



## FINANCIAL INDUSTRY STANDARDS

# Standards Participation Benefits Companies

I am often asked .... *Why should our company (organization/government agency) commit to standards participation?*

I respond that standards development and participation allow companies to be on the cutting-edge of technology and technological development. Participation in standard development enhances the universality of and global competitiveness of businesses. And, a company needs to include "standards participation" as a part of their company strategic goals and they need to devote appropriate resources to their standards participation.

Organizations everywhere have to determine whether they will choose to show industry leadership in standards activities and management or whether they will simply follow what is produced by others. Participation is more than adding the company name to the active rolls in standards organizations, companies should dedicate resources to standards projects of interest and sign-off on employee participation.

Companies need to determine their strategy in using standards to improve their products and enhance their business strategy. Clearly, lack of management understanding misses the strategic nature and benefit of standards to the business. In today's global economy, standards are a complex issue that should be addressed and become a part of a company's strategic plan not simply set aside as a contribution. Standards bring about interoperability whether cross networks or parties to financial transactions or cross-borders when international standards are developed. Standards provide improved technology, greater security, improved systems/processes and interoperability. Standards can improve company products, competitiveness and ensure compliance with regulatory requirements.

### Why X9?

Being an active participant in ASC X9, Inc., standards development provides many extra benefits to employers.

Through active standards participation in X9, by its employees, a company gains the advantage of understanding new ideas, technologies and implementation guidance long before the competition may decide or be mandated to follow the concepts behind the standards X9 publishes. This lead-and-not-follow mindset gives company management the ability to anticipate and coordinate the capabilities needed to adopt appropriate resources, markets and interoperability directions to accommodate new standards developments.

By being active in X9, company members have the opportunity to:

- Use the standards development process to create and market technologies and products;
- Create new standards that benefit the industry (and the company) as well as the end consumer;
- Gain valuable relationships and exchange ideas (among peers in a particular technical discipline) and;
- Create new market spaces and enlarge existing ones; and
- Work proactively to improve the process in which standards are developed and how they are used to benefit consumers in the marketplace.

As technical standards become more necessary to the national and global functions of the financial services industry, more not less standardization will be relied upon to meet future business challenges and opportunities. For X9 members, participation in the domestic development of standards also

provides the critical access to international standards development through X9's official function as secretariat to ISO TC68—the International Organization for Standardization—committee on Financial Services.

The international adoption of X9 standards into ISO provides US companies with global interests, the benefit of dealing with known processes and technical directives. In X9's case more than 12 major industry standards and Technical Guides have been adopted as ISO Financial Services/Banking standards. This provides both a comfort level and strategic advantage to US businesses in the financial services arena who might otherwise be dealing with unproven technology developed elsewhere.

---

## Benefits for Employees

Employees of companies participating in national and international standardization are more valuable employees to their companies. Employees participating in standards development with the full support of their management, can:

- Keep them aware of industry technology trends;
- Inform management of needed changes in strategy due to standardization;
- Anticipate the need for adoption of standards to improve processes, production or consumer confidence;
- Save time and research on standards within the company as the point person for all staff; and
- Develop unique peer to peer and peer to expert relationships beneficial to their employer.

Company participation in conjunction with the company standards strategy allows employees to drive the standards development process to reflect corporate business interests, allows the company to adopt standards early that are consistent with business direction and allows the company to implement standards as appropriate into products and processes.

In today's changing economy, standards are a complex issue that should be addressed and become a part of a company's strategic plan not simply set aside as a contribution. Furthermore, standards participation and management needs to become a part of an employee's objectives and of their position description.

There seems to be a perception that participation in standards committee work is not directly a part of the employee's "real job". Although companies make the decision to use or participate in "standards work", the employee is often not cast in the role of "key player". Some employees take it upon themselves to participate in standards work as a result of needs within their job or to satisfy consumers of their products and do not have their direct management's support for the participation time and or travel required for their participation. Often these participants see this participation not as a part of their real job but as more of a volunteer position. When standards are a part of company strategy and when an employee's job description include standards the benefits can be computed in both directions.

Corporate support of employees participating in standardization activities and the management of standards within the company must become a part of an employee's objectives and of their job description. When standards are a part of company strategy and when employees' jobs include standards, the benefits can be reviewed in both directions—for the employee and the employer.

A company standards point person should be named to head the company standards area either full or part-time depending on the company benefit and need of standards. This individual would be assigned to standards committees of interest to an organization.

Other company employees should know who to contact when technical, customer or interoperability needs point to standards. Many employers see the technical contribution rather than the standard participation as a business tool. Standards participation and application can help business grow.

ooo

***Participation in the Accredited Standards Committee X9, Inc — Financial Industry Standards is welcomed. To find out more contact us at [admin@x9.org](mailto:admin@x9.org).***

ooo

**Accredited Standards Committee X9, Inc.  
Financial Industry Standards**

**275 West Street, Suite 107  
Annapolis, MD 21401  
[www.X9.org](http://www.X9.org) 410.267.7707**