# THE ART OF BUSINESS

6

22

#139

# ISO focus
## March-April 2020

26

42

### Subscriptions and back issues

If you enjoy *ISOfocus*, you can download the pdf for free or subscribe to receive printed issues through our Website **iso.org/isofocus**. You can also contact our customer service at **customerservice@iso.org**.

### Contributions

You can participate in creating this magazine. If you think your contribution can add value to any of our sections, please get in touch at **isofocus@iso.org**. Views expressed are those of the respective contributors and are not necessarily those of ISO or any of its members.

MIX
Paper from responsible sources
FSC® C154575
www.fsc.org

This magazine is printed on certified FSC® paper.

myclimate
PERFORMANCE
neutral 01-14-277370
Printed Matter | myclimate.org

36

12

Photo : NATS – UK air traffic control

34-35 An Emmy for JPEG

SEC sharpens focus on human capital

New standard to tackle biorisk

In focus : women in business

Ethics in the food chain

ISO/IEC collaboration continues

**buzz**

# Bringing
## business the ultimate
# benefits

Business is characterized by relentless change. Staying ahead of the competition, keeping up with technology and meeting customers' needs requires the agility and ability to evolve in real time. In order to face up to a rapidly evolving world, you need to have a system in place to adapt with the changes. For years, International Standards have provided these frameworks and the solutions companies need to launch new products and services, expand or simply keep afloat.

Standards are the mirror of an epoch. They reflect the profound evolutions of society and business. As times have changed, so too have our businesses and the scope of the standards that support them. Japanese Industrial Standards (JIS) are managed by the Japanese Industrial Standardization Committee (JISC) on the basis of the Japanese Industrial Standardization Act established in 1949. Created to promote the standardization of industrial goods, it covered technical specifications, terminology, size and category, and testing methods, bringing some much needed consistency and quality to the manufacturing of products.

In the late 1980s, business reengineering focused on the radical redesign of a production process that would be capable of fast response and Internet-based integration. This propelled ISO standardization work into new directions, such as management system standards, information technology and social responsibility, that could support these changes. The scope has expanded exponentially in recent years in response to new and emerging fields of services, technological innovation and core concerns such as food or water management that underpin the advancement of the United Nations' 2030 Agenda for Sustainable Development.

JISC has been involved in international standardization for services from the outset, participating in the work of technical committees as diverse as ISO/TC 224 (service activities for water systems), ISO/TC 225 (market, opinion and social research) and ISO/TC 232 (education and learning). The scope of the JIS Act was limited back then, reigning in the progress of standards. To gain more flexibility and promote standardization in broader areas, the JIS Act was thus expanded in July 2019 to include things like data and services.

Meanwhile, JISC has been contributing to the development of many service-related International Standards to support the changing focus of business from manufacturing to services. One example is ISO 23412, *Indirect, temperature-controlled refrigerated delivery services – Land transport of parcels with intermediate transfer*, which is currently being developed in project committee ISO/PC 315 following JISC's own initiative. Due for publication in 2020, the standard aims to safeguard the cold-chain logistics delivery services of foods and other perishables sold by mail or via the Internet through e-commerce platforms.

An example of e-commerce is the "sharing economy", a phenomenon that has gained worldwide popularity over the years. Defined as an activity where the sharing of goods and services is achieved via digital platforms, it provides great business opportunities for any type of organization and has the potential to solve many of the world's concerns, such as environmental protection and the growth of ageing societies.

But new opportunities bring new challenges. There are issues of privacy, reliability, trust and occupational health to be considered, particularly in cases where customers receive new types of goods, services and experiences at lower cost. To address these risks, Japan's Sharing Economy Association introduced in 2017 a voluntary certification system for platform businesses that sets out common rules for handling service users' information properly. That same year, ISO stepped into the arena, gathering the world's leading experts to develop international guidance in the form of International Workshop Agreement IWA 27, *Guiding principles and framework for the sharing economy*, that would serve as the foundation for future standards in the area.

Clearly, there has never been such broad consensus on our global priorities. Yet, at the same time, the world's challenges have never been so complex and interconnected – creating scores of new business opportunities. International Standards play a significant role in helping companies adapt to the new realities of society, providing practical solutions for a better, safer and more sustainable world. In a digital environment where physical borders are fast dissolving, we must endeavour to make sure that ISO standards are used everywhere, in big companies and SMEs alike, with a special focus on developing countries.

As we drift slowly into a global network of businesses linked by smart technologies and artificial intelligence, we will need to establish a social system based on common-sense ethics to handle the enormous amounts of data this new model will generate and ensure business continuity. I believe this takes the work of multiple organizations cooperating towards a standardized ethical framework. We, at JISC, are committed to contributing to this effort. ■

**Dr Nobuhiro Endo**, *President of the Japanese Industrial Standards Committee (JISC)*.

We must endeavour to make sure that ISO standards are used everywhere.

# #Innovatewithstandards

Calling all curious, gadget-loving tech geeks! Innovation was the name of the game in December! We teamed up with companies big and small, old and new, to tell the stories of how standards support innovation.

**REACH\*: 371 231**



**Spartan** revealed how standards helped them accelerate innovation to produce the world's smallest DNA analyser that can help combat Legionnaires' disease.

**REACH\*: 670 000**



WHAT IS AI? ARTIFICIAL INTELLIGENCE AT A GLANCE



We had a Facebook Live interview on 5 December with **Jason Matusow**, General Manager of **Microsoft**'s Corporate Standards Group.

**REACH\*: 185 000**

2019-11-25

**LAUNCH VIDEO**　　**ANIMATION**　　**CASE STUDY VIDEO**　　**FACEBOOK LIVE**　　**BROCHURE**　　**VIDEOS**　　2020-01-25



WHAT AI CAN DO FOR YOU

**REACH\*: 388 000**

**Kantify** presented their new algorithm that can predict one of the most widespread cardiac diseases: atrial fibrillation. They explained why standards will help the technology go international.

**REACH\*: 583 367**



This artificial intelligence is predicting a heart disease.

**958 DOWNLOADS** in English

An overview of the importance of innovation in business sustainability and how ISO standards can help support it.



ISO and innovation

**Airbus** shared how the ISO 56000 series helps them foster a culture of innovation via their team of innovation coaches.



The ISO 56000 series on Innovation Management helps implement innovation across the company

**REACH\*: 113 182**

\* Reach : number of unique people who saw this content

# What's in a  brand ?

**Quite a bit, actually.**

An independent and objective system for evaluating brand performance is essential. Two ISO standards help to get the job done.



Photo : Bobby J. Calder

*Dr Bobby J. Calder*, *Chair of ISO technical committee ISO/TC 289 on brand evaluation.*

It is widely agreed that a brand can be a key strategic asset for a company, but exactly how do you value it ? Brands are intangibles, unlike tangibles such as factories, offices or store fronts, and this presents a challenge for conventional accounting standards.

With the recent release of ISO 20671, *Brand evaluation – Principles and fundamentals*, Dr Bobby J. Calder, Chair of ISO technical committee ISO/TC 289 on brand evaluation, explains how it covers the technical requirements and methods involved in measuring the strength of a brand. This standard extends the scope of ISO 10668, *Brand valuation – Requirements for monetary brand valuation*, that focuses primarily on the financial valuation of brands. Ultimately, ISO 20671 aims to help resolve the differences of opinion around conventional accounting treatments of a brand.

Here is where the potential struggle arises, in Dr Calder's opinion. He believes the crux of the matter is that " finance and marketing don't speak the same language. Marketing focuses on justifying brand expenditures and finance focuses on controlling them ". Both need to work together to treat brands, not as an expense, but as a key financial asset.

So how can these two – often at-odds – functions located in the same company move toward a common understanding of brands ? Dr Bobby J. Calder shares his insights.

*ISOfocus* : **What does " brand " mean and why is brand evaluation important ?**

**Bobby J. Calder :** Brand entails distinctive images that include names, terms, logos and/or signs to help a company distinguish itself from others in the market. The brand can be commercial or not-for-profit, but the function of all brands is to create a recognizable entity in the market that, in the mind of consumers, adds value to the product. Thus, for consumers, brands are the perceptions, benefits and experiences that they associate with a good or a service. From the point of view of the company, the main purpose of a brand is to increase cash flow through price premiums, lower costs, increased volume, or greater repeat purchase loyalty.

For consumers, brands are the perceptions, benefits and experiences that they associate with a good or a service.

As an intangible asset, brands, unlike machinery, buildings or products, have no physical substance. Whereas brands can have tangible value as trademarks or customer lists, the primary value of the brand is intangible. The expected economic benefit to the company flows from association in the consumer's mind. The challenge of how to effectively recognize and value a brand as an intangible asset is what led to the creation of ISO 20671.

In general, intangible assets such as brands are becoming more and more economically important. Though not formally recognized in GDP reports, economists find that the value of intangibles is higher than tangibles in most developed economies. And intangibles increasingly distinguish successful companies from less successful ones. This macro situation underscores the need to transcend accounting and finance traditions and treat brands as part of a company's value creation process.

