

ORGANIZATION OF BSEC	KONRAD ADENAUER FOUNDATION	UN ECONOMIC COMMISSION FOR EUROPE
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**WORKSHOP ON  
STANDARDIZATION, QUALITY CONTROL AND  
QUALITY ASSURANCE SYSTEMS FOR SMEs**

**(Istanbul, 29-30 March 2001)**

**Summary Proceedings**

1. The Workshop titled “Standardization, Quality Control and Quality Assurance Systems for SMEs” was held in Istanbul on 29-30 March 2001. It was organized by the Organization of the Black Sea Economic Cooperation (BSEC) and the Representation of the Konrad Adenauer Foundation (KAF) in Turkey. The United Nations Economic Commission for Europe (UN/ECE) provided expertise and technical support to the Workshop.

2. Welcoming statements were delivered by Dr. Wulf SCHÖNBOHM, Representative of the KAF in Turkey; Ambassador Tanşuğ BLEDA, First Deputy Secretary General of the BSEC Permanent International Secretariat; Dr. Antal SZABO, Regional Adviser on Entrepreneurship and SMEs Development of the UN/ECE; and Mr. Bayram ÇAMKERTEN, President of KOSGEB (Small and Medium Industry Development Organization of Turkey).

2.1. Dr. SCHÖNBOHM pointed out that standardization and quality is very important for SMEs. Products and services should be safe; not danger the consumer, ecologically clean, but still cheap. Quality and standards can support and hinder competitiveness. Strong and stable administration is needed, based on knowledge and self-organization from the business community. SMEs need support from both state administration and business community.

2.2. Ambassador BLEDA, examined the subject within the framework of world growing competition. In today’s global environment, international competitiveness largely depends on the production of goods and services by SMEs in conformity with the appropriate standards and the best technique available. This conformity will help, not only to producers and consumers,

but also to the economy as a whole. In today's world an important question is "how to orient an enterprise to produce goods and services in conformity with international standards." He emphasized that the Consultancy and Quality Improvement Center established by KOSGEB in Turkey is a good example to study.

- 2.3. Dr. SZABO drew the attention that analyzing the World Competitiveness Scoreboard 2000 by the International Institute for Management Development, Greece ranks as 32<sup>nd</sup>, Turkey 42<sup>nd</sup> and the Russian Federation 47<sup>th</sup> place. Other BSEC countries are not mentioned among the first 50 countries. Standardization and quality assurance systems are the paramount keys to enter the world market.

He also drew attention to the activities of the Working Party on "Technical Harmonization and Standardization Policies" of the UN/ECE, and invited the participants to attend the Expert Meeting on "Best Practice on Creation of Quality Assurance System to Increase the Competitiveness of SMEs" to be held on 25-26 October 2001 at the Palais des Nations in Geneva.

- 2.4. Mr. Bayram ÇAMKERTEN introduced the role of KOSGEB (Small and Medium Industry Development Organization) which was created by the Law No: 3624 and enacted by the Grand National Assembly of the Republic of Turkey on 12 April 1990. KOSGEB is a public corporate entity in accordance with the private law. KOSGEB incorporates 3 Institutes (Regional Development, Market Research & Export Promotion, and Entrepreneurship Development), 10 TEKMER (Technology Development Centers) and 27 KÜGEM (Small Business Development Centers).

3. The Workshop was co-chaired in rotation by Messrs. SCHÖNBOHM, SZABO and BLEDA.

4. The Workshop was attended by the representatives of the following BSEC Member States:

Republic of Albania  
Republic of Azerbaijan  
Republic of Bulgaria  
Republic of Moldova  
Romania  
Russian Federation  
Republic of Turkey  
Ukraine

The list of participants is attached as Annex I and the agenda of the Workshop is attached as Annex II.

5. Mrs. Aslı Meryem GÖKTÜRK, Expert (KOSGEB); Messrs. Süleyman YILMAZ, EU Expert (Turkish Standards Institute); Michael OLMA (The German Confederation of Skilled Crafts); Antal SZABO, Regional Adviser on Entrepreneurship and SMEs (UN/ECE); and Levente KOVACS, Lead Auditor in Quality, Environment and HACCP Management (QUALIPROD Quality and Technical Consulting Ltd.) addressed the Workshop as lead speakers.

