Improving the usability of ISO standards by M&SME

Why don’t Micro and SME *ISO?*

Kenneth Tombs – Independent

ISO November 2022 SME Workshop

Harsh realities

- Risk, trust, vulnerability
- Extremist leaders
- Regulatory overload
- ESG/EESG/E2SG
- Political instability
- 3rd party assurance
- Performance metrics
- Consequential damages

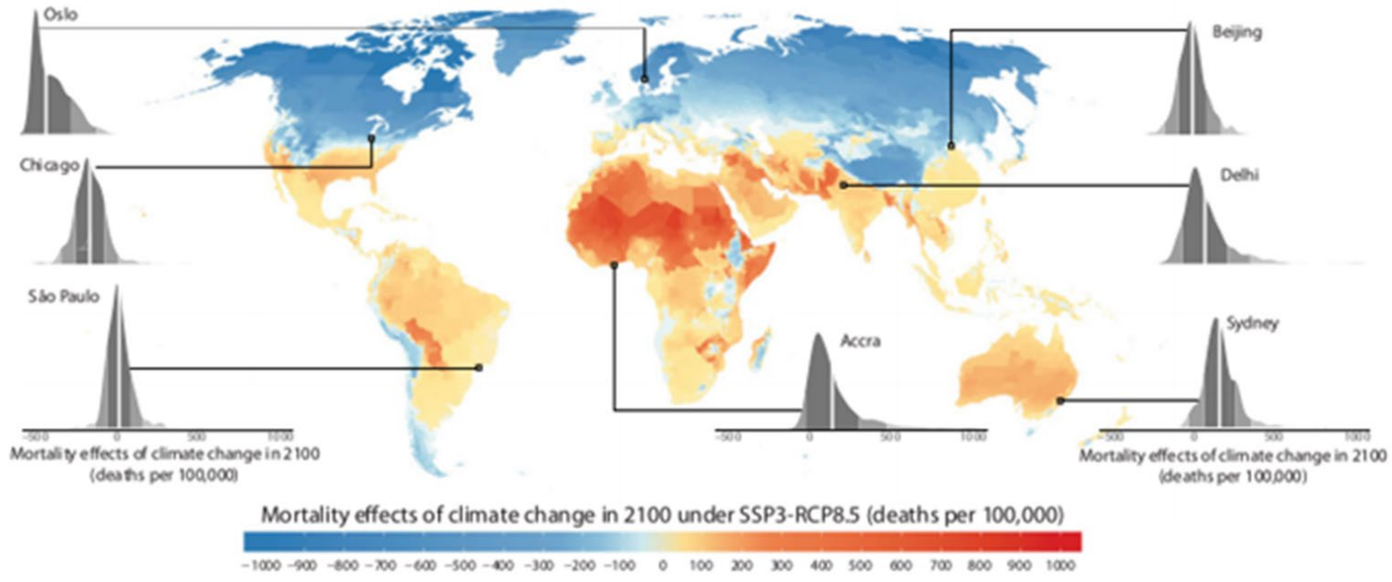


FIGURE IV

The Mortality Effects of Future Climate Change

Tamma Carelton and others. The Quarterly Journal of Economics (August 2022), 1–69. Oxford University Press for Climate Labs and Harvard College

> *"Manslaughter by gross negligence occurs when the offender is in breach of a duty of care towards the victim, the breach causes the death of the victim and, having regard to the risk involved, the offender's conduct was so bad as to amount to a criminal act or omission."* UK Sentencing Council, 2018

In essence

“Smart business people who aren't paperwork hobbyists need a quality point of assistance they can afford for all aspects of compliance – the quick fix!

They need quality as being smaller lessens little the need for quality and consistency in compliance.

They need trusted allies to help them, yet there is no such capability unless they work with a myriad of specialists on a topic-by-topic basis.”

Source: BusinessComply Limited, 2019

Why not?

- The essence is MSME want it simple, quick, and cheap – £1000 to £7000.
- Current ISO management systems for MSME are ‘brain-space’ prohibitive.
- ISO consultancies can’t deliver this in the current Internal Audit regime.
- The ISO Practical advice for Small Businesses (27001) Compact Disk is ‘too difficult’.
- Multiplicity of silo standards only confuse.
- Supply chains/regulators want comparability across all sizes M, SME and Corporate.

