
Benefits of using Quality Management Systems for the Ethanol Industry

FEW Conference

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How does a QMS operate?

The short answer:

- Say what you do (documentation)
- Do what you say (implementation)
- Prove what you do (records)
- Review and improve (continuous improvement)

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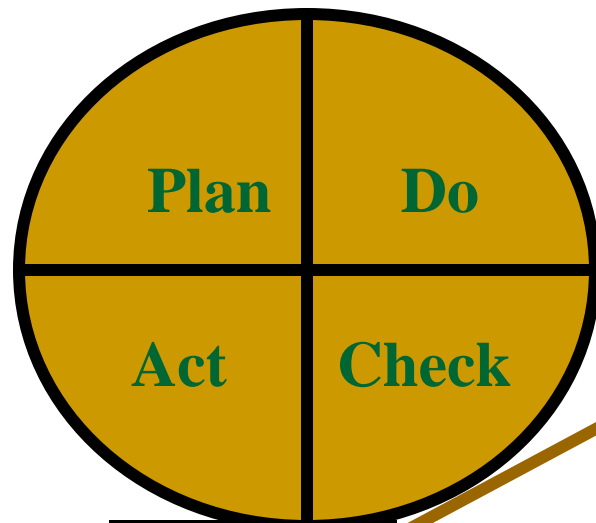
Internationally Recognized Quality & Food Safety Systems

- ISO programs
 - 9001 – manufacturing and service standard
 - 14000 – environmental standard
 - 22000 – food safety standard
- USDA PVP
 - GIPSA – ISO 9001 plus verification points (grain)
 - AMS – ISO 9001 plus verification points (livestock)
- HACCP - Hazard Analysis and Critical Control Points—food safety standard

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Continuous Improvement



Measure/Monitor results against objectives. Improve Process and Change QMS as needed to achieve and sustain desired results.

