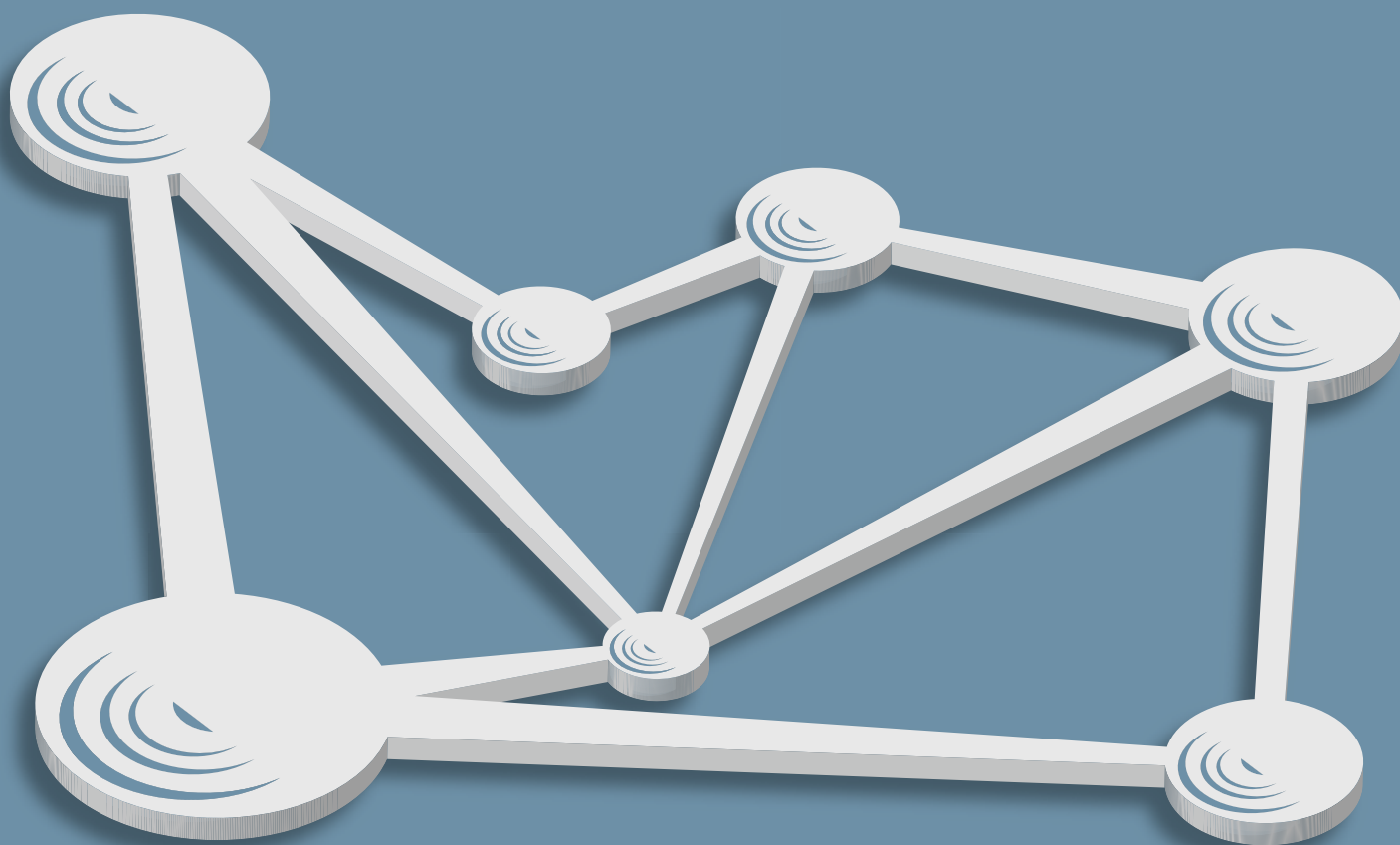


PAS 98:2011

Standards consortia – Part I:

Formation and management – A good practice guide



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Foreword

BSI PAS 98, providing guidance on the topic of standards consortia, has been developed under the aegis of the British Standards Institution by a group of experts with considerable experience in the working of consortia.

