

AUSTRALIAN ORGANISATION FOR QUALITY

PRESIDENT'S REPORT

INAUGURAL GENERAL MEETING 31 MAY 2017

This meeting represents a turning point for AOQ. The end of one era; the beginning of another. Over the next few minutes I want to look back at the legacy of nearly a half century, the process of transition we have gone through, and perhaps a little self-indulgently point to the future.

Reading the inaugural President's address that Ken Sheehan delivered at the first meeting on a chilly Melbourne winter night on 13 June 1968, what stands out to me is the vision, and acceptance of the work needed to achieve it. Their focus was on members, with national and international perspectives. They saw themselves as nation builders, or at least builders of national capability.

Through the next 20 years there was numerical and geographical growth as acceptance and understanding of Quality evolved. In 1987, the Report of the Commonwealth Government *Committee of Review of Standards and Accreditation and Quality Control and Assurance*, chaired by (now) Professor Kevin Foley brought Quality into the national policy arena. (Professor Foley was also Patron of AOQ from 1998-2014.)

AOQ can be fairly said to have struggled with the refocus of Quality from a technical discipline to a strategic management practice. In the mid 1980s the Total Quality Management Institute was established, later morphing into the Australian Quality Council. Positioning itself as the peak body, AOQ was largely sidelined, but nonetheless continued to faithfully prosecute its purpose, developing the nation's skills in the practice of Quality.

As Quality gained prominence as a key element of organisational practice, reaching its peak in the mid-1990s, AOQ was central to the satisfying the thirst for knowhow.

However, I believe AOQ was unprepared for the pressures that would soon descend upon it.

1. A cynicism concerning the practice of Quality was emerging through the 90's. The rush to certification, often without clear strategic drivers, drew in a coterie of poor practitioners, resulting in poor practices. Auditing standards were similarly compromised. In the late 1990's Business Review Weekly published a special edition on Quality, devastatingly titled "Total Quality Madness". This crystallised the cynicism that emerged, and which is only now dissipating as people from that era retire. New understandings of Quality as a sophisticated discipline are emerging with the new generation. The cynicism was complete with the implosion of the AQC in 2002, a victim of its own hubris and a flawed business model.
2. AOQ was established by honourable men. The principles of governance as we understand them had not really been developed. Consequently, the organisation was vulnerable to poor governance practice, and over the years AOQ's integrity and culture had been corrupted by blatant conflicts of interest, carpet bagging, and personal and professional misconduct that proved ruinous.
3. The advent of the internet, and the availability of copious, readily-available, high quality information broke the AOQ business model. Whereas AOQ had been the go-to organisation for all kinds of training, not only was there a fragmentation of the market with many suppliers, there was less demand.

By 2014, AOQ was facing an existential crisis. Some years ago, Russell Hughes, former President of AOQ SA introduced me to the concept of strategic dissonance. This is where strategy (the 'ideal') diverges from the lived reality (the 'realdeal'). Imperceptible at first, over time the tension produced by the expanding difference becomes unsustainable, requiring radical responses. AOQ found itself in this kind of bind.

Sustained by a faithful group of mainly aging men, AOQ was losing membership. If not for the nurturing of a financial legacy in SA, and commitment by the few at personal cost to maintain the Quality Australia journal, run Qualcon® conferences, and convene monthly meetings to which fewer and fewer people attended, I'm certain the organisation would have not survived. We owe these people our gratitude for their faithful service, which has preserved the core AOQ.

In late 2014 a plan was hatched to reform AOQ. This involved creating a new national organisation. So once there was certainty that a guiding coalition was committed to the task, three significant meetings were convened over full weekends:

- April 2015 in Adelaide. This was facilitated by Adelaide member Bruce Riley, who led us through the first challenging question: Does AOQ have a future as an association, or should it just be wound up? Or something else? After soul-searching and debate, it was agreed that there was a national need for an Australian association focused on Quality. But it needed to be national, not a federation.
- June 2015 in Melbourne. In a sometimes turbulent meeting, we determined the Vision, Mission and Purpose of a 'new' AOQ, which bear reinforcing:

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| Our Purpose: | To provide leadership in quality that drives a strong, competitive Australia |
| Our Vision: | AOQ recognised globally as the intellectual and practical heart of quality in Australia |
| Our Mission: | Make quality meaningful, compelling and satisfying. |

The words and meaning were carefully debated and constructed, and we believe this provides a lasting framework for future guidance of AOQ.

We proceeded to then set the context and parameters for the drafting of a new Constitution.

- November 2015 in Adelaide, the final draft of the Constitution was thrashed out. Three interim Directors were appointed (Craig Ottaway JM, Dr Martin Andrew and myself) to establish the new organisation and transition it to a new life.