So there's a long-standing need to bridge the divide between marketing and finance. Activities such as social media, mobile apps, sponsorships and the like certainly help build brands, but we need to understand that brands exist in the mind of the consumer. The greater the " strength " of the brand in affecting consumer buying decisions, the greater the value of the brand to the company as a financial asset. Companies need to periodically evaluate the strength of the brand and its contribution to economic returns. Based on this evaluation, better decisions can be made about investing in brand-building activities.

**Why did ISO create a technical committee to address brand evaluation?**

Currently, there are many marketing metrics for assessing a brand (awareness, willingness to recommend, etc.), but no shared or accepted framework for linking the value of a brand to consumers with the value it creates for the company. ISO 10668, *Brand valuation – Requirements for monetary brand valuation*, tackled this from a financial valuation standpoint, but it was acknowledged that this was limited in scope. It emphasized three valuation methods. The market approach values the brand against the price of a comparable brand. The income approach uses the present value of future cash flows that a company would receive when using the brand. The hybrid approach involves royalty relief through basing the royalties a company would be required to pay if it had to license the brand from another entity.

Our technical committee developed ISO 20671, *Brand evaluation – Principles and fundamentals*, to provide a broader framework for evaluating brands. ISO 20671 is designed to be a useful resource for companies to rationalize their treatment of brands and to be able to more accurately report on brand value to internal decision makers and external investors. Moreover, there continues to be the need for companies to reduce economic risk, so being able to identify the value of a brand is another useful tool in this regard.

**ISO 20671 is the world's first International Standard for brand evaluation. Can you explain the main principles of this standard?**

Well, if ISO can do it for the quality of products such as USB cables, then why not brands? Brand evaluation standards are a logical next step for ISO. These days, marketers have many different ways of analysing and communicating about brands, and companies vary greatly in their methods. Sometimes, we marketers can be our own worst enemies by inventing our own jargon, which makes it very confusing for others within the same company, and even more so for outsiders. ISO 20671 provides clear definitions for specific terms to help eliminate this confusion and an overall framework that everyone can refer to.

The main principle is for organizations to build on this framework to begin to link the marketer's view of brands to the internal investment and governance process, and to explore ways of reporting this

information to external investors. ISO 20671 is therefore a useful starting point for companies and organizations wanting to increase their brand value. It provides a universal view of non-financial and financial measures with the intention for more specific standards to be developed in the future in conjunction with companies undertaking this process.

**What future aspirations do you have for these standards?**

As a concept, ISO 20671 can be applied to all companies wishing to evaluate the value of their brand more effectively. It does not need to be specific to all products, industries and services just now; it is much more important to agree on the general definitions and

framework first and work on more specific guidelines later.

For me, longer-term, I believe this work could tie into many issues facing the future of business. For instance, there is an ongoing debate as to whether companies should focus exclusively on maximizing shareholder and owner value or on creating value for all stakeholders. There are good arguments on both sides. I think it is possible to approach this issue from the perspective that brands could potentially allow a company to do both. Companies can build brands that incorporate sustainability and other constructive purposes into the very idea of the brand in the consumer's mind. Such brands would be stronger and yield higher returns to shareholders as well as returns in the form of societal capital to stakeholders. ◾

There's a long-standing
need to bridge
the divide between
marketing and finance.

# Keeping up
## *with collaboration*

*by Roxanne Oclarino*

Collaborating with business partners successfully is not just about talking to them when there is an issue to be resolved. Rather, it's a long-term commitment and work ethos that fosters an environment of trust between organizations and people.

Imagine organizations around the world thriving together – it's easy if you try. With today's ever-changing business climates, companies can achieve more by collaborating. Collaboration can usher companies into success in a myriad of ways, but what exactly does it take for organizations to collaborate? And what is the real bottom line for business?

The world keeps changing, and big challenges call for big solutions. Climate action requires countries and industries to work together in order to lower carbon emissions by 2050. Fighting off large-scale conflicts compels everyone to cooperate. Upholding human rights and equality for all requires policy solutions from government sectors around the globe. One thing is clear: no one organization or individual can do it alone. And that is why collaborating is inevitable as a means of achieving the world's most important goals.

From a business perspective, organizations will often seek partners that complement their capabilities to ensure that they meet the expectations of their stakeholders and, at the same time, gain access to new markets. Collaborating in business requires a commitment amongst parties to co-create opportunities that would lead to mutual and fair benefits for all. A recent study (2018 Global CEO Outlook) conducted by KPMG reports that global CEOs favour strategic alliances as the most important strategy to drive growth, making it an imperative for organizations to learn how to collaborate successfully.

However, successful collaborations don't just happen overnight. While there is absolutely no iron-clad rule on how to collaborate, ISO 44001 presents a framework to assist an organization of any size, industry or region to develop its internal and external business relationships – opening doors for greater innovation, competitiveness and successful outcomes.

## A management systems approach

ISO 44001, *Collaborative business relationship management systems – Requirements and framework*, provides the overall components of a management system for business relationships as well as operational process requirements. It bridges the gap between organizational cultures to form a more robust partnership or alliance, provide confidence to participants and lay a strong foundation for collaboration. The International

Standard features an eight-stage life cycle to ensure a disciplined approach to collaborative relationships which includes operational awareness, value creation, knowledge, internal assessment, partner selection, working together, staying together and exit strategies.

David Hawkins, Chief Operating Officer at the Institute of Collaborative Working and Chair of ISO/TC 286, the technical committee for collaborative business relationship management that developed the standard, says the publication of ISO 44001 has established a recognized framework on which to build and sustain collaborative working: "The need for organizations to work together has perhaps never been more critical in today's economic environment, to meet the demands of the market and growing global competition and the impact of technology and in particular communications and transparency of markets. We see today

a marketplace where success is more about what we bring to the market rather than simply what we produce as individual organizations," he says.

Collaborating is easier said than done, and perhaps some of the key factors organizations might consider are: What would be the scope and boundaries of the collaboration? What would be each partner's role in it? And how do we monitor and measure its success? These points are all very relevant and important to bear in mind, as even the most strategic alliances often involve organizations with very different cultures. Parth Amin, Head of the US Delegation of the same ISO technical committee, says that despite increased awareness of the importance of strategic alliances in the corporate world, most organizations still lack the knowledge and management capabilities to realize the full potential of collaboration: "This is where ISO 44001 comes into the picture. For the very first time, there is now an International Standard that any organization can use as a strategic tool in making collaborative relationships and alliances work," he says.

The standard is applicable to both private and public organizations of all sizes and follows the same overall structure as other ISO management system standards (known as the High-Level Structure), making it easier for any organization using multiple standards to integrate it into its management systems. Since its publication in 2017, organizations worldwide that implemented the standard have reported that, with a systemic approach to collaboration through ISO 44001, relations are strengthened.

## Breaking new ground together

When something works really well, it's quite easy to assume that you can always make it even better. That was the vision of NATS, the UK's leading provider of air traffic control services, when it collaborated with Leidos, a global leader in information technology, engineering, and science solutions and services.

With London Heathrow having some of the busiest airport runways in the world with an average of 1 300 aircraft landings and take-offs per day, it faces a big challenge on disruptive impact of weather – particularly strong winds affecting airport operations and mainly its passengers. Together, NATS and Leidos have pioneered an innovative solution, enhanced Time-Based Separation (eTBS), a technology which separates arriving aircraft by time instead of distance, in order to cut delays caused by strong winds.

*Step inside the Heathrow Airport air traffic control tower.*

Photo: NATS – UK air traffic control

Photo: NATS – UK air traffic control

The process of forming an alliance is not easy.

# COLLABORATION **IS KEY**

Engaging with like-minded businesses is essential
to maintaining an edge over your competitors.

## 85 %
of companies
**view partnerships
and alliances
as essential** to
their businesses

only **33 %**
of them **have
a formal &
clear strategy**
for collaboration

## 10 %
companies that
feel they are good
at identifying,
qualifying and
securing partners

## 20 %
company assets
dedicated
to managing
these relationships

## 80 %
companies
reporting that
the majority
of strategic
partnerships fail

Source : Study by the Chief Marketing Officer (CMO) Council and the Business Performance Innovation (BPI) Network



Collaboration is
at the core of every
successful business.

Through this collaboration, the results were multifold : not only were the aircraft landing delays addressed and reduced by 62 %, it also allowed two additional aircraft landings per hour average, which is equivalent to extending Heathrow's operating day by over 30 minutes, with a bonus on overall cost savings of EUR 23 million a year. This paved way for NATS and Leidos to deliver valuable operational resilience, enhanced on-time performance and a better passenger experience. Adrian Miller, Head of Supply Chain Partnerships & Collaboration at NATS, says : "We expanded our thinking on where we could be more together as partners, and in order to find new business opportunities, we had to fully collaborate with Leidos."

Early last year, the NATS/Leidos partnership, alongside Heathrow Airports Limited, was recognized at the annual Jane's Air Traffic Control Awards in Madrid for its contributions to enhancing the capacity and safety of its stakeholders. Following the success of the eTBS implementation in Heathrow, the same technology and partnership is now set to benefit Toronto Pearson Airport in Canada and Schiphol Airport in the Netherlands – a concrete testament that collaborative business models, when managed successfully, can help companies reach greater heights and be replicated by other players in the same industry and beyond.

