Draft 2016-10-06

A STRATEGY FOR STANDARDIZATION TO SUPPORT THE SERVICES SECTOR

Helping service providers and users to benefit from the European single market

Strategic Advisory Group on Services (SAGS)

Table of Contents

1.   Background and objective of this strategy

The world economy is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In Europe services account for 70% of the economic activity and a similar proportion of total employment. The services sector is therefore a key element contributing to the overall output and competitiveness of the European economy.

Traditionally standardization has mainly been associated to goods. The number of European standards in the area of services as well as the number of service sectors finding in standardization a strategic tool has increased in recent years; nevertheless, their number is still small in comparison to the total number of European standards and the economic importance of the service sector in Europe.

The lower development of European standards for services leads to missed opportunities for European service providers looking to offer their services across-borders. Service users from their side are also not able to benefit from a wider range of service offers.

The use of European standards can contribute to fostering cross-border trade as well as enhancing safety, quality and performance and ensuring the protection of consumers and the environment. Nevertheless, services is a relatively new field of standardization with a significant number of SMEs, and further effort is required to demonstrate how standardization can be used and its potential benefits. Awareness about service standardization is one of the fundamental issues that needs to be addressed.

This strategy is addressed to both service sector stakeholders and National Standards Bodies (NSBs) member of CEN. The main objectives are to:

- Increase awareness about service standardization and further engage with service stakeholders in order to better understand their needs and show them how they can benefit from European standardization in this area.
- Define a series of criteria that could help to identify priority sectors with higher potential to benefit from standardization.
- Reflect on how the European Standardization system can better respond to the needs of the service stakeholders taking also into account the privileged relation with ISO to deliver international solutions when required.

The strategy has been developed in the framework of the Joint Initiative on Standardisation (JIS)[1], and more concretely Action 12. Action 12 refers to encouraging the greater development and use of European service standards to help integrate Europe's service markets. The strategy also considers the Commission staff working document on European service standardization[2] published on 1 June 2016 as part of the Commission Standardisation package.

2.   Top trends affecting the service sector

The services sector encompasses many different areas of activity. The sector involves the supply of services to consumers and businesses and all the other sectors of the economy. Annex 1 provides a classification of business activities based on the NACE codes list.

---

[1] The Joint Initiative on Standardisation sets out a shared vision for European standardisation in order to take steps to better prioritise and modernise the current European standardisation system. Further information can be found in the Commission website

[2] SWD (2016) 186 final Commission Staff Working Document 'Tapping the potential of European service standards to help Europe's consumers and businesses' accompanying Commission Communication COM (2016) 358 final 'European standards for the 21st century'

The sector is going through a series of changes. There are a number of new and emerging trends such as technology, new business models and changing buyer patterns affecting the service sector in how services are being delivered and consumed. The rise of online and digital services has greatly changed how service providers interact with their customers and created openings for new challenger businesses. As buyer behaviour changes, with customers seeking more flexible and personalised services, so companies are looking to more adaptive business models in order to achieve and sustain competitive advantage.

Whilst service trends may be driven by the need of companies to meet market challenges, such as competition, globalisation or customer requirements, in some cases trends can also create new risks and threats. For example, concerns over data security and online fraud are increasing as more services have moved digital, online and to mobile apps. This creates challenges for companies in demonstrating to customers that they are credible and trust-worthy.

Four high-level trends can be identified that have had a major effect (and will continue to affect) on how services are designed, delivered, accessed and purchased. These are:

- Technology
- Buyer behaviour (customer/consumer patterns)
- New service (business) models
- Globalisation

Each of the four trends identified contain different sub-trends that may be closely related or interlinked. For example, globalisation of service has been accelerated by the evolution of the internet and e-commerce (technology), and new service models driven by changing buyer behaviour, by consumer demand or again technology.

Each trend has been expanded below with examples of known sub-trends. This can help better understand the risks and challenges facing both providers and buyers of services, and where standardisation could be developed.

2.1. Technology

More services, such as banking, are moving online, with the internet, mobile digital devices and smart phones changing the way customers and consumers access (and interact with) services. For businesses, digital technology and e-commerce offer opportunities for greater efficiency and competitive advantage but there are also risks of cyber threats and resilience issues.

The impact of technology, in particular digitalisation, has affected most service industry sectors across business to business, business to consumer and public services. However, some may be more impacted than others.

The ability to harness customer data has helped drive the growth in demand for aggregation and comparison services, online review websites and of 'market place' models such as Uber, Amazon and Airbnb. These multi-channel e-commerce services offer the benefits of more choice, flexibility and of personalisation for consumers but can be reliant on complex supply chains and partnerships with third-parties.

For consumers there may be concerns regarding personal data usage, over the reliability and integrity of information given on products and services, and heightened expectations of the quality of customer interaction with digital service providers.

Service companies are also utilising new software and hardware to deliver more integrated and efficient services. Service management tools, such as Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) systems, along with cloud-based services, can help businesses deliver more responsive services in the field. This, in particular, is affecting transport services, logistics, IT and telecoms on the ability to capture and harness 'Big Data' to support the real-time flow of information, securely.

The advent of Big Data, which has the potential to impact many industries, has itself given rise to new data analytics, management and handling (protection and privacy) services.

2.2. Buyer-behaviour (changing consumer patterns)

The emergence of new technologies has been a major factor in promoting competition in services. Buyer behaviour has also changed as customers look to interact with service providers in different ways and demand more flexible, accessible, tailored and collaborative service experiences.

Consumers in particular are becoming more informed, empowered and technology 'savvy' thanks in part to internet-based comparison services, online review sites and digital marketplaces. This has changed how people choose banking services, tourism and travel operators, utilities providers and entertainment services.

There have though been concerns regarding the quality and reliability of information on these types of online aggregation services and consumers need to trust that information on products or services is accurate and that their own data is safe and will not be exploited.

This might be an area where standards could promote better levels of transparency, disclosure and minimum requirements for data quality and protection.

As more business move towards digital services, so expectations as to the levels of customer experience, speed of service and the quality of interactions may also increase. Organisations are now offering more personalised services in order to differentiate themselves from competitors. In some sectors this indicates a move towards more customer-centric approaches and away from 'mass market' customer service. An example may be seen in how courier services, supermarkets and retailers offer the choice of one hour delivery windows to maximise customer convenience.

Services that are accessible and inclusive (that is, do not exclude or disadvantage consumers or businesses) may also provide reputational benefits for some organisations. Organisations may face challenges when designing and delivering these types of services such as a specific training gaps or in attracting top-down management buy in.

Buyers of services, business and consumers, are also seeking more collaborative service models and arrangements. For example, traditional vehicle hire/rental services have been challenged by car clubs and the likes of street car.

