INTERNATIONAL ELECTROTECHNICAL COMMISSION

COUNCIL BOARD (CB)

SUBJECT
Report from the Sales Advisory Group  
Agenda item 6.5

ORIGIN
SAG

EXECUTIVE SUMMARY
The confirmed report from the SAG meetings held on 3 & 4 September 2020 is attached.

During the meeting, the SAG noted the recommendation from Audit Committee (AudCom) on the illegal distribution of IEC publications and confirmed that this topic will be on the agenda of the SAG December meeting. The NRG committee provided the SAG members with information on its projects, including the first release of a commented redline (IEC 60335-1:2020 CMV), TRF pilot projects online forms and trainings. The marketplace project raised interest and it was highlighted that the quality of products and services will need to be assessed to maintain IEC brand reputation. It was confirmed that the Copyright Policy and Implementation Guidelines had been approved. SAG members were informed that the new target for the Governance task force would be to present proposed new Statutes and Rules of Procedure to Council for approval in 2021.

Discussion took place on the Sales Policy and its Implementation Conditions and it was noted that CB had approved the delivery of XML files to NCs. In addition, a subscription calculator and royalties template guidelines had been created. During the meeting, SAG members agreed on the responses to provide to those NCs that had commented on the Sales Policy (see Annex B of the attached report). An update on the implementation of the Licence Agreement to use IEC Products was provided and relevant statistics on royalties and national adoptions reports were also shared.

It was confirmed that the free availability of specific SyC deliverables were discussed among SAG and SMB. Both parties were satisfied with the given answers and pleased with the IT implementation ready to start.

The SAG Chair explained that one of the goals was for SAG to support the Finance Committee (FinCom) in establishing sales forecasts. At this occasion, very interesting feedback was given by some members. The French National Committee forecasts a major impact on subscriptions in 2021 as a consequence of Covid-19. Due to time constraints, Republic of Korea, United Kingdom and United States of America presentation had to be postponed to the next meeting. In order to help NCs plan their 2021 budget, the list of new publications to be published in 2021 and the potential bestsellers will be shared before the end of September.
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<th><strong>ACTION</strong></th>
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<tr>
<td><strong>DOCUMENT TO NOTE</strong></td>
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<td>The Council Board is invited to note the attached report.</td>
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<th><strong>PROCESS</strong></th>
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<tr>
<td>Confirmed SAG meeting reports are circulated systematically to Council Board.</td>
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<th><strong>ATTACHMENT</strong></th>
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<td>SAG report</td>
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INTERNATIONAL ELECTROTECHNICAL COMMISSION

SALES ADVISORY GROUP (SAG)  

SUBJECT
Confirmed report on the Sales Advisory Group (SAG) web meeting held on 2020-09-03 and 2020-09-04.

BACKGROUND
The following is the confirmed report of the SAG web meeting held on 3 and 4 September 2020.

Participants:

J. Cops, Treasurer (Chair)
P. Metzger, General Secretary & CEO

Group A members
Koji Baba - Japan
Alban Smith replacing Shirley Bailey-Wood - United Kingdom
George Gulla - USA
Isabelle Sitbon - France
Florian Spiteller and Clemens Matern (observer) - Germany
Shichuan Wang – China

Members from other countries
Raffaele Greco - Italy
Misun Jun - Republic of Korea

SAG Secretary: G. Fournet

Central Office:
K. Fraga (CB Secretary)
Sofia Vichot (Business Development Specialist)

Legal support: B. Wenger (partner at Baker McKenzie)

1. Opening and welcome of SAG Members

SAG Chair, Jo Cops, opened the meeting, welcoming the SAG members and Clemens Matern as observer. Upon Council Board approval he will replace Florian Spiteller. Sofia Vichot, Business Development Specialist, was invited to present the NRG activities. Boris Wenger attended the meeting to make sure that conversations were compliant with competition law.
2. Approval of the Draft Agenda

The agenda was approved without AOB.

3. Reports from managing bodies and advisory groups

Report on AudCom

SAG Chair shared feedback on the following Auditing Committee recommendation:
Analysis of illegal distribution of IEC IP - AudCom/067/DC
AudCom thanked the sales department for their work to develop scenarios regarding the potential revenue loss as a consequence of pirate links illegally distributing IEC publications. AudCom recommended that the data be shared with the Sales Advisory Group (SAG) for further consideration. They also recommended that the data include information from NCs about the volume of cases, related to national adoptions and suggested that the experience of members represented in the SAG would be a good starting point.

Recommendation 1/2020: AudCom recommended that the data and scenarios related to the illegal distribution of IEC publications through pirate links be shared with the SAG for information, and that SAG members be invited to share information regarding the monitoring of illegal distribution of national adoptions.

It was confirmed that this topic would be at agenda of the SAG December meeting.

Report on NRG

Sofia Vichot and George Gulla presented a status update on NRG activities (Annex A) following the web meeting that took place on September 1st. They were pleased to announce the first release of a commented redline (IEC 60335-1:2020 CMV) containing more than 90 comments, it was confirmed that it had a catalogue price with a 70% mark-up compared to the standard edition. George Gulla mentioned that he would share the non-sensitive parts of their marketing and communication plan with SAG members.
Regarding the TRF pilot projects it was suggested to have online forms rather than word files.
For the trainings it was clarified that they would be different from the Young Professionals trainings.
Finally, the marketplace project raised interest. It was highlighted that the quality of products and services provided would have to be assessed in order to maintain IEC brand.

