



How standards benefit businesses and the UK economy

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The economic benefits of standards to British businesses

Standards make a huge economic contribution to the UK. The extent of their impact has been identified in an independent report commissioned by BSI¹. This study uses both data and empirical evidence and is the most comprehensive of its kind to date.

The report analyses the macroeconomic and microeconomic impact of BSI's consensus-based voluntary standards across the UK economy. It concludes that they are a vital part of the strength of UK industry and play a crucial and often invisible role in supporting economic growth. It finds that standards have a significant impact on:

UK productivity

37.4%

of UK productivity growth can be attributed to standards

UK GDP growth

28.4%

of annual UK GDP growth can be attributed to standards, equivalent to £8.2 billion at 2014 prices

UK exports

£6.1 billion

of additional UK exports per year can be attributed to standards annually

Investing in standards pays dividends for organizations that use them.

Standards always generate more benefits for companies than they cost to implement.

¹ Centre for Economics and Business Research (2015). *The Economic Contribution of Standards to the UK Economy*, published by BSI, June 2015. Research funded by the Department for Business, Innovation & Skill (BIS).



Standards boost UK productivity and improve performance

They

- ✓ Increase efficiency by streamlining processes
- ✓ Reduce cost by minimizing waste and cutting out the time spent on 'trial and error'
- ✓ Allow production at scale by replacing bespoke variety with standardized solutions, performance or outcomes, thus freeing resources for differentiating products and services from those of competitors
- ✓ Lower the cost of regulatory compliance and the costs of non-compliance
- ✓ Foster high quality products and services that give buyers confidence and build company reputations
- ✓ Shorten the time to market of new products

Standards kick-start UK innovation

They

- ✓ Agree common terminology and transfer new information into the commercial environment, which accelerates the spread of innovation
- ✓ Support innovators by providing expert, authoritative new knowledge, which in turn is a platform for further innovation
- ✓ Build communities and promote the exchange of knowledge, which catalyses collaborative development and speeds up technology lifecycles
- ✓ Encourage process innovation through continual improvement
- ✓ Enable organizations to unlock their full potential in terms of their products, processes and behaviours

Standards support UK domestic and international trade

They

- ✓ Give buyers confidence that products will be safe and fit for purpose, so they are more widely accepted
- ✓ Improve transparency – buyers know what they're getting – which reduces the costs of international trade, such as the need for repeated product testing
- ✓ Make UK firms more efficient and innovative, so they can compete globally
- ✓ Overcome arbitrary national technical barriers to trade
- ✓ Improve confidence and transparency throughout complex and often multinational supply chains

Read the full report *The Economic Contribution of Standards to the UK Economy* at bsigroup.com/EconomicBenefits

The contribution of standards to UK business performance

The report surveys 527 UK businesses across seven major sectors² to discover the impact of standards at a microeconomic level. It shows that investing in standards pays dividends for the organizations that use them and that standards always generate more benefits for companies than they cost to implement.

The most productive sectors use standards the most: aerospace and defence, for example, increased productivity by **20.1%** between 2005 and 2014, while the UK average was **4.9%**

UK exports are boosted by standards: Small and medium-sized businesses are **41%** more likely to export and large businesses are **36%** more likely to export if they use standards

Standards increased total turnover in all seven sectors by **£33.3 billion** per year

Food and drink manufacturing turnover increased by **£10.2 billion** per year

More than three-quarters (**84%**) said using standards had enhanced their reputation

Nearly three-quarters (**70%**) felt that standards had improved the quality of supplier products and services

More than half (**54%**) said that technical information was made more accessible through standards

Well over three-quarters (**89%**) said that standards optimized their compliance with regulations

Across all seven sectors surveyed, standards increased Gross Value Added by **£6.9 billion** per year