In the framework of the evolution of the buyer behaviour there is a need to also consider the safety of the user. Standardization is a powerful tool used for the safety of products and will have to evolve to take into account Product-Service Systems, new consumer behaviour such as C2C or collaborative service experiences.

2.3. New service (business) models

A more general trend can be seen in the shift by organisations to new business models such as 'servitisation' and collaboration with partner companies. For business services providers in particular evolving business models have become increasingly important to sustaining commercial advantage. This may be in order to diversify, reduce costs or improve customer focus.

'Servitisation' or Product-Service Systems (PSS), can take several forms but generally refers to the move by traditional product businesses, such as manufacturers, to service-based models often in response to customer demand or the need to increase competitiveness.

Examples of 'servitisation' include where products or equipment are no longer sold but leased to customers as part of service agreements (e.g. mobile phone contracts or IT hardware leasing). Alternatively, vehicles or central heating systems may be sold with long-term service packages added. A business advantage of the 'leasing' model may be seen in the ability to 'lock in' customers to contracts and from the customers' perspective to the potential to limit risks of breakdowns or significant expenditure.

Other examples of emerging business models can be seen with the increase in collaborative business relationships and service partnerships. Collaboration may be internal (between departments or divisions) or external (with suppliers, distributors or customers) and designed to reduce costs, improve service quality or innovation. Collaboration can frequently be driven by the requirement to meet changing customer expectations or provide end-to-end service experiences, customers may even be involved in the co-creation of some services.

Shared service models – where back office functions are centralised to improve efficiency and performance – are additionally becoming more common especially in large multi-national businesses.

For businesses making the journey from traditional business models to new agile service-oriented ones, challenges may exist such as skills and competency gaps, cultural barriers, issues with technical integration or operational management. Standards may be able to add value in assisting companies design, implement and operate new service models and 'servitisation'.

Effective management of collaborative relationships, including public services or road maintenance contracts, can help minimise disputes and avoid risk to the end-customers from poor service performance or lack of continuity when business relationships end.

2.4. Globalisation of services

Affecting both B2B and B2C markets, although perhaps more the former, is the continued globalisation in services supported by the rise in the internet-based models, digital business and e-commerce that can help facilitate cross-border trade and business transactions.

Businesses including consultancy, professional services, IT and financial services have continued to embrace globalisation in order to access new markets, customers and to grow their global footprint.

However this is not without problems or barriers and often both clients and providers struggle with achieving consistent service quality across different markets. Even established brands may struggle with providing confidence to customers in new territories without the ability to demonstrate quality against a recognised set of standards or performance metrics.

Outsourcing remains a key trend and, whether a strategic business decision (e.g. managed IT services) or part of a globalisation strategy, is frequently driven by the need to reduce cost and/or to access local skills or knowledge where expansion is not viable. However, when services are outsourced occasional poor-end customer experience may result. This could be a consequence of poor management of the responsibilities between the client and provider, of poor communication, knowledge management or poorly written service-level agreements. Legal and security risks may be increased in industries such as financial services where businesses may outsource specific regulated functions such as call centres.

Standards may be able to play a role in helping organisations to manage complex service relationships, global supply chains and service level agreements. For cross-border services, standards have the potential to reduce inefficiencies by setting common processes and terminologies for use in contracts, procurement frameworks and when helping set global performance metrics to foster transparency between suppliers and clients.

This may be the case both at a high-level and for individual service industries where specific framework approaches are needed.

A summary of the above mentioned trends and the possible benefit of standards in these areas can be found in the table below.

Table 1- Service trends and possible benefits of standards

General trend	Examples	Sectors affected	Possible Benefits (Risks and Opportunities)
Technology	- Digital - E-commerce - Online & mobile - Big Data - Comparison services - Service management tools	~All~	- Issues with trust & consumer protection (e.g. online fraud) - Data quality & reliability – lack of transparency - Increasing customer expectations as result of technology - Business risk (reputations) - Cyber threats - No standards for Big Data - Integration of services using CRM and ERP.

			• New skills and professions Possible role of standards: create trust and transparency, support new skills and competences needed
Consumer – buyer behaviour	• Targeted services to consumers needs • Personalisation • Services 'on demand' • Informed consumer	Retail services, regulated markets, digital market places (e.g. tourism, finance, media, health)	• Consumers empowered but some concerns with legitimacy of comparison & aggregation services • Greater focus for services to respond to different consumer needs • Rise of collaborative consumer e.g. Zipcar • Personalisation requires availability/access to data. • consumer protection Possible role of standards: consumer protection, minimum requirements in relation to data quality and protection, transparency, reliability of information
Service (business) models	• Servitisation and PSS • Shared Services • Collaboration • 'Co-creation' of services with customers • Need for agile models	Industrial, manufacturing, automotive, telecoms, public services, retail (all)	• Organisational challenges moving to Product-Service Systems & servitisation • Skills & competency gap • Cultural & commercial issues inhibit effective business collaboration • Challenges of industrialisation of customer service and customer experience • Outcomes-based contracting Possible role of standards: assist companies to design, implement and operate new business models and servitisation, support new skills and competences needed
Globalisation of service	• Internationalisation • Outsourcing	Business services (e.g. consulting) & retail or hospitality (brands)	• Clients & providers may want consistency of service and continuity across different markets • Poor end-customer service may result from management of outsourcing • Managing complex supply chains & risks e.g. regulatory or customer • Outsourced customers want flexibility and options Possible role of standards: help manage complex service relationships, global supply chains or service agreements, facilitate access to new markets

3. Types of standards for services

While many service providers already rely upon standards to help them grow their business, access new markets and adapt to changes, some are missing out. The review of existing service standards shows the variety of standards that can support service sectors and points out the need of promotion and a better understanding to allow cross fertilization.

A typology of different standards for services can be found below. It shows the approach that can be followed and fields that can be covered by standardization in support of service activities:

- Service description
- Service evaluation
- Service providers
- Organizational standards
- Products and technologies supporting service provision

It has to be noticed that a standard can cover a single aspect, e.g. service description, or cover several ones, e.g. service description and evaluation. An example of a standard covering different aspects is EN 15838[3] on customer contact centres that covers management strategy and policy, processes, requirements for contact centre agents, requirements for Infrastructure, customer satisfaction, social responsibility, key performance indicators (KPIs) and best practices.

Standardization offers stakeholders the opportunity to focus on specific needs that can be based on the service lifecycle, technological or organizational aspects, market specificities or external influences (societal or related to regulations….)

CEN Guide 15[4] gives support and guidance in the process of preparing a proposal and drafting a service standard. The guide includes a proposed service life cycle and facilitates the identification of potential contents to be included in a service standard. Possible contents can be related to who is performing the service, to whom, what is the content of the service, where and how.

