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Nordic Innovation Centre

Exploiting the potential of Nordic internationalisation of services

The possibilities for Nordic service standardisation initiatives

SUMMARY REPORT

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Cover: iStockphoto
Printed by: Trykksakleverandøren AS
Layout by: Attention Reklamebyrå AS

Foreword

Contributing to well-functioning Nordic and European markets for services is one of the main priority areas for the Nordic Innovation Centre.

We consider standardisation as an important tool for ensuring free movement of services in Europe. Furthermore, it is our aim that the Nordic countries should be standard makers within service sectors, meaning that we should initiate and contribute to the development of European and international service standards.

We can not participate fully at international level in all cases and subsectors and for this reason, we should prioritise our involvement. Against this background, we have commissioned a study with the aim of selecting and defining those service sectors where standardisation can contribute to economic growth and internationalisation from a Nordic point of view.

Previously, we have initiated several standardisation and conformity assessment projects for the goods sectors. It is our ambition to take the same role within the service sectors.

Ivar H. Kristensen, Managing Director, Nordic Innovation Centre

Preface

The present study and report has been prepared by Oxford Research A/S for the Nordic Innovation Centre. The study forms a part of the project *"Nordic platforms for better trade in services"* initiated by the Nordic Innovation Centre. The project aims to contribute to a well-functioning market for trade in services within the Nordic countries and in Europe. This includes influencing and implementing EU policies and initiatives within the service sector.

Data gathering was carried out and the report prepared in the period between May and October 2008. Oxford Research would like to thank all of the interviewed stakeholders, and in particular the Nordic standardisation organisations, who have been most helpful during all stages of the research process.

The study is based on literature reviews, statistics and more than 100 personal interviews with standardisation organisations, industry associations, authorities, companies and other key stakeholders within the Nordic service sectors. To this are added interviews with the major European standardisation bodies and stakeholders.

Copenhagen, December 2008, Kim Møller, Henrik Mahncke,
Jakob Stoumann Jensen, Ole Bruun Jensen and Mette Slottved.

The full report may be downloaded from
www.nordicinnovation.net.

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Why a study on the **potential of Nordic** service standardisation initiatives

Nordic cooperation has proved to have benefitted the participating countries in several ways; economic, social and political. The free exchange of goods and the high levels of mobility among people within the region have created a unique framework for internationally oriented companies.

The Nordic economies are open and relatively small, and have traditionally been dependent on trade. As a result, these countries implement a clear policy working to promote the establishment of international agreements, regulations and standards that contribute towards opening up markets for goods and services.

The service sector is of increasing importance to the European and Nordic economies. Today, services account for 60-70% of GDP and employment within the majority of the EU and EFTA states. However, the service sector accounts for only 25% of all intra trade.

In addition, the availability of standards within the service sector is very poor in relation to the economic importance and potential of this area. However, standardisation is increasingly being used to support the development of the Internal Market for services.

The Services Directive was adopted in 2006 in order to achieve a genuine Internal Market in services by removing legal and administrative barriers to the development of service sector activities between member states. The directive notes how increased standardisation can bring about positive effects to the Internal Market for services, and the European Commission encourages *inter alia* member states and key stakeholders to initiate European service sector standardisation processes.

The Nordic countries should become involved in the development of European and international service standards so that they can contribute to the improvement of the Internal Market for services. Previously, Nordic cooperation has proved to be of great value in influencing and contributing to European standardisation of the tangible goods sectors. The Nordic countries have been frontrunners in the field of standardisation, most notably in the environmental and construction sectors.

The diversity and size of the service sector makes it impossible to participate fully at international level in all cases and subsectors. For this reason, the Nordic countries should prioritise their involvement in international standardisation work based on considerations of relevance, economic interests, existing international and national standards and indus-try needs.

Against this background, the Nordic Innovation Centre has commissioned a feasibility study with the aim of selecting and defining those service sectors where standardisation can contribute to economic growth and internationalisation of Nordic service provision. The study examines standardisation initiatives related to both 1) the potential of launching European or international service sector standardisation projects or the potential to influence and contribute to the development of ongoing European or international service sector standardisation, and 2) the potential of developing Nordic service sector standards in areas where there is currently no ongoing or planned European or international work in progress regarding service sector standardisation.

