



2015 ANSI Conference:
Standards and the
Service Economy

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

Scope	Helps ensure repairs meet with agreed levels of safety/quality and customers are satisfied with the service.
Success factors	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.

Reduces risk; providing confidence to buyers

BS 11000: 2011 Collaborative Business Relationship management

Scope	Helps organizations establish and manage their business relationships and reduce service delivery and continuity risks. Helps ensure relationships critical to business are working effectively.
Success factors	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.



Successful UK national standards

Improves customer focus and service performance

BS 8543: 2015 / ISO 10002 Complaints Handling

Scope	Managing complaints effectively, can help reduce disputes, fines and promote customer loyalty. Horizontal standards that help organisations design, operate and improve complaints processes.
Success factors	ISO 10002 forms part of the quality management suite of standards and fits alongside BSI's portfolio of customer service standards. BS 8543 was developed following demand for an updated and certifiable standard.

Alternative to regulation in Financial Services

PAS 156:2015 Specification for the maintenance of financial services customer data

Scope	PAS 156 was developed to help companies maintain contact with customers over the life cycle of their financial relationship. It help businesses improve the quality of customer information to ensure data is accurate.
Success factors	The standard could help companies to demonstrate to regulators that due process is in place for dealing with the management of customer information as part of their service relationship.



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

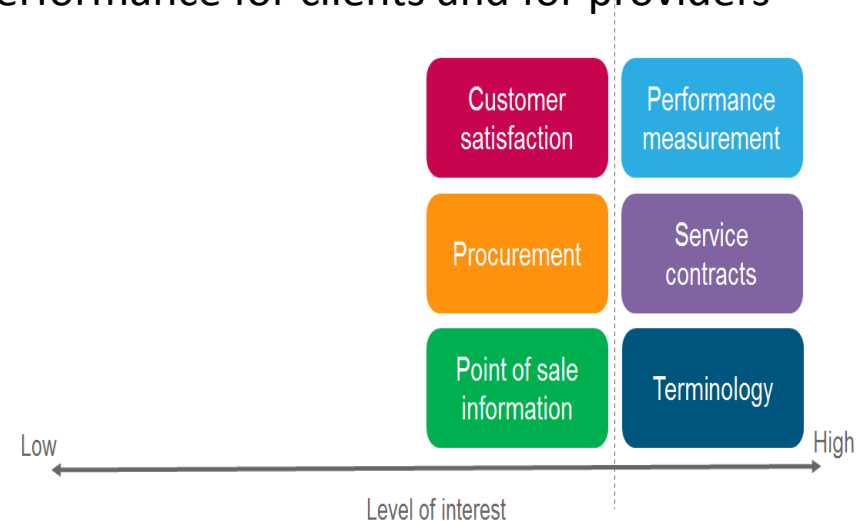
- Continuing growth in global business and creation of internet-based business models

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.

