

To Certify Or Not To Certify (and to which one?) – That is the Question.

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ABSTRACT

This paper discusses whether organisations should seek Standard certification. It provides guidance and enlightenment as to what should be considered as a minimum by any organization, in any industry, if contemplating the path of certification to a Standard.

Introduction

There have been numerous occasions throughout my career where I have been presented with the statement or question from senior management or a client such as “I think we should be ISO certified” or “should we seek certification?” My first response is always “Why?” My second, third, fourth and fifth response (if necessary) is the same. Yes, it’s the “5 Why’s” method and by using this method, combined with the knowledge contained in this paper, you, your organization or your client should be able to make an informed decision.

This paper does not attempt to explain, evaluate, compare or contrast the various ISO or Australian Standards that an organization, be it an IT Service Management (ITSM) one or not, may be certified to. It does not aim to give a definitive answer to the question of whether an organization should seek certification (or not) because the answer will be different for each and every organization. What I hope it does, is to provide some guidance and enlightenment as to what should be considered as a minimum by any organization, in any industry, if contemplating the path of certification to a Standard.

Which Standards?

ISO is the “International Organization for Standardization that develops and publishes International Standards, including management system Standards such as ISO 9001(Quality Management), ISO 14001(Environmental Management) and ISO 31000(Risk Management)”. The relevant IT Service Management industry Standard is ISO/IEC 20000.

Standards Australia is the “independent, not-for-profit organization, recognized by the Australian Government as the peak non-government Standards body in Australia. Standards Australia develops internationally aligned Australian Standards and is the Australian member of ISO”. A common management system Standard it produces is AS/NZS 4801(OHS Management).

The ISO9000 Quality Management suite of Standards provides, I suggest, the starting point for any organization, big or small, looking for a business management framework. It is not industry specific and is applicable to both product and service organizations. For many it provides the core foundation to add further certifications and best-practice frameworks in the future to ideally create an Integrated Management System. (This will be the subject of a future article).

ISO9000 requires some fundamental core systems and processes to be established about such things as documentation, training, roles and responsibilities, measurement, analysis and improvement, etc. Because all are core to the other management system Standards, I have found that there is not

that much further effort to implement and gain certification to some of the other Standards including ISO/IEC 20000. Sure you can start with one or more of the other ones. It really is going to depend on the strategic direction and business needs of the organization and that all important question of Return On Investment (ROI).

How does an organization get certified?

Both ISO and Standards Australia are not involved in the certification to any of the standards they develop. Certification is performed by external certification bodies, which are largely private. Certification (third party conformity assessment) is not the only way to show conformity to management system Standards. Alternatives include inviting the organization's customers to verify its implementation of the management system Standard (second party assessment) or to self declare its conformity (first party assessment).

Choosing a certification body

When choosing a certification body it is a good idea to:

- ✓ Evaluate several certification bodies.
- ✓ Seek references from other organizations that have used their services.
- ✓ Not let the quoted cost cloud your final selection - the cheapest could be more costly in the long run if it's auditing is below standard.
- ✓ Ask whether the certification body implements ISO/IEC 17021:2011, Conformity assessment – Requirements for bodies providing audit and certification management systems.
- ✓ Ask whether the body is accredited. Accreditation is not an obligation and if an organization is not accredited it does not necessarily mean it is not reputable. Nonetheless, accreditation remains an independent confirmation of competence. Accredited certification bodies can be identified by contacting the national accreditation body in your country.

The PROs and CONs

Remember certification to management system Standards is not a requirement. Organizations benefit from implementing these Standards without having to be certified to them. For many however, there is a greater ROI by actually obtaining the certification.

One of the best reasons for wanting to implement these Standards is to improve the efficiency and effectiveness of the organization's operations and to reduce waste. There may be however other valid reasons or drivers to get certified. Let's have a look at some of the potential reasons for doing so along with the pros and cons.

The PROs

- **Meet Customer Requirements**
This may be a contractual or regulatory requirement – a growing number of organizations and particularly government bodies will only do business with other organizations or contractors who, at a minimum, have ISO 9000 certification.
- **Reduced Costs of Due Diligence**
There is normally a lot of time and effort (and therefore expense) in collecting and providing evidence for due diligence when replying to a tender. Being able to simply supply evidence of certifications to one or more of the various management systems may significantly reduce that effort and expense.
- **Competitive Advantage**
Once you achieve, for example, ISO 9001 certification, you can advertise your quality certification and respond to Requests For Quotes (RFQ) from companies that make ISO 9001 certification a “must-have”. ISO certifications are also internationally recognized and essentially elevate the certified organization to a “select” group – a group that has been independently assessed and certified as meeting some minimum requirements for its management system. It can therefore open up new markets you were virtually unable to do business with before your certification.
- **Improve Product and Service Quality and Consistency**
A well-designed and effectively implemented management system will standardize and ultimately improve the level of quality of the organization’s products and services thereby reducing customer complaints and hopefully, ultimately increasing customer satisfaction. Certification, through its requirement for regular review, assessment and associated continual improvement should further ensure this.
- **Understand your business better**
Implementing a certified management system will force you to identify and document your business processes and associated metrics which in turn will allow you to better control and manage business performance.
- **Continual Improvement**
Third party certification and review ensures systems and processes for continual improvement are implemented. The certification assessments themselves ensure areas of improvement are identified and captured and that a corrective and preventative action plan is implemented.
- **Corporate Mandate**
Many organizations implement management systems and seek certification for the purpose of exercising and reporting on operational due diligence
- **Focus Management and Employees**
The management system Standards (and many others) have a common core

requirement that objectives, metrics, procedures and other associated documentation be developed. This helps management and employees to be able to focus on the business and what's important. Yet, this isn't always the case - it's easy to lose focus over a period of time.