Standardisation in general

The use of standards has increased steadily through the 20th century, resulting in more than 1500 European standards being adopted in 2006 by the three European Standards Organisations: CEN, CENELEC and ETSI. The bulk of these standards are related to physical products, whereas only a small fraction is related to services.

In this study the following definition provided by the International Organization of Standardisation (ISO) is applied:

"standards are documented voluntary agreements containing technical specifications or other precise criteria to be used consistently as rules, guidelines, or definitions of characteristics, to ensure that materials, products, processes and services are fit for their purpose"

In order to ensure that standards are accepted and fit for their purpose the following four principles are followed in the preparation of standards; *Collective achievement on a neutral basis, Consensus, Publicity* and *Coherence.* Furthermore, when following the above principles the standardisation process will be a voluntary and consensus driven activity.

PROS AND CONS OF STANDARDISATION

Standardisation is an integral part of the EU's policies intended to promote the competitiveness of enterprises and to remove barriers to trade.

Standards are important to society since they bring with them both economic and more general benefits. The economic benefits of standards pass through various channels, all of which enhance the level of *competition, innovation,* and *efficiency* within the public and private sectors.

• **Competition:** standards enhance the transparency of the market by making it easier to compare products and services. This enables both producers and consumers to make more informed choices to their mutual benefit. Furthermore, the increased transparency of the market can strengthen consumer confidence, which in turn can lead to market expansion and the potential for increased trade.

• **Innovation:** by contributing to the standardisation process, research risks and development costs incurred by the organisations involved can be reduced. Further more, the prospect of becoming incorporated within a standard increases the incentive to carry out R&D in the first place. Standards also function effectively as a means of disseminating innovations and by making sure that new technology is actually applied.

• **Efficiency:** introducing standards lowers transactioncosts in the market in question. In particular, search and information costs are reduced due to the increased transparency of the market. Market efficiency is also improved since standards ensure that products and services are fit for purpose.

The benefits of standards are not only related to economic factors. Some of the greatest benefits relate to issues such as quality, the environment and safety.

There are some instances in which the introduction of standards is perceived to have negative effects. The most conventional arguments against the use of standards are that 1) they limit the diversity of products and services in the market, 2) standards can have a negative impact on the speed of innovation, and 3) the skewed access to and participation in the standardisation process means that major business enterprises dominate the standardisation process. In the main, these disadvantages do not relate to the real impacts of standards but merely to a lack of knowledge about standardisation.

Standardisation **within the service** sector

The highly heterogeneous nature of the service sector makes it more difficult to standardise in comparison with tangible products. Furthermore, services have a number of specific characteristics that can make the task of service standardisation somewhat complicated. The following five characteristics are specific to most kind of services:

- **services are intangible and contain a high level of information**
- **services are often produced and consumed simultaneously**
- **the consumer is often integrated in the service provision process**
- **human capital plays a pivotal role in the provision of services**
- **services are typically non-storable and non-durable.**

The vast majority of standards relate to tangible goods, but service sector standardisation is increasingly being used to support the development of the Internal Market for services. The most common areas for existing service sector standards are within:

- **Quality management**
- **Environmental management**
- **Safety management**
- **Working conditions**
- **Education**
- **Ethical standards**
- **Contractual standards**
- **Complaints handling**
- **Price regulations**

SOME CHALLENGES RELATED TO SERVICE STANDARDISATION

The use of standards is a strategic tool designed to promote competitiveness. However, in many cases, companies are not aware of the strategic advantages that the use of standards and their participation in standardisation work can have for their activities.

For business organisations, the uppermost hierarchical levels are for the most part positive towards service standardisation. However, as far as the regional and sectoral departments and associations are concerned, the standardisation of services is rarely on the agenda and seems to be assigned a relatively low priority. This is of course problematic since the industry organisations have an important stake in the development and implementation of welldefined and relevant service standards. It is therefore important to foster more emphasis and debate about standardisation at all levels within the industry organisations. Creating incentives, such as funding for initiatives including sectoral standardisation studies, workshops, and seminars within recommended sectors may contribute to this. By bringing the subject into the public domain for debate by means of articles in relevant newspapers and magazines may represent another and equally valid step.

A lack of knowledge about the strategic advantages of the use of standards applies particularly to service sector companies, and results in a low level of involvement and insufficient demand for service standards. This is probably due to the fact that standardisation is a relatively new phenomenon within the service sector. Much of the service standardisation work being carried out nationally and at European level is therefore focused on educating stakeholders about what service standardisation can do for them.