Consortia are playing a growing role in the development of standards, but the nature of their formation and management can sometimes give rise to misunderstanding amongst observers as to their objectives. This negativity can be particularly prevalent in business and industry sectors where consortia have not yet had the opportunity to demonstrate meaningful and beneficial influence.

In an attempt to correct such misconception, BSI convened a group of experts with experience in the world of consortia to capture current good practice in the formation and management of consortia. This is presented in a manner that will assist interested parties to understand how a consortium can best meet the needs of its members within the constraints placed upon it by the community in which it operates. The result is PAS 98, which offers guidance on the formation, management and understanding of consortia formed for standards-related purposes.

This guidance is presented in two parts, with both parts addressing the attributes of establishing, governing and operating consortia formed for standards-related purposes, but with Part I doing so from the perspective of those undertaking those roles and Part II considering the needs of members and potential members. Although the latter part is primarily intended to assist entities considering participation in consortia activity for the first time, the process described may well be useful to existing consortia members and be found to be of assistance to standards consortium management in assessing the functionality of their own consortium.

Acknowledgement is given to the following organizations that were consulted in the development of both PAS 98 documents:

- Adobe Systems Inc.
- BSI Consumer & Public Interest Network (CPIN)
- CEN (European Committee for Standardization)
- Department for Business, Innovation and Skills (BIS)
- Gesmer Updegrove LLP
- IBM, Europe
- Sun Microsystems
- University of Reading
- ZFIB Conseil
- 79 Brinkburn Ltd

Comments from other parties were also sought by BSI. The expert contributions from all the organizations and individuals consulted in the development of both parts of this BSI PAS are gratefully acknowledged.

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The parts of this BSI PAS, either jointly or together, do not purport to include all the necessary provisions of a contract. Users are responsible for their correct application.

Attention is drawn to the fact that this BSI PAS is not intended to support compliance assessment processes and that following the guidance of either or both parts does not of itself confer immunity from legal obligations.

Neither part of this BSI PAS is to be regarded as a British Standard.

0 Introduction

0.1 General

This BSI PAS brings together the views of experts with experience of consortia in order to provide guidance for the establishment and operation of consortia formed primarily for standards-related purposes. The information it provides will be found to be relevant to many business sectors and disciplines.

For the purposes of BSI PAS 98, any documented specification, practice or procedure that promotes an agreed course of action or behaviour to achieve a predetermined level of quality or attainment amongst an identified stakeholder group can be considered as a standard.

A significant number of standards (frequently identified as “formal standards”) are produced on a national, regional or worldwide basis by bodies operating rigorous procedures that embody the principles of diverse input and consensus. The standards developed by such bodies are generally intended for voluntary application, although they can become mandatory if taken up in legislation or regulation, or if cited in a contract.

Standards can also be developed privately or unilaterally, for example by a specific company or other commercial entity, government or regulatory body. Standards can also be developed by groups such as trade unions, trade associations, communities of interest or groups of organizations agreeing formally or informally to work together for that purpose. It is to assist in the enhancement of recognition and credibility of these latter standards development groups (standards consortia) that this guide has been prepared.

The purpose of Part I of this document is to identify and explain good practice and basic legal requirements pertinent to the formation and management of consortia for which the development of standards is a significant objective. It sets out a range of well-proven, industry-approved good practices inherent in creating such organizations, such as legal, management and membership structures, while also examining the unique opportunities that standards consortia can provide. Part II provides guidance on what to look out for when reviewing consortia from the user perspective and outlines a practical process for assessing the relevance and performance of consortia for use by entities considering engagement.

Throughout this BSI PAS, wherever the terms consortium and consortia are used without qualification, they refer to entities for which the development of standards is the main activity.

Consortia are business tools, designed to make the process of standardization more efficient, controllable and, ultimately, useful to industry. As originally envisaged, the use of consortia would allow much more direct control of the process of standardization for their members, with the outcome that the resulting standards could be more directly relevant to members’ needs or available in a more timely manner than might otherwise have been the case.

