

Quality management – more than just a system

The software company Luxoft has found that implementing a quality management system has helped to improve competitiveness and increased its market share. This article looks at the company's approach and some of the benefits that Luxoft is now enjoying as a result of its ISO 9001 approval.

Based in Russia, Luxoft provides a wide range of software-related services, delivering turnkey solutions such as business consultancy, analysis, implementation support and maintenance. The company's applications are based on the latest technologies that help its customers to be more competitive in today's rapidly changing business environment.

The company gained approval in February 2000 to the 1994 standard and in September 2001 achieved compliance to ISO 9001:2000. The scope of approval includes all aspects of its business: sales, design, development, project management and maintenance in the field of software for information control. For Luxoft quality management is more than just a system, as Semen Milman, Luxoft's quality director, explains:

"For Luxoft quality management is not an end in itself, but an effectively operated system which provides our customers with the confidence that their project is executed correctly, on time and on budget."

There were a number of reasons for deciding to implement a quality management system, including helping to improve the software development processes, assist Luxoft in understanding customer requirements and to help ensure competitiveness in external markets. Semen believes that having a management system is important within the IT industry, he comments:

"Having a quality management system certified to ISO 9001 allows companies to implement methodology that is needed to help ensure successful software development and to help make the process transparent for customers. The standard also assists in establishing and maintaining a robust practice that is needed to guarantee the delivery of quality software products and solutions. The more software houses that start to realise this, the more and better quality products and solutions will appear on the market. Another reason for achieving ISO 9001 was to help enhance our status as a software development leader in Russia and to provide us with the opportunity to be a recognised development partner with companies in the western market."



Above: Staff from Luxoft.

The choice of certification body was important to Luxoft and the company met many independent assessors that were eager to conduct the assessment. However, Luxoft selected LRQA because it is highly respected and acknowledged for its independent and knowledgeable assessors. Semen is pleased with the relationship that the company has developed with LRQA, he observes: "LRQA assessors are very experienced and knowledgeable and this provides us with a valuable benefit. The observations made by the assessors and the questions that we are asked make us think more about our system and provide us with the opportunity to improve it. The more experienced the assessor is, the more knowledge and information may be gained during the assessment process. For us this was one of the compelling reasons for choosing LRQA."

Luxoft started to work on introducing a quality management system based on ISO 9001 during early 1999 and within a year had achieved certification. Firstly, the company defined its business goal, identified gaps in existing practices and produced an action plan to close the gaps. The critical success factors were also defined, these included:

- senior management commitment
- gaining understanding, participation and ownership of the quality management system by line managers and users
- the allocation of adequate resources for the development and implementation

Fact box

**Company facts:**

- Luxoft is a member of the Russian IT group, IBS, which employs over 2,000 specialists.
- Luxoft was founded as a separate company in April 2000. For five years prior to that the company was known as the Software Development Division of IBS.
- Luxoft customers include many Fortune 500 companies including Boeing, Citibank, Dell Systems and IMB.
- Luxoft offers the following services:
 - Business applications development and consulting
 - E-business
 - Enterprise applications integration
 - Application re-engineering
 - Application maintenance
 - Wireless solutions
 - Research services

- continued investments required in the infrastructure to facilitate and maintain the system.

Semen takes up the story:

“As identified by the action plan we structured the business activities as processes and identified ‘process owners’. One problem we encountered related to writing the processes. The ‘process owners’ tended to be rather productive and creative in writing the process definition and it proved difficult to put these down on paper. To overcome this problem we adopted an interview approach and created a team of technical writers who documented the results of the interviews into relevant procedures and working instructions. These were reviewed by the process owners and amended in line with their comments. This provided us with an effective solution.”

The company’s general director announced the implementation of the quality

management system. Resistance to the system was initially felt by some employees and it was thought that this was due to a lack of understanding about the system. Semen explains the solution:

“In order to solve the difficulty additional training and practical assistance was given to staff. In a short time the resistance was



Above: The Luxoft head office.

overcome and within three months the feedback from employees was very positive. The quality management system helped to solve issues such as communication problems, customer relationships and providing clear criteria for inputs and outputs.”

Luxoft is pleased with the implementation of the quality management system and a number of benefits have already been identified. These include an increase in the growth revenue due to optimising costs and reducing the cost in relation to poor quality. There have also been benefits in relation to staff working together more effectively, with more co-ordination between groups which has led to establishing a problem solving process. The company has also found that it works more efficiently in achieving results for its customers. In fact, some companies have chosen Luxoft as a sub-contractor because of its ISO 9001 certification.

Luxoft is now assessed to the revised ISO 9001:2000 standard and Semen is sure that it is an enhancement to the current standard. He is pleased that there is more emphasis on continual improvement and customer satisfaction. He concludes: “I am glad that we gained approval to ISO 9001:2000 at an early stage. The implementation of the revised standard has helped us to gain a better knowledge and understanding of our customers’ needs and expectations. We have also been able to set realistic quantitative targets in relation to a project’s outcome and in the quality of product and services that we provide.”