

WHY SHOULD BUSINESS COMMIT ITSELF TO STANDARDS MAKING?

A MANUFACTURING ASSOCIATION'S VIEW

At the General Assembly of the European Standardisation Committee (CEN) in London in 2001, Mr Digby Jones, the Director General of the Confederation of British Industry, shared his belief that standards makers needed to demonstrate the relevance of what they do to senior management in British business. DTI/STRD has invited one of Britain's most successful manufacturing sectors, the Processing and Packaging Machinery Association (PPMA), to explain why it has firmly committed itself to standards making. Andrew Manly of the PPMA sets the scene to introduce an article by Martin Keay, the PPMA's expert who leads its standards making work.

The views expressed are entirely their authors'. We make just one comment on Mr Keay's article. Although it is, of course, correct to say that industry does not participate directly in the European (or national) legislative process – in Council Working Groups or the European Parliament – officials of the United Kingdom Government engage in extensive consultation with industry and other stakeholders before and during the legislative process. We are keen to encourage stakeholders to think about prospective legislation and share knowledge and views with us – as early as possible. Companies can influence the shape of legislation, if they act soon enough. The better informed officials are in the early stages of negotiation, the more effective their influence will be on the direction which the legislation takes.

The PPMA's involvement with European standards making began in 1988. The Association recognised very early that the new single market Directives and the standards that support them would have a profound impact on the design, manufacture, sales and use of capital machinery throughout Europe.

The Association realised too that by taking part in the writing of standards the Association would not just be reacting to legislation drafted by faceless bureaucrats, but influencing the way in which this legislation would be applied to the machines supplied by its members.

The road of Standards making has been hard and often rocky. Many people have complained about the time it has taken to produce even the first Standards. Our response is always 'better to get it right than fudge it'. After all we are the 'guinea pigs' who are unfortunate enough to have had to start this whole process. What we do now will be the basis of all future Standards and will have a profound effect on those which follow. This process will never stop.

And, at the PPMA, we have never lost sight of the goals. A single, EU – wide set of Standards must be a good idea. Not only does it encourage better health and safety it will facilitate investment and improve competitiveness in an increasingly competitive world. Those who grasp the opportunities created by these new Standards will find commercial benefit as well as the knowledge that they are making a real contribution to environmental and sustainable development.

Finally it must be remembered that, for the first time, different national and international manufacturing sectors are talking to each other. No one said it was going to be an easy process. But it is certainly worthwhile. Not only because it simplifies the regulatory regime in the long run, but also it can throw up many opportunities whereby these countries/sectors can work together rather than against each other.

The assessment which follows, by our Technical Consultant, Martin Keay, clearly illustrates why it is worth bothering with Standards making and what may happen if we do not!

Andrew Manly
26th November 2002

Why Bother with Standards Making? – *Martin Keay*

SWOT Analysis of Standards Making

Strengths - of the standards making process

- Brings all sides together
- Good standards
 - Are recognised internationally
 - Avoid misunderstandings
 - Create a level playing field
 - Open up export
 - Save money markets
 - Save time

Weaknesses - of the standards making process

- Can take a long time
- Only as good as those organisations who take part
- Industry bears most costs

Opportunities - for companies who take part

- Insight into thinking behind the words
- Acceptance of your company's current practice
- Advance warning of new requirements
- Close relationships with
 - Customers
 - Competitors
 - Regulatory authorities
- Significant commercial advantages

Threats to companies who do not take part

- Caught unawares when a new standard is published
- Competitors may influence the standard in their favour
- Standard may inhibit future developments

Creating a level playing field

One of the criticisms levelled at the Single European Market project is that the European Directives are written in such a way that every country can carry on doing what they have always done, so making a mockery of the CE mark and European union. Or to put it another way the much vaunted level playing field is still decidedly lumpy!

There is certainly some truth in this criticism, because most of the product safety directives like the Machinery Directive, are “new approach” directives which state the objectives to be reached and give little or no precise detail on how to achieve these objectives.

But this is where European (EN) Standards come in, because they contain the detail and define precisely what must be done to comply with the legislation.

Industry may or may not be consulted when legislation is drafted, and ultimately it is Governments that decide, so individual companies have very little opportunity to influence the outcome of legislation. However the situation is very different when it comes to standard making. In the standard making process industry has an equal voice with Government and individual, sometimes quite small companies can have a profound influence on the documents if they are willing to get involved.

Working with trade associations

However sustaining involvement in a standard, which can take six or more years to develop can be difficult for even quite large companies to sustain and support. Consequently many companies look to their trade association to provide a consistent and regular input at standards meetings, especially when they are abroad, and confine their activities to commenting on documents and attending the BSI committee meetings that shadow the work of CEN standards committees.

