ISO Engagement Standards - Part III: Implications for the Marketplace

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Tim Geary
Reward Genius | Point Recognition
tim.geary@pointrecognition.com
330.220.6777
www.pointrecognition.com

So what will happen should ISO go beyond the issuance of its Quality Management Principles and eventually approves formal standards for engagement? The opportunity could be significant, says Lee S. Webster, Secretary for ISO TAG 260, which has oversight over the engagement standards.

"Let's take the ISO 9000 standards as an example," he notes. "That gave rise to an entire industry, starting with organizations that train other organizations to conduct audits and provide certifications for clients. These companies develop their own certification process and branding that helps their clients obtain and maintain their certifications. These companies do their best to establish the value of their services."

The Role of Consultants

These consultants help their clients through the process of conformity assessment, usually starting with a gap analysis, Webster explains. They either provide the specific solutions needed to operate in compliance with those standards, or work with others who provide specific solutions depending on the need. This work has to be periodically audited, with processes and procedures updated and documented as needed. Auditing and certification services are provided by different companies to reduce the possibility of conflicts of interest.

While the general philosophy of ISO is for organizations to bake compliance and operations into day-to-day operations rather than imposing a new level of bureaucracy, Webster notes that the process of implementing ISO standards takes planning and time, and that quality management is a never-ending process that needs to be regularly updated based on current needs and opportunities. He says that each consulting engagement in the field of ISO 9001 can cost between $5,000 to $60,000 to get started, depending on organizational size and the state of its quality management infrastructure, and that ongoing fees exceed that, not to mention costs associated with other areas of compliance. Obviously, he points out, companies are only willing to make this investment because it has impact with customers and because the standards help improve efficiency and quality.

The Audit Process

Compliance is anchored in an audit process. A Wikipedia article on ISO 9001 explains the process: "Auditors are expected to go beyond mere auditing for rote conformance by focusing on risk, status and importance. This means they are expected to make more judgments on what is effective, rather than merely adhering to what is formally prescribed. The difference from the previous standard can be explained thus: Under the 1994 version, the question was broad: 'Are you doing what the manual says you should be doing?', whereas under the 2000 version, the questions are more specific: 'Will this process help you achieve your stated objectives? Is it a good process or is there a way to do it better?'" Webster says he cannot specifically estimate the number of suppliers involved with IS0 9001 worldwide, but feels it has to number more than 10,000.

So, based on the example of ISO 9000 standards (and there are examples in other fields), new engagement standards could create similar opportunities in the engagement space, with companies or organizations that certify other organizations to conduct engagement assessment and solutions for their clients, who in turn hire other specialists in leadership, assessment, recruitment, communication, technology, innovation and collaboration, rewards & recognition, analytics and other areas as needed to comply. If ISO 9000 or other major standards are any guide, these specialists will have to become familiar with ISO standards, and in many cases comply themselves.

Webster concludes: "In my experience, the companies that get in on this the earliest, that actively become part of the standards creation process or become early adopters, are more sought after because organizations generally prefer to work with the most experienced partners."