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THE PROSPECTS OF QUALITY MANAGEMENT INTERNATIONAL STANDARDS AND APPLICATION IN THE UKRAINIAN AGRO-INDUSTRIAL ENTERPRISES

#### Introduction

The enterprises which best manage quality system know, that standards implementation will give them greater opportunities to more effectively maximize their capabilities and as a result improve their financial performance. For Ukrainian agro-industrial enterprises the international standards and best practice in the industry will help ensure strong competitiveness in international markets. Therefore, it is necessary to introduce these international standards into the Ukraine.

## To integrate into the global market it is necessary to manage the entire enterprise

- > technological capabilities
- the issue of long-term strategy
- > strong competitiveness in international markets
- > environment
- > safety
- > social responsibility
- > information security
- financial stability



**QUALITY MANAGEMENT SYSTEMS** 

#### QMS ISO standards



- for innovation and meaningful business practice
- improving efficiency
- supporting screen-based trading and new technology implementation
- promoting the growth of intangible commodities
- upholding economic advancement

Such a global force of international standards has helped to develop a universal system of standards across national and international borders.

The main obstacle for Ukrainian exports to the EU is a lack of production quality standards, which have been adopted in the EU. The transition from compulsory certification to the European (international) model of conformity must be accompanied by coordinated work on the creation of the necessary legal, regulatory and infrastructure framework to help facilitate the smooth running of the system. The transition from compulsory certification in Ukraine can often be hampered by the slow development and implementation of these technical regulations.



#### standards gives rise to several opportunities for enterprises

- ✓ Increasing an enterprises guarantee of their quality products to their customers
- ✓ Savings
- ✓ Increased sales of products in the market by improving the quality and timing of storage
- ✓ Simplification of procedures for checking the quality of products upon receipt of orders
- ✓ Opportunity of participation in national and international tenders
- ✓ Simplification of procedures for public orders

## The poterntial threats to an organisation resulting from the implementation of international standards

- Differences in the point of view on the best way to implement
- "Information hunger"
- ✓ The possibility of extra costs
- ✓ Possibility that a sudden shift in management strategy will be needed to comply with certification
- ✓ Incomplete implementation of international standards
- Complications



The delay in the harmonization of standards has led to a situation where Ukrainian technical regulations on conformity assessment are taken very slowly, postponing to a later date the reformed system of technical regulation and instead keeping the old system in place.

## The QMS certification in Ukraine is voluntary

Established in Ukraine the Certification system enjoys the same authority for the domestic market as Certification ISO 9000-series for Western enterprises, althought it is a completely independent process

The lists of certified companies in Ukraine executing next organizations:

- 1) Ukrainian National Sertification System (UNSS)
- 2) State venture "CrimeaStandardMetrology"

# Table 1. The number of QMS certificates (for all directions of activity) which registered and annulled in Register of UNSS

Name of Standard	The number of registered certificates, items		The number of annulled certificates, items		Active certificates on
	Total	including year 2010	Total	including year 2010	31.12.2010
UNSS ISO 9000:2001	3195	5	1302	576	1893
UNSS ISO 9001:2009	1622	1312	53	53	1569
UNSS ISO 14001:2006	136	18	33	4	103
Total	4953	1335	1388	633	3565

Source: results of the survey of UNSS conducted in February 2011

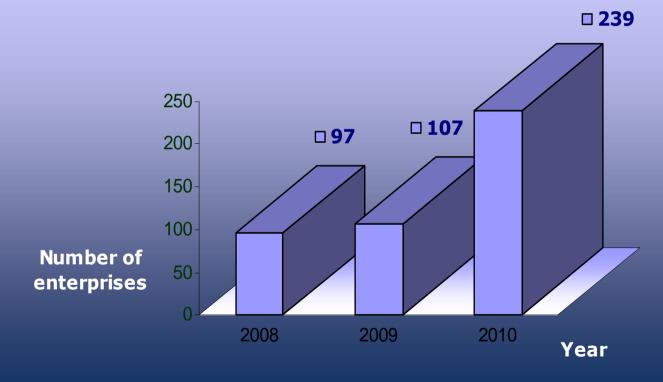
# Table 2. Number of Business register entities in Ukrainian Agro-Industrial sector and percentage of certificated enterprises