Benefits from standards

There is no question that a well written standard which clearly states what is required without ambiguity, saves everyone time and money. Manufacturers know what to make, equipment users know what to expect and enforcement authorities can readily distinguish between equipment that complies and equipment that does not comply with legislation.

Opportunities for those that take part

But what about the individual companies that get involved in standard writing? Do they benefit more than companies who just wait for the hard work to be done by others?

Participation in standard writing can have direct benefits, ensuring that particular designs of machine, which may be unique to that company are included in the standard and are recognised as acceptable.

Another benefit is working with competitors, because while it is rare for commercially sensitive information to be discussed during standard making, the confidence that delegates can get from even limited contacts with a feared competitor should not be underestimated.

Advance knowledge of the contents of a standard is also something that a company can benefit from if they participate in standard making. In some cases there can be a two or three year delay between a document being first discussed in a working group and sent out for public comment. And if your competitor fails to pick up on the draft document when it is circulated by BSI Standards, this advantage can stretch to five or six years before the standard is published.

But probably the greatest benefit that a company can gain when writing standards is the contact with the enforcing authorities from the different countries of Europe that are concerned with their equipment. Having a thorough understanding not just of what a standard says, but also the thinking behind the document is very valuable information.

Standards save money

It would be great to be able to give precise figures on just how much one particular standard has saved an industry, but unfortunately this is an area where nobody seems to keep precise figures. However there are well-accepted if not precisely verifiable rules of thumb.

Changes to the design of a product cost money and the generally accepted rule of thumb is the ten to one rule. If it costs £10 to make a product exactly to drawings it will cost £100 to modify it in your factory and £1000 to change it out in the field. You can argue about the precise numbers, but I think we can all identify with the principle.

So if widely recognised standards are available and it is possible to make products to those standards in the knowledge that the products will be accepted without requests for modifications, then the cost of producing standards pales into insignificance compared with the money and time that they can save.

In for the long term

In many areas of industry the key to success is intense activity over a relatively short period of time. However if you want to influence a standard the secret is sustained effort over several years. This sounds very expensive but in reality the commitment on most standards will be no more than four or five man days a year. Sustained effort does not mean you have to attend every meeting, missing the odd meeting is unlikely to diminish your influence provided you can maintain your contact with the standards committee by correspondence, and by reading and commenting on the drafts of the standard as it is developed.

Standards talk

Persuading a multinational organisation that they should accept your company's standard product rather than their own preference is usually an uphill struggle. But it gets a lot easier to resist arbitrary changes to specification if you can say your product is made to an international standard.

Clients may not want your company's standard but they have to be quite brave to say that they don't want the internationally recognised standard.

It also makes a very good impression if you can drop casually into the conversation that your company was involved in writing the standard and just to confirm it show them a drawing of a machine in the standard which just

happens to have been produced by your company. How can they resist? International standards are not agreed lightly and if your company's view on the subject has been incorporated and endorsed in a standard it is an endorsement that is very hard for your competitors to undermine.

English is an advantage

What about languages? If European standard writing depended on UK delegates being able to speak and write in other European languages it is unlikely that any European standards would be written at all. However this does not mean that British delegates are unwelcome, indeed it is rather the reverse.

European standards must be translated into English, French and German before they are published, but working groups will usually work in only one of these languages. The preferred language (even if there are no UK or Irish delegates) is almost always English, because most delegates will speak English, whereas Northern Europeans are unlikely to speak French and Southern Europeans are unlikely to speak German.

As a consequence most conversations at working groups are in English, fractured or otherwise, and when the group has come to a consensus they will turn to any native English speaker present and ask them to "put this in good English". Consequently English-speaking delegates are very popular but on the down side are expected to work to draft clauses and resolutions while everyone else heads to the bar.

Threats to those who do not take part

So what will happen if you ignore the fact that a standard is being written that will affect your company? When the standard is published you will already be several years behind your competitors who have taken part. You may be forced to change your products to comply with the new standard and worse still may discover that the standard has been drafted in a way that makes it very difficult for you to comply.

This can happen accidentally because the standards writers were unaware that the wording or precise requirements would give you a problem. But it has been known for companies to deliberately suggest clauses that will give their competitors a problem and if you do not pick these up before the standard is published you may have to wait five years before they can be changed.

So get involved, it need not be very expensive, it will give your company a commercial advantage over your competitors who cannot be bothered and will almost certainly save you a lot of money once the standard is published.

Martin Keay, PPMA