

Chapter VII

How to Select the Best Platform for ICT Standards Development

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ABSTRACT

The chapter tries to provide the information that potential standards-setters should consider when selecting a standards setting body (SSB). It proposes classifications of both standards users and SSBs. The former focuses on users' strategies and business models, the latter describes SSBs' characteristics in different categories. The SSB that yields the best match should be given some preference, as it is likely to offer the most successful platform for the envisaged standardisation activity.

1 BACKGROUND AND MOTIVATION

These days, a web of SDOs (Standards Developing Organisations) operate at various geographical level. These include, for example, ISO¹ and ITU² at the global level, ETSI³ and PASC⁴ at regional level, and ANSI⁵ and BSI⁶ at the national level issue what is commonly referred to as 'de-jure' standards – although none of their standards have any regulatory power⁷. Likewise, a plethora of industry fora and consortia (a recent survey found more than 270 [ISSS 2008]), such as, e.g., the World Wide Web Consortium (W3C), the Organization

for the Advancement of Structured Information Standards (OASIS), or the Open Group, to name but a few of the longer standing ones, produce so-called 'de-facto' standards.

In addition, one may also distinguish between voluntary, regulatory, pro-active, reactive, public, industry, and proprietary standards; this list is by no means exhaustive.

As a result, there exists an almost impenetrable maze of what is generally referred to as 'standards', ranging from company specific rules, over regional and national regulations, up to globally accepted norms. As Andrew Tanenbaum put it:

"The nice thing about standards is that there are so many to choose from."

This highly complex structure implies that organisations wishing to become active in standards setting (for whichever reason) need to consider their options very carefully. For one, pros and cons of joining the standardisation bandwagon vs trying to push a proprietary solution need to be taken into account. Standards based products or services may imply price wars and lower revenues, but may also open new markets and widen the customer base. Offering a proprietary solution may yield (or keep, rather) a loyal customer base, but may also result in a technological lock-in and, eventually, marginalisation.

Once having decided to go for a standard, a firm normally (though not necessarily; sadly, trying to prevent the emergence of a standard may well be a motive, too) wants to make sure that the 'right' standard emerges. Yet, what exactly characterises the 'right', or at least a 'good' standard is far from being clear. Indeed, different companies may well have very different views here, largely depending on factors such as, e.g., their respective own technological base, corporate strategies, business models, etc. These determine the level of involvement in standards setting (an organisation wishing to create a new market in a certain domain is likely to adopt a different approach to standards setting than a company which only needs to gather advance intelligence for its business), and also the best platform for doing so (that is, the selected standards setting body's characteristics should be compatible with the company's goals). Standardisation may thus be seen as an interface between technical and non-technical (e.g. economic, organisational and even social) factors. Standards are not only rooted in technical deliberations, but also result from a process of social interactions between the stakeholders and also, probably most notably, reflect the economic interests of the major players.

The remainder of the chapter is organised as follows: The market for standards is discussed

in chapter 2, introducing the web of SSBs, and looking at the characteristics of the different types of standards users. Subsequently, chapter 3 introduces an approach towards a classification of SSBs. A more detailed discussion on the attributes of the different user categories is given in chapter 4. Finally, chapter 5 provides some concluding remarks

2 THE MARKET FOR STANDARDS

The setting of standards is based on supply and demand. The 'supply side' of standards, the Standards Setting Bodies⁸ (SSBs), tries to meet the requirements of the 'demand side', i.e., the standards users or, more generally, the market⁹.

As the requirements of the market change over time, the 'supply side' needs to dynamically adapt to these changing requirements. Such adaptations manifest themselves in various ways. Most prominently over the last couple of years, new forms of SSBs as well as new SSBs have emerged at a sometimes alarming speed (see e.g., [Cargill, 1995]). Likewise, the individual bodies have adapted (had to adapt) the products and services they offer, to accommodate the market needs. These adaptations will be discussed in the following sections.

2.1 The Network of Standards Setting Bodies

Over the last three decades, the proliferation of SSBs has lead to an extremely complex situation in the market for standards in the ICT ¹⁰ sector. Figures 1 and 2 give an impression of the situation in the seventies and today, respectively (both are not complete, though).

In addition to the new formal, and largely regional, SDOs (such as, e.g., ETSI, TTC, etc.) which have been established over the last decades, a considerable number of industry fora and consortia have been founded as well.

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