What organizations need is a structure that supports their alliance strategy.

## Think win/win

Let's keep it real though : Regardless of the type of model, the process of forming an alliance is not easy. Most collaborations fail because of competitive self-interest, lack of trust and absence of shared purpose among partnering organizations. A study conducted by the Chief Marketing Officer (CMO) Council and the Business Performance Innovation (BPI) Network reports that while 85 % of companies view partnerships and alliances as essential to their businesses, only 33 % have a formal and clear strategy for collaboration, and almost half of them still report failure rates of 60 % or more. To fully collaborate means that all parties should be willing to look beyond and see what more could be achieved together, in order to realize that the whole is truly greater than the sum of its parts.

A collaborative relationship can only produce desired outcomes if both parties meet the expected levels of performance and demonstrate the right behaviours. According to Miller, what made the NATS and Leidos collaboration truly successful is that they created a 50/50 balanced partnership wherein both organizations will benefit equally. " We recognized that the best way to ensure a successful collaboration is to guarantee mutual benefits that are fair and shared. We maintain a focus with our partners to ensure that our collaboration delivers the results all of us expect, " Miller noted.

## A shared purpose

Competition is growing. Consumers make smarter decisions, influencing the way organizations should behave, both ethically and in terms of sustainable responsibility. The business world is forever changing to meet these challenges. Despite new technologies opening up new avenues for organizations, at the core of these will be the ever-present need to ensure that the relationships between them and the individuals involved will have a significant effect on stability, resilience and performance. " In this turmoil, one factor remains constant : relationships are a core ingredient for successful business, " Hawkins adds.

What organizations need is a structure that supports their alliance strategy. ISO 44001 endorses that approach, with its structured framework designed to help organizations identify potential key partners, develop shared policies and processes, and promote the culture and behaviour required to establish successful collaborative relationships and to drive continual improvement.

Collaboration is at the core of every successful business. Whilst every business relationship is unique and there is no " one size fits all " solution for everyone, ISO 44001 provides a roadmap that will enable organizations to consider the implications and benefits of collaborative working. Collaboration is not a solution in itself but more of a means towards a common goal driven by a shared purpose. Just keep in mind : if you want to go fast, go alone ; but if you want to go far, better go together ! ∎

# STANDARDS
## & your business

How does your company achieve the sweet smell of success?

It's all down to good management and International Standards.

**BRANDING**

**ISO 10668**
(brand valuation)

**ISO 20671**
(brand evaluation)

**ISO 10018**
(people engagement)

**PEOPLE ENGAGEMENT**

**ISO 10015**
(competence management and people development)

**COLLABORATIVE BUSINESS**

**MY BUSINESS**

**ISO 44001**
(collaborative business relationships management)

**ISO/IEC 27701**
(privacy information management)

**ISO 22301**
(business continuity management)

**BUSINESS CONTINUITY**

**INFORMATION PRIVACY**

**ISO/IEC 27000 series**
(information security management)

# THE BUSINESS OF BANKING

The world looks to the future with a new ISO 20022 payments architecture designed to provide quality services to bank and corporate users. Here, we find out why ISO standards are the cornerstone of finance.

**W**here would business be without banking? Bank financing is a primary source of capital for business expansion, acquisitions and equipment purchases, or simply to meet growing operating expenses. Aside from financing, business banks also provide electronic payment solutions designed to help businesses manage their cash handling and accelerate money transfers around the world.

Sending and receiving payments worldwide requires a single secure channel to connect with all banking partners. For over 40 years, the SWIFT MT standard has enabled industry automation, reducing the cost and risk of cross-border business. Now, however, increasing regulations have prompted a move to ISO 20022, the ISO standard for electronic messaging, which is slowly imposing itself as the default option for richer, more structured data to be transmitted between banks.

ISO 20022 is a global success and has been adopted by market infrastructures in more than 70 countries for payments and securities business. Standards are the cornerstone of the financial industry, explains Bruno Achermann, Standards & Provider Management at Zürcher Kantonalbank, Switzerland's fourth largest bank, and Member of the Swiss Commission for Financial Standardisation (SCFS). From the bank's headquarters in Zürich, he tells us why he thinks International Standards will be working harder than ever in making businesses ready to operate in this brave new world.

*ISOfocus* **: How is Switzerland organized in relation to standards?**

**Bruno Achermann :** The Swiss Commission for Financial Standardisation (SCFS), a committee of the Swiss Bankers Association (SBA), is the platform of the Swiss financial centre dealing with national and international standards. The SCFS also includes the Principality of Liechtenstein, so although members come from different institutes, we try to speak with one voice from Switzerland and Liechtenstein.

All topics related to financial standards come together in the Commission and are dealt with in one place. For instance, the ballots of ISO technical committee ISO/TC 68 for financial services standards are collated centrally and assigned to the respective groups of specialists for decision. Any discrepancies are then resolved through conference calls or workshops, whenever possible.

*Bruno Achermann, Standards & Provider Management at Zürcher Kantonalbank.*

special areas of expertise with a foreseeable influence on the distribution of funds. The migration to ISO 20022 leaves no stone unturned and is having a profound effect on banks, corporates and anyone concerned with business payments.

**How do you see the role of ISO?**

As a pioneer for internationally coordinated solutions, ISO plays a vital role in standardization by allowing all ISO members to participate equally in standards work. It is the platform for different cultures, different regions and different countries to thrash out their views and ideas about standards. Bringing these different groups together is a momentous task. Because of the diverging interests of market participants, ISO's role in drawing all parties to the standards development work will be more important than ever. The challenge will be to curb the political and economic interests of individual members.

**What challenges do you see in connection with new standards requirements?**

As I see it, time to market is the biggest stumbling block in the demand for new standards. Implementing a new standard takes three to five years. Nowadays, new products and services are developed very fast and a required market standard cannot keep up with that pace. This leads to different solutions coexisting side by side on the market, which, in time, will need to be harmonized to allow for a more successful implementation.

Nevertheless, standards must also express a healthy stability, so they cannot be "adjusted" with every single change. There is a time difference between market innovation and standardization that cannot be eliminated, and we just have to learn to live with that.

**The banking world is changing. What role, if any, will standards need to play in this process?**

Banking is changing, certainly, and standards will play an important role in this process. New technologies will also be requiring their own standardized messages and data. In addition, the trend towards more automation will trigger the need for even more data and messages. Where new products and services are developed, there will be future requirements from regulators and ongoing efforts to harmonize our financial infrastructures. This will have a huge impact on the banking sector.

The influence of participants with different interests in standards is increasing. Countries, groups of countries and individual companies are asserting their interests and investing more and more resources to push these through. This doesn't make implementing new standards any easier. We shouldn't forget that a standard is only as good as its acceptance in the market.

**The sense of standardization in one sentence?**

Mine is a rather philosophical view... Where would we be today if we hadn't worked on standardization in the past? And where will we be tomorrow if we stop working on it today? Those are two of life's big questions. ∎

Founded by the SBA in 1993 based on a mandate of the Swiss Association for Standardization (SNV), ISO's member for Switzerland, the Commission works according to the "militia system", whereby employees of different financial institutions take on public tasks on a part-time basis alongside their regular profession. This is one of the cornerstones of Swiss participatory democracy and means anyone wanting to work on standards is welcome at the Commission. To date, members are essentially SWIFT users and providers for the financial industry.

**What is the mission of the SCFS?**

The SCFS acts as the competence centre for the development of financial standards in Switzerland and Liechtenstein. It has influence over the standards development process, both at home and abroad, working in the interest of the Swiss and Liechtensteiner financial industry. It also supports both countries with their implementation of the standards.

**Practically speaking, what ISO standard (or set of standards) in the banking/finance field has made the most impact, and why?**

We are just now embarking on the biggest change in standards ever, and that's the move from the ISO 15022 message scheme to ISO 20022, which is the new reference data exchange format for financial services. This is not just about switching to a new "ISO message type", it's also about the complexity of maintaining the two standards side by side during the transitional period. Our priority is to keep on serving our own customers correctly, and with the full information, according to their needs.

The investment funds industry already went through the ISO 20022 migration process a few years ago. These changes primarily concerned

Banking is changing, certainly, and standards will play an important role in this process.

# How **Microsoft** makes your data **its priority**

Privacy protection is a societal need in a world that's becoming ever more connected. As requirements for data protection toughen, ISO/IEC 27701 can help business manage its privacy risks with confidence. Here, Microsoft opens up about protecting data privacy in the cloud.

**W**hatever business you're in today, you're in the data privacy business. This isn't a problem that just affects chief data officers or IT security departments anymore. It's a problem that spans across organizations affecting human resources, customer service representatives, and more generally anyone who comes into contact with personal data.

With the number of cyber-attacks against businesses on the rise, cybersecurity is a growing concern. The question then becomes: How can organizations manage people's private information? New privacy regulations introduced by governments in recent years, such as the European Union General Data Protection Regulation (GDPR) or the California Consumer Privacy Act, require companies to respond. But

with different countries developing different regulations for data privacy, how can global corporations such as Microsoft ensure seamless data protection?

