How standards benefit businesses and the UK economy
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 BSI\(^1\). 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.

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Standards boost UK productivity and improve performance

- 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

- 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

- 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 sectors\(^2\) 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.

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

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

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.

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\(^2\) 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

Anyone can suggest an idea for a new standard (a proposal for work)

All ideas for new standards are assessed and stakeholders are consulted on the potential scope

The proposal is assessed and if approved a stakeholder group is formed

The stakeholder group forms a committee or drafting panel with BSI to draft the standard

The draft is then issued for public consultation

The draft goes through a final approval process

The committee or drafting panel considers the comments and prepares an updated draft

Once the document passes final approval it is published

Standards are reviewed every five years, some as early as two years from publication. The committee or drafting panel considers any comments they have received about the standard and decides whether it needs to be withdrawn, confirmed or reconfirmed, amended or revised. A decision to amend or revise the standard will lead to a new proposal for work.

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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.

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.

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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.

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