Service sector companies may have other needs than the established industries and thus have new demands in terms of the standardisation effort. One of the major challenges is without doubt to address the service industry's scepticism towards standardisation. The fear of losing their uniqueness is one reason for such scepticism.

Furthermore, the composition of the service industry represents a major challenge to the successful implementation of service standards. The service sector consists predominantly of small and medium sized enterprises (SMEs). Many of these SMEs choose not to participate in the standardisation process since the costs of doing so are prohibitive, especially for many minor companies that have limited resources not explicitly bound to their core activities. This means, most probably, that the major players within any given sector will dominate the service standardisation processes. The European Commission has recently commissioned several studies related to SMEs' participation in and access to standardisation processes.

Another challenge is linked to public sector procurement procedures. The service industry points to the problem that the value of standards and certification is not sufficiently acknowledged as part of public procurement procedures. Since these represent large and very important customers within many parts of the service sector market, it is of vital importance that public sector purchasers actually inquire after standardised services. If there is no demand for standardised services, there will be no incentive for service companies to implement such standards. In addition, the service industry stresses that the standardisation of public sector procurement procedures, for example in relation to tender materials, would be of great value to the companies.

THE SERVICES DIRECTIVE

An increasing awareness of the role of the service sector as a major component of modern economies led to one of the most intensely debated directives in the history of the EU – *Directive 2006/123 on services in the Internal Market*. The overall aim of the Directive is to achieve a genuine Internal Market for services by removing the legal and administrative barriers to the development of service sector activities conducted between member states. In its preamble, the Directive notes how increased European standardisation has the potential to bring about positive effects in terms of the transparency of the Internal Market for services and the level of quality of service provision. Furthermore, the Directive encourages member states to *inter alia* develop voluntary European standards with the aim of facilitating compatibility between services supplied by providers in different member states, information provided to the recipient, and the quality of service provision.

According to the preamble, European service standards will be drawn up by the European standards-setting bodies CEN, CENELEC and ETSI. Where appropriate, the European Commission may, in accordance with the procedures set out in Directive 98/34/EC, issue a mandate for the drafting of specific European standards.

The Services Directive has definitively spurred increased interest in the issue of the standardisation of services within the EU and the respective EU and EFTA states. Work currently being carried out at both the European Commission and CEN clearly indicates that a higher degree of standardisation within the service sector is a necessary stepping stone in the process of improving the smooth functioning of the Internal Market. As regards the influence of the Services Directive on the service standardisation process, views and opinions are mixed. Some stakeholders point to the role of the Directive in providing important encouragement to service standardisation, while others point out that it simply legitimises standardisation initiatives and does not contain any real incentives towards standardisation.

CEN are very positive about the increased focus on service standardisation, but also express doubts as to the impacts of the Services Directive. Among other things, they stress that the Directive's drafting process resulted in major uncertainties and the slowing down of standardisation processes within some service sectors:

CEN on the service directive

Andreea Gulacsi, Programme Manager for Innovation and Business Development at CEN
expresses the view that in the beginning the Services Directive slowed down the pace of service standardisation. During the drafting process, those who did not know whether their services were covered by the Directive or not were in fear of developing standards, thinking that they might be converted into regulations, if indeed they were ever taken up in the Directive. As a consequence, the CEN standardisation process has developed separately, but is both comple-mentary to and supportive of the Services Directive. The Directive has highlighted the service sector and mentions standard. However, it is too broad in its scope to be applicable in specific areas.

Maitane Olabarria, Programme Manager for Standards Development at CEN
stresses that the Services Directive has been valuable as a starting point for further discussion about service standardisation, and has helped national governments to recognise its importance. Furthermore, Maitane stresses that the Directive is very broad in its scope and that there is a need for more specialised work, for instance by means of standardisation, in order really to achieve its stated aims in respect of specific cases/sectors.

SERVICE STANDARDISATION INITIATIVES

At EU level

The use and knowledge of service standards was in its infancy in 2002. An exploratory study on *"Standardisation and the Service Sectors"* was initiated in 2002 and published in 2003. Its main conclusion was that the entire service sector standardisation process needed to be streamlined in order to adapt to the specific characteristics of the service sector. Areas in need of modification include the transparency of the standardisation process, the involvement of stakeholders, the price structure and the general level of information availability in respect of service standards.