The recently published ISO/IEC 27701, *Security techniques – Extension to ISO/IEC 27001 and ISO/IEC 27002 for privacy information management – Requirements and guidelines*, helps companies manage their privacy risks for personally identifiable information. It can also help companies comply with GDPR as well as other data protection regulations. Drafted under the joint stewardship of ISO and the International Electrotechnical Commission (IEC), it is the world's very first global privacy standard. Here, Jason Matusow, General Manager of Microsoft's Corporate Standards Group, gives us the lowdown on this groundbreaking standard.

*Jason Matusow*, *General Manager of Microsoft's Corporate Standards Group.*

Whatever business

you're in today,

you're in the data

privacy business.

*ISOfocus*: **ISO/IEC 27701 is the first privacy information management system standard, or PIMS for short. Can you tell us a bit about the standard? What makes it so groundbreaking?**

Jason Matusow: The first thing about ISO/IEC 27701 is that it's an easy and efficient way to address the issue of spreading consistent data processing practices across an organization. Although cybersecurity and privacy are interrelated, in many organizations they are still treated as different projects. The smart move with ISO/IEC 27701 – and my compliments to the experts who developed it – was to attach the standard to the cybersecurity world via the ISO/IEC 27000 series on information security management systems, to which thousands of companies are already audited each year. By layering PIMS on top of that structure, the cybersecurity community in an organization can work together with the privacy community to establish data processing practices that encompass both security and privacy considerations.

PIMS takes into account the need to think about data protection holistically. In GDPR, like many other privacy laws around the world, there's a requirement for companies to have a data protection officer. One of the big challenges for these people is how to create effective documentation; in other words, how do you work across a whole organization to establish evidence that you're handling the data processing of information correctly?

The PIMS process allows you to build out more comprehensive operations for privacy and then to establish documentation and behaviours that are represented externally.

There's a prevailing dynamic in data privacy which is that everyone is very focused on the regulators. But the underpinnings of business are the business-to-business relationships – contracts. Microsoft has thousands of companies in its supply chain, and we are in the supply chain of thousands of other companies, so the representation of good data processing behaviours becomes a real question mark in that whole chain. What PIMS does is enable that evidence of good behaviour. Trust comes with verification, and that verification is based on good PIMS practices.

**Can this new standard help companies achieve compliance with the GDPR, or the California Act, for example?**

At this point in time, there is no standard that is identified as a representation of legal compliance for privacy, so there's a lot of discretion right now in Europe as to how regulation is interpreted by companies, and that includes Microsoft. The standard isn't about having a clear path that leads to legal compliance – that doesn't exist today. It's about strong practices, good hygiene, establishing responsible behaviours that are documented, that are repeatable and that have the ability to get better over time. Because one of the main things about a processing management system is its focus on continuous improvement.

It's important to note that there is not one privacy law; there could be as many as 30 of them… GDPR, the California Act, and countries like Australia or Japan all have their own. One of the things that makes PIMS so interesting is that it embodies a consistent set of privacy practices (i.e. controls) that can be mapped against any privacy law.

**Technology is constantly evolving and companies must adapt. Do you see ISO/IEC 27701 still being useful in a couple of years' time?**

The fact that technology moves on means you can never say "we've got it sorted and therefore we can hold still". It just doesn't work that way.
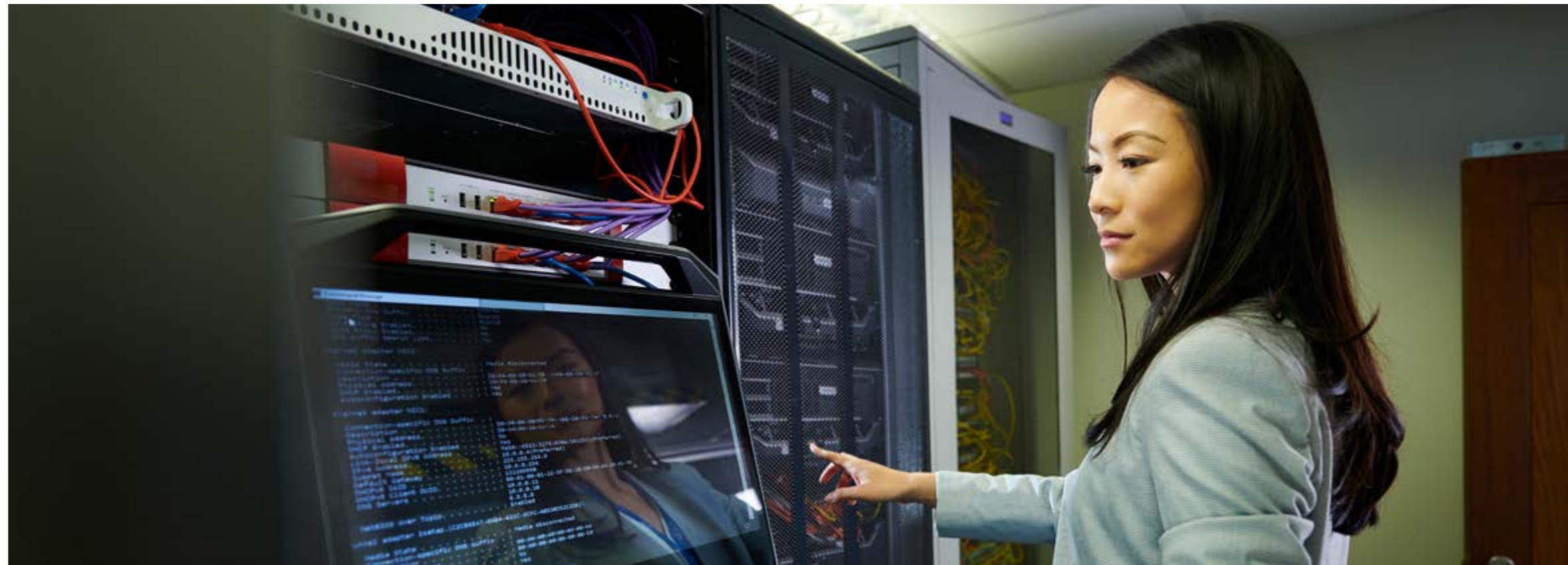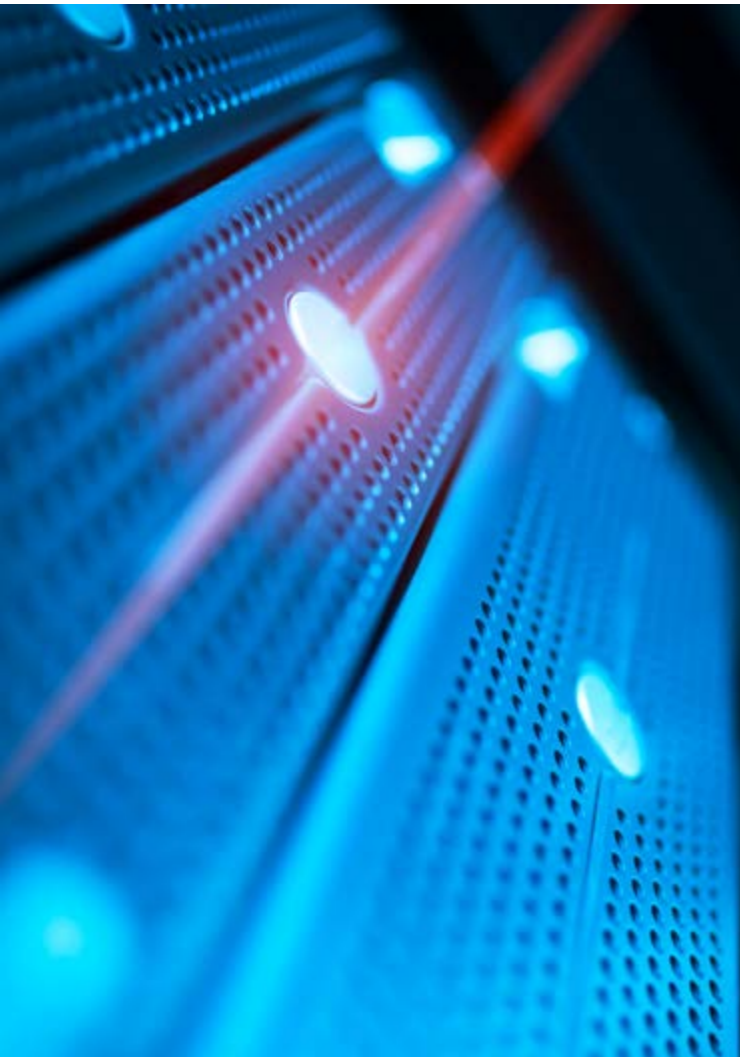
Every business is evolving every day. A standard like ISO/IEC 27701 creates the opportunity for a consistency of approach while being flexible enough to adapt to the changes that happen underneath.
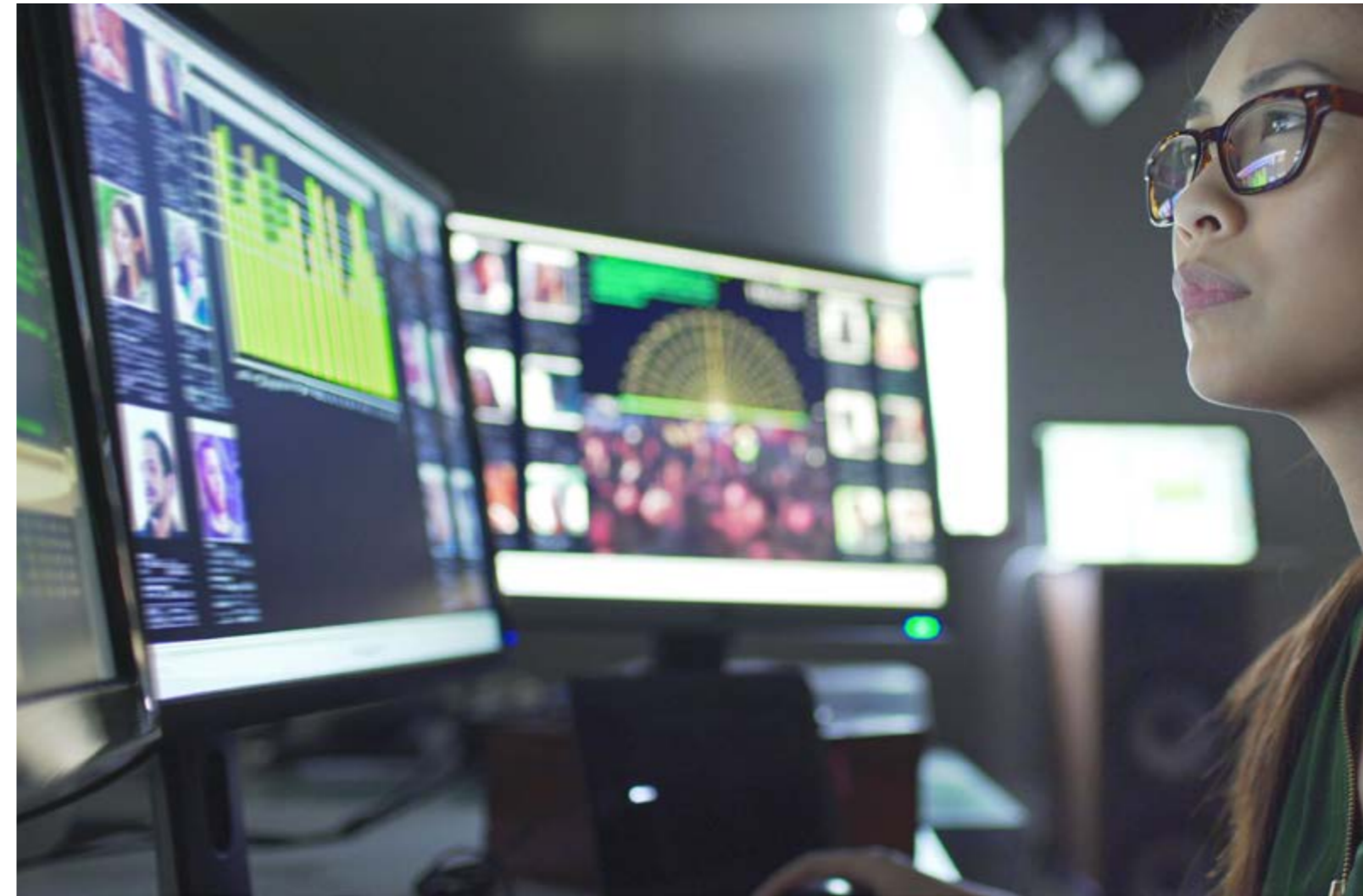
An important notion to master is the privacy impact assessment, which is a systematic process for evaluating the potential effects of your system on privacy. Although this is not a feature of the standard itself, ISO/IEC 27701 does have a requirement for a scope of applicability, where a company is called upon to measure the impact of its data processing in a given context. The standard then provides a series of controls to counteract that impact, which can be mapped against the law, either the GDPR specifically, or the Australia, Japan or California privacy laws. It's the combination of these pieces put together that can get you across the line of responsible practices for data protection. Think of it as a journey, not a destination!

