

# SME's Application Guide for the System Demands of Code EFABAR

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## 1. Preface

This guide is part of the EU-funded Specific Support Action Code EFABAR, Code of Good Practice for European Farm animal Breeding and Reproduction, 2004-2005.

The aim of the guide is to support small and medium size enterprises (SME's) in the application of the System Demands of the Code to their organisation. The manual is especially aimed at smaller breeding companies as larger companies usually have quality departments that are specialised in the reading, understanding and application of various standards or have sufficient budget to acquire consultancy that does.

This document is explicitly named a 'guide' and not a 'manual'. The interpretation of the System Demands and the examples given are to be used as guidelines, as one of many options to translate the System Demands into a Management System for a specific breeding company. Furthermore, the success of the implementation and thus of any audit by a third party, fully depends on the commitment of management not only to define a policy that addresses the items of the Code of Good Practice, but also to manage all company processes accordingly.

To stimulate the integration of Code EFABAR in existing Management Systems, the System Demands are described in a layout that is compatible with ISO 9001: 2000 and other recent Standards. However, compliance with the System Demands of Code EFABAR does not automatically mean that the Management System complies with ISO 9001: 2000.

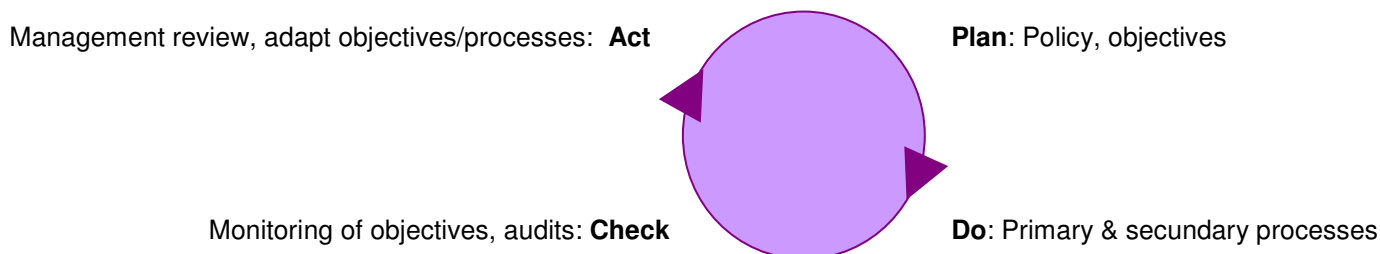
This guide for application is valid for Code EFABAR v.1, 2005. Square brackets, e.g. [4.2.1], refer to specific chapters or paragraphs of the System Demands of Code EFABAR.

## 2. Introduction

In the development and definition of Code EFABAR it was decided that the System Demands of the Code should result in a management tool for breeding companies. As such, the requirements are not defined as e.g. a checklist where a minimum score applies. Instead, the requirements focus on the Management System of breeding companies. This approach is comparable with requirements on other topics, such as management of quality, environmental care and occupational health and safety. The System Demands of Code EFABAR are compatible with the Standards on these topics.

The first step for breeding companies to adopt Code EFABAR is for senior management to (publicly) state that the points of view and choices described in the Code of Good Practice apply to their organisation. As such, the Code becomes an integral part of the policy of the breeding company. If a breeding organisation also seeks compliance with the System Demands, it should setup and implement a Management System or adapt its existing Management System to comply with the System Demands.

A Management System is a description of all processes that are relevant to the policy and objectives of an organisation. In its simplest form, the Management System consists of a control loop based on the PDCA-circle as defined by J. Edwards Deming:



So, if the policy of the organisation is to strive for long-term contracts with clients, objectives should be defined what percentage of the clientele should place recurrent orders for e.g. 5 successive years ('Plan'). The sales process and breeding process should be specifically aimed at continuation of existing relations ('Do'). Both the implementation of this specific way of working and the number of recurrent orders should be monitored ('Check'). And if the objectives are not met, the way of working should be adapted or the objectives should be re-adjusted.

So a breeding company that states that the Code of Good Practice is applicable to its organisation is defining its policy, the 'Plan'-part of the Deming-circle. In line with the example above, it should arrange all its company processes in such a way that they contribute to this policy. First, specific and measurable objectives should be defined in line with the statements of the Code of Good Practice to facilitate effective monitoring of the accomplishments. Secondly, all processes that are relevant to these objectives should be identified and managed in such a way that they contribute to the realisation of the objectives. The implementation and effectiveness of these processes is to be monitored. Finally, the results should be evaluated and appropriate actions should be taken.

The total of policy, objectives and relevant processes as described above is called a 'Management System'. This system is documented in the 'Quality Manual' that holds the policy statement and objectives, descriptions of the companies processes ('procedures') and some other relevant documents like an organisation chart.

The requirements of the System Demands part of Code EFABAR address both the Management System and the Quality Manual. This guide describes how to define and document a Management System that complies with the System Demands. It is up to the breeding company to assure that such a system matches its identity and ways of working. If the system is carefully defined, documented and implemented, it will contribute to the transparency and effectiveness of the company and be a solid basis for future extensions to meet demands on e.g. environmental care or occupational health and safety.

### 3. Application step-by-step

The intent of this chapter of the guide is to give step-by-step instructions on the definition and documentation of the various parts of the Management System. Where possible, examples of the various documents are given in the annex. However, simply copying the examples and stapling the copies together does not result in a Quality Manual that is applicable for any company. The examples should be regarded as such; to give insight in the possible outcome of the steps described below.

