Inside CRN

Cover Story
Columns
CRN Special
Market Focus
VAR Zone
Market Scan
CRN Tech
Product Trailers
Shadow Ram

Archive

The ISO edge

The need for customer-centric services, market goodwill and transparent company policies is driving channel partners to go in for ISO certification.

By Sandhya Malhotra

In the present day scenario, all corporates, irrespective of their industry or team size, are challenged with the task of improving systems, processes and personnel to remain competitive in the rapidly changing business environment.

Solution providers and VARs also believe that in order to provide significant value to the customer they need to constantly improve as organizations. This success is contingent on the ability to service customers effectively and efficiently, and requires robust processes and rigorous quality standards.

That's why the quest to become an ISO 9001:2000 certified organization is rapidly becoming the most important quality standard for manufacturers, distributors and VARs. This is because it controls quality, saves money and helps to increase customer confidence in a company.

ISO has a universal appeal, and its new model released in 2000 is well suited to IT compared to the 1994 version. A need to provide quality service to the customer, improve performance and ensure that work processes remain uncluttered are among the other reasons that prompt companies to opt for an ISO certification.

These certifications/standards by themselves do not increase the profitability of the business, but over a period of time they do scale up goodwill for the organization and provide an edge over the competition.

What is ISO 9001:2000?

ISO 9001 is a set of rules that companies follow to ensure that they have the systems needed to meet their customers' needs. It involves accepting procedures, following them, and getting the same audited by an accredited registrar who, after satisfying himself (by examining the systems), will certify that the required standards are being followed. He will then grant certification.

According to S Ramachandran, a Chennai-based freelance consultant for ISO certification, "As the Indian economy is becoming increasingly global, it is forcing every business to bring more innovation into services. In India, awareness about ISO certification has been rising among industry verticals like hotels, hospitals, manufacturing, construction, IT and BPO…several PSUs have also jumped into this race."

Certification procedures

Becoming an ISO 9001-certified organization is not a very difficult task, even though it isn't easy either. Explaining the procedures of ISO 9001 certification Ramachandran says, "There are two phases of ISO 9001—documentation and certification. The documentation part can be done in-house or with the help of a consultant. Normally, every company takes the services of an experienced consultant to develop and introduce the system."

FEATURED STORIES >>

Oracle Unveils Architecture for SAP

Oracle today unveiled the Oracle Application Integration Architecture for SAP initiative, which is intended to extend Oracle's application integration offering to joint Oracle / SAP customers

5 Wireless Trends to Watch in 2008

Advancements in wireless are certain to take strong hold come 2008, but it won't just be a spate of new technologies or products that impact the airwaves

10 Predictions for Microsoft in 2008

2008 is going to be a whopper for Microsoft (NSDQ:MSFT) from a product release standpoint, with February's three-pronged megalaunch of Windows Server 2008, Visual Studio 2008, and SQL Server 2008 looming large on the horizon

CAST YOUR VOTE>>

Are remanufactured cartridges as good as the originals?

The certification is done by an agency accredited in this regard. The certification agency normally divides its activities into two parts: a documentation review, which may be done with or without visits to the client's work site, and a compliance audit, which is conducted at the client's work site.

There are several Indian and international certifying ISO bodies in the country. These include TUV Rheinland, TUV Sutherland, KPMG and BVQI (Bureau Veritas Quality Institute). After selecting the certifying body, the company has to give information to the body about the nature of its business, number of employees, and geographical presence. Depending on the size of the organization, an ISO certification can be obtained in 3-18 months after the process has begun.

Role of a consultant

All requirements of ISO are generic, and are intended to be applicable to all organizations regardless of their type, size and the product provided. Companies need to define, document and implement the requirements of the standard ISO 9001:2000 in order to get certified.

According to Ramachandran, "You could buy a copy of the ISO 9001 standards and attempt to do it yourself, but this will probably lead to higher costs and more time to achieve certification since you will also have to employ specialized people for the job who may become workless after the certification is achieved. Such people, being employees, may not enjoy the degree of freedom which a consultant would enjoy. You may achieve certification eventually, but your quality systems will probably not be as effective and efficient."

Comments Rajeev Arora of TQ Vision, who provides ISO consultancy to several government agencies, the Delhi police department, the government of Haryana and software companies, "ISO certification is a process-based cycle which includes Plan, Do, Check and Act. The role of any consultant is to scrutinize the records maintained by the organization, do the GAP analysis, and review the overall performance of every division of the organization. Auditing and certification are key tasks which an organization cannot do on its own."

Cost of certification

Arora gives an idea of the economics involved. "The cost of certification is determined by several factors such as the size and complexity of a company's operations, the number and location of its branches, the openness of its owners, and the type of standards to be implemented. The total cost in terms of fees for consultation for the initial certification usually does not exceed Rs 1 lakh."

Bangalore-based Infinite Computer Solutions, which went in for an ISO 9001:2000 certification in March 2002 and was re-certified in May 2005, used an external audit agency and spent an initial one-time amount of about Rs 6 lakh. Subsequently, about Rs 1 lakh a year was spent on the process. (The validity of the certification is for a period of three years, and the renewal costs are about Rs 6-8 lakh.)

Arora continues, "While introducing and implementing the standards, the consultants must train your staff as to how the standards are to be implemented on a day-to-day basis. One or more of your staff members is usually trained by consultants to conduct internal audits as per the requirements of ISO 9001. Or you could utilize the services of consultants to carry out the task."

Benefits to channel partners

Delhi-based Saket Kapoor, CEO of Green Vision, went in for an ISO certification as he believed that this step would help them in fine-tuning various processes involved in meeting customer needs and make them more efficient.

Prarthana Gupta, the CEO of Cache Technologies agrees. "In order to sustain the business for the long run, ISO certification is necessary for it does bring value addition and better business prospects to the organization. We are on the verge of obtaining ISO certification, and we assume that once we become an ISO-certified company we will service our customers with more efficiency and effectiveness."

Customer trust is very crucial for any business, and by being an ISO-certified company an organization can win the customer's trust more easily as compared to a non-certified company. Through ISO certification, a company could also add new business to its portfolio.

Commenting on the advantages of obtaining an ISO certification Kapoor says, "In terms of business we have grown at 100 percent after procuring ISO. It has helped us to manage our growth—especially the volume-end of the business—in a big way. When we tell our customers we are an ISO-certified organization they are confident of the processes we follow. This puts us at a level above the others."

ISO certification affirms the value of quality philosophies, policies and systems. It allows an organization to build quality within itself, and allows it to meet international standards at a relatively early stage of growth.

In the long run, ISO-certified companies enjoy enhanced customer and partner confidence, and this results in a competitive edge over non-certified companies. In turn, this translates into a positive impact on the company's bottom line.