Since its establishment on 7 June 2016, your Directors have established four strategic focus areas:

- Improved Member focus and services.
- Strengthening national relationships, primarily with Standards Australia and JAS-ANZ.
- Re-establishing international relationships and outward focus. This has involved numerous meetings with NZOQ in New Zealand, and others in Singapore, South Africa, CQI in London, and ASQ both in the USA and other places. We have accepted the invitation to rejoin the Asia Pacific Quality Organisation as one of four Sustaining Members, and organised a strong delegation to the last

conference in Rotorua in 2016. We also represented at the Asia Network for Quality conference in Taipei in 2015.

These three focus areas are consistent with the original 1968 vision of AOQ.

A fourth focus area has been governance. As I mentioned previously, poor governance has been crippling to AOQ over the past 20 years, and your Directors resolved to deal with this once and for all in the new organisation.

It was made clear to those in leadership that participating in governance of the organisation, and establishing service delivery arrangements with and for AOQ are by and large mutually exclusive roles. Early in the life of the new organisation, policies for Conflict of Interest, Fit and Proper Person and Expenses were put in place.

National Council was continued as the key consultative forum, and the model I inherited from Dr Andrew has been maintained. Meeting by teleconference monthly for up to two hours, National Council advises the Board, and is in return briefed by the Board. This is essential to maintain a connected organisation. It will no doubt evolve further.

Over the past year a new vitality has been injected into AOQ. Some of the activities have been:

- Qualcon 2016 in Sydney (and Craig Ottaway and Martin Andrew deserve special mention for this)
- Development of new constitution and all the work that required
- Working through winding up of VIC, SA and NSW state associations
- Establishing the new company entity
- Establishing chapters in VIC, SA, WA and getting Qld and NSW started, and building processes for planning, budgeting, onboarding of new members and creating an improved member engagement model from 2017.
- Getting financial viability and systems in place
- Working through getting membership organised nationally
- Organising the delegation to the APQO conference
- Re-establishing Standards Australia technical committee memberships and being active in QR-008 and QR-017 in the meantime
- Creating a professional newsletter, and Kathryn Koay deserves enormous credit what she has achieved
- Supporting the further improvement to Quality Australia, and I applaud Tony Pilli for his continued passion in keeping the heartbeat of Quality Australia alive
- Developing, reviewing and approving the suite of policies AOQ needs; it's a national company now and requires decent policies, systems and processes.
- Finally, doing our day jobs in between

I know I speak on behalf of the Board – indeed of all members – in thanking and acknowledging the exceptional work of Mr Daryl Martin from Melbourne, who took on the role of Returning Officer in our elections. He has set the standard for future annual elections. They were conducted with intelligence, conscientious commitment and integrity.

The elections represent the turning of a page in the history of AOQ. The result could not be better. All candidates were exceptional women. From the get-go we have gender balance in AOQ's governance, for the very first time. We have begun the necessary (perhaps past-due) task of passing the baton from the baby-boomer generation. We have true national representation from Perth, Adelaide, Melbourne and Brisbane. Constitutionally, we have recognised the need to bring in capable people, and are considering appropriate people to be invited onto the four available Board places.

However, the existential crisis I mentioned earlier is not yet resolved. Quality in Australia faces considerable challenges still. The Quality literacy of organisations and their people is now much higher than 30 years ago, leading many to say that the Quality problem is now fixed. Indeed, in many ways it has been. That is in itself a subject that could consume the program of an entire conference.

There are significant challenges and opportunities ahead for AOQ.

1. Quality continues to evolve. Juran spoke of the 21st Century as the century of Quality. I think a new perception of Quality as related to value – giving people experiences they want – is unfolding. If AOQ is to fulfil its Vision, Mission and Purpose, we must develop the capacity to be THE Quality thought leaders. This is no easy challenge.
2. This expansion of Quality KNOWLEDGE intersects with what I perceive as a deficit of Quality UNDERSTANDING across the nation. There is ample knowledge available, and this challenges the 'old' AOQ training model. Yet what I perceive is a need for insight. This requires complex learning experiences. Where this is happening, I see more people gravitating to be together. New models of engagement are evolving. AOQ is perfectly placed to 'own this space'.
3. Platforms such as LinkedIn reveal thousands of people across the country with the term 'Quality' (or something similar) in their title. AOQ can provide an intellectual and relational 'home' for them. But first we need to, in apt words from the entrepreneurial startup culture that now exists, scale and pivot. We need to grow, quickly and strategically. This is challenging the Board right now.
4. 'Back in the day', as they say, people came together to talk Quality, and then took what they'd learned away to apply in their own unique sector or environment. Now, people want to come together as communities of interest to explore the relevance of Quality in their own sector. They are time poor, and their work intensity is such that they have to get to outcomes quickly. AOQ needs to consider how to manage this, both in context of technology balanced with relational interactions, and in terms of educative offerings and general membership products.

To quote Churchill, from his famous speech at Mansion House, London on 10 November 1942: "...it is, perhaps, the end of the beginning" of the next era of AOQ's service to Australia. Thank you for being part of this ongoing journey. We are embarked on a great work.

Jeff Ryall

President