Standardization consortia are formed for one or other of two major reasons. The first is to reach common agreement on a clear, direct course of collective industry action. Such need most frequently arises in subject areas characterized by fast-moving technology or rapid change where swift, united decision is necessary to prevent the process running into conflict or dead ends. The second reason is that consortia provide a setting in which organizations can work together in a manner that will offer some protection from anti-trust or anti-competitive implications. Such an arrangement can indeed facilitate the standardization process to the benefit of industry and users above and beyond that provided by other organizations engaged in the development of standards.

Consortia, as tools of their members, can be used in many different ways. Consortia exist to:

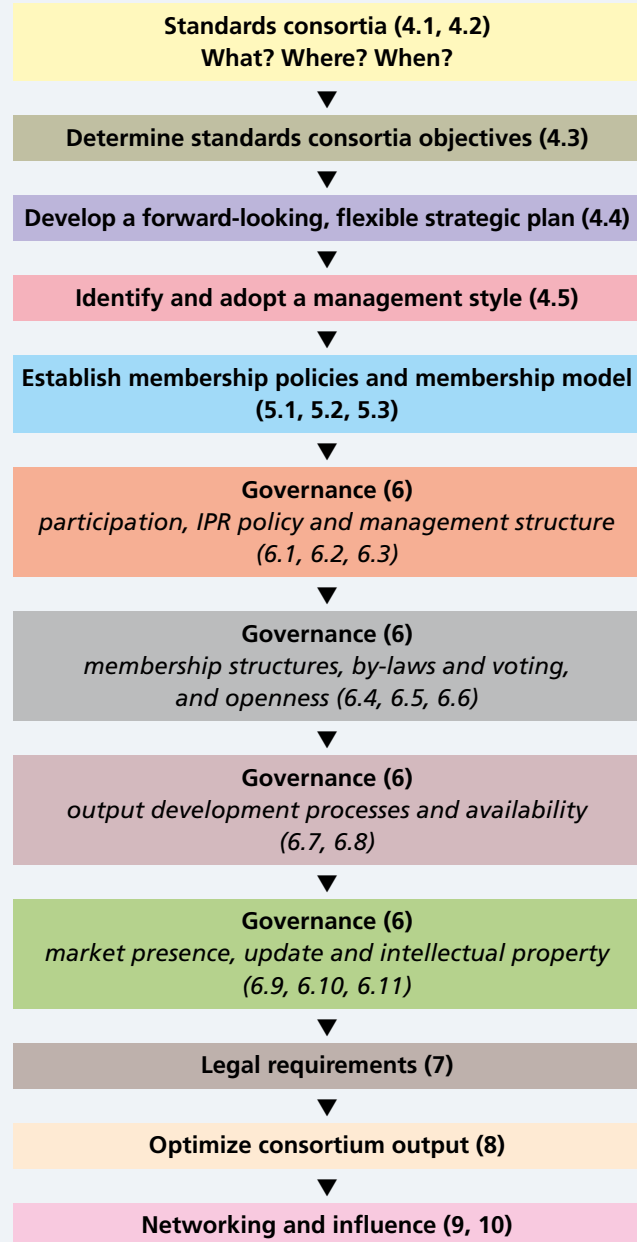
- a) develop new standards;
- b) help develop markets for new products and services;
- c) develop new technology;
- d) influence future legislation (lobbying groups);
- e) advocate for public policy;
- f) develop and manage conformance, certification and branding programmes.

0.2 How to use this document

This PAS has been designed in such a way as to highlight the core concepts, expressed as guidance, underpinning the establishment and management of standards consortia. These core concepts are then supported by concept notes that give supplementary guidance in their support.

Clause 2 of BSI PAS 98 provides a list of terms defined to aid understanding and use of this BSI PAS. Where these defined terms appear for the first time, they are distinguished from other text using a shaded typeface.

Figure 1 – Standards consortia: good practice overview



1 Scope

BSI PAS 98 Part 1 sets out guidance on good practice in the establishment and management of consortia formed for, or substantially focused on, standards-related purposes.

