

## **Factsheet: Why standards matter**

### **What are standards?**

- A standard is an agreed way of doing something. It is established by consensus and implemented voluntarily unless supporting legislation. A standard provides a framework to be used consistently as a rule, guideline, or definition.
- Standards cover every area of life from technical guidelines for the aerospace industry to specifications for the management of diverse issues including CCTV systems, customer complaints handling and clothes sizing.

### **Why standards matter**

- Standards are created to meet a demand. They are produced by bringing together the expertise of interested parties including regulators, academics, producers, sellers, buyers and end-users to deliver best practice.
- Standards help to make life simpler. They increase the reliability and effectiveness of many products and services we use.
- The adoption of standards helps companies produce the highest quality products and services in the most efficient way possible.
- Standards assure both customers and many stakeholder groups of the quality and reliability of products and services. Standards can exist to guarantee the safety and quality of a product (e.g. motorcycle helmets) and are increasingly being applied to service industries (e.g. call centres).
- International standards are universal across many parts of the globe and are essential to trade in increasingly competitive markets. A large portion of the export market across industry sectors is influenced by the adoption of international standards.

### **Some key statistics**

- Standards make an annual contribution of £2.5 billion to the UK economy.
- This £2.5 billion contribution is more than the combined annual pre-tax profits of global corporations like BP Group (£1.32bn) and Cadbury Schweppes Group (£1.1bn) or similar to the entire 2005 Government Science budget.
- 13% of the growth in labour productivity from 1948-2002 can be attributed to standards.

## **The business benefits of standards**

Standards bring the following benefits to UK business:

- **Foundation for growth:** Increase profitability by streamlining business efficiency and providing a framework for sustainable growth.
- **Market access:** Stimulate competition in the market place by helping industries capture knowledge, share insight and with it reduce risk.
- **Innovation:** Support innovation and shape the way sectors work by creating effective synergies that accelerate the speed to market for products and services.
- **Customer confidence:** Increase customer trust and satisfaction because standards assure improved quality, safety and reliability of products and services.
- **Brand building:** Enable businesses to build a better brand through greater consumer confidence, trust and belief in the brand and its related products or services.

## **Examples of how standards have affected us**

- Standards enabled the introduction of the chip and pin function on credit and debit cards which means these cards can be used worldwide safely.
- A leading global standard for mobile communications on the GSM network means we benefit from phone connectivity and international roaming almost anywhere in the world.
- Standards help to ensure safety and security on a daily basis through anything from traffic light systems to railway gauges and speed cameras.

## **Future of standards**

- Further support for emerging technologies such as nanotechnology and biometrics to place the UK at the forefront of developments worldwide.
- In line with trends towards globalisation continue work in the European and international arenas to ensure UK businesses remain competitive. Building business for Britain with initiatives such as the education programme on harmonised European construction standards to encourage their adoption throughout Asia.
- Break new ground to keep pace with a changing market through the development of service or other standards such as, the world's first relationship management standard to help businesses manage one of their most important assets, their relationships.
- Ensure standards are flexible to meet the changing needs of business, government and society.