Results

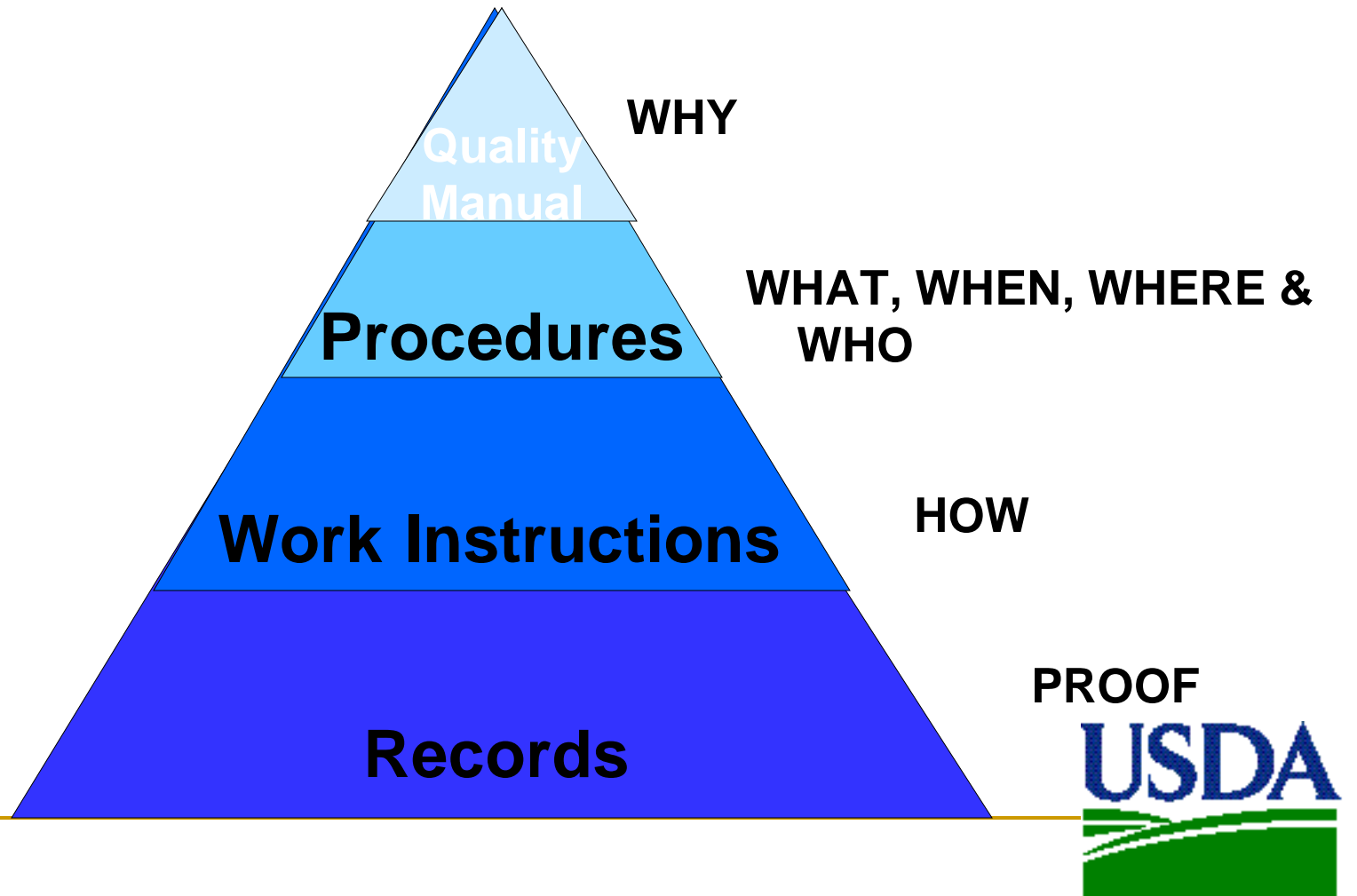
QMS

Improvement Objective

Baseline Performance



DOCUMENTATION OVERVIEW



ISO 9000 Principles

- Customer Focus
- Leadership
- Involvement of People
- Process Approach
- System Approach to Management
- Continual Improvement
- Factual Approach to Decision Making
- Mutually Beneficial Supplier Relations

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Principle 1 Customer Focus

- Organizations should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.
- Key benefits:
 - Increased revenue and market share by responses to market opportunities.
 - Increased effectiveness to enhance customer satisfaction.
 - Improved customer loyalty leading to repeat business.

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Principle 2 Leadership

- Leaders establish unity of purpose and direction of the organization.
- Key benefits:
 - People will understand and be motivated towards the organization's goals and objectives.
 - Activities implemented in a unified way.
 - Miscommunication will be minimized



Principle 3 Involvement of people

- People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.
- Key benefits:
 - Motivated, committed and involved people
 - Innovation and creativity
 - People being accountable for their own performance.
 - People participate in and contribute to continual improvement.

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Principle 4 Process approach

- A desired result is achieved more efficiently when activities and related resources are managed as a process.
- Key benefits
 - Lower costs and shorter cycle times through effective use of resources.
 - Improved, consistent and predictable results.
 - Focused and prioritized improvement opportunities.

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Principle 5 System approach to management

- Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency
- Key benefits
 - Integration and alignment of the processes
 - Ability to focus effort on the key processes.
 - Providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization.

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Principle 6 Continual improvement

- Continual improvement of the organization's overall performance is a permanent objective
- Key benefits:
 - Performance advantage through improved organizational capabilities.
 - Alignment of improvement activities at all levels to an organization's strategic intent.
 - Flexibility to react quickly to opportunities

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Principle 7 Factual approach to decision making

- Effective decisions are based on the analysis of data and information
- Key benefits:
 - Informed decisions.
 - An increased ability to demonstrate the effectiveness of past decisions through reference to factual records.
 - Increased ability to review, challenge and change opinions and decisions.

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Principle 8 Mutually beneficial supplier relationships

- An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value
- Key benefits:
 - Increased ability to create value for both parties.
 - Flexibility and speed of joint responses to changing market or customer needs and expectations.
 - Optimization of costs and resources.