Figure 1 – Type of standards for services

Note: A more detailed graphic can be found in Annex 2

---

[3] EN 15838:2009 'Customer Contact Centres - Requirements for service provision'
[4] CEN Guide 15 'Guidance document for the development of service standards'

3.1. Service description standards

A service standard is defined by EN 45020[5] as a standard that specifies requirements to be fulfilled by a service, to establish its fitness for purpose. Standards describing the service are thus the most commonly understood type of service standard.

It should be highlighted that service description standards can cover one single aspect of the service life-cycle, e.g. EN 13269[6] for maintenance contracts, or can cover all or several aspects such as service terminology, service specifications as a whole or some specific aspects such as contracts or quality of services.

Service definition through terms and definitions are efficient tools for contracting and procurement, to be able to have a common understanding of a service activity (to know what is bought), to be able to use the right terminology in a contract and prevent misunderstandings and disputes.

Some examples of service description standards include EN 13306[7] on maintenance terminology, EN ISO 17100[8] on translation services or EN 15221-2[9] on Facility Management agreements. There are also examples of some national, European or International standards or work under development covering aspects applicable to several service sectors such as service excellence (CEN/TS 16880[10]), customer relationships[11] or e-reputation[12].

Figure 2 – The service lifecycle model
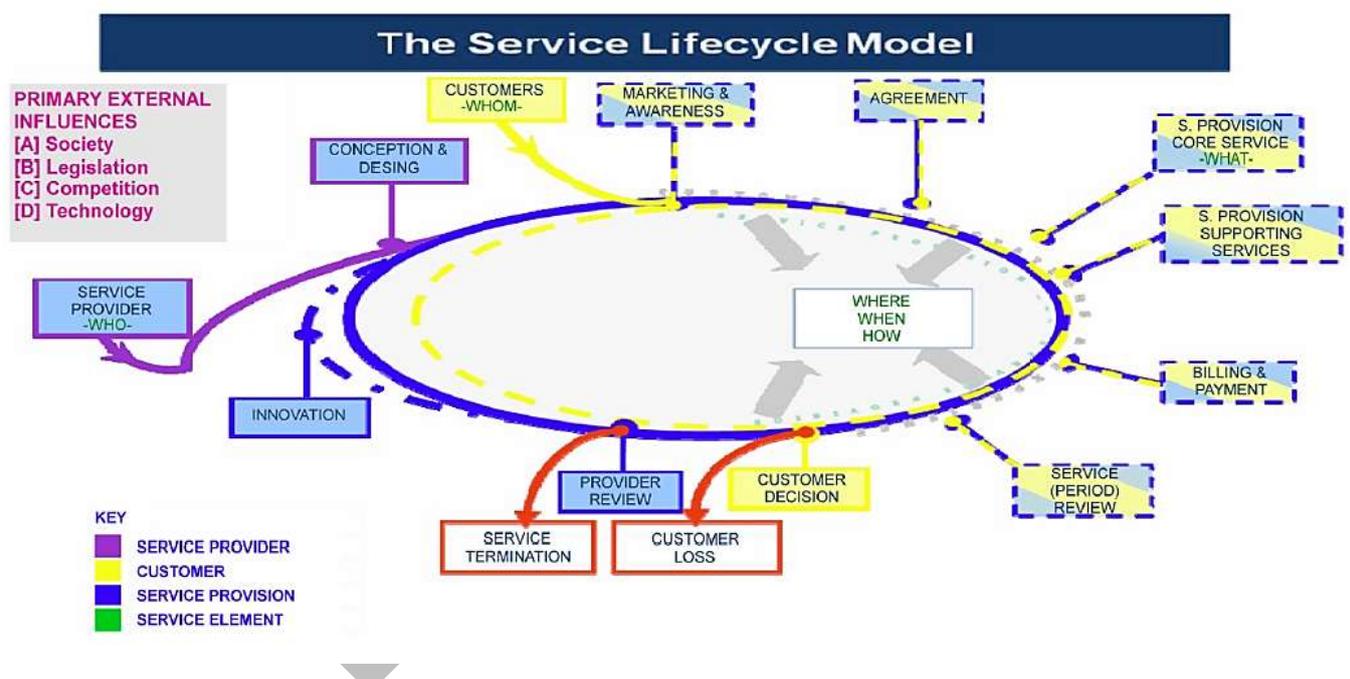
Source: CEN Guide 15 'Guidance document for the development of service standards'

---

[5] EN 45020:2006 'Standardization and related activities - General vocabulary (ISO/IEC Guide 2:2004)'
[6] EN 13269:2016 'Maintenance - Guideline on preparation of maintenance contracts'
[7] EN 13306:2010 'Maintenance - Maintenance terminology'
[8] EN ISO 17100:2015 'Translation Services - Requirements for translation services' (ISO 17100:2015)
[9] EN 15221-2:2006 'Facility Management - Part 2: Guidance on how to prepare Facility Management agreements'
[10] CEN/TS 16880:2015 'Service excellence - Creating outstanding customer experiences through service excellence'
[11] E.g. ISO 10001:2007 'Quality management -- Customer satisfaction -- Guidelines for codes of conduct for organizations' or ISO 10003:2007 'Quality management -- Customer satisfaction -- Guidelines for dispute resolution external to organizations'.
[12] ISO/TC 290 'Online reputation'

3.2. Service evaluation standards

Standards can describe Key Performance Indicators (KPIs) and other methods to test and measure service quality. There are only few standards in relation to service quality measurement or testing. This type of standard is not as developed in services as it is in the area of products.

Some examples of service evaluation standards include EN 15341 [13] on maintenance key performance indicators or EN 13850 [14] in relation to the measurement of quality of postal services.

EN 13816 [15] is a specific type of service evaluation standard as it establishes a framework to define, select the appropriate measurement method and measure quality of service in public passenger transport but does not establish specific quality requirements and leaves freedom to the organization to fix the appropriate level of service (performance parameters).

Note: In relation to conformity assessment, the EN ISO IEC 17000 standard series provides several generic standards for accreditation. Currently, the ISO/CASCO, which is the ISO Technical Committee responsible for conformity assessment, is developing a Technical Report [16] to provide further guidance and examples of certification schemes for services. In the examples foreseen, there is EN ISO 17100 on translation services.

3.3. Service providers

Standards can cover requirements on service providers in relation to the professional skills of organizations, companies, the persons performing the services or both. It is often a strategic point for the sector. Standards can also be used in relation to the professional competency framework, for education and continuous or in-service training. As many new activities come from the increasing focus on services in companies, the potential use of standards for in-service and continuous training is potentially important.

This type of standards aims to the recognition of skills and professions. Some examples of standards in this area include EN 15257 [17] on cathodic protection personnel or EN 15628 [18] on maintenance personnel.

3.4. Organizational standards

This type of standards covers standardization common to all stakeholders and organisations like management and management system standards (e.g. quality, risk, asset, and innovation management), process and operational requirements, safety requirements or societal responsibility requirements.