An EC Communication on *"The role of European standardisation in the framework of European policies and legislation"*, produced in 2004 recognises that the availability of voluntary standards in the service sector is very poor in relation to the economic importance and potential of this area. In order to stimulate service standardisation, the European Commission has addressed six program-ming mandates to the European standardisation organisations. The majority of these six mandates have been directed at CEN. The two mandates most relevant for this study are M/340 and, in particular, M/371.

Programming mandate M/340 was issued in 2003. One of its main conclusions was that there existed an immediate need for a *European strategy for service standardisation.* Part of this strategy should involve creating awareness of the benefits of service standardisation within the different service sectors.

In 2005 CEN received the second programming mandate from the European Commission – Mandate M/371. This programme continued with the work set out in the Mandate 340/M programme, aiming at seeking out priority sectors, industries or processes where service standardisation could be employed.

A total of 11 feasibility projects have been selected.

NORDIC POTENTIAL

The M/371 mandate exhibits both *horizontal* and *vertical* aspects. The vertical aspect of the mandate concerns feasibility studies whose aim is to seek out priority sectors for service standardisation. The ten vertical feasibility studies are within the following sectors:

- **Consultancy engineering services**
- **Hospitality services**
- **Recruitment services**
- **Trade, maintenance and localisation of yachts and motor boats**
- **IT – outsourcing**
- **Outsourcing**
- **Accessibility services in transport and tourism**
- **Services for resident people**
- **Residential homes for elderly people**
- **Smart-house services for elderly and disabled people.**

The horizontal aspect of the M/371 mandate concerns a feasibility study named *CEN's Horizontal European Service Standardisation Strategy (CHESSS).* The CHESSS Initiative is an integrated program for generic service standardisation within CEN.

Some of the recommendations of the CHESSS study are, among others, to develop a *'Single generic European Service Standard'* and a *'Guidance document for the development of service standards'*, which will ease the future development of European services standards.

CEN currently intends to present the results of its feasibility projects to the European Commission and to explore the possibilities of convening a general conference on service standards by the end of 2009. The conference could assist in facilitating the implementation of many of CEN's recommendations. Specific future development initiatives related to individual recommendations will be handled on a case-by-case basis. Finally, CEN concludes that the organisation will consider stepping up its service standardisation work programme in the near future.

During September, October and November 2008 a further three CEN project committees have been established to address service standards. This provides a clear indication of the organisation's awareness and willingness to develop service standards. Those three projects committees are:

- **Services for sheltered housing for the elderly**
- **Airport and aviation security services**
- **Management Consultancy.**

At Nordic level

Service standardisation constitutes an important part of the national standardisation strategies for most of the Nordic countries. It is thus also a priority area for the national standardisation bodies. Furthermore, the strategies emphasise that it is of vital importance that resources are carefully channelled into areas that have special interest as seen from a national perspective, i.e., areas where individual countries have a special interest in influencing the standardisation work being carried out at international level.

Nordic collaboration on standardisation has consisted mainly of coordinating and harmonising interests within the international standardisation organisations. Collaboration has concerned itself for the most part with product standardisation, where as collaboration efforts directed towards service standards are still somewhat tentative. At present, there exist very few examples of Nordic service sector standards. The most notable example is the INSTA 800 standard for industrial cleaning.

An informal Nordic group assembled to address service standardisation was established in 2007, aiming at *inter alia* discussing and proposing service standardisation initiatives.

The study – Methodology and

recommendations with regard to sectors

The service sector is diverse and contains very different types of services and companies. This makes it impossible for the Nordic countries to become fully involved in all situations and subsectors at international level. In order to make a qualified selection and to define the specific sectors to be studied in depth, Oxford Research first chose to identify approximately 30 service subsectors, which 'apparently' seemed interesting from both a standardisation and a Nordic perspective. This preliminary selection was made by means of literature studies, a review of statistical data, and exploratory interviews with key European stakeholders such as CEN and DG Enterprise, and with the Nordic standardisation organisations. The figure on the following page provides an overview of the extensive selection process carried out as part of the study.

On the basis of both desk research and the interviews conducted with key sector stakeholders, eight sectors were selected for indepth studies. The selection was made by means of a ranking system by which the sectors were awarded between 1 and 5 points (where 1 is low and 5 is high) on the basis of the following selection criteria:

• **Economic potential:** the selected industries should have a minimum given volume in terms of turnover or employees, or a clear potential for the creation of future wealth.

