Diagram of business system development "ŽITOPROMET" - Spuž.

Quality system will enable optimal reengineering results. Furthermore, quality system initiates need of reengineering, by using ISO 9001, ISO 14000 and other standards.

**Reengineering spirit makes things different – quality spirit makes things better.**

## 6. CALIBRATION TO SELF-VALUATION

There are three well known and very usable methods of measuring and following up of system performances. Self-valuation, as a fourth method, is new comparing to previous quality system standards.

However, self-valuation symbolizes fundamental method of measuring and following up of development performances and using of permanent improvement model.

Self-valuation interlaces business activities and business results, which is primary condition for business excellence. Different models of self-valuation are suitable to development of national projects for quality improvement. This paper represents EFQM (European Foundation for Quality Management) self-valuation diagram that is base for valuation for European quality award. EFQM model has a special role in development of business excellence (figure 9) [3].

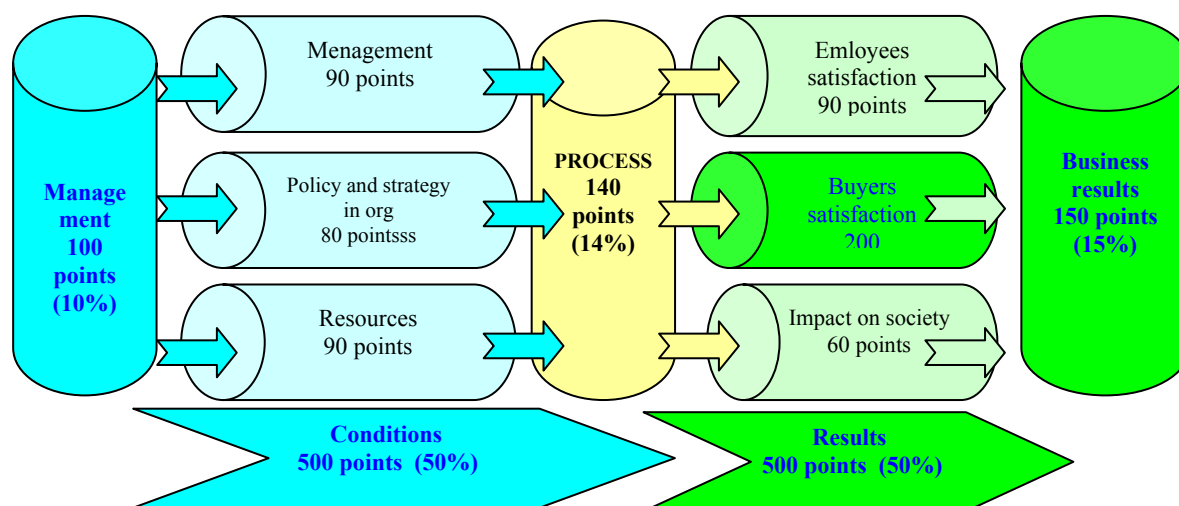


Fig. 9: Graphical illustration of EFQM model

## 7. CONCLUSION

Thematic hypothesis can be integral transmitted in conclusion. It means that reengineering and quality are basic postulates of modern development.

This paper confirms that, behind two basic postulates, existed whole complex of demands and detailed studying of development causes and validity condition.

Reengineering and quality work upon ability of organization to reach needed excellence, of course - on different ways.

European criteria of self-validation show very clear how difficult is developing journey to excellence.

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