Drawing up branch-specific guidelines or standards on the implementation of quality management standards such as the EN ISO 9000 family can be of great help for specific service sectors and especially for small and medium size enterprises (SMEs).

Some examples of organizational standards are EN 15224 [19], which provides a general framework for the management of quality within the health care sector, including requirements for patient safety and management of clinical risks in the planning and management of processes, the future ISO 11000 on collaborative business relationships, ISO 19600 [20] on compliance management systems or EN 12798 [21] establishing additional requirements to EN ISO 9001 for the transport of dangerous goods.

---

[13] EN 15341:2007 'Maintenance - Maintenance Key Performance Indicators'
[14] EN 13850:2012 'Postal Services - Quality of Services - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail'
[15] EN 13816:2002 'Transportation - Logistics and services - Public passenger transport - Service quality definition, targeting and measurement'
[16] Future ISO/IEC TR 17028 'Conformity assessment -- Example of a certification scheme for services'
[17] EN 15257:2006 'Cathodic protection - Competence levels and certification of cathodic protection personnel'
[18] EN 15628:2014 'Maintenance - Qualification of maintenance personnel'
[19] EN 15224:2012 'Health care services - Quality management systems - Requirements based on EN ISO 9001:2008'
[20] ISO 19600:2014 'Compliance management systems – Guidelines'
[21] EN 12798:2007 'Transport Quality Management System - Road, Rail and Inland navigation transport - Quality management system requirements to supplement EN ISO 9001 for the transport of dangerous goods with regard to safety'

3.5. Products and technologies supporting service provision

Standards can specify requirements or recommendations in relation to other elements that support the provision of services such as products needed in service provision, e.g. cars for emergency services or technologies used in services (bar codes).

Examples of standards supporting service provision are EN 15221-6[22] on space measurement in Facility Management or EN 13724[23] on apertures of private letter boxes.

4. Challenges in European services standardization

Standards for services can bring many benefits to service providers and users. Nevertheless, there are a series of challenges faced when developing standards in the area of services that need to be considered.
This clause identifies some of the most common challenges resulting from experience faced by the standardization system when collaborating with service sectors and how they are dealt with currently. It is important that both, service sectors stakeholders and standards bodies are aware about them in order to manage them properly from the start of every new project. CEN Guide 15[24] in conjunction with this clause, provides further detail in relation to these matters.

4.1. Diversity of the services market

Services play a role in almost every branch of the industry, with each branch having its own special market conditions and framework. This makes it sometimes difficult to reach a common understanding in services standardization. The fragmentation is increased by different cultures, market structures but also by information asymmetry. Therefore, it is necessary to "map" the structure of the services sector in order to address the service sectors properly and to finally meet the potential standardisation needs of the service sector and consumers.

4.2. Special aspects of the services industry

Considering the breadth and heterogeneity of the services sector, achieving a balanced representation of all stakeholders in the standardization work can be a challenge especially on horizontal aspects. Many companies in the services sector are small and medium enterprises (SMEs) and even micro-businesses. Those companies have very few financial and personal resources for participating in the standardization process. The time and commitment required for creating standards may be too demanding or the technical capabilities may be limited. Also the language barrier might impede the active work in European standards committees.

Another aspect is on expertise identification as research centres, laboratories or research programmes are not as well defined, structured and linked to standardization in services as for products innovation.

Many service organisations and professionals are new to standardisation and have limited experience in developing standards. Also the formal standards development process creates its own challenges for the stakeholder in relation to the time to market, complexity and the process structure. Competitors in the market place could try to consolidate their competitive advantage by means of standardization without giving up any of their sectoral claims which may hamper achieving a consensus based standard. Finally, for some services which only operate on the local market, European standards seem to be of less interest.

Especially SMEs need simple and brief guidelines to support their business (see CEN-CENELEC Guide 17[25]). The standards shall not be overly prescriptive to create barriers to implementation and stifle innovation. The standard should be developed considering the think small first principle. The level and complexity of a

---

[22] EN 15221-6:2011 'Facility Management - Part 6: Area and Space Measurement in Facility Management'
[23] EN 13724:2013 'Postal services - Apertures of private letter boxes and letter plates - Requirements and test methods'
[24] CEN Guide 15 'Guidance document for the development of service standards', 1 February 2012
[25] CEN-CENELEC Guide 17 'Guidance for writing standards taking into account micro, small and medium-sized enterprises (SMEs) needs'

standard must avoid difficulties in understanding or interpreting the standard. The choice of the type of standard (see clause 3) and the development of a single standard or a standards package must fit to the standardization demand of the market.

4.3. National regulations and framework conditions

The regulations and framework conditions within the EU Member States vary greatly in breadth and depth. Where appropriate, services standards can supplement the relevant legislation, but may not contradict them. Legislative provisions always take precedence over voluntary standards. Nevertheless, confusion often exists in terms of the difference between standards and regulations. Particularly when the quality requirements laid down in services standards conflict with the established requirements of professional regulations.

However, those Member States who do not yet have any legislative or normative regulations may be interested in using European standardization to achieve at least a minimum level of quality. These efforts often conflict with stricter national laws in other countries, who are in turn concerned about the introduction of legal uncertainty through such standards initiatives. This applies especially to the field of vocational training and professional qualification. It might be a challenge to demonstrate that there is room for European standardization taking into account the situation of the national legislation in Europe, e.g. the legal regulation covers the basic interests and requirements for a service whereas the evaluation of environmental aspects of a service could be a task for standardization. A careful review of national and European legislation related to new proposed work can give a clear indication of the legal framework of the standardisation subject. Specifications of professional organizations, if available should also be considered as reference documents. Conflicts with national rules and regulations must be avoided wherever possible. In those cases where standards are developed in areas regulated at national level, CEN rules require to develop an informative annex (A-deviation) to inform the standard users of any contradiction between the provisions of the standard and the applicable national regulation in order to emphasize the precedence of regulations over the standards.

4.4. Individualisation and innovation of services

Service providers sometimes associate "standardization" with a corset that will stop them from innovating and customizing their services. The fear exists that service standardization reduces competition and innovation. Sometimes, it is also wrongly considered that it might eliminate differentiation and result in a situation with a uniform service allowing only price competition. These negative perceptions of the impact of standards reduce the willingness to commit to a standardization process. Therefore, it is important to explain the potential of standardization to facilitate market access by defining the state of the art and with that, a basic level of quality and safety of the service. This level can of course be exceeded by innovative services models.

Furthermore, the digital technology in connection with services creates both opportunities and challenges for the service standardization. On the one hand the value of standardized interfaces will increase in order to connect services with digital technologies. However, the speed of the emergence of new business models will ask for a very short standards development time or will even exclude standardization to perpetuate successful business models. Although CEN/CENELEC has already introduced new processes with shortened development times of standards, experts and Technical Committees will have to define work programmes and time scales in the future to fulfil the market needs of quickly available standards.