#### 3.1 Document layout and control

The Quality Manual forms the basis of the Management System. It holds all aspects of the Deming-circle and some extra features. Because it describes all processes of the organisation and defines tasks, authorities and responsibilities (TAR's), it offers transparency and can be used as a 'back-up' if the proper way of working is unclear.

Because of the importance of these documents, it is obvious that every co-worker should be able to use the relevant, up-to-date documents knowing that they are complete and checked by the right person. Also, that co-worker should be facilitated to register findings or values on registration forms. Finally, the organisation has a purpose for these registrations because they show relevant data. So the registrations should be properly stored and easily retrievable.

To assure the above, the System Demands have defined the requirements for control of documents [4.2.2]. In order to fulfil these requirements a way of working with regard to document control should be identified and documented in a procedure. This procedure describes:

- How to identify a document that is part of the Quality Manual, e.g. by header/footer or by using a logo or special colour.
- How to name a document so one can determine whether all documents are present, e.g. by unique title or code.
- How to number or date a document or registration form so it is clear whether the present copy is up-to-date, e.g. by version number or issue date.
- How to make sure that every employee concerned receives the new version of relevant documents, e.g. by using a distribution list or using the index for this purpose.
- How to guarantee that all documents were checked by the person responsible for the described process, e.g. by signing of documents or the manual as a whole.
- How to handle important external documents, such as legislation or specifications issued by suppliers, e.g. by making a list of all relevant external documents or incorporating the control of these documents in the procedures where they are named/used.
- How to archive registrations, e.g. by describing per procedure all relevant registration forms, including the responsibility to collect and store the forms, the storage location and the retention period.

If the answers to the above questions are written down and bundled, the procedure on document control is complete. Annex A gives an example of a procedure that meets the requirements of the System Demands. However, as long as the above questions are effectively taken into account, many other options for document control are valid.

#### 3.2 Policy and objectives

The policy statement is the fundamental basis of any management system as all processes will be defined in line with that policy (see also **2. Introduction**). As the management system is aimed at meeting the demands of Code EFABAR, the policy will address the organisations intentions to comply with the statements in the Code of Good Practice. Various options are available to do so. The organisation may choose to draw up a policy that just states that intention but can also take the important parts out of the Code and 'paste' them into the companies own (existing) policy statement. Even a mix of both options is valid as long as the intentions of the Code are adopted by the company in a clear statement that is signed by senior management.

By adapting Code EFABAR, the policy of an organisation is not fully defined. Every company has its own responsibility in the way the stated 'Good Practice' will be realised ('strategy') and the time, budget and manpower it will use to reach the desired level of Good Practice. These choices may also be influenced by the economical situation and the type of customers of an organisation. These considerations, strategies and priorities are also part of the policy statement. In brief, the following questions should be answered and documented:

- What are the primary characteristics of the organisation (a/o: size, #locations, activities, innovative abilities)?
- What kind of customers does the organisation (want to) have? Why?
- What does it strive for (include Code EFABAR-issues)?
- What legislation/limitations apply?
- What strategy does the organisation choose to do so (include Code EFABAR-issues)?
- What is the role of the management system?
- What are the main responsibilities regarding to the system?
- How is the policy communicated throughout the company?

The defined policy statement is a framework for identifying and documenting objectives. These objectives may be aimed at the results of the organisation's efforts to breed animals in a sustainable way, be aimed at the strategy to do so, or be a combination of both. Important is that the objectives can be monitored and are planned in time.

Annex B gives an example of a policy statement in line with Code EFABAR System Demands. Keep in mind that this example can't apply to your organisation as every organisation is unique and thus should have its own, unique policy!

### **3.3 Definition of the organization**

Code EFABAR may apply to only a part of the organisation or the organisation may choose to only arrange very specific processes in accordance with Code EFABAR. If so, the management system may cover just a part of the organisation's activities. This 'scope' of the management system should be documented.

The same document can be used to reflect the company's basic data such as address and number of affiliates, its organisational structure, including the demanded 'sustainability forum' and the internal structure for work meetings. Also, responsibilities for tasks that ensure the definition and implementation of the policy and other key tasks are defined. Finally, an overview is given on how the organisation's documentation meets the System Demands of Code EFABAR. Both a matrix and a condensed prose explanation are valid.

The resulting document should give clear insight in the controlled processes, the way the Systems Demands of Code EFABAR are met and the structure the organisation uses to do so. An example of such a document is attached in annex C.

### **3.4 Identification of processes**

#### *3.4.01 Management process*

#### *3.4.02 Customer communication*

#### *3.4.03 Human resource management*

#### *3.4.04 Management of resources*

3.4.05 *Primary processes*

3.4.06 *System management*

3.4.07 *Improvement process*

### **3.5 *Compilation of the manual***

### **3.6 *Implementation of the protocols***

### **3.7 *Annex: examples***

3.7.01 *Annex A: Document layout and document control*

3.7.02 *Annex B: Policy statement*

3.7.03 *Annex C: Organisational chart*

3.7.04 *Annex D: TAR-matrix*

3.7.05 *Annex E: Communication matrix*

3.7.06 *Annex F: Procedure Management Cycle*

3.7.07 *Annex G: Procedure Customer relation*

3.7.08 *Annex H: Procedure HRM*

3.7.09 *Annex I: Procedure Purchasing and outsourcing*

3.7.10 *Annex J-N: ?????????*

*3.7.11 Annex O: System management*

*3.7.12 Annex P: Improvement plans*