

SURVEY

MAJOR STANDARDS PLAYERS TELL HOW THEY EVALUATE STANDARD SETTING ORGANIZATIONS

Andrew Updegrave

Abstract: *Three of the most active participants in standard setting today - Hewlett-Packard, Sun Microsystems and a major non-technology vendor company - reveal how they decide what organizations to join (and not join), and what standard setting organizations can do to better serve their members.*

I. Introduction:

If you were to create a database of the members of standard setting organizations (SSOs), you would find that some large IT companies are members of an astonishing number of such collaborative efforts - 150 or more. You might then want to ask questions like: How do IT companies like these decide in which organizations to become involved, and how do they monitor whether to stay involved? What can other companies learn from their more heavily invested peers, and what can the standard setting organizations themselves learn from these existing and potential members?

In order to find out the answers to these questions, we turned to the Directors of Standards of three of the most active participants in all types of SSOs. The companies surveyed include two of the most influential IT vendors in the world (**Hewlett-Packard** and **Sun Microsystems**) and, for balance, a non-technology vendor with over \$40 billion in 2002 revenues whose businesses are heavily dependent on technology, but is not itself principally a technology vendor. [The non-technology vendor company requested that its name not be disclosed, and is referred to below as "Company #3"].

II. Survey Methodology

Instructions The survey questions were intended to address several areas of inquiry and were grouped accordingly. Each respondent was permitted to decline answering questions where confidentiality or other concerns arose, but all three respondents answered almost every applicable question. Precision in numerical data was not required where exact data was unavailable or unduly burdensome to access.

Survey Participants Each company respondent has recognized the importance of standards and of coordinating its standard setting activities by appointing a Director of Standards, and each gave its Director of Standards permission to respond to the survey. The individual respondents are some of the most experienced standards experts in the IT industry; each has decades of experience in the world of technology and standard setting and speaks from a depth of experience gained through participation in many of the industry's most important SSOs. They are:

Hewlett-Packard: **James Bell** is the **Director of Standards and Industry Initiatives** for Hewlett-Packard Company. In that capacity, he is responsible for leading the development and execution of a focused strategy for effective, coordinated participation by HP businesses in industry consortia and standards organizations. He also represents HP on the Governing Board of The Open Group and serves on the Advisory Council and Advisory Board of the WorldWide Web Consortium. During 1995 and 1996,

he served for fifteen months as President and CEO of X/Open, President and CEO of the Open Software Foundation, and after their merger, President and CEO of The Open Group.

Sun Microsystems Carl Cargill is Sun's **Director of Standards**, and manages Sun's standardization strategies, activities, and portfolio. He has been directly involved in standardization for nearly twenty years, and has written widely (including two books) on standards topics. He has also testified before Congress on the topics of consortia in standardization and before joint hearings held by the Federal Trade Commission and the Department of Justice on the necessity for Royalty Free IPR rules for consortia. Among other standards organization positions, he serves on the W3C Advisory Board and the Board of Directors of the Open GIS Consortium, and is the Chairman of the Governing Body of The Open Group.

Company #3: Director of Standards [Requested not to disclose further details]

III. Summary Results

The notable results of the survey are below, grouped by topic and identified by letter in the same manner as the questions in the survey.

- For the complete company-by-company responses, see the [Appendix](#) at the end of this article.
- For an analysis of the data as it applies to the IT industry at large and the further evolution of standard setting, see the following article, [Darwin, Standards and Survival](#).

A. What is your level and manner of participation? While all three organizations are heavily invested in standard setting, both of the technology vendors participate far more heavily (by a factor of five) over the non-technology vendor (HP and Sun each being involved in 150 SSOs or more, while Company #3 is involved in only 25 to 30). This should not be surprising, since technology vendors need standards to create product opportunities, while non-technology vendors most often join SSOs in order to influence standards development for their particular businesses and learn how to deploy standards effectively. Such end-users of standards are also less likely to be interested in promoting the adoption of standards.

Both Sun and HP are frequently recruited by SSOs soliciting their financial and technical support, receiving as many as one serious solicitation per week (HP: approx. 40 per year; Sun: 1 per week average). These solicitations appear to be productive for both sides, since the likelihood of success in the recruiting effort is relatively high (HP gives serious consideration to about 20 SSOs a year, while Sun takes an active interest in about 12). In fact, HP is recruited by almost every organization that it joins (unless it is a founder). Sun, on the other hand, identifies about 50% of the organizations that it chooses to join before it is solicited, indicating a more proactive approach. Despite the size and prominence of Company #3, it joins SSOs as a result of solicitation only 15% of the time, indicating that SSOs may be neglecting recruitment opportunities in the end-user community (See responses to question C.3).

