



An October 2009 Update
on Certification to Management Standards in Bulgaria

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The most comprehensive source of information on the market for certification services in Bulgaria is *Club 9000*, an NGO that brings together certification bodies, consultants and their customers. The reliability of information on the Club 9000 site is relatively high but some interpretations are due. In any case, visiting the web site of the individual companies and comparing their own data with those of Club 9000 gives the best clues to the status of each market player.

According to Club 9000, **the most popular management standard remains ISO 9001 with 5,395 registered companies in Bulgaria**. The actual number could be a bit larger but perhaps not more than 5,500. The distribution of certified companies by sector is led by construction, followed by wholesale & retail trade and services. In our opinion, the growth of construction companies in this list is artificial and questionable as it is due mainly to the general boom in construction over 2003-2007 and the requirement for certification to ISO 9001 in public projects.

The regional distribution of certified companies is led by a large margin by the city of Sofia with more than 2,000 companies. The top 3 certification bodies are Bureau Veritas Certification, SGS and Moody International. The factors which seem to contribute significantly to preference for one certification body or another, apart from international image, are active marketing and flexible pricing. Adherence to high standards of auditing (e.g., by Lloyd's Register Quality Assurance) often loses against new cheaper players on the market some of which abide by the best sector practices and some provide suspicious services.

The role of consultants is very controversial and data about their achievements at the Club 9000 site are misleading. Along with highly respected business consultants, the market is flooded by self-proclaimed gurus who sell sets of documents and cater for fast and cheap certification.

Certification to ISO 14001 has been granted to 449 companies according to Club 9000, mainly in the construction industries, followed by the public sector. In our view, any rumours about effective environmental management systems in the public administration are grossly exaggerated...

The same holds true about local authorities certified to ISO 27001. A number of public organizations have been supported by European Union funding for consultancy and certification to ISO 9001, ISO 14001 and ISO 27001 but, in our view, this is the type of projects which lead to devaluation of all management standards. Otherwise, more than half of the **47 companies registered to ISO 27001** are from the IT sector.

Certification to BSI-OHSAS 18001 has been granted to 494 companies, more than half of which in the construction sector. Unfortunately, this does not seem very realistic because construction companies are among the leaders in registered accidents.

The food sector has made significant progress in meeting the international standards under the pressure of the local legislation, the retailers and food chains, and the requirements to exporters of

foodstuffs, especially to EU countries. **Certification to ISO 22000 has been granted to 211 companies (mainly manufacturers).**

Certification to HACCP specifications has been granted to 142 companies. A growing number of food manufacturers comply with **IFS requirements** under the pressure of large retailers such as *Metro* and *Billa*.

Today, **more than two dozen certification bodies operate in Bulgaria.** Most of the big international names are represented with local offices and local auditors trained to the best international requirements. Some of the world leaders, such as BSI and UL, are still not present on the Bulgarian market thus giving a good chance to smaller certification organizations from countries such as Greece and the Netherlands to invest and promote their services.

The number of consulting organizations and individual consultants is continuously growing and more than 20 organizations have recorded more than 50 successfully certified customers. Unfortunately, the market has already witnessed grossly unethical practices (such as establishing certification bodies by a consulting firm) and suspicious alliances such as tandems of registrars and consultants. Obvious deficits of competencies are also very common.

In our opinion, **the strong competition for customers has led to a decrease in the quality of consulting and certification services.** Many companies seek cheap services which, in the best case, pave the road to compliance with the formal requirements of the standards but do not lead to real management improvement. At the same time, some companies continue to strive for sustainable organizational development and are ready to make the effort and pay the price for professional assistance „in the search for excellence“.

In summary, Bulgaria is making serious progress in achieving compliance with the major management standards. According to the 2007 ISO Survey of the proliferation of standards worldwide, Bulgaria ranks 17 among 50 EU and CIS countries. We believe this is beneficial to all parties concerned, including His Majesty, the Customer.

If you have any specific inquiries, we would be pleased to answer them at iso@tma-bulgaria.com.

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