**What's at stake for Microsoft? Why has it been such a big supporter of the standard?**

That conversation starts essentially with our customers. The reality is that the standard allows the people who are working in cloud services, and using our technologies, to joins forces with Microsoft, taking steps forward together and making assertions about good data management practices collectively. ISO/IEC 27701 plays that central role in building a harmonized conversation between organizations. It's critical in the conversation you can have with regulators, but it's really also about the business-to-business relationships.

PIMS is a valuable asset in the use of information technology in any business, so our primary interest has been in having the solid privacy approach that our customers need. The next step is about our own behaviours. But I will say this, our operations for privacy have reached well beyond the process to qualify for, let's say, a PIMS audit at some point. That's something we are committed to doing, and ISO/IEC 27701 is part of our audit process.

Microsoft has extended GDPR protections to all citizens in the world using our technologies. If we are going to do the essential engineering work and the ongoing improvements to make our systems respectful of citizens' data, then we have to approach it in a constructive, holistic way. PIMS will be able to layer on top of that to put the practices we already have within the framework of a third-party audit.
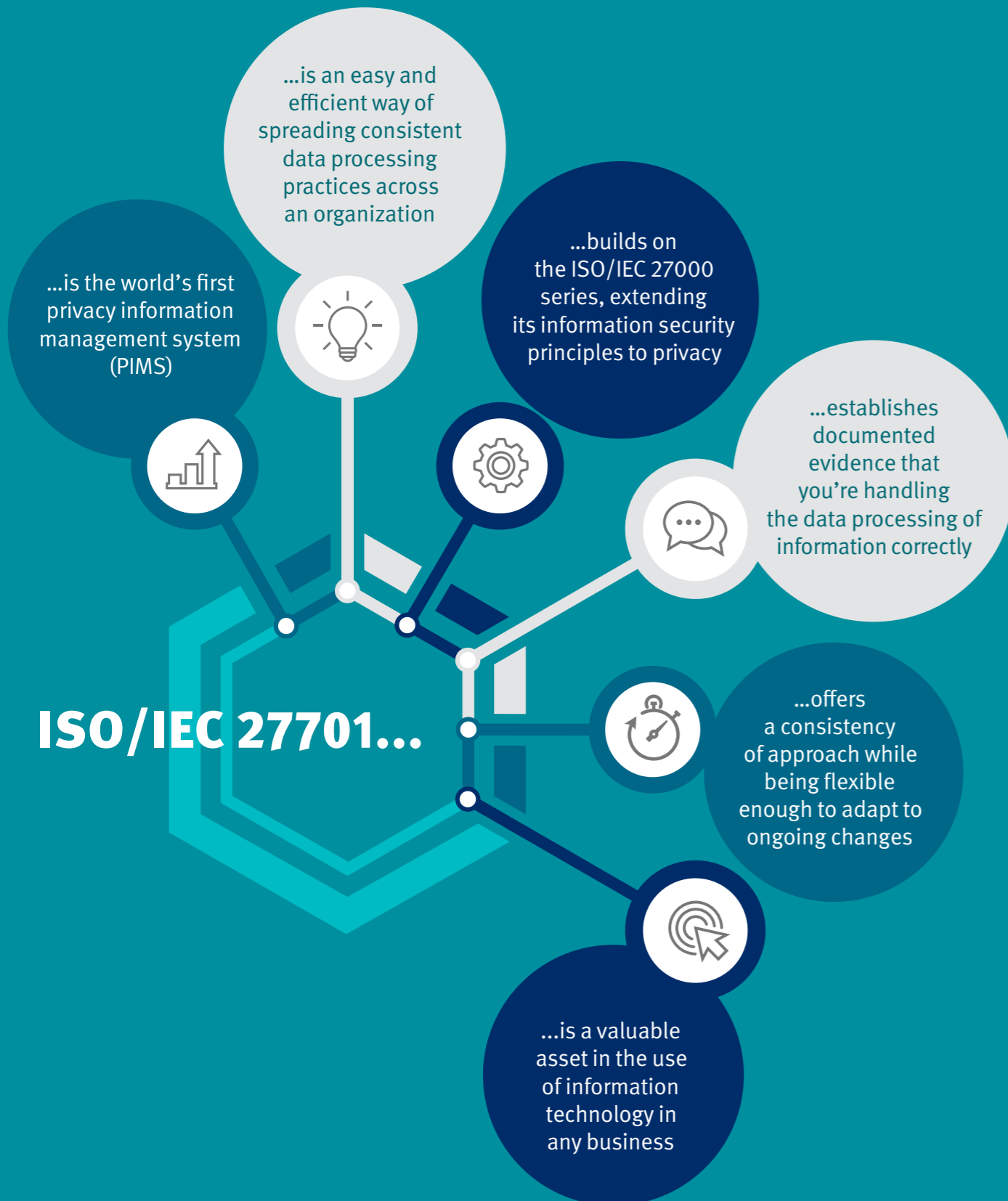
ISO/IEC 27701

plays that central role

in building a harmonized

conversation between

organizations.