• **Export/internationalisation potential:** there should be a realistic potential either for export or the internationalisation within the sector. Some sectors, such as sewage disposal, might be of strategic importance and have a certain economic volume, but have very restricted internationalisation potential.

• **Nordic relevance:** meaning that the sector shall be of special importance to the Nordic countries, based on such factors as history, cluster potential, strategic importance, labour issues, etc.

• **Level of standardisation:** meaning the levels of existing standardisation and standardisation initiatives, combined with relevant policies at the EU and national level that might constitute a natural point of departure for joint standardisation initiatives. In addition, various service sectors will have achieved different levels of "maturity" in respect of standardisation.

• **Industry needs:** meaning the need for and interest in service standardisation as expressed by the industry itself. The eight sectors that achieved the highest scores in the ranking system were:

- **Care of the elderly**
- **Energy**
- **Engineering consultancy**
- **Healthcare services**
- **Retail trade**
- **Security services**
- **Transport and logistics**
- **Tourism**

Overview of the selection process and methodology

From 200 to 8 service sectors

Screening of 200 specific service subsectors
Desk research, statistics, interviews with CEN, DG Enterprise, national standardisation bodies, etc.

Selection of 30 service sectors of preliminary interest
Selection criteria: economic potential, Nordic relevance, EU and national standardisation initiatives

Screening of 30 service sectors of special interest
Desk research, statistics, interview with 2 stakeholders from each of the sectors, interviews with CEN, DG Enterprise, national standardisation bodies, etc.

Selection of 8 sectors for case studies
Selection criteria: economic potential, Nordic relevance, export potential, level of standardisation, and industry needs

8 sectors case studies
Desk research, statistics, interview with 2 sector stakeholders from each country

Recommendations
on which potential sectors and areas should one focus future initiatives

Source: Oxford Research 2008

RECOMMENDATIONS WITH REGARD TO SECTORS

The development and implementation of standardisation initiatives will never be an easy or straightforward task within any of the sectors studied. However, some of the sectors do seem to have a greater potential and to be of greater interest in a Nordic perspective than others. For this reason, Oxford Research in particular recommends focusing future initiatives on the following four sectors:

- **Energy**
- **Healthcare services**
- **Security services**
- **Tourism**

Within these four sectors the industry (consulted stakeholders) has clearly expressed interest in standardisation initiatives and sees it as advantageous to adopt a joint approach. In addition, there seem to be very clear and tangible benefits of standardisation within these sectors.

It is important to stress that the selection process incorporates many qualitative assessments and, consequently, some uncertainties. It is clear that the four sectors should not be regarded as *the only* sectors with potential for standardisation initiatives.

In the next section we present a summary of each of the four selected sectors, each including recommendations for further action.

Selected case studies

ENERGY

The energy sector is of absolutely fundamental importance to the Nordic countries. The security and efficiency of energy supply has a major impact on our economies. An optimally effective and integrated Nordic energy market is required in order to guarantee future energy supplies. The high proportion of renewable sources involved in electricity production makes trade between the Nordic countries even more necessary.

The Energy sector is normally divided into three subsectors: electricity, gas, and steam/hot water supply. The electricity sector is by far the largest subsector within the Nordic energy sector, and is also the prime focus of this case study.

The Nordic electricity market is currently already one of the most integrated and harmonised energy markets in the world. The majority of the stakeholders consulted, including both industry associations and the authorities, see advantages in the further development of the electricity market. They also mention standardisation initiatives as possible means to this end. One of the clear advantages of standardisation initiatives within the electricity sector is the pre-existing tradition of cooperation, represented by the many forums and platforms already established, such as NordReg, Nordenergi and Nordpool, where Nordic energy issues are dealt with.

At the political level there is also a strong wish to continue with harmonisation initiatives. The Nordic Council of Ministers has repeatedly emphasised the importance of a borderless electricity market and is continuously launching harmonisation initiatives.

The potential for further standardisation initiatives lies in the retail market. Standardisation within the retail market will make it easier for retailers to establish themselves outside their domestic markets. This could lead to increased competition and equalisation of the significant price differences that currently exist within the Nordic retail market.

