
Strategic Standardization

I *not only use all of the brains I have, but all I can borrow.*” This sage advice from Woodrow Wilson, 28th President of the US, points to one of the greatest values of standardization: knowledge sharing. By participating in standards setting activities, organizations have the opportunity to exchange knowledge about technological innovations, best practices, user requirements, and industry dynamics, often in ways unparalleled during other business activities. There are few opportunities, other than in standards setting activities, where businesses can participate in this type of knowledge sharing—especially with their competition. Based on this exchange, businesses *can* decrease development time by building on existing technology, design more effective marketing strategies, and spur innovation by bringing new ideas back into their organizations. “*Can*” here is the operative word. The problem is that most companies don’t have the strategies and processes in place to capture this information, act on it, and then reapply what they have learned back out to their standards setting activities. As a result, the valuable knowledge that can be gained by participating in the standards setting process remains locked within an individual or possibly their department, never achieving its full potential.

Why do corporations spend significant

money on standardization each year and fail to take advantage of one of its key benefits? Most organizations simply do not have a comprehensive standardization strategy. And, the select few that have such a strategy often do not integrate it into their business processes. The reality is that many companies continue to remain oblivious to much of their standards activities, even to the point of their own participants opposing each other either within the same SSO or unknowingly creating conflicting results in separate standards setting organizations. To truly capitalize on standardization and all of its benefits, companies must have a comprehensive standards strategy that is integrated into their business processes. Regardless of whether the majority of standardization decisions fall to individual departments or to a centralized standards department, it is essential that standardization activities be driven by a comprehensive company strategy.

How should a company develop such a strategy and, once it is developed, what is the best way to implement it? To answer these questions, we go back to Woodrow Wilson’s advice and begin by borrowing the brains, thoughts, and ideas of others. In this section, experts in the ICT industry share their advice on creating and implementing effective standardization strate-

gies. While you may not agree with everything they say, their experiences provide a good starting point for developing and discussing your own standardization strategy and business process integration plan.

The section begins with Ray Alderman's market-level overview of where and how standardization fits into the two most prominent ICT markets: niche markets and commodity markets. Once you understand where your business competes most effectively and when standards come into play, the next step is to choose the right type of standardization tool depending on a company's situation and goals. Based on research conducted during the creation of Britain's National Standardization Strategic Framework, Stephen Munden of the British Standards Institution explains that "the right mix of innovation, cost, value, and standards...can change industry structure." In his article, Munden provides practical advice for selecting the right standardization tool for the right time. Along those same lines, Mike Smith of ISO discusses the standardization options available to organizations, with a particular emphasis on international standards.

Is a centralized standardization strategy appropriate for your organization or are standardization decisions best left to individual departments? For answers to this question, read Deepak Kamrani's article on "Innovation Strategy and Corporate Standards Management," which provides a view on centralized standards management from someone who works with numerous ICT companies to create and manage standards setting organizations. Don Deutsch, Oracle's Vice President of Standards Strategy and Architecture, shares his strategy for corporate standards management and provides advice for evaluating and selecting the most appropriate standardization venues in his articles.

Just how do the pros do it? Is Oracle's approach typical of other organizations? Andrew Updegrave of Lucash, Gesmer and Updegrave shares his survey on how standardization decisions are made by Hewlett Packard, Sun Microsystems, and a major non-technology company, along with the implications for standards setting organizations in his articles.

Regardless of what standardization decisions are made, the strategy itself must be integrated into business processes. By taking a look at geospatial standards, Dr. Carl Reed of the Open GIS Consortium examines how standardization strategies must not only be adopted into business practices to be successful, but must address the business context and the people involved as well.

No standards strategy today would be complete without addressing Open Source Software (OSS). John Terpstra discusses the role of standardization in making money from OSS and proposes that the law of diminishing returns, not open source, is the true enemy of proprietary software.

Finally, the debate over what constitutes an "open standard" continues to flourish. The decision to participate in open standards setting organizations or opt for those that limit participation will directly impact the speed and possibly the market perception of the resulting standard. Steve Zilles provides a comprehensive definition of "open standards" and proposes a new strategy for standardization—"mostly open."

In a recent survey, IDC found that standardization increased the speed of innovation, enabled market entry by new companies, and expanded markets.¹ And a Delphi study concluded that, "Standards have shifted into high gear, not only garnering attention from business buyers but more important, they are being seen as a mandate for competitive stature, cost effective IT and operational excellence."² With the recognition of standardization as such a powerful management tool, will your company continue to ignore their presence, relying on pockets of disconnected standards activities within the organization to determine your ability to compete in the international marketplace? Or, will you take a close look at your corporate goals, develop a comprehensive standardization strategy, and integrate that strategy into your business processes? The choice a company makes today will directly impact its ability to compete tomorrow.

¹ IDC, 2001, "Standardization: The Secret to IT Leverage," p.2.

² Delphi Group, June 2003, "The Value of Standards," p.4.