**What does it mean for a business to adopt ISO/IEC 27701? Can you tell us a little more about what's involved?**

As I mentioned before, this standard builds on the ISO/IEC 27000 series, so PIMS involves taking that holistic route and accepting that it will require the engagement of an information security management system, which can later be extended to privacy. It's about looking at your systems and processes, and then establishing controls. Think of a control as a prescriptive behaviour that you have committed to follow; in time, it will become a repeatable behaviour that you can then document.

That's a job for the data protection officer whose primary responsibility is to make sure the company is adhering to its impact assessments. However, larger companies will ultimately call on an external compliance organization to help them think through all the systems they need. In a nutshell, though, the controls you put in place should span everything from the collection of data, use of data, disposal of data, how you handle data breaches, how you notify customers, and everything else that might be in that chain of thinking.

# 6 FACTS ABOUT ISO/IEC 27701

Data breaches are every entrepreneur's nightmare.
Here's why you should consider using ISO/IEC 27701
to manage your privacy risks with confidence.

...is an easy and efficient way of spreading consistent data processing practices across an organization

...is the world's first privacy information management system (PIMS)

...builds on the ISO/IEC 27000 series, extending its information security principles to privacy

...establishes documented evidence that you're handling the data processing of information correctly

ISO/IEC 27701...

...offers a consistency of approach while being flexible enough to adapt to ongoing changes

...is a valuable asset in the use of information technology in any business

Microsoft has extended
GDPR protections to
all citizens in the world
using our technologies.

**What does the future hold for Microsoft with regard to standardization?**

I will break that question down into two different concepts. First of all, not all standardization is the same. On the one hand, we have technical specifications like Bluetooth or Wi-Fi or other such protocols. These are done by Microsoft's product groups on an as-needed basis. And within that space, one of the most interesting things to emerge over the last five years has been the massive growth in open source software. The way in which people are solving collaboration problems has not necessarily been in the traditional standards context, but via collaborative development in an open source context. That doesn't mean standardization is going away, but the landscape is changing significantly.

On the International Standards side, the type developed by ISO and its partner organizations, the International Electrotechnical Commission (IEC) and the International Telecommunication Union (ITU), I think people are really looking at the growth of regulation and how standards act as "soft law" in relation to regulation. How does PIMS stand between the existing laws and the behaviours of an organization? You need something in between them and standards can play a central role in bridging the gap. They are particularly helpful in dealing with the diffusion of regulatory approaches, for example reconciling Australia's privacy laws with those of the GDPR. So the incredibly important role that ISO/IEC 27701 can play is to act as a Rosetta stone between the different regulatory approaches. It's a very powerful thing! ◼

## AN EMMY
### FOR JPEG

The engineering team responsible for the JPEG image compression standard was honoured with an Emmy Award for its outstanding contribution to image coding technology in October last year. An example of cutting-edge innovation, JPEG has remained one of the leading still-image formats for 27 years, enabling the world to use and share billions of images daily.

"This group is at the forefront of innovation and technology in the industry and represents a good example of how standardization work can result in groundbreaking solutions and technologies that impact us all," said ISO Secretary-General Sergio Mujica, speaking at the event.

First published in 1992, the International Standard for JPEG – ISO/IEC 10918 – now consists of seven parts covering a wide range of aspects including compliance testing, extensions, the JPEG File Interchange Format (JFIF) and registration authorities. The standard was developed by the Joint Photographic Expert Group (JPEG) of ISO/IEC JTC 1's subcommittee SC 29, *Coding of audio, picture, multimedia and hypermedia information*, a combined initiative of ISO and the International Electrotechnical Commission (IEC), in collaboration with the International Telecommunication Union (ITU).

From right to left : **Gary Sullivan, Touradj Ebrahimi, Istvan Sebestyen, Greg Wallace** and **Teruhiko Suzuki**, *JPEG experts at the 71st Engineering Emmy Awards Ceremony.*

## SEC SHARPENS **FOCUS ON HUMAN CAPITAL**

An ISO standard is influencing equity markets in the United States. The US Securities and Exchange Commission (SEC) recently issued a proposal to modernize the disclosures made by publicly traded companies when registering securities. Specifically, the SEC has requested feedback on whether and how to modernize the disclosures of human capital information to investors. This is the first major change in US securities regulations in the last 30 years.

Jeff Higgins, US expert on ISO technical committee ISO/TC 260, *Human resource management*, was instrumental in the discussions that led to the SEC considering this change. Higgins introduced ISO 30414, *Human resource management – Guidelines for internal and external human capital reporting*, to the SEC and other decision makers in this initiative, providing a roadmap for companies to implement human capital disclosures if later directed by the SEC.

ISO 30414 has been successful in shaping public policy discussions about US capital markets and, hopefully, will become a "fit for purpose" tool for companies to communicate the material contributions their workforces make to the value of these publicly traded companies.

## NEW STANDARD TO **TACKLE BIORISK**

Management of biological safety and security risks can be a costly venture. It requires a comprehensive system incorporating the most important aspects of biorisk, which encompasses both policy and process. A biorisk management system is a key step in that direction as it enables organizations to effectively identify, control and manage the biosafety or biosecurity risks related to their activities.

As the first International Standard for biorisk management, ISO 35001 defines the requirements and guidance for laboratories or other organizations working with biological agents, to control and reduce the risks associated with their use. Effective biorisk management not only allows the handling of biohazardous materials to take place in a more sustainable way, it also contributes to a more efficient use of valuable biological materials within a laboratory.

Developed by ISO technical committee ISO/TC 212 (clinical laboratory testing) and stakeholders from around the world, it provides laboratories with a roadmap of how to systematically manage and structure their biological risk programmes. This is increasingly important to protect our global public health infrastructure as we move towards a more integrated world.

## IN FOCUS :
## WOMEN IN BUSINESS

Close to 40 % of small businesses are owned by women, yet studies show that female entrepreneurs have a harder time finding funding and accessing markets than their male counterparts. That's why eliminating barriers that prevent the success of women-owned businesses is an economic imperative that can spur innovation and build wealth. Picking up on this important trend, ISO's Swedish member SIS, in collaboration with the International Trade Centre (ITC), is organizing a workshop to develop an ISO International Workshop Agreement (IWA) on woman-owned business.

The IWA workshop will take place on 1-3 April 2020 in Stockholm, Sweden, with a second session on 24-26 June 2020 in Geneva, Switzerland. Its purpose is to provide a definition of a "woman-owned business" as well as guidance for how this definition can be used in practice across businesses, governments and international initiatives. Over time, a standard definition could facilitate the collection of internationally comparable data on women's entrepreneurship and the impact on local and national economies.

Initiated by SIS, the IWA draft proposal aims to lower entry barriers for women business owners to public and private procurement opportunities, increase their access to capacity-building programmes and incentive schemes, and reduce certification costs for supplier diversity programmes. It is hoped that this may ultimately inspire a broader discussion towards further standardization work in gender equality.

## ETHICS IN THE FOOD CHAIN

The food industry is laden with good intentions as more and more organizations commit to supporting local farmers, protecting animal welfare and sourcing organic, fairly priced ingredients. To help food companies operate in a more ethical way, ISO has just released a new technical specification for the agri-food industry, which offers sector-specific guidance on how to implement social responsibility in the food chain.

ISO/TS 26030, *Social responsibility and sustainable development – Guidance on using ISO 26000:2010 in the food chain*, is the first sector application of ISO 26000, ISO's flagship standard for social responsibility. It provides guidelines on how businesses in the food production chain can contribute to sustainable development while complying with local laws, regulations and stakeholder expectations. It also helps organizations contribute to the United Nations' "Zero Hunger" project as part of its 17 Sustainable Development Goals.

As consumer behaviours shift, a radical transition is needed from our production-focused system towards one that is based on balanced ecosystems, a healthy society and inclusive prosperity. This will require a thorough redesign of our agri-food industry – and it can be done using ISO/TS 26030.

## ISO/IEC COLLABORATION
### CONTINUES

A new joint statement signed last December in Washington, DC enshrined the continued collaboration between ISO and the International Electrotechnical Commission (IEC). Over the next two years, the collaborative strategy will enable the two organizations to provide additional benefits to their respective members, increase end-user adoption of the information technology (IT) tools and further leverage each other's investments while maintaining their capability to adapt their own solutions to the individual needs of each organization.

In addition to IT solutions, under the leadership of the outgoing presidents Jim Shannon (IEC) and John Walter (ISO), the initiative will address a range of other challenges where both organizations can increase their efficiency and effectiveness, such as duplication of effort in the development of standards, capacity building, and diversity and inclusivity.

First launched in late 2017, the ISO/IEC partnership has proved a unique opportunity to advance the exchange of information and increase collaboration. Moving forward, the two organizations are fully committed to pursuing this joint work, openly and transparently, building on the foundations they have thus far defined.

