

# Why Certify to Management System Standards

## Summary

Companies certify to management system standards, because certification:

- (1) Saves time and money, for both procurers and suppliers [by reducing the number of audits];
- (2) Helps to protect suppliers' intellectual property [by reducing or eliminating the need for supplier (second party) audits].

## 1 Overview

When an organisation must choose one from several potential suppliers, to provide products and/or services, it must select the supplier according to various criteria, often including some of the following.

Quality	Can the potential supplier provide the required products and/or services, within the required periods, at acceptable prices?
Environmental Impact	Does the supplier minimise its impact upon the environment and comply with applicable law?
Business Continuity	Could the supplier continue to provide part or all of its products and/or services in the event of disruption?
Information Security	Can the supplier maintain and protect the completeness and accuracy, availability and confidentiality of relevant information (such as personal data) and comply with applicable law?
Ethics	Does the supplier operate in an ethical and socially responsible manner and comply with applicable law?
Health and Safety	Does the supplier minimise risk to employees' health and safety and comply with applicable law?

Virtually all tenders and framework agreements, and many organisations, particularly public sector, require, or at least prefer, suppliers to be certified to appropriate management system standards.

*If potential suppliers possess certifications to management system standards, such as the following, procurement can use these to shortlist suppliers.*

ISO 9001:2015	Quality Management System (QMS)
ISO 14001:2015	Environmental Management System (EMS)
ISO 22301:2012	Business Continuity Management System (BCMS)
ISO/IEC 27001:2013	Information Security Management System (ISMS)
ISO 37001:2016	Anti-Bribery Management System (ABMS)
ISO 45001:2018	Occupational Health and Safety Management System (OHSMS)

If potential suppliers do not possess certifications to management system standards, procurement must expend time and money to determine which potential suppliers, if any, meet its criteria.

## 2 The Advantage to Procurers

**Management system certification transfers the burden of assessment from the procurer to the supplier.**

Suppose that an organisation must select one from 6 potential suppliers according to criteria including management of the following 3 aspects of operations:

Quality;  
Environmental Impact;  
Health and Safety.

Without certifications procurement must do  $6 \times 3 = 18$  assessments [supplier (second party) audits] of the candidates' management of these aspects of operations.

If potential suppliers are certified to management system standards that apply to these aspects of operations, procurement can shortlist from candidates according to other criteria, and then select one.

**NOTE** A supplier audit could assess 2 or 3 aspects of operations together, so that, in the examples above and below, the number of audits could be 18, 12 or just 6. However, although there are common components of the different standards, the burden of assessment relates to the number of aspects of operations against which the potential supplier(s) must be assessed.

## 3 The Advantages to Suppliers

**(1) Management system certification reduces the number of assessments that a supplier must undergo.**

Suppose that a company attempts to supply products and/or services to 6 potential customers that will select suppliers according to criteria including management of the following 3 aspects of operations:

Quality;  
Environmental Impact;  
Health and Safety.

Without certifications the supplier must undergo  $6 \times 3 = 18$  assessments [supplier (second party) audits], of its management of these aspects of operations.

If the company is certified against management system standards that relate to these aspects of operations, it annually undergoes just 3 assessments [certification (third party) audits].

**(2) Certification (third party) audits help to safeguard suppliers' intellectual property.**

*Another benefit of certification, from the point of view of a supplier, is that the (accredited) Conformity Assessment Body (CAB) assesses how the supplier manages one or more aspects of operations, and **provides the report and certificate(s) to the supplier.***

*The CAB acts as a customer to the supplier. This does not involve a procurer.*

*The rules of accreditation require the CAB to provide a confidential service.*

*The CAB will not provide any details of the supplier's operations to a procurer.*