- 5.1. Mrs. Aslı Meryem GÖKTÜRK made a presentation on (i) an overview of SMEs in Turkey; and (ii) organization and activities of KOSGEB (Small and Medium Industry Development Organization of Turkey). She explained that there is no unified definition on SMEs and different Turkish institutions have their criteria. KOSGEB based on the Law 3624 considered a company small with a number of employees 1-50 and medium with number of employees between 51 and 150. In Turkey SMEs constitute 99.3% of all enterprises, 76.7% of employment and 38% of value added. Small manufacturers are scattered in towns and work under inefficient conditions are clustered together in 318 Small Industry Estates, where 74,377 enterprises employ 459,000 of employees. In addition to this there are 48 organized industrial zones to facilitate the development of local industrial infrastructure. The major SME support services oriented to provide information services, promote entrepreneurship, R&D assistance, consultancy, laboratory services, supervision services and quality improvement. The impacts of KOSGEB services on SMEs are high and well recognized in the country.
- 5.2. Mr. Süleyman YILMAZ provided information on the Turkish Standards Institution (TSE) established in 1954 and became an independent, impartial and non-profit organization in 1960. The new Quality Campus was funded by the World Bank Technology Development Project and it consists of 21 separated blocks with a total area of 275,000 square meters. TSE activities include standardization, testing and certification. 93% of the total 16,076 Turkish standards conform to international standards. Presently, 1257 enterprises are certified in accordance with the ISO 9000 series of standards and 59 ones to ISO 14,000 standard. The framework law on conformity assessment was submitted to the Parliament at the end of 2000 and the new accession partnership document on technical harmonization has to be drafted by the end of 2001.
- 5.3. Mr. Michael OLMA informed the participants on the activities of the German Confederation of Skilled Crafts representing 850,000 enterprises with an average number of employees of 9 and total number of employees of 6.5 million. DIN, the German Institute for Standardization is responsible for the standardization matter, which is financed by public funds and

The accreditation system in Germany based on the following principles: (i) using long year experience of industry, authorities and institutions; (ii) the accreditation organizations operate in restricted fields; (iii) through the improvement and confirmation of the quality and competence of the testing laboratories and certification bodies, the competitiveness and the acceptance of German products on international market should be secured; (iv) recognition of testing results and certificates in Europe. German Accreditation Council (DAR) is the lead organization for all accreditation bodies.

SMEs have great problems in overlooking and understanding the continuous rising number of near 25,500 valid standards in Germany. High costs and the need of special knowledge are great burdens of implementing quality system. Therefore SMEs need external help form consultants or lobby organizations.

- 5.4. Mr. Antal SZABO in his presentation highlighted the importance of standardization and quality in the rapidly changing world economy and globalization drawing attention to certification and accreditation. He informed the participants on the orientation of the new ISO 9000:2000 series of standards and explained the eight quality management principles of the new ISO. He summarized the essence of the “New Approach” and the “Global Approach” to standardization in the EU and made a list of main standardization and quality websites of the EU. As we enter the third millennium and the European economy is facing new business environment, we need new Quality Vision in Europe. The activities of the European Organization for Quality and the Europe Foundation of Quality Management (EFQM) were presented; the system of European Quality Award was highlighted based on EFQM Excellence Model. Dr. SZABO made acquainted the participants with the activities of the UN/ECE in the field of standardization and quality policy.
- 5.5. Mr. Levente KOVACS presented the importance of quality policy of EU and the primary aim of the national quality improvement programs, especially the Hungarian ones. In connection with this, he informed the participants of the Workshop about the Hungarian results in the field of improving quality management systems during 1991-2000. He pointed out how the consulting companies are able to help SMEs to improve their quality culture and quality management systems.

Through the activities of the QUALIPROD Ltd, he presented different methods of introducing the quality management systems of SMEs and connection of these systems. He also informed the participants on the importance of food safety (HACCP) and future tasks of Hungary in the field of quality.

6. Presentations by National Experts were delivered on the item “Exchange of Experiences in the field of Standardization and Quality Control for SMEs”. Issues addressed included: i) State Standards in the country; ii) International (Regional) Standards; iii) Standards of enterprises, associations in the country; iv) Certification in the country; v) Quality Assurance Systems and Quality Management in the country; vi) Standardization from the point of environment, consumer rights, etc. in the country; vii) Legal aspects for standardization and quality control in the country.

Question and answer session was held after each presentation.