# No need to be scared, *just get prepared*

*by Barnaby Lewis*

When it comes to steering a business through tricky times, CEOs and business owners alike count on perseverance, knowledge and adaptability, both from themselves and those around them. With a bit of good luck, and a flexible approach, companies can weather unforeseen circumstances and even come out stronger than before. The solution is an ISO business continuity management system.

It takes much more than dexterity and business intuition to survive a real crisis. It requires systematic advance planning to create detailed contingencies and well-rehearsed plans of action – it takes an ISO business continuity management system. Often abbreviated to "BCMS" within industry, we're talking about ISO 22301, and a number of related ISO standards that provide requirements and guidance based on good international practice for a formally documented system that enables all types and sizes of organization to prepare for, respond to and recover from disruptive incidents when they arise.

One of the critical elements of success with ISO 23001 is management buy-in.

And sooner or later, disruptive incidents will arise. Perhaps, in the past, common-sense contingency planning might have been effective. Today, the increasingly entangled nature of global business, combined with data that allows us to understand both the causes and effects of disruptions with better clarity, paved the way for ISO 22301, *Security and resilience – Business continuity management systems – Requirements*. First published in 2012, this important ISO standard was updated just last year under the direction of ISO's technical committee on security and resilience (ISO/TC 292). Committee Chair Åsa Kyrk Gere talked to *ISOfocus* about how the standard works.

### The insider view of BCMS

I started out by asking Åsa if there are major differences between the latest and the previous versions. Should companies be reviewing their BCMS in the light of these changes ? " There are differences between the two versions, but that isn't the reason to review your BCMS." Intrigued, I ask if this is because the scope of the changes to ISO 22301 was limited ? "Not at all !" Åsa continues, pointing out that there were multiple changes to the new version.

"The fact is that to remain effective, a business must continually review its continuity management plan to ensure that it remains relevant and fit for purpose." Åsa goes on to tell me that one of the classic errors of continuity planning is to assume that it's done once and for all. "Like a fire extinguisher, you can't just put it in a corner and forget about it. It needs to be regularly maintained and everyone should understand how to use it."

### Keeping your powder dry

If BCMS were a superhero organization, then its nemesis would be complacency. Creating a "perfect plan" and leaving it to gather dust on a shelf, or, worse, not having a formal plan at all, is Kryptonite to the Superman of preparedness ; the SPECTRE of guaranteed failure to the 007 of business continuity.

But how do you maintain commitment to something that, with a little good luck, you won't ever need to use ? One of the critical elements of success with ISO 23001 is management buy-in. "A BCMS can't ever be a check-box exercise," Åsa says, "if leadership isn't committed and it's not backed up by adequate resources, then it's not going to be effective." That applies to many projects and initiatives in business, but the challenge with a BCMS

is to maintain not only recognition of the central importance of the plan, but the resources necessary to put it into place when it's needed, and to rehearse and revise it when it's not.

### Back to BCMS : What are the main elements to think about ?

If you have never implemented, or even considered a BCMS, now is probably the right time to think about it. No business is without risk. Sometimes, industries that are overtly hazardous, such as factories or mining, have a built-in safety culture that contributes to a broader understanding of risk more generally, such as economic downturn or extreme weather. But if you work in a safer sector, like retail or design, then notions of risk might be less ingrained. I asked Åsa about some of the things you need to look out for if you think you may need a BCMS but are unsure about where to start.

"Like many effective solutions, ISO BCMSs are elegantly simple," Åsa tells me. Building on the same approach used in other ISO management standards, ISO 22301 will be instantly familiar to

anyone who's worked with quality management, for example. And if you don't have experience of ISO's management systems standards ? Åsa shares a secret with me : "What you'll find in ISO 22301, and many other ISO standards, is really common sense. Its application can be quite intuitive when followed carefully."

### Breaking it down to the basics

In the world of standards, "common" also implies shared, achieved by consensus, and agreed around the world ; literally, a common understanding of the best way forward. "In ISO 22301, one of the basic ideas is the Plan-Do-Check-Act cycle," Åsa continues ; it's the same PDCA cycle that is seen in some of ISO's most popular standards, including ISO 9001.

"In short, PDCA means thinking about what you're going to do first ; then doing it ; then asking yourself if it turned out as planned, and whether it could have gone better ; and then making any changes needed, so that next time round it fully meets expectations." Sounds like common sense to me.

As mentioned, the sector and size of business make all the difference. "There isn't a one-size-fits-all solution," Åsa tells me, "context is everything and it's one of the fundamental considerations when it comes to an effective BCMS."

## Simulated situations for real-world success

The thing about a BCMS, Åsa explains to me, is that its effectiveness presupposes a clear understanding of the fundamental nature of the business. "It's surprising to say, but often people can struggle to see their context objectively, because they're too deeply in, too wrapped up in day-to-day management to ask the right questions," she clarifies.

It's true. Look at successful organizations and you'll probably find a good number who've stumbled upon a formula that works, repeating and even adapting it without conscious intervention. It's most evident with entrepreneurs who rely on creative energy and seat-of-the-pants intuition. But you'll also see this lack of foundational clarity in start-ups with a "fast" mentality who morph and reinvent themselves as they go. And as a brand manager, I've also seen it first-hand in large, long-established corporations. For these cases, and all sorts of organizations in between, Åsa summarizes some of the questions that are crucial to the success of a BCMS.

What you'll find in ISO 22301, and many other ISO standards, is really common sense.

"The first step is to understand what it is that you actually do; clarify your objectives and consider those things that could prevent you from continuing to operate." Businesses may struggle with this first step, but it's essential, with many other elements depending upon it.

Åsa also stresses the importance of identifying the people that matter to success: "What is their relationship to you, and beyond this what are their needs or requirements?" This step is supplemented by an assessment of the legal and regulatory framework in which a company operates. It impinges differently on each company. One of the reasons that lobbying makes up a substantial part of the operating budget of the "big-tech" giants is that the regulatory environment is volatile, developed in response to the products and services that, in many cases, have never previously existed. This volatility is a risk in itself, while for others, regulation has always been a part of their environment. Producers of food or chemicals will be able to grasp their contexts more concretely.

## Identify, analyse, evaluate, and you'll be prepared for anything

It's going well, your new BCMS. You've established with renewed clarity what it is that you do, who you rely on to do it, and how you interact with them. Now things are going to take a turn for the worse, hypothetically. "The next step is to identify risks that could impact you," Åsa says, going on to point out that "risk" in this sense doesn't imply disruptive events that randomly descend like an alien invasion. "You need to look at what your BCMS should be applied to and clarify its scope", beginning with concrete elements contained in a formal risk assessment: identification, analysis, evaluation.

What I appreciate from talking to specialists like Åsa is that, while it might sound intimidating, implementing a BCMS is a question of applying clear and methodical procedures and ensuring that they're understood and supported at every level. Additionally, the importance of keeping the plan alive and front-of-mind cannot be overstated.

In the same way that it's prudent to regularly update first-aid skills, or practise fire drills to calmly exit a smoke-filled building, there are many times that rehearsing the plan, checking that it's fit for purpose and working in the real world as well as it does on paper could save a life. When it comes to a business continuity management system, it's no different. The big question is: are you ready to get ready? ■
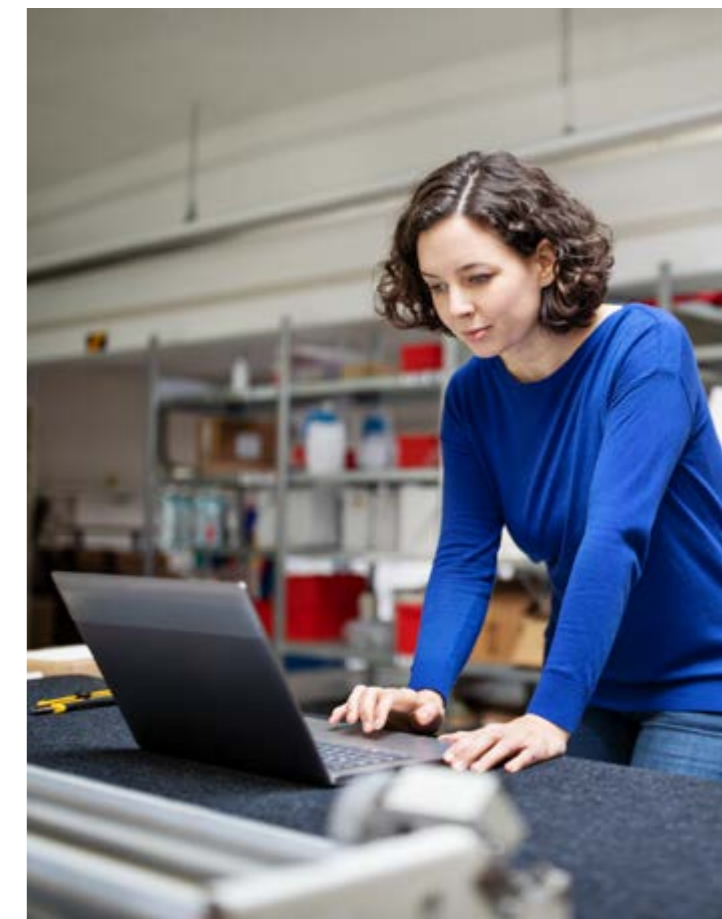
# Building success
# **through people**

*by Kath Lockett*



It's one thing to bring people on board, but how do you keep your employees motivated, productive and happy? ISO standards have the solutions to better manage your workforce.