This includes guidance in respect of:

- the management structures most appropriate to the governance of the proposed consortium activity;
- the procedures likely to prove most effective for specific activity types;
- the terms and prerequisites applicable to consortium membership;
- the selection and delivery of services that the consortium might provide, including guidance on the availability of consortia output.

This BSI PAS does not include any recommendation in respect of the nature or quality of consortia output beyond the fundamental recognition that it will be standards-related.

It also identifies some of the legal requirements that may apply to consortium activity and recommends actions by means of which the consortium might meet those requirements.

This BSI PAS is not a management system standard. It is not intended or appropriate for certification purposes, regulatory or contractual use. Any offer to certify, or claims to be certified, to BSI PAS 98 would be a misrepresentation of the intent and purpose of this BSI PAS.

Although intended for application in both the public and private sectors, these guidelines do not purport to provide a blueprint for the perfect consortium. They do, however, establish good practice for the governance of consortia in a manner commensurate with running an efficient, effective and representative organization regardless of national frontiers.

2 Terms and definitions

For the purposes of this BSI PAS, the following terms and definitions apply. Defined terms are shown in a shaded typeface when first used.

2.1 by-laws (also known as charter and constitution)

set of rules through the application of which a consortium is governed

2.2 consensus

general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests, and by a process founded on seeking to take into account the views of all parties concerned and the reconciliation of conflict

NOTE Consensus need not imply unanimity.

[ISO/IEC Guide 2:2004, definition 1.7]

2.3 critical mass

minimum size or amount of **resources** required to launch or sustain an effective consortium

2.4 intellectual property rights (IPR) policy

policy that governs the treatment of intellectual property, including copyright, licensing terms and patent disclosure procedures, in the production of the consortium's deliverables

NOTE This declaration generally involves where and when patent claims are disclosed, and the licensing requirements involved, generally on at least reasonable and non-discriminatory terms.

2.5 interoperability

ability of consortia output to operate in conjunction with other standards

2.6 openness

generalized commitment to inclusive concepts and practices, such as [consensus \(2.2\)](#) or majority-driven procedures, appropriate [IPR](#) policy rules and operational transparency

2.7 output

end result of a consortium's activities

NOTE This could be a [standard](#), specification, best practice guide, report, etc.

2.8 procurement policy

extensive guidelines on the standards and specifications required when an organization (usually in the public sector) commissions work from external providers

2.9 resources

supply of money, personnel, infrastructure and time available to a project

2.10 standards development organization (SDO)

organization whose primary activities are developing, coordinating, amending, supplying and maintaining standards under national, regional or international authority

NOTE SDOs are frequently recognized nationally and internationally for their documented and transparent standards development processes.

2.11 standard

document that establishes (commonly agreed), uniform specifications, criteria, methods, processes or practices for use in a specified context

2.12 standards consortium

entity formed by organizations functioning in cooperation to achieve objectives substantially focused on standards and standards-related activities

NOTE Where reference is made to consortia or a consortium in BSI PAS 98, this refers to standards consortia as defined in 2.12.

2.13 thought leadership

process of distilling innovative ideas and promoting or sharing them as actions that will benefit others*

NOTE *Either the audience at which the consortium is aimed or, in the case of a membership focus, the consortium as an organizational entity and its members.

2.14 transparent

not hidden, discoverable, traceable or examinable

2.15 transparency

state of being transparent

2.16 user

entity seeking benefit from interaction with a consortium or its [output \(2.7\)](#)

NOTE Users may also be consortium members.

2.17 vendor

entity making knowledge, goods or services available for sale

3 Abbreviations

For the purposes of this PAS, the following abbreviations apply.