The likelihood of success in recruiting a given company, however, relies in part on its philosophical beliefs about how standard setting should be conducted. Both HP and Sun are responsive to newly formed SSOs, while Company #3 prefers to work with existing SSOs, in order to limit the proliferation of new, untested (and possibly redundant) organizations. This difference in opinion also surfaced when the questions turned to founding new SSOs. Both HP and Sun actively participate in founding new SSOs (HP: about 15 a year; Sun: about 3, with this number likely to rise in the future), and each is considering starting several new SSOs at this time. Company #3, on the other hand, is not likely to help found a new organization.

What leads a company to tackle the cost, effort and uncertainty of founding a new SSO, rather than look to an existing organization? Bell cites the need for "Focus, speed, and seeking members with shared objectives." Cargill offers three reasons: first is a bias against accredited SSOs (an opinion not expressed by the other two respondents), which he feels often compromise the integrity of results in order to achieve consensus. The second is the lack of an existing organization able, or willing, to undertake the project. He states the third reason candidly:

You can start an SSO to counter another SSO - not a nice thing, but sometimes politically expedient. This leads to standards wars, which can be ugly, however, and therefore this is a last resort.

Finally, Cargill notes a fourth alternative, which has become increasingly popular: starting an open source project, with no formal consortium structure at all.

B. What types of organizations do you join? All three organizations join all types of SSOs. Each participates in both consortia as well as accredited organizations, and each is involved in national, regional, and global organizations. Sun, for example, participates in both European and Asian regional organizations, as well as in accredited national bodies in Britain, Canada, Norway, Sweden and Ireland. Europe's strong efforts to create standards on a regional basis was clearly reflected in a question asking the respondent to give "notable examples" of regional bodies in which the respondent companies participate: Six European bodies were named, and three US organizations.

C. How do you make your decisions procedurally? While each company has centralized the process of participation approval to a degree, there are many variations in how the process is carried out. In the case of HP, business approval is needed before an application is considered by the standards office. At Sun central clearance is required, but Cargill indicates that it is difficult to enforce this rule. He estimates that 30% of the applications for new memberships escape central review. Like HP, the business decision to participate is made first (at the business unit level) before the approval of the central standards office is sought. At Company #3, new guidelines for evaluating SSO membership applications are now being reviewed. The guidelines "emphasize the need for a clear business case, management approval, legal review, and Standards Office coordination."

None of the three organizations have an overall policy guiding the types of organizations to join (e.g., by business area, type of organization, etc.), nor any formal checklist against which each organization is judged. At Sun, for example, the consideration of a new application by the standards office occurs on a case-by-case basis, with any identified concerns being resolved through discussion.

All three organizations indicate the need for an application for membership to be supported by a "champion" in order for it to be approved. At Sun, that champion usually needs to be a Vice President or a Senior Technical Fellow, representing an informal, but nonetheless effective, internal filtering process as a precondition for central approval.

Consensus was clearest on the question of intellectual property rights (IPR) policies, with each company giving IPR policies a careful review. The responses to the IPR question are worth noting verbatim:

Do you formally review an organization's IPR policy before joining?

- HP:** Yes, very carefully
- Sun:** Always, and in excruciating detail
- #3:** Yes, this is critical and a potential show-stopper

While the respondents uniformly require the central review and approval of new memberships, they are more relaxed on the subject of membership renewals. HP reviews renewals only if there have been major changes (e.g., to the organization's IPR policy), while Sun has no formal review policy for renewals. Company #3 notes that it is currently putting "an informal process in place" for vetting renewals on an annual basis.

D. How do you make your decisions qualitatively? Sun and HP responded to a question asking them to rank several specific reasons for joining (or, if necessary, founding) an SSO, but some of their evaluations varied significantly: while each ranked the absence of a standard or the need to promote a new business method or market as a strong motivator, HP ranked "ability to influence final standard" highly, and Sun did not. Similarly, while HP found concerns over the "wrong" standard, or the wrong companies setting a standard, as a motivating concern, Sun ranked both of these factors as being less important.