The requirement within the management systems for regular audit helps to maintain focus but a strategic decision to seek certification should mean a strategic project is created and therefore management and employee focus is really targeted.

The CONS

- **It does cost!**

Implementing a management system will force you to identify and document your business processes and associated metrics which in turn will allow you to better control and manage business performance. There is the initial internal costs to resource this exercise and then, if seeking certification, the cost for the initial assessment, the application fee, the annual fee and the ongoing surveillance audits.

The costs do vary to some degree based on the size of your organization and the agreed scope of the certification. Mostly this is relative to the number of auditing days that will be required.

As a rough guide, for a small to medium organization, the first year costs for ISO9001 certification may be around \$10K AUD. Note that certification to some of the other more specific Standards such as ISO/IEC 20000 are a little more expensive and that these costs DO NOT include any consultancy prior to the certification assessment regarding organization "readiness". Thereafter, surveillance audits may cost you around \$5-6K AUD per year.

There is benefit, both from a business and financial perspective, in taking an integrated management system approach if considering certification to more than one Standard.

- **It takes management commitment, an organizational change project and time.**

A certification exercise should be established and managed as an organizational change project. It will require considerable dedication and resources from across the business. To be successful you need to be sure all the key elements of a change program such as sponsorship, organizational readiness and capacity, communication, reinforcement, cultural fit, etc. have been considered and addressed.

- **Can we trust the "tick(s) in the box"?**

An interesting question considering the certifying body is in most cases being paid by the company seeking certification and the certifying body, like any other business, is after profit. Would a certifier perform a blinkered or less thorough

assessment of an organization just to retain their business? We would hope not, but having said that there are some checks and balances in place to minimize this risk such as the certifying bodies being subject to audit themselves. Most third party certifiers have at least one other organization that ensures that they follow and enforce proper quality standards on themselves and on the organizations they are certifying. In some cases this leads to “accreditation” of the certifier. Accreditation may be optional and there are no guarantees, but I suppose a higher level of assurance may be found in seeking accredited certifying bodies.

- **It is just a snapshot**

In general, and depending on the size of the organization and scope of the certification, the certifying body is on-site for a few days doing the initial certification assessment and even less time when they regularly return (usually every 6-12 months) to do surveillance audits. It is not possible for an auditor to check every aspect of an organization’s systems and processes, even if they wanted to be that thorough. Therefore, most auditors rely on checklists, as well as reviewing the organization’s documentation, to complete the audits. This assumes a high level of trust that may seem illogical for the job that is being done.

My approach is that I want to get true value out of these (costly) assessments rather than just a rubber stamp. The surveillance audit in particular is an opportunity for a fresh set of eyes to come in to the organization and identify potentially overlooked “areas for improvement”. Quite often I have also pointed the auditors to a known, chronic “area of concern” that has been identified internally many times before, but for whatever reason, has never been at the top of senior management’s priority list to resolve.

It’s amazing how much more traction you get when the same issue also appears on an external assessment report and has the potential to jeopardize certification (or re-certification)!

Conclusion

Certification to an international or Australian management system Standard has the “potential” to deliver on all of the “PRO” reasons above. But it is up to management and the organization itself to realize the potential. Many organizations only look at certification as a piece of paper or a tick in the box to maybe hold or capture a new client or which is used mainly as a marketing tool and therefore, they never obtain any of the true benefits of undertaking the process.

Many a time I have seen the “pre-audit rush” to prepare staff, fix documentation and unfortunately at times to “fix” records just in time for the audit. These are the organizations that don’t embrace the concept of quality through continual improvement. They don’t understand that continued customer satisfaction is the ultimate goal of a certified management system. Their focus is a piece of paper (the certificate) that claims “quality” or similar but in reality both the

organization and it's customer will see little, if any, actual quality or improvement. Why bother!

Implementation of a management system Standard and if valid, certification, is an investment that can return dividends but it is not guaranteed unless you put the effort into it. Take the time to ask the "Why and which one?" question and to consider the pros and cons as described above in the context of the organization in question.

In my experience I've found that if an organization has some form of management system framework in place, it is generally not that much extra effort to achieve certification.

Consider taking an integrated approach to the implementation and if warranted, certification of management systems. You will eliminate a siloed approach and the potential of multiple processes for e.g. security, quality and service management. This saves time and effort, therefore reducing cost.

So, let's avoid the "certification for certification sake" scenario as it offers no intrinsic value. However, if through analysis and review you find it does make business sense, it adds true business value and provides return-on-investment then maybe take on the challenge. It's actually not that difficult!

Jim Mackenzie is an ITIL V3 Expert, Six Sigma Black Belt, Prince2 practitioner and a Quality Lead Assessor. He has in-depth experience in integrated quality management system development, deployment and certification including ISO 9001, ISO/IEC 20000 and AS/NZS4801.

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