3.1 CIO

chief information officer

3.2 CMO

chief marketing officer

3.3 COO

chief operations officer

3.4 CTO

chief technology/technical officer

3.5 ICT

information and communication technology

3.6 IPR

intellectual property rights

3.7 ISO

International Organization for Standardization

3.8 IT

information technology

3.9 JTC 1

Joint Technical Committee 1 of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)

3.10 MoU

memorandum of understanding

3.11 PR

public relations

3.12 RAND

reasonable and non-discriminatory
(also known as FRAND: fair, reasonable and non-discriminatory)

3.13 SDO

standards development organization (2.10)

3.14 SIG

special interest group

3.15 VP

vice-president

4 Standards consortia – their nature and establishment

4.1 What is a standards consortium?

A **standards consortium** is an organizational entity constituted of cooperating members (2.12) established as a business tool to facilitate the development of standards in an efficient, effective and industry-relevant manner.

4.2 Where and when could a standards consortium be established?

A standards consortium (2.12 and 4.1) could be established wherever there are no overriding legal restrictions that would prevent the formation of such an entity and where several organizations with mutually compatible interests perceive potential benefit in cooperation to achieve common standards-related objectives.

4.3 Standards consortia purpose

The organizations undertaking the formation of such an entity should ensure that the objectives for establishing a consortium (4.2) are clearly and unambiguously expressed, recorded and made available to all future members. This recorded statement of consortia activities and intentions should be reviewed periodically and revised as necessary to maintain their ongoing relevance to members.



Concept notes to 4.1, 4.2 and 4.3

Consortia are formed to develop deliverables and services consistent with the needs of their members, and these are often of value to a wide range of stakeholders across industry. The consortium concept was conceived to facilitate the adoption of common technical specifications and decisions in respect of collective action in a broad business sense, from conception to completion. They are generally created and funded by the companies who want to see those collective decisions adopted and implemented. Participating organizations can be willing to invest considerable resource in reaching out to **user** communities via consortia. Consortia can become powerful organizations that have the ability to initiate profound changes in many types of industry.

Some of the most common reasons for establishing standards consortia include:

Technology enhancement

Consortia that begin as groups dedicated to developing one or more standards to support a new technology are the most common. These groups, however, usually start with consensus on a particular market need that should be addressed, such as **interoperability** of consortia outputs, and it is not uncommon for a consortium to use as a starting point a specification that has been developed by one or more of its founding members. For instance, a group might be started to develop GPS (Global Positioning System) technology towards a next-generation implementation, but using a technology that favours a specific set of companies or a specific geography or geographic area (e.g. Europe, Korea, the Americas), or one that has been developed by a company or group of companies (e.g. a video codec or recording format).

While consortia are frequently formed to develop and maintain a single standard, many consortia grow and mature into (or are launched with the intention of becoming) organizations responsible for domain-focused standards or a family of standards intended to have indefinite duration. These consortia will launch new projects and working groups and evolve as their source industry evolves.

Marketing

Some consortia are begun as marketing tools. In such cases, there is generally a technology that a group of companies have coalesced around and are looking to market to a wider audience under a flagship brand or banner that could be enhanced through the provision of related standards.

Reactive consortia

There are times when membership in a consortium is not to the advantage of an entity considering membership, perhaps due to IPR rules, membership regulations or some other perceived feature or failing of the consortium. It is quite common for a "rival" consortium to be established to counter the influence of an existing consortium. In such cases, the ability to control the direction and output of the consortium is usually the deciding factor in the reactive consortium's creation. A consortium that is created for this purpose generally has a single, specific goal, be it technical or marketing, that is heavily influenced by the founding members of the consortium. Reactive consortia usually spring up when a new market sector has been proven to be ripe for development or profit and an existing organization is blocking the attempts of at least one market participant to gain a foothold and no other consortium appears to be appropriate to meet the need, or an existing appropriate organization is unwilling to undertake the project.

Leadership

The above reasons are some of the most common for the instigation of a consortium. Frequently, consortia are started by a "visionary" (either a company or individual) who rallies support from other companies and organizations, although the concept can also emerge as a potential solution from group discussions around particular problems or developing circumstances. It has been demonstrated that consortia are most effective when there is a real or perceived need for a collective solution, particularly when that need is to fill a market niche with a specific technology that needs to be implemented in an interoperable manner.

