

## **Welcome to the**

# **Export Quality Programme**

The European Union's Export Agreement ALA/93/57 and the Export Promotion Commission, Prompex, in fulfilment of their promotional function, wish to make the EXPORT QUALITY Programme available to the export sector. The purpose of this Programme is to promote a movement toward quality in the export sector and to provide technical and economic assistance for the implementation of quality systems in small and medium export enterprises.

Quality systems are business management tools for lowering costs, building up trust, and improving compliance between suppliers and their customers --all within a preventive approach.

By effectively implementing quality control systems, enterprises are able to enhance their competitiveness vis-à-vis international competitors.

Under the EXPORT QUALITY Programme, small and medium export enterprises are given technical and economic assistance to institute quality systems (ISO 9000, ISO 14000, Good Manufacturing Practices, HACCP, and SA 8000).

It is our aim to destroy the myth that the ISO 9000 and HACCP systems are not applicable to our small and medium export companies.

We are convinced that it is both possible and necessary for small and medium export enterprises to apply these business management tools.

## **VISION OF QUALITY IN PERU**

We aspire to have a country where enterprises are capable of competing with quality, where there are public and private institutions that promote quality, and where professional operators show ethical behaviour in their activities –in other words, a country where a true “culture of quality” is cultivated, nurtured, and projected.

### **ISO 9000**

ISO is the acronym of the International Organization for Standardization, which was created in 1946 to develop voluntary technical standards for manufacturing, commerce, and communications.

ISO 9000 is a set of standards that indicate what an enterprise should do to develop a quality management system. Therefore, these are not applicable to products, but to the management of enterprises.

The most important point is to understand, apply, and maintain the philosophy and spirit of ISO 9000, instead of viewing it as merely a series of requirements that enterprises must fulfil.

The participation and true commitment of the owners and managers is decisive for their enterprises' successful implementation of ISO 9000.

### **ISO 14000**

ISO 14000 is a set of standards that indicate what an enterprise should do to develop an effective environmental management system. An ISO 14000 environmental

management system not only substantially improves the quality of the environment in which enterprises operate, it also produces economic benefits from efficient resource use.

## **HACCP: HAZARD ANALYSIS AND CRITICAL CONTROL POINTS**

The idea of HACCP was born at the end of the 1960s as a system for guaranteeing the harmlessness of food products –in other words, delivering healthy food products to consumers.

The system has a preventive approach to the possible risks at all stages of food production and today is an important tool in international food trade.

In recent years, the United States and the European Union have been strictly promoting the adoption and use of the HACCP as a standard for the sanitary control of the food products that are sold in those markets.

The use of the HACCP in the international food industry is a reality today and is growing day by day.

The components of the EXPORT QUALITY Programme are:

### **First phase**

#### **The Road to Quality**

This is designed for small and medium export enterprises that are interested in training their top and middle-level management only in the basic aspects and specific benefits of the quality systems (ISO 9000, ISO 14000, Good Manufacturing Practices, HACCP, and SA 8000).

Interested enterprises will be given technical and economic support for nationwide training events organised by Prompex and different institutions and enterprises of recognised prestige in the market.

### **Second phase**

#### **Customising**

This is aimed at enterprises that have made the strategic decision to implement quality systems (ISO 9000, ISO 14000, Good Manufacturing Practices, HACCP, and SA 8000).

The quality systems will be implemented in accordance with the existing situation and the specific needs –in other words, it will be tailor-made for the enterprise.

This phase consists of:

**1. Preliminary diagnosis and determination of the cost for the enterprise**

In this phase, the enterprise can identify its situation vis-à-vis the quality system to be implemented (ISO 9000, ISO 14000, Good Manufacturing Practices, HACCP, and SA 8000). The European Union – Prompex Export Agreement will provide a list of selected and qualified consultants.

Each enterprise will contact the consultants directly and request and evaluate their proposals, from which the cost, timeframe, and methodology to be used for implementing the quality system will be determined.

**2. Selection of the consultant**

Each enterprise will select a consultant according to its own criteria. Prompex and the European Union Export Agreement must approve each enterprise's chosen consultant and Plan of Action.

**3. Plan of Action for the Enterprise**

On the basis of the consultant's diagnosis and proposal, the enterprise will have a tailor-made Plan of Action.

That Plan of Action may cover the following areas, among others:

- Management training
- Training at the operational level
- System documentation (HACCP Plan, Quality Manual, etc.)
- Training of Internal Auditors
- Effective implementation of the system
- Prior audits

Each enterprise may receive up to 50% in non-refundable financial aid to cover the cost of training and advisory assistance only. The maximum allocation per enterprise is US\$ 5,000, depending upon the amount of any previous support received from the European Union – Prompex Export Agreement.

## PRINCIPAL BENEFITS OF THE ISO 9000 SYSTEM

The findings of numerous surveys conducted among enterprises that have implemented an ISO 9000 system reveal that it has improved their competitiveness considerably and, as a result, has increased their profits. The most important benefits are:

<b>Tangible benefits of ISO 9000</b>	
<b>Increases in</b>	
- Profits	8 %
- Productivity	6 %
- Use of idle capacity	30 %
- Sales	11 %
- % of satisfied customers	70 %
<b>Decreases in</b>	
- Stocks	40 %
- Cost of raw materials	4 %
- Waste	10 %
- Production time	46 %
- Defects in components	99 %
- Reprocessing time	51 %
- Rejection of lots	10 %
- Customer complaints	40 %
<b>Savings in</b>	
- Quality cost (of sales)	5 %
- Direct overhead	27 %
- Miscellaneous expenses	15 %
<b>Intangible benefits of ISO 9000</b>	
- Improvement in customer trust	
- Access to new markets	
- More flexible answers to market demands	
- Better employee motivation	
- Improved working procedures	

*From: ISO 9000 Forum Review (different surveys between 1993 and 1995)*