

<p><b>S. Joe Bhatia</b>  President and CEO  American National Standards Institute</p>	<p style="text-align: right;"><b>ISO General Assembly – Cape Town, South Africa</b>  September 18, 2009</p> <p style="text-align: right;">Agenda item 9:  Economic benefits of consensus-based International Standards</p> <p style="text-align: right;"><i>991 words, approximately 7.3 minutes</i></p>
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Good morning, everyone. My name is Joe Bhatia, and it is my great pleasure to join you here today to discuss the many economic benefits of consensus-based International Standards.

By way of background, I am president and CEO of the American National Standards Institute (ANSI). A founding member of ISO in 1947, ANSI is one of the most active member bodies, participating on nearly 80% of all ISO technical committees and subcommittees, as well as all of the major policy committees. In total, the U.S. holds 558 participating memberships on a diverse array of activities, from information technology and energy management to nanotechnologies and earth moving machinery.

And why is the United States such an active participant?

Because we are committed to ISO.

Because we believe in the process of global standard setting.

And because we have seen the critical role that International Standards play in the marketplace.

Over the past year, the downturn of the global economy has dominated headlines and impacted businesses in all of our nations. We are all looking for ways to weather the storm by prioritizing spending, re-evaluating activities, and increasing efficiencies wherever possible. But we need to make sure that standards – and participation in standard-setting activities – do not get lost in that reprioritization process.

According to the U.S. Department of Commerce, standards and conformity assessment impact more than 80% of global commodity trade. Talk about a critical role in the economy – in 2008 alone, that works out to roughly 13.5 trillion dollars.

Simply put, standards support business. When used effectively, standards and conformance can build consumer confidence and restore trust, provide extra cost savings, increase efficiencies, attract and retain customers, foster innovation, and facilitate trade – enabling companies to survive, grow, and thrive.

All of us in the room today know that standards do a lot . . . for industry, for consumers, and for our economy. But we need to share that knowledge with others. The time is right for us to demonstrate how consensus-based International Standards increase efficiency, improve competitiveness, and foster commerce.

Several members of the U.S. standardization community have conducted studies on the economic impact of standards.

- Two years ago the National Institute of Standards and Technology (NIST) published a study called “Selected Impacts of Documentary Standards Supported by NIST.” The study examined the impact of specific standards from the economic and social perspectives. The study found that the most positive economic impact was when a standard increased interoperability or improved quality.
- Members of ANSI’s Committee on Education have just published a series of six case studies on how standardization helped in the resolution of real-world problems. From submarines to fire safety, these studies are intended for use in the classroom and are freely available on [www.standardslearn.org](http://www.standardslearn.org).
- The Standards Engineering Society published “The Economics of Standardization” – a collection of five papers covering various methods to apply cost-benefit analysis to the standards process.
- Other papers and analyses, such as those undertaken by ASTM and API, speak a great deal about return on investment and cost savings by companies.

Though there is quite a lot of excellent information in each of these examples, they tend to tout the benefits of standards activities that are specific to the authoring organization. There is an opportunity here for improvement and for better coordination across the entire community of interest.

At ANSI, we are currently working on an outreach campaign entitled Standards Boost Business. I would like to share a few details of our work plan with you now, as I think it dovetails nicely with the ISO Methodology goals.

For more than a century, standardization activities in the United States, just like in other parts of the world, have bridged gaps across industries and saved money for organizations in both the private and public sectors. Despite this long history of success, decision makers in business and industry know very little about standards and conformance. This has led to corporate decisions to down-size or eliminate standards-related sections and programs within companies. Many standards professionals are not being replaced when they retire, and new, younger professionals are not being developed for corporate standards roles. In addition, the recent economic

downturn has resulted in some companies decreasing or entirely eliminating their involvement in standards development activities.

What we need is a call to action. Corporate America must devote its resources – time, money, and manpower – to the standardization system and its activities. That is why we are working to develop targeted, executive-level messaging that will show how the voluntary consensus standards system and its activities can boost business performance.

The key messages and deliverables we are putting together will be freely available to any stakeholder within the standards community to help explain the strategic value of the voluntary standards system to U.S. businesses.

I know you have all heard the phrase, “Show me the money.” I can guarantee you that individuals sitting in the world’s corner offices will be much more receptive to our messaging if we can give them concrete metrics and case studies.

That is why the ISO Methodology project is so important to all of us. With clear and manageable criteria to assess the value of International Standards, we will finally have the tools we need to help make our case.

I look forward with great interest to the detailed study of the automotive sector. As one of the most troubled industries in today’s economy, it will be of critical importance to demonstrate how standards can help these companies save money and increase efficiency.

I would also like to see ISO pursue a partnering effort with academic institutions. Collectively, we need to do whatever we can to help the next generation of standards professionals learn about the benefits of standardization.

I would like to thank Professor Berger for his excellent work on this challenging but much-needed project.

Thanks to all of you for your attention. I look forward to your questions.

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