In the open-ended questions, each organization reported a surprisingly varied set of criteria which may lead it to join - or pass on - a given organization. Again, some of the responses are worth reproducing verbatim:

What are the three most important things that you look for in any standard setting organization in deciding whether to join?

- HP: Topic and goals; process and other members; cost effectiveness vis-à-vis alternatives
- Sun: Is someone going to commit engineering resources (we ask it three times)
- #3: Technical Relevance; IPR Policy; Political Viability (can it get the job done, or is it just a travel club?)

What are the three things that are most likely to make you decide not to join?

- HP: Same things
- Sun: Senior management approbation
- #3: Perception it is not really open; lack of IPR policy; Doubts that the standards produced will be timely

E. How important is standard setting to you? On a scale of 1 to 10 (most important), both HP and Sun gave participating in standard setting a "10," and Company #3 gave it a 9. Similarly, the companies ranked participation in organizations that "promote the adoption of standards and business models" 8, 8, and 9, respectively. When asked to rank the importance of SSOs to their companies now, in comparison to two years ago, HP and Company #3 both responded "greater," while Sun responded "much greater." The areas of their businesses to which they found standard setting to be most important, and the reasons why, were "Enterprise software business, because of complexity" (HP), and "Networking and remote computing - there currently are no standards" (Sun).

While the importance of standards and participation in standard setting was ranked as very high by all three organizations, only HP assigns a budget line item to this activity. However, both HP and Sun reported that amounts spent on standard setting participation had increased over the past several years (and by 10 - 15% per year, in the case of Sun). The recent economic downturn affected renewals and approvals of new memberships in the case of Company #3, but had only a "slight" impact on HP, and no reported effect on Sun's spending.

F. Which organizations do you view as being the best? Internet consortia were the clear winners in this category, with both Sun and Company #3 commending W3C, and Sun adding IETF, as being "highly effective." When asked to name "notable failures," Cargill's well-known low opinion of SDOs shone through, while the thoughtful answer of Company #3's Director of Standards was interesting: "The list of organizations that I have been disappointed in is long. I'm not sure how many I would describe as 'failures'...they just didn't do what I thought they should do."

G. What should consortia and SDOs know about how to get you to become a member? The respondents were unified when asked "What do consortia and/or SDOs do wrong that you most wish they would focus on improving?" All found various aspects of communication and marketing to be deficient. When asked what SSO's don't do, but should, Bell would have existing organizations provide a structure and process that would allow more to be done through existing SSOs, while Cargill wished that SSOs would take up the task of educating people about the need for standards.

Each of the respondents also had some more direct advice to the SSOs of which they are a member. Turning again to a specific question and the responses:

What agendas, if any, do you suspect standard setting organizations may sometimes have that you do not feel are in the best interests of their members?

- HP: Same things
- Sun: Senior management approbation
- #3: Perception it is not really open; lack of IPR policy; Doubts that the standards produced will be timely

The last question of the survey was an open one, inviting the respondents to offer any other messages to SSOs that they chose. The Standards Director of Company #3, who is a true believer in the importance of standards but has seen his share of shenanigans over the years, responded as follows:

*"If you're not open to all interested parties, you're not open...shame on you
If you're not in it for the common good... shame on you"*

Carl Cargill echoed the same sentiments in a different way, providing a fitting epilogue to this survey. In his response, he made this simple request:

"Cooperate with one another!"

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Appendix - Complete Survey Responses

A. Level and manner of participation

1. ***Approximately how many consortia and accredited organizations is your company currently a member of?***

HP: 150 Organizations with 750 working groups

Sun: We believe we belong to over 150, but we have no clear count. We are certain of 80.

#3: 25 - 30

2. ***About how many such organizations are you invited to join each year?***

HP: 40 (estimate)

Sun: About 12 per year

#3: We prefer to work within existing SDOs and consortia and limit the proliferation of new ones

3. ***Of that number, how many are you likely to give serious consideration to?***

HP: 20 (estimate)

Sun: We average about 1 per week that we know about. These consortia are the ones that are more formal than the "wouldn't it be nice" if you joined us variety

#3: Unknown

4. ***Do you ever participate in founding consortia? How Often?***

HP: Yes. Fifteen per year (estimate)

Sun: We participate in founding about 3 times a year; we anticipate that this will rise over time

#3: Unknown. Don't think so

5. ***Are you thinking of starting one at this time?***

HP: Several
Sun: We are thinking about starting 3 at this time
#3: No

6. *When you have founded consortia rather than looked to an existing SDO or consortium to meet a need, what has been the most frequent reason for doing so (e.g., no alternatives, alternatives too slow, alternatives not interested, etc.)*

HP: Focus, speed and seeking members with shared objectives
Sun: There are several different reasons for starting a consortium rather than joining an existing SSO.