Source: BusinessComply Limited, 2019

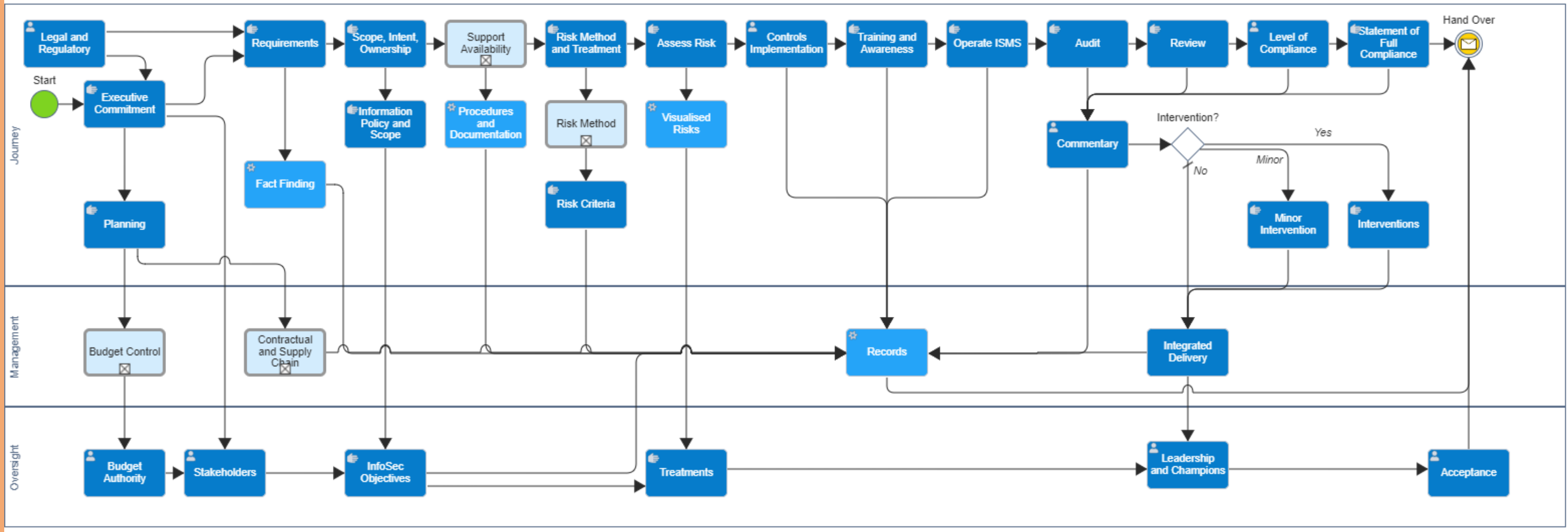
Leader behaviours

Micro organisations	SME into Majors	Corporate
Its about taking away their specific problem immediately **“Feel they are not taken seriously by suppliers”** **“Feel not significant to suppliers”** **‘One stop’ solution avoids hunting for services** **‘Immediate on’ gives a quicker fix** **Trivial operating cost** **Little consideration of the details** **Prefers to use a trusted person**	Its about joining up choices and legacies Its often internally political Responding to change fast Integration with existing practices Integration with existing systems and suppliers Predominantly ISO 27001 Maximum trust of the chosen supplier	Joining up disconnected silo Managed operating cost Fastest time to detect threats Fastest time to remediate A wide range of support functions Timeline preparations for compliance and regulation Fastest time to report and regulate Manage the details, no gaps Internal and known professional service firm
About income	*About recognising a future*	*About anticipating and protecting*

Source: BusinessComply Limited, 2019

Deconstruct ISO – Corporate ISMS

- **Commitment**
- **Adoption**
- **Boundary**
- **Formulation**
- **Decision**
- **Enactment**
- **Usage**
- **Evidence**
- **Interaction**
- **Audit**
- **Assurance**