The interviewed stakeholders suggested further examination into the standardisation potential of the following:

• *Information and the technicalities related to price setting:* standardisations have the potential to be based on common rules for the retail sale of electricity, including activities such as pricing, the provision of notice of price changes, service information including the retail price, and potential and procedures in connection with change of supplier.

• *Labelling:* labelling of renewable energy sources and trading in certificates has the potential to contribute to the creation of a more flexible Nordic energy market. It provides countries with an opportunity to purchase green energy from each other, making them less dependent on variable weather conditions. In this way, the countries will still be able to retain their European obligations in respect of increasing renewable energy production, even during periods when domestic circumstances makes such increases impossible. Labelling of renewable energy sources could be applied in both the retail and wholesale markets.

Due to the unique nature of the integrated energy market, there seems to be potential for the development within the retail market of Nordic standards, which can at a later stage be used as tools with which to initiate and contribute to EU standardisation processes. Several of the interviewed stakeholders suggested this approach.

Service standardisation linked to the installation of new and intelligent electricity meters, together with enhanced procedures for the mutual recognition of the authorisations of electricians and electrical engineers represent other potential areas where standardisa-tions initiatives can be adopted. However, the practical application of intelligent electricity meters still appears to be some years ahead.

Energy related service provision is not included in the Services Directive, and at present there are no European standardisation initiatives planned. Further studies should look more deeply into the potential of 'exporting' Nordic standards within the electricity retail market to the European arena.

Possible standardisation initiatives recommended for consideration

In general, the standardisation potential appears to be greatest within the retail market. Within this area, it is recommended to look further in to the potential of the standardisation of:

- **Information and the technicalities related to price setting,** price changes, services included in the price, and the opportunities for change of supplier, and
- **labelling of sustainable energy** (both in the retail and wholesale markets)

Further studies should look more deeply into the potential of 'exporting' Nordic standards within the electricity retail market to the European arena

HEALTHCARE SERVICES

The major economic and social importance of the Nordic healthcare sector, combined with the potential linked to a higher degree of standardisation within the sector, makes the healthcare within the region an interesting case object deserving of further investigation. The case study focuses on primary healthcare services where both public and private sector providers are active. This involves services that are normally included in and provided by public sector healthcare systems, but which are also provided to an increasing degree by private sector providers.

Within the large public sector healthcare systems there exists major possibilities for enhancing Nordic collaboration within a wide range of areas such as E-health, health tourism, centres of excellence, and the mobility of healthcare workers. With time, enhanced collaboration and harmonisation initiatives within such areas could generate possibilities and needs for further standardisation within the healthcare sector. However, cross border collaboration within the healthcare system is a highly sensitive issue within most countries, and actual collaboration and harmonisation initiatives exist only at the embryonic stage. In most cases the implementation of real standardisation initiatives, thus still appear to be some years ahead. As a result, the focus of this study has been concentrated on areas where both public sector stakeholders and private sector providers of primary healthcare services have expressed a current interest in standardisation initiatives.

The standardisation of healthcare services could improve patient mobility, organisational collaboration and exchange of knowledge, and make it easier for private sector healthcare companies to establish branch activities in other countries. In combination such initiatives might very well contribute by consolidating the healthcare sectors and by promoting levels of quality, efficiency and competitiveness within the sectors. Both public and private sector stakeholders appear to be positive about standardisation initiatives within healthcare service provision.

Healthcare services are not included in the Services Directive. However, a recently proposed EU Directive on patient mobility will most probably exert major impact on European and Nordic collaboration within the healthcare sector. We recommend that the legislative and political processes be followed very closely.

Future perspectives regarding whether to develop Nordic standards or to initiate a European standardisation process within the healthcare sector are somewhat unclear. Many stakeholders among those consulted, including representatives from both the public and private sectors, currently believe that the development of Nordic standards appears to be the most likely route to take. However, collaboration within the healthcare sector is also at the top of the EU's political agenda.

The standardisation of quality measurement methods appears to be of special interest to most stakeholders. Today, prices and costs can be compared within the Nordic healthcare systems by means of the NordDRG system. However, common methods of measuring quality are still required in order to enable comparisons of inputs and outputs. For example, when is a patient ready to leave the hospital after treatment?; when will he/she be fully mobile again?; how do we measure patients' overall levels of satisfaction?, etc.