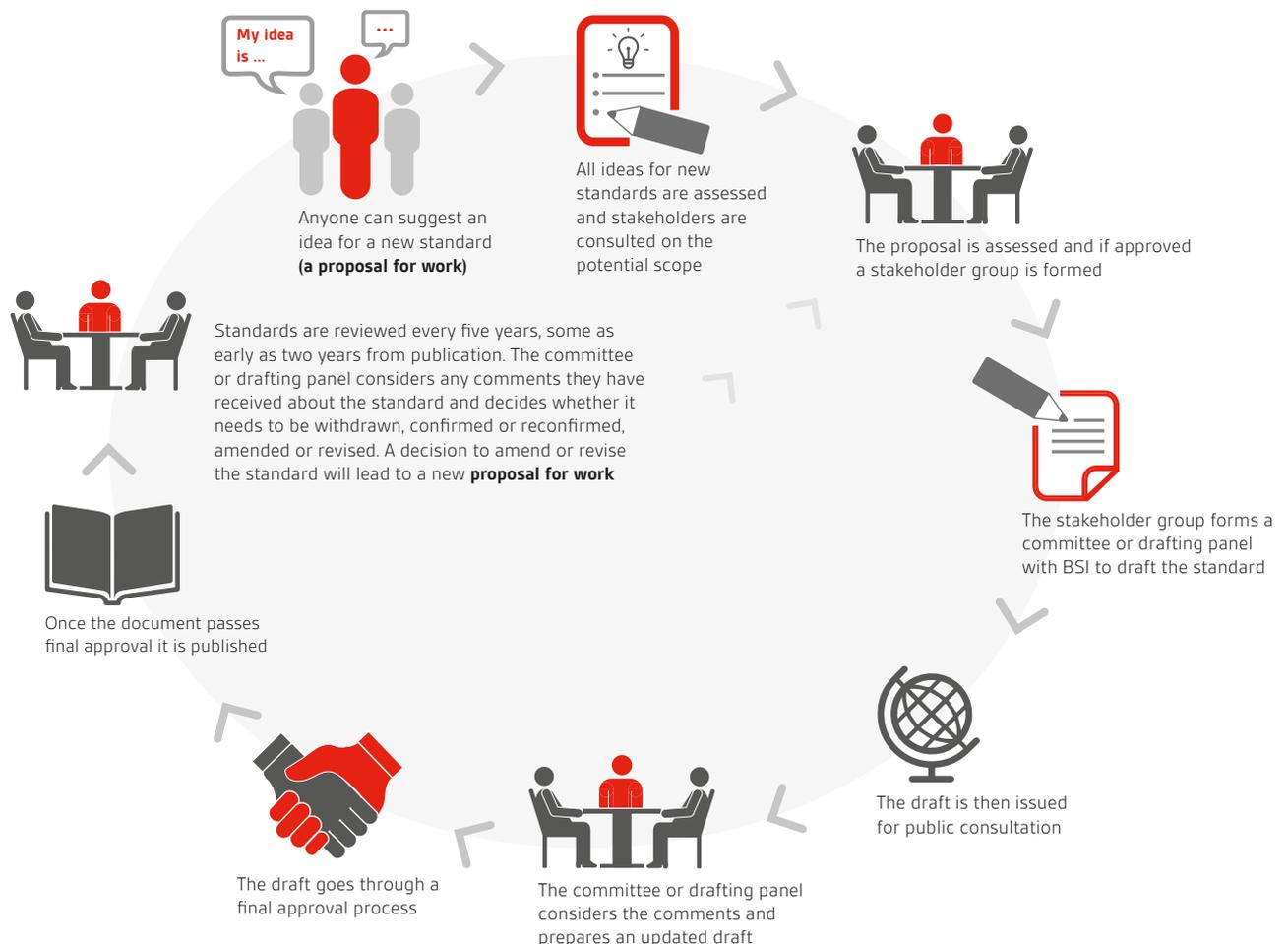
² Automotive, energy, aerospace and defence, food and drink manufacturing, ICT, construction, and life sciences.

What is a standard?

A standard is an agreement: standards present the consensus view on products and services, managing processes or even improving behaviours. They can be agreed specifications, recommendations, guidelines or principles. They are used by organizations to demonstrate that their products and services meet agreed criteria, and that their processes and principles of leadership and governance are consistent with good business practice.

Standards are written and maintained by business and industry, consumers, government, innovators and others. The knowledge they embody is carefully assembled in a dependable format and refined through an open consultation process. Organizations of all sizes and across all sectors choose standards to help them achieve their goals.

How standards are made



About the report

The Economic Contribution of Standards to the UK Economy report was produced by Cebr (see below). It reviews the role of standards from 1921 to 2015 and provides a comprehensive examination of how standards have impacted UK economic growth. At the macroeconomic level, the report uses data to analyse the impact of standards in the UK. It also combines the evidence from a survey of 527 UK companies with insights from in-depth interviews conducted with executives using standards to generate a microeconomic understanding of the effects of standards.

About Cebr

The Centre for Economics and Business Research (Cebr) is an independent economics and business research consultancy established in 1992. It supplies independent economic analysis and forecasting to hundreds of private firms and public organizations. Cebr uses innovative economic modelling to derive findings which have gained a strong track record for accuracy. Cebr's work is award winning and the consultancy is consistently placed in the top handful of UK economics teams. cebr.com

About BSI

BSI (British Standards Institution) is the business standards company that equips businesses with the necessary solutions to turn standards of best practice into habits of excellence. Formed in 1901, BSI is the UK National Standards Body and a founding member of the International Organization for Standardization (ISO). Over a century later it continues to facilitate business improvement across the globe by helping its clients drive performance, manage risk and grow sustainably through the adoption of international management systems standards, many of which BSI originated. Renowned for its marks of excellence including the consumer recognized BSI Kitemark™, BSI's influence spans multiple sectors including Aerospace, Automotive, Built Environment, Food, Healthcare and ICT. With over 80,000 clients in 172 countries, BSI is an organization whose standards inspire excellence across the globe. bsigroup.com

About BSI's role as the UK National Standards Body

BSI is appointed by the UK Government as the National Standards Body and represents UK interests at the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the European Standards Organizations CEN, CENELEC and ETSI. It publishes over 2,700 standards annually, underpinned by a collaborative approach, engaging with industry experts, government bodies, trade associations, businesses of all sizes and consumers to develop standards that reflect good business practice. bsigroup.com/nsb



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