Firstly, we (Sun) give very little consideration to SDOs, in large part because the rules are so arcane that we find that we get specifications with "maybe bits", rather than on/off bits. (possibly due to the fact that too many SDOs believe that a compromise where everyone is disenfranchised is a legitimate way to achieve "politically acceptable technical standardization". (Now there's an oxymoron)

The second reason is to achieve something for which there is no existing SSO that corresponds to the need we have at the time that we have the need - or something which is outside the charter of any of the existing SSOs.

Thirdly, you can start an SSO to counter another SSO - not a nice thing, but sometimes politically expedient. This leads to standards wars, which can be ugly, however, and therefore is a last resort.

Finally, you can go to open source, which is a non-consortium consortium.

#3: N/A

B. What types of organizations do you join?

1. *Do you have a preference for accredited organizations over consortia (or vice versa) or do you have no preference?*

HP: Varies by circumstance
Sun: The problem is, of course, the accreditation: by whom and for what end?
#3: The preference is for well defined, well-governed organizations that have clear procedures and policies (especially with respect to technical group processes and IPR policy)

2. *Are you active in regional organizations (e.g., the numerous European organizations) as well as global and US-based organizations?*

HP: Yes
Sun: We are active in European national, European and Asian regionals, as well as global consortium
#3: [No response]

3. *If so, please give some notable examples.*

HP: ETSI
Sun: We participate in ETSI, EICTA, CEN, CENELEC, ITI, ITIC, AEA, and others
#3: [No response]

4. *Do you join any accredited organizations in single countries other than the United States?*

HP: Yes
Sun: Yes. BSI; the Canadian and the Norwegian and Swedish national bodies, the Irish national body, as well as IEC and ITU-T

#3: [No response]

5. ***Is there a public list of organizations of which you are a member?***

HP: No

Sun: No, there is no public list

#3: No

C. **How do you make your decisions procedurally?**

1. ***How are standard setting organizations considered internally (e.g., does a business unit make its own decisions, do all decisions have to be cleared centrally, etc...)***

HP: Business approval first, then central clearance

Sun: Rumor has it that they are supposed to be cleared centrally, but that supposes that people read the instructions available on a web site. We get notified of about 70 percent of the joining because someone followed procedure, by word of mouth, by accident, or by luck (or because someone ratted)

#3: This is in transition. Guidelines for joining and participating in standards organizations have been drafted and are undergoing review. The guidelines emphasize the need for a clear business case, management approval, legal review, and Standards Office coordination.

2. ***Does an organization need a "champion" that must submit a business case in support of joining an organization? If not, how does an application proceed through your organization?***

HP: Yes

Sun: You bet they need a champion - usually a VP or senior technical fellow

#3: Yes

3. ***Do you identify most consortia that you join and approach them, or are you usually recruited by them?***

HP: Usually we are recruited by them, except where we are founders

Sun: It splits about 50-50

#3: My guess is 85% approached, and 15% recruited

4. ***Do you have a central policy regarding what organizations to join, and if so along what lines does it operate (e.g., will join in these sectors but not those, weight some sectors over others, and so on)?***

HP: No

Sun: It is case by case, not centralized. The business units make the decisions based on financial considerations

#3: There is a requirement that there be a clear business value to joining

5. ***Do you have a formal set of criteria for evaluating which consortia you will join, and against which you score candidate organizations?***

HP: No – Informal

Sun: No scoring – usually Kennedy-esque “jawboning” if we (the central group) have concerns

#3: No

6. ***Do you formally review an organization's IPR policy before joining?***

HP: Yes, very carefully

Sun: Always, and in excruciating detail

#3: Yes, this is a critical and potential show-stopper

7. Do you have a formal process for reviewing renewals of memberships?

HP: Only if there have been major changes (e.g. IP policy)

Sun: No, unfortunately

#3: No, but we are putting an informal process in place

8. If so, is that review annually or at another interval (and what interval?)

HP: Whenever there are major changes

Sun: [N/A]

#3: Annual

D. How do you make your decisions qualitatively?

1. What are the three most important things that you look for in any standard setting organization in deciding whether to join?