During the last eight years, the Nordic countries have been working together via the Nordic Council of Ministers in order to develop common quality indicators and benchmark methods. Service sector standards have been discussed in connection with this work. However, both the discussion regarding standards and the work to develop quality indicators have stranded due to other political priorities. There is thus a need to restore standardisation and the question of common quality indicators to the political agenda. With the upcoming Icelandic presidency, this country's focus on healthcare may provide a good opportunity for addressing this issue in the near future.

It is natural that standardisation initiatives within the healthcare sector should involve a broad spectrum of both public sector authorities and private sector stakeholders. The establishment of a platform or a forum, at which the many and very diverse stakeholders from all of the Nordic countries can meet and try to find common ground, appears to be one of the first steps that are required. The establishment of such a forum should be coordinated with the work carried out within the Nordic Council of Ministers.

There is also no doubt that further indepth studies must be carried out in order to establish detailed specifications of the proposed areas for standardisation, and to assess the political and legal aspects of specific potential standards. Healthcare services are heavily regulated and generate highly sensitive political issues. Applied standards must therefore be in line with national as well as EU policy and legislation.

Possible standardisation initiatives recommended for consideration

In particular, we recommend that further study is made ofthe potential ofstandardisation initiatives within:

• **Quality measurement**

Other areas for consideration might be standardisation initiatives within:

• good administration
• patient flows
• patients access to information, and
• complaints handling

The establishment of a platform or a forum, at which the many and very diverse stakeholders from all of the Nordic countries can meet and try to find common ground appears to be one of the first steps that are required.

SECURITY SERVICES

Numerous factors make the security services sector relevant from a Nordic perspective. Firstly, the economic potential is substantial, a factor which is reflected in the continuous increase in activity within the sector. Secondly, the extensive levels of domestic regulation within the sector, combined with the lack of international regulation, makes the sector interesting from a Nordic standardisation perspective. Lastly, the Nordic countries possess major international players in this sector, including G4S and Securitas. Nordic standardisation perspectives thus dominate within the security service sector, but a successful standard could very well be used as a tool to facilitate the initiation of an EU standardisation process, and to influence its progress.

A feeling of personal security, whether in the public or private domain, is a normal and very basic human requirement. Unfortunately there has been a increasing tendency among people in general to feel concerned about their personal safety both in public and private spaces. This tendency has increased the demand for additional security services. The growth of the private security sector, combined with the interest in and awareness of the potential linked to standards, makes the sector a case object deserving of further scrutiny.

Initially, additional standardisation of the sector could help to improve the sector's somewhat "shady" image. In the long term the introduction of standards would also help to enhance competition within the sector for the benefit of all involved parties. In particular, increased competition in the market for security services within public institutions and buildings, which is for the most part not accessible to the private security providers, should be in everybody's best interests. Increased competition should ensure that secu-rity services are provided in the most cost-effective way without any deterioration in levels of quality.

Key stakeholders believe that standardisation initiatives have huge potential in the following areas:

- **Quality:** what is good quality and how should it be measured?

- **Education/Training:** education/training is required in order to provide various types of security services.

- **Contracts:** that clearly define what kind of service is being purchased.

- **Complaints handling:** a standard for complaints handling is highly sought after.

- **Public sector tender materials:** A standard on public sector tender materials would be highly beneficial to the process of enhancing competition within the private security services market.

Security services are included in the Services Directive. However, in the light of the standardisation 'breakdown' during the preparation of what was to become the *Security service providers – Terminology* CEN standard, it was significant to observe the strong Nordic interest in the development of national or Nordic standards. Nevertheless, this study recommends that the work of the newly established CEN project committee on airport security services be followed up. Successful European standardisation work within this familiar sector could serve as an inspiration or perhaps even revive the opportunity to launch European standardisation initiatives within the private security service sector.

As regards the launch of a Nordic standardisation initiative, it is likely that the knowledge and experience gained from the Norwegian standardisation process within the security service sector could be used. However, the first task would appear to be to gather more detailed knowledge about the proposed standardisation areas, such as ensuring that initiatives will be in line with the various sets of national regulations. This could be achieved by means of an indepth study and/or a Nordic idea-generating workshop. A platform or forum where the stakeholders can meet and discuss and develop standards will also have to be established.