It is often felt that recruitment is a lottery. You interview candidates, make a shortlist and finally settle on the best person for the job. Or so you think. Many top employees begin to lose interest when they feel that their skills and talents are being underutilized. That's why empowerment through career coaching and training can bring your demotivated star players back to life.

The truth is, employees with a high level of engagement in the workplace are more likely to contribute to their employer's success. Online training provider eduCBA reports that organizations that are successful in the 21st century value the skills of their people at 85 % of their total assets. People may be defined as "intangible assets" in that they are not easily accounted for in monetary terms like factories, machinery or products, yet it is those same people who will stay longer in their jobs and work actively to contribute to improvements in the systems and outputs of their organizations if they feel respected and supported.

Two ISO standards on people management have undergone an update to include useful steps on how the value of an employee can be enhanced, extended and nurtured. And it's not just the content that's had a facelift, the titles have been revised too. ISO 10015 has become *Quality management* *– Guidelines for competence management and people development*, and ISO 10018 is now *Quality management – Guidelines for people engagement*. Both International Standards present practical steps for managers and leaders to follow, adopt and measure. These standards are designed to be regularly referred to and not simply handed to employees in binders and then left to gather dust on the shelf.

**Aligning the experts**

Published by ISO's technical committee ISO/TC 176 (quality management and quality assurance), through its subcommittee SC 3 for supporting technologies, with input from technical committee ISO/TC 260 (human resource management), both standards are based on the process-oriented concepts of ISO 9001 for quality management. John J. Guzik, who serves as participating member on the US Technical Advisory Group (TAG) to ISO/TC 176, explains that the two standards rely heavily on the definitions found within ISO 9000:2015, *Quality* *management systems – Fundamentals and* *vocabulary*, but also make this information more accessible.

"When it comes down to people, quality management systems (QMS) are often considered as being technical or inaccessible guidelines for compliance that bear little reality to the work or products they are involved in making." During his career, Guzik was a quality manager at two large US packaging firms. "I worked my way up from the plant floor, so I understand how quality management systems need to be accessible and understandable to the employees, and not be a burden to them."

ISO 10015 provides guidelines to help organizations and their managers design appropriate and timely training for their staff. With the ongoing quest for continuous improvement and rapid changes in markets, technology and customer needs, organizations must regularly evaluate what skills and competencies their people need if they are to remain successful and competitive today.

Fellow ISO/TC 176 member Mark Eydman agrees that the standard is a good fit for most organizations. "ISO 10015 is all about how to build competence and develop people to make quality management happen. It considers requirements at the organizational, team level and individual level. It adopts a Plan-Do-Check-Act cycle and is a perfect partner with ISO 10018."

## A game changer

With more investors demanding that public companies invest in human capital and engagement, the arrival of ISO 10018 promises to shake up the marketplace for traditional engagement solutions. It works by establishing an accepted framework that focuses on better integration of engagement strategies across an organization.

ISO 10018 recognizes that it can be difficult encouraging staff to take up quality management systems and understand how they are relevant to their daily work. The standard includes guidelines on how to enhance people's involvement and competence within an organization and feel a valued part of it.

Dr Ron McKinley, former Chair of ISO/TC 260 on human resource management, who worked primarily on ISO 10018, agrees that it accompanies ISO 10015 but with a greater focus on the people. "Organizations are nothing more than a collective of people. Without people designing the product, making the product and using the product, there is no organization."

## Engaged and happy

The term "people engagement" has been around for a couple of decades and is an oft used buzzword, yet many organizations and managers are not entirely sure what it means.

*The truth is, employees with a high level of engagement in the workplace are more likely to contribute to their employer's success.*

*The aim is to have people there for a career, not just a job.*

ISO 10018 provides clear definitions on how it relates to employees in an organization and how to enhance their involvement and competence within that organization. "People engagement means much more than being present as an employee; it means making an active contribution, feeling genuinely valued and achieving quality outcomes for your organization," Eydman says.

McKinley goes further, explaining that the term "people engagement" used to mean organizations trying to find out if their people at work were "happy". Two decades ago, the notion was that happy people would work harder and make better products, resulting in happier customers. He observes that surveys were often conducted, and action plans written, but they tended to lack a strategic and systematic approach which meant that they did not necessarily encourage people to stay at an organization.

"ISO 10018 applies to everyone, not just employees. It's an 'enterprise' or organizational approach that includes vendors, investors and customers. Defining 'people engagement' means that all people who are actively involved in the organization are doing so in a positive way. By 'people', we mean anyone who encounters that organization: vendors, customers, owners, investors, staff."

known as the 'grudge-buying industry' that deals with unhappy clients, and endeavours to resolve their problems and leave them satisfied after they hang up the phone. Bonuses for staff can be offered on customer satisfaction levels and not the volume of calls received, so that staff feel valued for the personal service and skills they use."

Staff competence and development should be a collective aspect of the organization and not just for specific individuals, Guzik points out. People need to see the connection between their current work and how further training can provide more opportunities within the organization. "If they see that their organization is investing in their skills through training and other career tracks, they will feel engaged."

## What will we learn ?

With these ideals in mind, what can busy managers and business owners expect ? Practical measures, solutions and achievable steps. ISO 10018 was written for an audience of managers and leaders who realize the importance of staff retention and engagement, but don't necessarily know where to start. Eydman explains : "We came up with six key areas where we believe that, if leaders give them attention, they will achieve a higher level of people engagement within their organization. The first three – strategy, culture and leadership – are perhaps the key principles."

For employees, engagement means that they should have some ownership of the issues that are relevant to their jobs within the organization. "If they liaise with vendors, then they should have input into assessing current vendors or selecting new ones. That way, people will have a vested interest in the organization and be allowed to assert a reasonable amount of control and endure less micromanagement."

Engaged organizations will have well-thought-out ways of developing their staff. Their aim is to have people there for a career, not just a job. Successful organizations often provide opportunities for staff to move to different areas within the organization to learn new skills and enhance their expertise. "While management still ultimately decides on promotions and training, staff should be able to see that a career trajectory is achievable within the organization and that their development is encouraged and valued," McKinley says.

## Evaluating success

Several metrics can be used to measure the success of people engagement. Turnover, in ISO 10018, does not mean financial profit or loss, but staff attrition. The aim for all organizations is to lower this rate. When people leave, they take their knowledge with them. Recruitment and training costs organizations money and a loss of human capital can be difficult to replace or replicate.

Customer satisfaction is also important. Customers are stakeholders who are actively affected by the organization and can provide valuable information for service and product improvement, which ensures that they will keep returning. McKinley cites company call centres as a good measure of satisfaction because they are the first point of contact for customers experiencing problems with a service or product and provide opportunities for organizations to collect data. "This is commonly



For employees, engagement means that they should have some ownership of the issues that are relevant to their jobs within the organization.

# GET YOUR PEOPLE GOING !

Unable to keep your employees engaged ? A few simple steps can help to get the commitment, passion and loyalty back.



**5** TRAINING

**6** TEAM BUILDING

**1** MOTIVATING

**2** COACHING

**3** EMPOWERING

**4** REWARDING

Ultimately, both ISO 10015 and ISO 10018 are useful for any organization that employs more than two people.

ISO 10018 proposes that quality management can only flourish in a setting where leadership is being demonstrated ; the "do as I do" instead of "do as I say" approach. Strategy is a simple planning process to achieve your vision. ISO 10018 shows that if you want people to undertake a quality-driven journey with you, then they must understand the path to get there and the destination.

"Culture is very interesting," says Eydman, "as it defines the rules, beliefs and behaviours that operate within an organization. Essentially, this is what happens when managers and leaders aren't looking. It works alongside leadership, as leaders set the example." Therefore, the other three principles – training and development, knowledge and awareness, and improvement – are intended to show people that they are valued and connected to the organization.

## Never too small

Ultimately, both ISO 10015 and ISO 10018 are useful for any organization that employs more than two people. From small local businesses to large corporate conglomerates, the dynamics are the same, McKinley explains. "Internal issues include ensuring that management keeps all staff informed about issues that affect them ; that there is a top-down, down-up and sideways flow of information from all levels of staff, effective liaison with customers, and a good relationship with vendors. All of these aspects result in customers receiving the quality product or service that they're paying for."

There is an added bonus. The QMS principles are applicable to other management systems. "While these guidelines were originally written for quality management systems, they can be applied to any management system such as environmental systems and occupational health and safety," Guzik says.

And if that's not reason enough, there are also the cost savings, according to McKinley. "Ultimately, the beauty of an ISO standard is that for a small company that cannot afford to hire a large consulting firm to do the work, they can buy this standard instead, apply the strategies and it will help them." ∎