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Deciding on a QMS

- What is the scope?
- What will a QMS do for my business?
 - Increase sales
 - Ability to sell different products
 - Ability to sell to different markets
 - Help me manage more effectively
- Pros and Cons
- Cost analysis



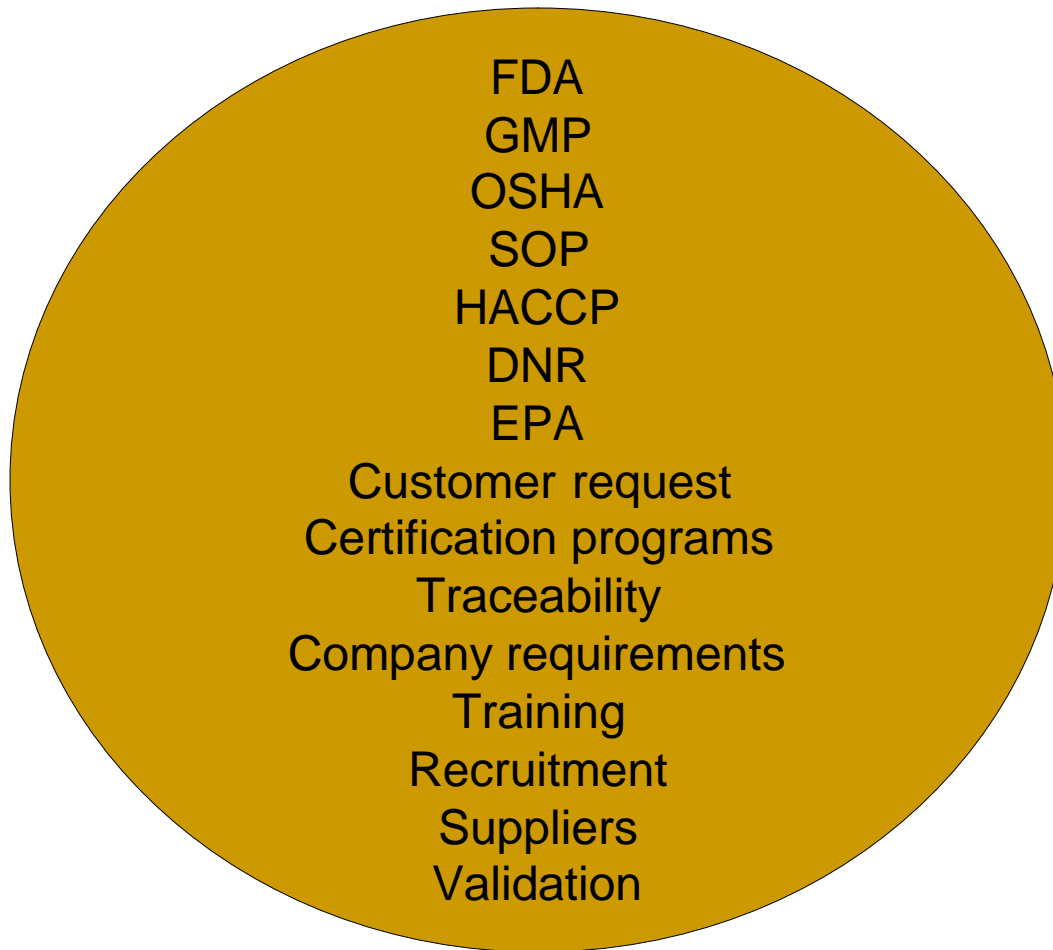
Identify your goals

- Be more efficient and profitable
- Produce products and services that consistently meet customer requirements
- Achieve customer satisfaction
- Increase market share
- Maintain market share
- Improve communications and morale in the organization
- Reduce costs and liabilities
- Increase confidence in the production system

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A well implemented QMS can manage all the requirements



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What's it all about?

CONFIDENCE
Of Consumers

CONFIDENCE
Of Government Agencies

CONFIDENCE
Of Auditors



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Thank you!