5. Criteria to identify sectors with potential for service standardization

Taking into account the above mentioned new service trends and challenges of European service standardization, this section describes a series of criteria or basic necessary conditions that need to be considered by economic operators, Standardization Bodies and other groups of interest to identify sectors with potential for service standardization. The application of these criteria will allow CEN to identify priority sectors with the biggest potential to benefits from the development and use of European Standards. CEN and its members would then engage with the identified sectors to further discuss whether there is market demand and support from the sector stakeholders for standardization. As a result, not all the 'a-priori' identified sectors may ultimately embark in the development of new European Standards.

The criteria are classified under five large categories:

- **Market relevance**, standardization shall always respond to a need of the economic operators.
- **Market organization**, the market conditions under which the sector is operating as well as the characteristics of the relevant stakeholders groups can either lever standardization or hold it back.
- **Standardization in the sector**, the existence or absence of formal standards, whether national, European or international but also private schemes, can be a driver or prevent standardization in the sector under consideration.
- **Public policy**, public policies related to the sector under consideration can promote or discourage standardization.
- **Other criteria**

Some of the criteria identified can be assessed, at least to a certain degree, by Standardization Bodies **before (preliminary assessment)** getting in contact with the representatives of a specific sector. They can serve as a starting point to identify sectors with potential to benefit from service standardization that can then be addressed to promote standardization. Such initial analysis shall be followed by a joint work with the sector stakeholders to further discuss the subject.

Other criteria, however, can be assessed only **when interacting (assessment with stakeholders)** with the relevant sector stakeholders.

Table 2 provides a summary of the different criteria identified and for which of them a preliminary assessment can be carried out. The order in which the criteria are listed does not imply a higher degree of importance.

Table 2 - Criteria to identify sectors with potential for service standardization

Criteria	Preliminary assessment is possible	Assessment is possible only with stakeholders
Market relevance		
Need or expressed market demand	✔	
Relevance & appropriateness for a European Standard		✔
Expected impact		✔
Societal dimension	✔	
Market organization		
Stakeholder support		✔
Cross-border or international dimension	✔	
Existence of European sectorial association	✔	
Market resources		✔
Market trends	✔	
Standardization in the sector		
Absence of European Standards for the sector	✔	
Proliferation of national standards on the same topic	✔	
Existence of successful national or international standard	✔	
Existence of an association good practice document or private schemes	✔	
Public policy		

Priority sector in European policies	✔	
Absence or existence of European legislation	✔	
Absence or existence of national legislation		✔
Other criteria		
Obstacles		✔

There are four criteria under these five categories that are considered **essential** for European standardization to take place. If they do not occur, standardization is likely not to be feasible. These might be seen as evident but their consideration shall not be underestimated. These criteria are:

- Need or expressed market demand
- Stakeholder´s support
- Cross-border or international dimension
- Market resources

While all the four criteria are fundamental for the success of any standardisation activity, the need or expressed market demand should be considered as a basic necessary condition that would determine sector's eligibility for further assessment.

5.1. Market relevance

a) Need or expressed market demand

This need or expressed market demand can be of very different nature but linked to the specific circumstances of the service at that moment in time. It can be a problem, a difficulty to be solved, a need identified by research, consumer concerns, etc. The need might be there and be clearly expressed. Nevertheless, the option to use European standardization to answer that need might have not been expressed.

Some examples of needs or issues that could be stakeholders' motivations to initiate European standardization are:

- to comply with customer requirements or even be ahead of them (clients, employees, market trends)
- to differentiate from other offers and increase market credibility, by demonstrating good practice / best practice including the possibility of certification as a legal requirement or a market demand
- to prevent unfair competition
- to avoid proliferation of different national schemes
- to organise activities in a sector lacking specific regulations
- to address the lack of specific qualifications of professionals in a given sector
- to respond to government initiatives or requests
- to support public policies or legislation in place
- to increase the comparability of services supplied by providers in different European countries
- to increase interoperability and compatibility
- to disseminate research results

b) Relevance and appropriateness of a European Standard

It should be checked whether European standardization is a relevant and appropriate means of addressing the needs of service stakeholders in that sector. European standardization should represent the most appropriate (best) means to address the identified issues. The issues to be addressed by the proposed standard should have a significant impact for service stakeholders.

It should be borne in mind that there could be alternative approaches preferable to a European Standard, in which case formal European standardization shall not be "forced"

c) Expected impact

This is an estimation of the expected impact of a European Standard. The first expected impact should be to address the need or expressed market demand. This is an assessment that shall be carried out in advance and it should also consider other potential impacts or negative signs, such as the creation of new technical barriers, for example, but also all groups of interest and all other dimensions (economic, society, environmental) shall be taken into account.

There will be an opportunity for standardization if the expected benefits outweigh the costs of the development and implementation.

d) Societal dimension

There are some society drivers that can create opportunities for standardization. Some examples are: mobility, population expectations, demographics, ethics or societal trends, society controversies (reputation, safety, scandals or other)

5.2. Market organization

a) Stakeholder support

There shall be a broad level of support for standards within the relevant stakeholders and a potential community of experts prepared to work together for a solution. There has to be at least an organisation willing to lead the standardisation process.

b) Cross-border or international dimension

For a European standard to be successful, it is necessary to have adequate stakeholder buy-in or a truly European wide market. Possible situations are that the service provider is located in one European country but provides the service in another country or the client travels to a European country where he/she does not live and contracts a local service. European sectors facing International competition can also foster European standardisation.

c) Existence of European sectorial association

The existence of a European association representing the relevant economic operators facilitates dialogue with the sector, understanding their needs, spreading the message of how standards can work for them as well as taking decisions and gathering support for any future standardization work.

d) Market resources

The market stakeholders shall be ready to sustain standardisation with the existing model for financing standards development. Similarly, there have to be institutional structures and capacity to support the development of European standards.

e) Market trends

New technologies or business models, innovation, new developments and new practices may have disrupted the sector and change the way in which services are being delivered to customers. It should be considered whether standards can offer a framework to enable innovation, promote confidence and support businesses in these situations.

5.3. Standardization in the sector

a) Absence of European Standards for the sector

The sectors that have already developed standards describing their core service provisions are not the primary objective of this strategy. They have reached their goals and, if necessary, can develop complementary standards using the same process.