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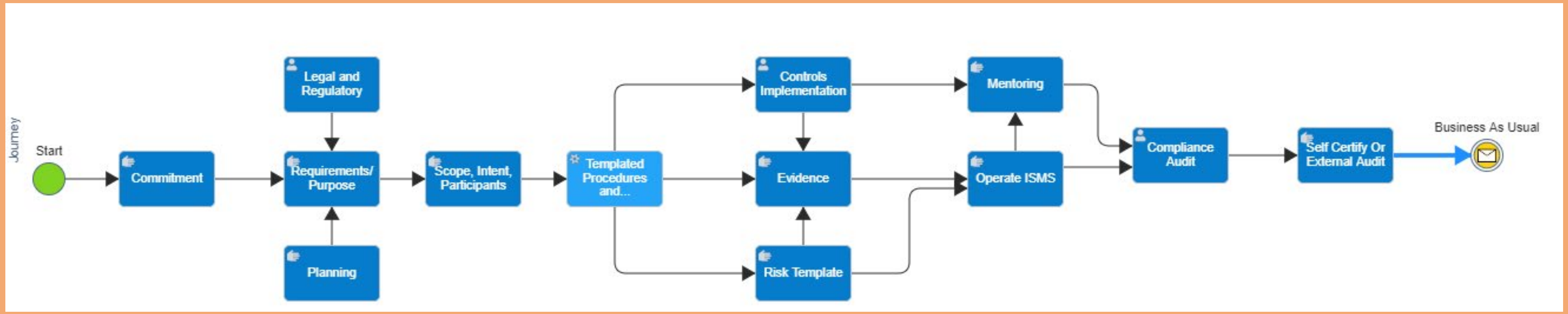

For MSME we cannot imagine the ultra-simplicity leaders want!

Improve usability

- Assume MSME conformity will mostly off-set to MSME suppliers.
- Reshape IUMSS to be the ‘Coat Hangar’, as an auditable standard.
- Recognise IUMSS has the central role in open management systems.
- Merge, simplify, reorganise ‘how’ - not the intent.
- Automate Internal and External Audit.

How?

- We need ‘an acceptable to the ISO family’ alternative way-of-working for MSME.
- Digital automation could deliver, if the ISO family accepts it.
- COVID confirmed that remote working and online disclosure are viable.
- Reshape IUMSS to become the ‘first choice’ ‘onboarding’ standard.
- Do not re-wite the standards just for SME – re think them.
- Need for universal management systems to replace silo based GRC - ‘Open GRC’.
- Anticipate greater roles for certifying bodies , ‘Light Touch’ ‘Performance Related’ ‘OpenGRC’.

Why ?

ISO must unambiguously offer all sizes of enterprise a management system, that supports political initiatives to simplify regulation

or

Lose hard-won leadership as a myriad of ad-hoc competitors undermine ISO’ cohesion.

About

The presenter

Kenneth has over 40 years experience starting as an engineering apprentice; journeying through sales, marketing, training, and then technology exploitation. He worked for Honeywell-Bull, Hanover Education and PwC, before becoming a Strategic consultant to HMG and others, then Board roles for Chandler Macleod, Fluid Oil, and Fusion Experience. The last four years have been focussed on GRC and Compliance, particularly towards Micro and SME organisations.

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Heart image by: primalpath.co

Business
Compass

Trust secures our futures

- Customers need trust in their suppliers'.
- Executives need to trust in their business.
- Employees need to trust in their executives.
- Regulators need to trust in the data.
- Investors need to trust goals and objectives.
- Auditors need to be trusted.

World is changing?

Joining up the [UK] Regulatory Landscape

“The Plan for Digital Regulation emphasised the crucial role that join up between regulators will play in enhancing the overall effectiveness of regulatory interventions. As innovations in technology continue to defy traditional definitions, and blur regulatory boundaries, closer coordination will be needed across the regulatory landscape - for example, to enable effective data sharing across sectors by intermediaries or to deal with the cross-cutting challenges of digitised sectors such as online advertising or gambling. Going forward, sharing expertise, developing common capabilities, maximising efficiencies in the way regulators operate, and minimising unnecessary burdens on business will be paramount.”

Department for
Business, Energy
& Industrial Strategy

The Proposition – transparent GRC

1. Government mandates every organisation, business, charity, or enterprise, must have and maintain an electronic GRC.
2. That GRC must follow a recognised standard, ideally ISO.
3. Government issues/revises/withdraws specific sectorial ‘Controls’ for every each GRC.
4. GRC status is reported to a national body as a public register.
5. In exchange Governments stop publishing complex legislation that requires interpretation and is always confrontational.
6. Controls being specific and simpler, could be more aligned internationally and more swiftly.

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