BSI’s approach and strategies for addressing standards needs in the Service sector

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Background to the Services market

- Services contribute more than any other industry sector to UK GDP (75%). However the sector is highly fragmented and includes many SME’s.

- Services markets include retail, transport, utilities, ICT, facilities, outsourcing, accounting, finance, real estate, business consulting, health provision, public services. Public procurement of services is also a large market, locally and cross-border.

- The market for services is changing with digital technology and new business models and it can be difficult to separate services from goods e.g. Electronics, Telecoms, Capital Goods.

- The Service sector has adopted standards, however standardization is not as mature as within “traditional” sectors, Manufacturing, Engineering and Construction.
BSI’s approach to Services - adapting to market need

Given the size and diversity of the services sector, a “Horizontal” and “Vertical” sector approach to standards development has been effective.

Where common issues exist across multiple service sectors:

- **Horizontal Standards** – Concerned with service delivery, process, behaviors. (e.g. Customer Service)

Where specific issues or needs are identified relevant to a service sector:

- **Vertical Standards** – Define specific requirements of service, expectations, performance indicators, design, processes
BSI’s experience – why companies need and use service standards.

Organisations choose to implement service standards for a number of reasons, this includes common and compelling drivers seen with many standards:

• Access to markets both domestic and international
• Improve operations, risk management and increase customer satisfaction
• Provide confidence to buyers, suppliers, third-parties and consumers
• Offer alternatives to regulation

Additional value might be seen from standards where they help organizations to:

• Improve customer focus and demonstrate service performance – differentiator
• Achieve more effective buying and selling of services
• Design better services, to innovate or implement product-service systems.
## Successful UK national standards

### Provides confidence to consumers

#### BS 10125: 2014. Automotive services. Specification for vehicle damage repair

<table>
<thead>
<tr>
<th>Scope</th>
<th>Helps ensure repairs meet with agreed levels of safety/quality and customers are satisfied with the service.</th>
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<tbody>
<tr>
<td>Success factors</td>
<td>Developed with the motor insurance industry, garages can demonstrate compliance with BS 10125 to be “approved body shops”. Approx 900 carry a BSI Kitemark™ recognised by both consumers and industry.</td>
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### Reduces risk; providing confidence to buyers

#### BS 11000: 2011 Collaborative Business Relationship management

<table>
<thead>
<tr>
<th>Scope</th>
<th>Helps organizations establish and manage their business relationships and reduce service delivery and continuity risks. Helps ensure relationships critical to business are working effectively.</th>
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<tbody>
<tr>
<td>Success factors</td>
<td>Adopted by major public procurement/supply chains and on service contracts and on private sector partnerships. This “Horizontal” standard is adaptable and used by broad industry sectors.</td>
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## Successful UK national standards

### Improves customer focus and service performance

<table>
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<th>BS 8543: 2015 / ISO 10002 Complaints Handling</th>
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### Alternative to regulation in Financial Services

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<th>PAS 156:2015 Specification for the maintenance of financial services customer data</th>
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BSI research – Horizontal standards and more effective buying and selling of services...

BSI research with UK Service Companies shows appetite for Horizontal Standards to help develop cross-border market for services. Research based on CEN’s 6 recommended priorities.

Provision of services internationally seen as key growth area
• Continuing growth in global business and creation of internet-based business models

Barriers to growth exist in several forms
• Problems with lack of local knowledge, access, regulations, competition
• Building trust, demonstrating credibility
• Difficult to measure (benchmark) service performance for clients and for providers

How can standards help?
• Improve efficiency
• Establish competitive advantage
• Build credibility and help with market entry
BSI focus within the Service Sector

Business services – Horizontal Standards
• BSI aiming to lead new CEN horizontal Service standards programme (EC Mandate M/517)
• Aim to help promote more effective buying and selling of services through:
  • **Performance measurement** - Measurement and reporting of service delivery to agreed objectives
  • **Service Contracts** - Define the format and content for service contracts
  • **Procurement of Services** - Provision of procurement guidelines and framework agreements

Standards in emerging (vertical) markets
• Focus on un-regulated space and sectors with disruptive innovation e.g. Financial Services, FinTech and digital currencies
• Standards in support of “Smart” and digital services e.g. transport, utilities
  • Promote competition, innovation and consumer safety/trust
  • Help with service design and implementing new business models
Summary and Conclusions

• Service standardization to date is less mature, however evidence of “management systems” standards adoption by leading service companies.

• There is no “one-size-fits-all” for services. Standards for “Horizontal” and “Vertical” sectors are both effective, subject to market factors.

• BSI has identified that successful service standards are typically outcomes-focussed and where appropriate able to support certification.

• BSI will continue to focus on horizontal service standards development and deliver standards based solutions to specific vertical industry sectors where we can add value.