This strategy is looking for sectors which have not yet got in contact with the European standardization system or they have been but from a different approach than "services standardisation".

b)   Proliferation of national standards on the same topic

The proliferation of national standards (in different countries) or private schemes on the same topic can create barriers to the free exchange of products and services and denote a need for harmonisation. It indicates that those countries have similar challenges or trends which can potentially indicate the need for generic or sector specific European service standards.

c)   Existence of a successful national or International standard

A national or International standard can also be used as a first step for the development of new a European standard. Consensus is reached at national level first, in one case, and if the standard is successful it can be decided to "upgrade it" whereas on the other case, the existing International standard is adopted as a European one to ensure harmonisation within the Single Market.

d)   Existence of an association good practices document or private schemes

European organizations might find it useful to convert their sectoral document into a European Standard for higher recognition and status. It will always depend very much on that association needs.

Similarly, well established certification schemes or quality marks neither developed within the formal standardization frame nor based on formal standards, can become the basis for a future European Standard.

5.4.   Public Policy

a)   Priority sector in European policies

Where public policy, for whatever reasons, points to one or more sectors or areas of activity as a priority for the coming years there is the opportunity for European standards to contribute to those sectors with tools that support the Single Market. It can be the need to ensure that a truly Single Market is in place, the need to foster the European economy or approach the social challenges such as unemployment, low levels of growth or inadequate levels of investment; to defend the consumer's rights or other. Sometimes, the policy document specifically calls for the development of European standards. Some key areas identified in recent European policies are: Digital Single Market Strategy, European Energy Union, Circular Economy Package, Single Market for road transport, Telecommunications, Business services, Retail, SMEs and start-ups, Consumers.

b)   Absence or existence of European legislation

Both, absence and existence of a European legal framework in a specific sector of activity can create circumstances in which service standardisation could deliver benefits. Usually, the total absence of regulation in a specific activity is the reason for undesirable market practices and the market players look for some kind of guidelines or best practices in the form of sectoral specifications or formal standards to organize the activity on a voluntary basis.

In line with the above, the Single Market Strategy tends to avoid excessively burdensome regulations that can be problematic, living room for the "self-regulation" of the sector through references of voluntary application.

European regulation of a sector, if it exists, already establishes rules for performance and there might not be a need for standards. In other cases, though, this same regulation calls for the development of voluntary standards supporting its implementation. An example of this is the Directive on postal services[26].

c)   Absence or existence of national legislation

In the case of sectors where there is not a clear or extensive harmonised European legal framework, there may be two possible national landscapes:

---

[26] Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service amended by Directive 2002/39/EC and Directive 2008/6/EC.

- A general absence of national legal frameworks which is always a favourable environment for standardisation, in principle, as it supports self-regulation, fair competition and gives tools, both to service providers to differentiate and be distinguished and their clients to make informed decisions.
- The proliferation of national legislations usually takes place in an uneven form extending the breach between countries. Voluntary European standards might be controversial in these cases. Some countries might be in favour of standardisation and others not, it will depend on the market and on the particular circumstances of the countries. To avoid a high number of A-deviations, strong attention should be payed to the national legislations.

5.5. Other aspects

a) Obstacles

Each sector of activity is unique, specific and particular in its internal processes and its interface with the client. In assessing the convenience for standardisation any factors or important consideration that could affect the development and acceptance of a European Standard shall be identified.

6. Action plan

This section outlines a series of actions that are intended to be carried out in 2017 and 2018[27] in order to reach the following four strategic objectives:

- Engagement and dialogue with service stakeholders
- Identify priority sectors to start a dialogue on standardization
- Engagement with International Standards Bodies (ISO)
- Modernising the European standardization system to meet the services sector needs

Some of the actions will be carried out on a continuous basis or will be initiated in 2017 and 2018 but go beyond this timeframe. A table with all the actions and their timeframes can be found in Table 3 below.

6.1. Engagement and dialogue with service stakeholders

One of the main objectives of this strategy is to further engage with businesses, public authorities, consumers and other service stakeholders in order to raise awareness about standardization for services and establish a permanent two-way dialogue.

Action 1 - Development of an awareness raising package containing targeted information material for different types of service stakeholders (businesses, public authorities, consumers…). Some elements that could be included in this package are:

- Information on the potential benefits of service standardization
- Information for newcomers on how standardization works and clarification on its financial model
- Information on the types of standards that can be developed in the area of services
- A centralised point gathering information on service standardization and information on European and national contacts

Action 2 - Provision of assistance to CEN members to increase their capacity to address the needs of service sectors in their countries. This will also include the further promotion of CEN Guide 15 on the development of service standards.

---

[27] Timeline aligned with JIS Action 12.

Action 3 - Aggregating market intelligence on emerging trends related to services by engaging with sector representatives and other relevant stakeholders and disseminating this information to CEN members to better understand and be able to meet evolving market and societal needs.

6.2. Identify priority sectors to start dialogue on standardization

A first identification of priority sectors and engagement with the sectors identified will be carried out in 2017 and 2018 in line with the Actions outlined below. Nevertheless, it should be taken into account that this exercise will need to be carried out on a regular basis in order to reassess and identify priority sectors considering the changing market situation or demand.

Action 4 – A first pre-selection of service sectors to which the criteria will be applied will be done on the basis of:

- a mapping of existing national service standards
- work carried out by National Standards Bodies, e.g. the German Standardization Roadmap for Services[28], where some sectors having potential for standardization have already been identified
- new trends affecting the service sector (see section 2)

The result of this Action will be a long list of sectors with the potential to benefit from European standardisation.

Action 5 – Application of the criteria (see section 5) to the long list of pre-selected sectors resulting from Action 4 in order to identify priority sectors. A methodology for applying the different criteria will be developed before they are applied. Annex 3 provides examples (not an exhaustive list) of some of the questions that would need to be answered when applying the criteria.

Action 6 – Contacting the priority sectors identified to have a discussion about the potential for standardization. It should be noted that not all sectors identified as priority sectors may finally embark on standardization.

6.3. Engagement with International Standards Bodies (ISO)

Action 7 - Coordinating actions with the ISO strategy on services and other relevant ISO or ISO-IEC bodies in order to ensure that the interests of European businesses and other stakeholders are also taken into account at international level.

6.4. Modernising the European Standardization system to meet the services sector needs

Action 8 – Assess the need to revise CEN Guide 15 'Guidance document for the development of service standards', which provides guidance on defining the structure of service standards and addressing the relevant service aspects.

Action 9 - Assess the need to revise CEN-CENELEC Internal Regulations Part 2 'Common Rules for Standardization Work' with regard to service standards and in line with the conclusions of the ISO services strategy.

Action 10 - Ensuring the service angle is taken on board on all relevant Joint Initiative on Standardisation (JIS) Actions. The JIS[29] was adopted in June 2016 and it encompasses 15 concrete actions. Action 12 is dedicated to standardization in the area of services, but there are also other actions where the consideration of service

---

[28] DIN-DKE, The German Standardization Roadmap for Services, version 1, January 2015
[29] The JIS sets out sets out a shared vision for European standardisation in order to take steps to better prioritise and modernise the current European standardisation system, raise awareness of the importance of standards and support European leadership and competitiveness at international level. Further information on the JIS can be found in the Commission website.

standards may be relevant, e.g. Action 1 Study on the economic and societal impacts and benefits of standards or Action 4 Improving of standardization awareness in national public authorities.