HP: Topic and goals; process and other members; cost effectiveness vis-à-vis alternatives

Sun: Is someone going to commit engineering resources (we ask it three times)

#3: Technical Relevance; IPR Policy, Political Viability (can it get the job done, or is just a travel club)

2. What are the three things that are most likely to make you decide not to join?

HP: Same things

Sun: Senior management approbation

#3: Perception it is not really open; lack of IPR policy; Doubts that the standards produced will be timely

3. If different, what are any different criteria that relate to whether or not you will renew a membership?

HP: Same, but default is renewal

Sun: Utility and current value to corporate goals

#3: [No response]

4. On a scale of 1 to 5 (most important) what factors might be most likely to cause you to join or start an organization:

HP:	<u>4</u> no standard	<u>5</u> promote a new method, market, etc...
	<u>4</u> wrong standard	<u>4</u> wrong companies setting standard
	<u>5</u> ability to influence final standard	<u> </u> other:

Sun:	<u>5</u> no standard	<u>4</u> promote a new method, market, etc,...
	<u>2</u> wrong standard	<u>3</u> wrong companies setting standard
	<u>1</u> ability to influence final standard	<u> </u> other:

#3: [No response]

E. How important is standard setting to you?

1. On a scale of 1 (not important to your business) to 10 (extremely important), how would you rank participation in standard setting organizations?

HP: 10

Sun: 10

#3: 9

2. ***On the same scale, how would you rank the importance to your company of participating in consortia that promote the adoption of standards and business models?***
- HP: 8
Sun: 8
#3: 9
3. ***Is the importance of standard setting organizations to your company felt to be greater, the same, or less than two years ago?***
- HP: Greater
Sun: Much greater
#3: Greater
4. ***For which areas of your business would you say standard setting is most important today? (and why?)***
- HP: Enterprise software business, because of complexity
Sun: Networking and remote computing - there currently are no standards
#3: [No response]
5. ***What groups spring to mind as being the most important to your business today? (and why?)***
- HP: Varies by topic
Sun: IETF, W3C, OMA, ETSI - Wireless and telecommunication
#3: W3C, IETF, JCP, OASIS, Liberty Alliance, OMA, M4IF, some INCITS committees
6. ***Do you, either institutionally or by business unit, have a budget line item for standards organization participation and support?***
- HP: Yes
Sun: No
#3: No
7. ***If so, would you be willing to share that number, or that number as a percentage of some other budget line item?***
- HP: No
Sun: N/A
#3: N/A
8. ***Has that number increased, stayed the same, or decreased over the last several years?***
- HP: Increased
Sun: Increased about 10-15 percent per year
#3: [No response]
9. ***Did the recent economic downturn cause you to view renewals and joining new organizations more critically?***
- HP: Slightly
Sun: No
#3: Greater
- F. **Which organizations do you view as being the best?**
1. ***What groups spring to mind as examples of organizations that you think are highly effective?***

HP: (This yields different lists based on the different dimensions of effectiveness)
Sun: W3C, IETF
#3: W3C

2. *What standard setting organizations spring to mind as notable failures?*

HP: (Same answer)
Sun: ISO, JTC1, IEEE
#3: The list of organizations that I have been disappointed in is long. I'm not sure how many I would describe as "failures"...they just didn't do what I thought they should do

G. What should consortia and SDOs know about how to get you to become a member?

1. *What do consortia and/or SDOs often do wrong that you most wish they would focus on improving?*

HP: Marketing/communications is a consistent weakness
Sun: Selling the benefits of membership to me as a company
#3: Fail to articulate and produce a clear value for their members

2. *What don't they do that you think they could, and should do?*

HP: Provide structure and processes eliminating pressure for so many new standards organizations
Sun: Educate people about the need for standards
#3: [No response]

3. *What agendas, if any, do you suspect standard setting organizations may sometimes have that you do not feel are in the best interests of their members?*

HP: Self preservation. Divergence of staff's and members' agendas
Sun: They want to continue living well past their "sell by" date
#3: SDOs - Too much focus on maintaining the status quo and protecting the "old boys" group privileges and bias
Consortia - Many only pretend to be open and industry-centric when they are actually very company-specific or cartel-specific

4. *What other messages would you like to deliver?*

HP: [No response]
Sun: Cooperate with one another
#3: If you're not open to all interested parties, you're not open...shame on you
If you're not in it for the common good... shame on you

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