7. In addition, three more presentations were made by Messrs. Murat ERKAN, Quality Assurance Manager (Konveyor A.Ş- a Turkish SME with ISO Certificate); H. Bülent ÜNAL, DQS Lead Auditor (German Association for Certification of Managing Systems) and Mr. Erdal ÇINAR, Director of Kayseri Center (KOSGEB).

8. On the second day of the Workshop the participants had the opportunity to visit the Quality Campus of Turkish Standards Institution in Gebze-Çayırova and IMES KOSGEB Industrial Site in Dudullu-Istanbul, as well as some selected ISO 9000-SMEs in Organized Industrial Zone (in two groups, 1<sup>st</sup> Group: Arsan Kauçuk-Moulded and Extruded Products, 2<sup>nd</sup> Group: Önaysan Metal and Trade Co. Ltd. - Sheet Metal and Plastic Parts Production).

9. The Workshop drew the following conclusions:

(i) Quality represents a new strategic philosophy of enterprise management, based on the overall commitment of the management and employees towards customers’ satisfaction and continuous improvement of products, production, services and management.

(ii) Quality is an integral part of the international competitiveness in world-wide.

(iii) Certification of quality systems constitutes for enterprises an important way of providing that they are fulfilling the requirement of the globalized market economies.

(iv) Implementation of ISO 9001:2000 series, ISO 9004:2000 and ISO 14,000 series of standards by enterprises can be regarded as keys towards the business performance improvement as well as to enter the world market.

(v) The significance of quality management is increasing, because the lack of quality control and assurance systems, lack of accreditation and certification procedures, poor quality marks and labeling, outdated standardization, etc. are considered as major technical barriers for trade, especially concerning international competitiveness and globalization.

(vi) In majority countries of the CIS weak consumer protection system and poor custom control system and behaviors of the civil society hinder the quality consciousness and establishment of a quality-and ecology-oriented society.

(vii) SMEs have great problems overlooking and understanding the continuous rising number of near 30,000 valid standards in the EU. Micro- and small enterprises have not enough human resources to study and understand relevant standards. High costs and the need of special knowledge are great burdens for SMEs, even in associated countries, especially those that are forced to implement quality system.

(viii) The Excellence Model developed by the European Foundation of Quality Management has gained more and more relevance, not only for large companies, but also for the public sector and SMEs. Participants welcomed those BSEC countries who either participate in the European Quality Award process or develop their national quality award system like the Russian Federation on the pattern of the EFQM Excellence Model.

10. The following recommendations were made:

(i) While accelerating the process of transition to market economies BSEC countries should devote special attention to transformation of their national standardization institutions and creating independent non-profit oriented national certification and accreditation systems.

(ii) To increase the competitiveness of the indigenous companies in the world market activities of the national standardization authorities should more focus on adaptation of international standards.

(iii) There is a need to facilitate public-private dialogue also in the field of standardization and quality assurance systems in order to elaborate national promotion programs to support the creation of an internationally accepted standardization, certification and accreditation system.

(iv) BSEC governments should facilitate in creation of indigenous quality consulting companies- being also SMEs- in order to provide state-of-art consultancy services in mother tongues and fulfill the requirements of the low-payment capability of domestic SMEs.

(v) Governments should create supporting schemes for those SMEs who are implementing quality assurance systems in order to create their international competitiveness.

(vi) There is a need to create national quality systems to be established by the possible highest level of the Governments in order to raise awareness towards quality.

(vii) Governments and the business communities of the BSEC countries should encourage their enterprises to participate in the European Quality Award process. Special financial assistance should be provided for those companies who would like to utilize the assistance of quality consulting systems able to improve their competitiveness in world-wide.

(viii) Cooperation should be strengthened among the BSEC countries in the field of standardization and quality assurance system certification. It is recommended to start negotiation on Mutual Recognition procedures.

(ix) Governments should strengthen their control tasks and obligations in the field of production and marketing of regulated products especially in the field of safety, health care, food processing and custom services.

Special attention should be devoted to the regulation in the field of hazard analysis on critical control points (HACCP) as well as the production and marketing of generically modified food.

(x) The participants requested the UN/ECE to forward the Conclusions and Recommendations of the Workshop to the Working Party on Technical Harmonization and Standardization Policies (WP.8) and present these at its 11<sup>th</sup> Session to be held on 29-31 October 2001 in Geneva.

(xi) It should be kept in mind that quality improvement is a never-ending story.