Table 3 – Overview of Strategic Objectives, Actions and timeframes

Strategic Objective	Timeframe
Engagement and dialogue with service stakeholders	
Action 1 - Development of an awareness raising package	2017
Action 2 - Provision of assistance to CEN members	2018 and beyond
Action 3 - Aggregating market intelligence on emerging trends related to services	2018 and beyond
Identify priority sectors to start dialogue on standardization	
Action 4 – First pre-selection of service sectors	2017
Action 5 – Application of the criteria to the long list of pre-selected sectors	2017
Action 6 – Contacting the priority sectors identified to have a discussion about the potential for standardization	2018
Engagement with International Standards Bodies (ISO)	
Action 7 - Coordinating actions with the ISO strategy on services	continuous
Modernising the European Standardization system to meet the services sector needs	
Action 8 – Assess the need to revise CEN Guide 15 'Guidance document for the development of service standards'	2018
Action 9 – Assess the need to revise the CEN-CENELEC Internal Regulations Part 2 'Common Rules for Standardization Work'	2018
Action 10 - Ensuring the service angle is taken on board on all relevant Joint Initiative on Standardisation (JIS) Actions	2017-2018 and beyond

7. Bibliography

- AFNOR, White Paper, 'How should services be standardized?', February 2015
- BSI and Circle Research, 2015
- Cebr, 'Future trends in UK Banking', February 2015
- CEN, CEN, Final report Phase 1 of Mandate M/517 for the programming and development of horizontal service standards, December 2014
- CEN Guide 15 'Guidance document for the development of service standards', 1 February 2012
- CEN-CENELEC Guide 17 'Guidance for writing standards taking into account micro, small and medium-sized enterprises (SMEs) needs', Edition 1, June 2010
- COM (2015) 550 final 'Upgrading the Single Market: more opportunities for people and business', 28 October 2015
- COM (2016) 358 final 'European standards for the 21st century', 1 June 2016
- Deloitte, 'Business Services Outlook 2015', 2015
- DIN-DKE, The German Standardization Roadmap for Services, version 1, January 2015
- Ecorys, Study on business-related services, 12 December 2012
- Expert Panel for the Review of the European Standardization System (EXPRESS), 'Standardization for a competitive and innovative Europe: a vision for 2020', February 2010
- FinTech Futures, 'The UK as a World Leader in Financial Technologies', 2015
- High-Level Group on Business Services, Final report, April 2014
- Institute of Customer Service, 'Customer Service Trends for 2015', 2016
- ISO Strategy for service standardization, 2016
- SWD (2016) 186 final Commission Staff Working Document 'Tapping the potential of European service standards to help Europe's consumers and businesses', 1 June 2016
- Technopolis, 'Study on the implementation of service standards and their impact on service providers and users', 24 January 2012
- 451 Research, 2016 Trends in Services Providers

Annex 1- Classification of business activities[30]

Agriculture, forestry and fishing
Crop and animal production, hunting and related service activities
Forestry and logging
Fishing and aquaculture

Mining and quarrying
Mining of coal and lignite
Extraction of crude petroleum and natural gas
Mining of metal ores
Other mining and quarrying
Mining support service activities

Manufacturing
Manufacture of food products
Manufacture of beverages
Manufacture of tobacco products
Manufacture of textiles
Manufacture of wearing apparel
Manufacture of leather and related products
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
Manufacture of paper and paper products
Printing and reproduction of recorded media
Manufacture of coke and refined petroleum products
Manufacture of chemicals and chemical products
Manufacture of basic pharmaceutical products and pharmaceutical preparations
Manufacture of rubber and plastic products
Manufacture of other non-metallic mineral products
Manufacture of basic metals
Manufacture of fabricated metal products, except machinery and equipment
Manufacture of computer, electronic and optical products
Manufacture of electrical equipment
Manufacture of machinery and equipment n.e.c.
Manufacture of motor vehicles, trailers and semi-trailers
Manufacture of other transport equipment
Manufacture of furniture
Other manufacturing
Repair and installation of machinery and equipment

Electricity, gas, steam and air conditioning supply
Electricity, gas, steam and air conditioning supply

Water supply; sewerage, waste management and remediation activities
Water collection, treatment and supply
Sewerage
Waste collection, treatment and disposal activities; materials recovery

---

[30] This classification was originally prepared and used in a survey carried out in the context of Mandate M/517 'Mandate addressed to CEN, CENELEC and ETSI for the programming and development of horizontal service standards'. The classification was developed from the NACE codes list, simplifying the options to make it practicable. It includes all the main Sections and the two digits headings of each Section.

Remediation activities and other waste management services

Construction
Construction of buildings
Civil engineering
Specialized construction activities

Wholesale and retail trade; repair of motor vehicles and motorcycles
Wholesale and retail trade and repair of motor vehicles and motorcycles
Wholesale trade, except of motor vehicles and motorcycles
Retail trade, except of motor vehicles and motorcycles

Transportation and storage
Land transport and transport via pipelines
Water transport
Air transport
Warehousing and support activities for transportation
Postal and courier activities

Accommodation and food service activities
Accommodation
Food and beverage service activities

Information and communication
Publishing activities
Motion picture, video and television program production, sound recording and music publishing activities
Programming and broadcasting activities
Telecommunications
Computer programming, consultancy and related activities
Information service activities

Financial and insurance activities
Financial service activities, except insurance and pension funding
Insurance, reinsurance and pension funding, except compulsory social security
Activities auxiliary to financial services and insurance activities

Real estate activities
Real estate activities

Professional, scientific and technical activities
Legal and accounting activities
Activities of head offices; management consultancy activities
Architectural and engineering activities; technical testing and analysis
Scientific research and development
Advertising and market research
Other professional, scientific and technical activities
Veterinary activities

Administrative and support service activities
Rental and leasing activities
Employment activities
Travel agency, tour operator reservation service and related activities
Security and investigation activities

Services to buildings and landscape activities
Office administrative, office support and other business support activities

Public administration and defense, compulsory social security
Public administration
Compulsory social security
Education
Educational services

Human health and social work activities
Human health activities
Residential care activities
Social work activities without accommodation

Arts, entertainment and recreation
Creative, arts and entertainment activities
Libraries, archives, museums and other cultural activities
Gambling and betting activities
Sports activities and amusement and recreation activities

Other service activities
Activities of membership organizations
Repair of computers and personal and household goods
Other personal service activities