Characteristic	Year 2008	Year 2009	Year 2010
Number of Business register entities in Ukrainian Agrarian sector	86567	86191	85471
Number of Ukrainian Agro- Industrial enterprises which registered in Register (UNSS ISO 9001:2001 and UNSS ISO 9001:2009)	97	107	239
Percentage ratio, %	0,11	0,12	0,28



#### QMS SERTIFICATION IN UKRAINE







# Today over a 1000000 organizations have implemented ISO 9001:2008 in 176 countries and a huge number of organizations have implemented QMS

The number of Ukrainian
Agro-Industrial
enterprises which registered
in Register of
UNSS

## Table 3. The number of Ukrainian Agro-Industrial enterprises which registered in Register of Ukrainian National Certification System (UNSS ISO 9001:2001), 2008-2010

Region	Year 2008	<b>Year 2009</b>	<b>Year 2010</b>	Total
VINNITSA REGION	2	8	14	24
VOLHYNIA REGION	2	2	12	16
DNEPROPETROVSK REGION		4	7	1.5
DONETSK REGION	3	5	11	19
ZHYTOMIR REGION	2	1	2	5
ZAPORYZHZHYA REGION	2	2	5	9
IVANO-FRANKIVSK REGION	3	1	1	5
KYIVAN REGION	13	9	25	47
KIROVOGRAD REGION	4	3	4	111
CRIMEA REGION	4	7	8	1.9
LUGANSK REGION	1	3	11	1.5
LVIV REGION	2	4	16	<mark>22</mark>
MYKOLAIV REGION	0	5	11	<b>1</b> 6
ODESSA REGION	13	6	18	37
POLTAVA REGION	13	12	31	<b>5</b> 6
RIVNE REGION	2	1	2	5
SUMY REGION	2	4	5	11
TERNOPIL REGION	2	4	12	<b>18</b>
KHARKIV REGION	3	11	13	<b>27</b>
KHERSON REGION	3	2	6	11
KHMELNITSKY REGION	2	2	2	6
CHERKASSY REGION	2	4	8	14
CHERNIVTSI REGION	3	0	2	5
CHERNIGIV REGION	10	7	13	30
TOTAL	97	107	239	443

## UKRAINIAN NATIONAL SYSTEM OF STANDARDISATION AND CERTIFICATION

149 certificate authorities 811 experimental laboratories

#### Non-governmental organizations

Ukrainian Quality Association
Consulting Center (SERTIKOM)
Quality Academy
Ukrainian International Fund
of Quality

**Ukrainian Quality Company** 

#### **Government Agency**

State Ukrainian Committee of Technical Regulation and Consumer Policy (32 standardization centers, 27 territorial administrations of consumer protection



Bureau Veritas Quality International (BVQI)

Netherlands Organisation for Certification (KIWA)

Society General of Surveillance (SGS)

Technical Inspections Organization (German TÜV Rheinland)

#### CONCLUSIONS

- The implementation of QMS is not an easy process, but it is very important for any business
- ➤ Implementation and certification of quality management allows the enterprises within the agroindustrial sector to maintain a stable product quality
- ➤ Harmonized with international standards as national standards for QMS can serve as a basis for implementation, more updated quality and production safety systems, which is a new step in helping enterprises of agro-industrial sector of Ukraine to achieve a significant increased degree of competitiveness



#### PROSPECTS

For the successful implementation of QMS according to ISO standards will be necessary:

- accelerate the process of harmonization and adaptation of international standards for QMS
- > cooperation and collaboration development between national and international organizations in the sphere of standardization and certification
- providing the governmental support to agro-industrial enterprises (particularly agricultural producers)