Possible standardisation initiatives recommended for consideration

Stakeholders recommended in particular further study into the potential for standardisation of:

- **education and training of guards and staff**
- **quality assessments**
- **contracts**

Other areas for consideration might be standardisation initiatives within:

- complaints handling and
- public sector tender materials

The first task would appear to be to gather more detailed knowledge about the proposed standardisation areas, such as ensuring that initiatives will be in line with the various sets of national regulations. It also seems prudent to follow up the work of the newly-established CEN project committee within airport security services.

TOURISM

During the last 20 years, the tourism sector has enjoyed considerable growth in most parts of the world, and still appears to exhibit major economic potential. This also applies in the Nordic countries. However, international competition within tourism has become increasingly intense during the last decade. The Nordic region must improve its performance in terms of attracting international tourists, and many experts as well as stakeholders point to the need for further collaboration in order to achieve this aim. In addition, the Nordic countries are located at the periphery of Europe, which makes further highlights the need to establish a joint and robust profile in the international tourism market.

There appear to exist both Nordic and international standardisation perspectives within the tourism sector. Within some areas Nordic standards appear to provide to be the natural way to go, but in the field of accessibility, for example, preliminary EU standardisation work has been started. Tourism is included in the Services Directive.

The greatest interest appears to surround the issue of accessibility. The Nordic countries are already recognised as a travel destination which provides relatively easy access of travel for the elderly and disabled. As the elderly proportion of population grows, easy accessibility to sightseeing destinations, hotels, and restaurants will constitute a clear competitive advantage in the future tourism market. A CEN study on accessibility in tourism and transport was carried out during 2007/2008. The study recommends that a number of so-called CEN Workshop Agreements be established within specific areas such as accessibility signage, symbols and labels, together with accessibility criteria and terminology. It seems natural to attempt to support and influence the further implementation processes resulting from these recommendations.

There also seems to be some potential for common Nordic certification and standardisation initiatives within sustainable tourism. No CEN initiatives are scheduled here, so Nordic stakeholders must be convened to find out whether they wish to develop practical Nordic standards, or to adopt a joint approach in putting the topic onto the European standardisation agenda. One suggestion is to look further into the possibility of producing some form of classification and labelling system for sustainable tourism providers. However, the generation of more tangible ideas for possible standardisation and certification areas within sustainable tourism will also be required. This could be achieved by means of further studies or/and a number of workshops attended by relevant Nordic stakeholders.

Even though the opportunities and the need for improved Nordic collaboration and common Nordic standards within the tourism service sector are clearly are great, initiatives must take the high levels of complexity and divergent opinions regarding standardisation within the sector into account. In general, there seems to be a need to establish a platform where the many stakeholders within the Nordic tourism industry can meet and try to find common ground.

In addition, it will be essential to convince the greater part of the industry of the necessity and strategic advantages of Nordic collaboration. Thus, further studies documenting the possible advantages and impacts of joint Nordic collaboration and standardisation of tourist services should be carried out. Furthermore, it is important to keep in mind that the sector is dominated by SMEs operating at a very local level. Experience from countries such as Sweden has demonstrated the importance of including these companies in the standardisation process. SMEs and/or SME representatives should therefore be included in a Nordic standardisation initiative. This might require the introduction of tangible economic incentives such for the reimbursement of expenses in connection with Nordic meetings, etc.

Possible standardisation initiatives recommended for consideration

In particular we recommend further study into the potential of standardisation initiatives within:

- **Accessibility**
- **Sustainable tourism**

Other possible areas for the introduction of standardisation initiatives could be:

- Classification of sightseeing locations - with regard to accessibility and available services at such locations (transport, toilets, restaurants, shops, etc.)
- Labelling of specialised thematic activities and services

This study recommends support of the establishment of a platform where the many different Nordic stakeholders can meet and discuss a possible joint Nordic approach to the standardisation of accessibility in the tourism sector. Furthermore, it is recommended that studies be carried out with the aim of documenting the impacts and advantages linked to international standardisation and Nordic cooperation within the tourism sector. The results should be used to convince the tourism industry of the possibilities of Nordic collaboration and standardisation initiatives.

Notes:

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Nordic Innovation Centre initiates and finances activities that enhance innovation. We cooperate primarily with small and medium sized companies in the Nordic region. We aim at developing a smoothly functioning Nordic region without national barriers. Nordic Innovation Centre is an institution under the Nordic Council of ministers. The centre is located in Oslo, but has projects in all the Nordic countries.

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