Annex 2 –Types of standards for services
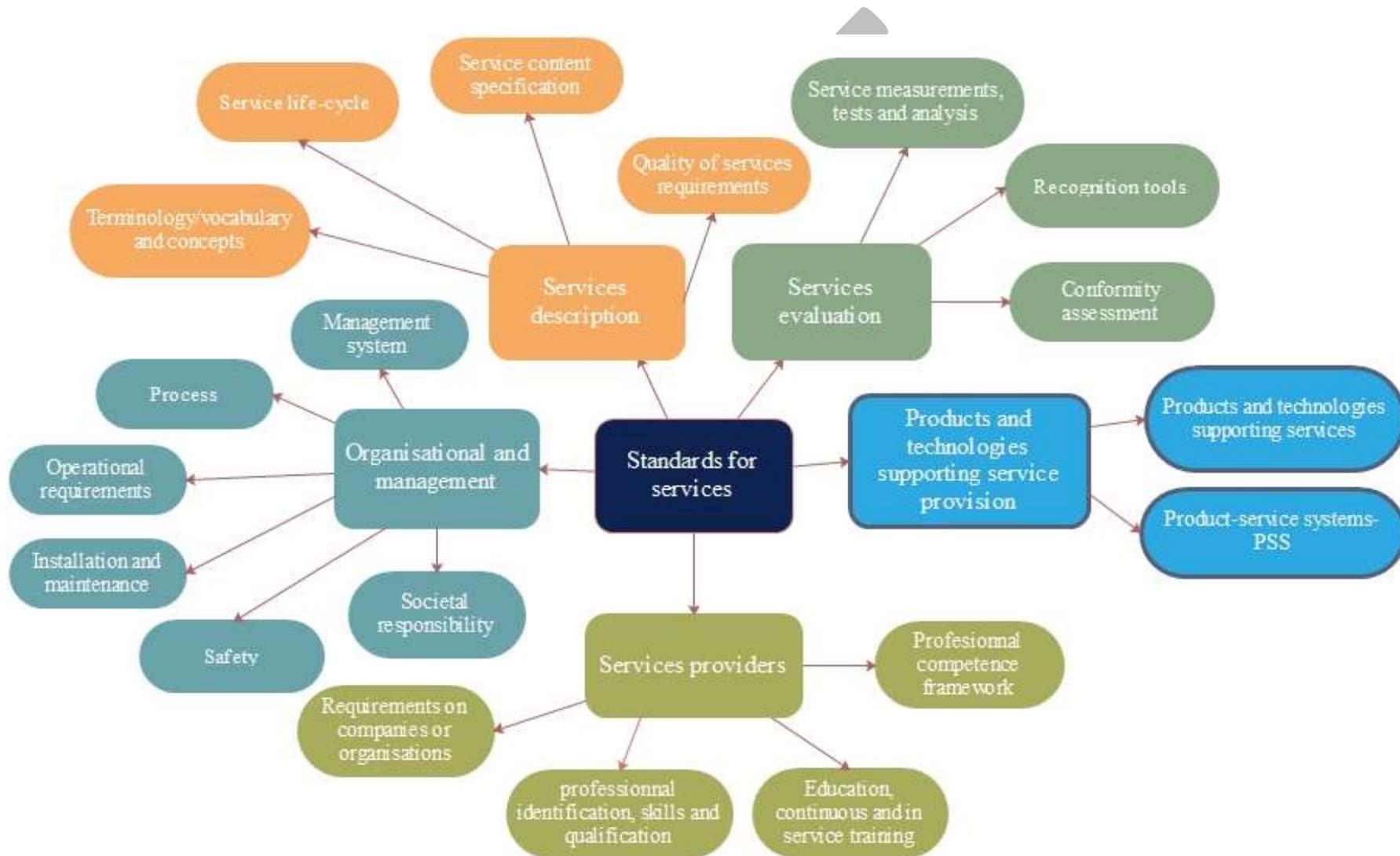
Annex 3- Examples of questions to be answered under some of the criteria included in section 5

This Annex provides some examples of some of the questions that would need to be answered in relation to some of the criteria specified in clause 5. This is neither an exhaustive nor a definitive list of questions. The questions are provided as an example to help the readers understand the issues that will be considered when identifying priority sectors.

Need or expressed market demand
- Are there expressed or anticipated needs of market participants which a possible European standard could address? - How important would these needs be for the market performance? - Are there problems (experienced or anticipated) reported by market participants which a possible European Standard could address? - What are the scale and the scope of these problems? - Which stakeholders would mainly be affected by the possible standard?

Expected impact
- What outcomes could a European Standard achieve, in particular for service providers and service recipients? - Would a European standard help address any of the most important challenges faced by the services market participants such as, for example, improving their market positioning as well as internal performance, and improving the general functioning of the services market? - Would it help improve the performance and innovativeness of the service sector and hence improve its competitiveness? - What are the expected costs and benefits of the development and the implementation of a possible European Standard for the services sector and other relevant stakeholders? - Would there be an overall net benefit also for the final user of a good or a service? - How would the standard affect operators of different size, in particular SMEs? - How would it affect consumers? - Would a European service standard add value to the existing situation? - Would it be in line with market developments, in particular address the growing links between services and manufacturing?

Stakeholders' support
- Would relevant stakeholders support and use the possible standard? Would they be willing to participate in its development? - Would the topic and the scope be relevant for civil society organisations? If yes, would they be willing and capable to be involved?

Market trends
- Has the sector or the area been identified in foresight studies and other research related to innovation as one where possible European standards could be developed?

Relevance & appropriateness for a European Standard
- Would a European Standard help address the identified sectoral problems? - Is a European standard the most appropriate means to achieve the policy objectives? Would a possible overall

net benefit of a standard be higher than for other solutions?

- Is there supporting evidence that existing similar (international, European or national) standards or other instruments helped address the same or similar issues?
- If so, are best practices available that could be integrated into a European service standard?
- Is there a risk that, although designed as voluntary, it would become de facto mandatory?
- Are there different means that could be used, including better mutual recognition?
- Are there conflicting national standards that would then have to be withdrawn if a European Standard is published making the conflict disappear?

Relevance for European policies

- Would the possible standard support EU policies?
- In particular, would it contribute to the development of the services Single Market in terms of its integration, e.g. by reducing or removing barriers to trade in services and making the cross-border provision of services easier?
- Would it help improve the transparency of the EU service market, including cross-border transparency, communication and/or interoperability, as well as the comparability of offers?
- Would it help comply with EU regulatory requirements?
- Would it contribute to better quality and/or safety of services provided in the EU, either by addressing the service quality directly or indirectly through allowing a service provider to streamline certain activities and reallocate resources to focus on their core activity area?
- Would it facilitate cross-border public procurement?
- Would it help achieve public policy objectives, such as protection of health, safety, or the environment?
- Would it support accessibility policies for persons with disabilities and older persons?

Other criteria

- Are there any specific factors that should be considered, such as legal or institutional? Would there be obstacles to the development and uptake of the possible standard?