Report on IEC Copyright and Database Rights Ad Hoc Group

Philippe Metzger, CDAHG Chair, gave a report on the group activities. It was confirmed that the policy and implementation conditions had been approved by the CB and Council (no negative vote).
The next steps were detailed, first the copyright notice will be finalized then implemented by IT (initial target to be confirmed: Q1 2021).
It was also mentioned that a legal and compliance officer had been hired.

Report on Governance task force review

Philippe Metzger provided a high-level summary, detailing the goals and expected timeline. The original target was for the GM 2020, however they experienced delays because online meetings proved, not as effective as face to face. The new target was set to GM 2021. Main topics discussed cover: core governance for advisory groups, need for more integrated management, increased transparency and diversity.
4. Sales Policy and implementation conditions

SAG Chair clarified that the goal was not to reopen old discussions but move forward and provide explanations to NCs as agreed during a previous SAG meeting.

Since the Sales Policy approval the licence agreement to use IEC Products had been finalized, CB had also approved delivery of XML files to NCs, and a subscription calculator and royalties template guidelines had been created.

After few discussions SAG members agreed on the answers to provide to the NCs (Annex B).

5. Licence agreement to use IEC Products

An update on the implementation of the licence agreement to use IEC Products implementation was provided by the SAG Secretary.

The statistics as of 2020-09-01 were the following:
  - NCs: 89
  - New agreement signed: 74 -> 83%
    - among which 58 requested access to XML format
    - 10 have setup API feed to access XML files
  - NCs with questions / requested deadline extension: 10
  - No reply: 5 (Algeria, Democratic People’s Republic of Korea, Iran, Oman and Pakistan)

6. Royalties and national adoptions reports

An update on the royalties reports sent to CO was provided by the SAG Secretary.

The statistics as of 2020-09-01 were the following:
  - NCs sending royalties: 58 (+ 3 NC-appointed SO)
  - NCs using 2020 template: 38
  - NCs reporting national adoption sold: 45 (7 with old template)
  - NCs reporting new national adoptions (token fee): 29

It was mentioned that a user guide is available for the royalties template. A personalized follow up will be organized with non-compliant NCs.

7. Free availability of specific SyC deliverables

It was confirmed that SAG Chair and SAG Secretary had discussions with SMB Chair and SyC SE Secretary ahead of SAG meeting. They confirmed that they were satisfied with the suggested answers.

SAG members confirmed that they also agreed and were pleased that the IT implementation was ready.
8. Market intelligence, projection and sales

SAG Chair explained that one of the goals was to help FinCom to establish sales forecast, he also introduced the Covid-19 impact assessment and SAG Secretary presented the sales forecast scenario (Annex C).
France commented that they forecast a major impact on subscriptions in 2021, they already had pressure from key accounts.
In order to help NCs plan their 2021 budget the list of new publications to be published in 2021 and the potential bestsellers would be shared before the end of September.
SAG members gave very interesting presentations sharing their experience (Annexes D to G). Unfortunately, by lack of time, presentations from Republic of Korea, United Kingdom and USA had to be postponed to the next meeting.

9. Any other business

Italy suggested to add a new agenda item for the December meeting. To the extent lawful under applicable law, Italy wanted to share ideas for the IEC catalogue reference price used to calculate royalties. Suggestions will be provided ahead of the next meeting.

10. Next meetings

The remaining 2020 meeting dates were confirmed as follows:
- SAG members invited to attend NRG open session – November 20
- Web meeting December 10 and 11 2020, 1 to 4pm CET

11. Close

Boris Wenger confirmed that all conversations were compliant with competition law.

SAG chair thanked outgoing SAG member, Florian Spiteller, for his contributions over all these years.
SAG chair also thanked SAG members for their participation, wished them to stay safe, and closed the meeting.
New Revenue Generation (NRG)

Scope:
Make recommendations to IEC Council Board regarding new products and services to facilitate new revenue generation for IEC CO and IEC NCs in alignment with the IEC mission.

Key dates:
- The anticipated duration of the group: 2019 – 2020
- Make initial recommendations to CB in 2019
- Make final report to CB in 2020
Product Innovation process

Initiate the project

Set hypothesis

Validate the potential

- Market intelligence analysis
- Generate ideas and concepts
- Prototypes / Minimum viable product (MVP)
- Tests / Confront customer / market
- Optimisation / Selection
- Payoff / financing
- Launch

WG1 - Marketplace
WG2 - Consolidated Services (TRF)
WG3 - Commented Redline
WG4 - Consultancy services incl. Pro Training
Commented Redlines

- **The concept:** provide comments on the changes between new IEC standard edition and previous one.
- **Pilot:**
  - 4 publications (IEC 60335-1 ED6, IEC 60335-2-24 ED8, IEC 60112 ED5, IEC 60079-10-1 ED3)
  - USA
- **Next phase:**
  - Measure sales performance
  - Measure TCs, NCs and Users satisfaction
  - Get validation from CB
  - Secure resources
  - Keep TCs motivation up
  - Review operations
  - Finetune a ready to use Sales and Marketing plan for NCs
  - Finetune sale projections
The concept: The Test Report Form (TRF) is a document prepared by a National Certification Body (NCB) allowing a test laboratory to record the evidences and the results of the tests and analysis made on a product. Today they are only sold by CO.

Pilots:
- 30 Bestselling TRFs
- France and Germany

Next phase:
- Measure sales performance
- Measure NCs and local users satisfaction
- Get validation from CB
- Secure resources
- Review operations
- Finetune a ready to use Sales and Marketing plan for NCs
- Finetune sale projections
Professional trainings

• The concept:
  – Leadership training
  – Standard training for NCs

• Pilots:
  – Leadership training in China
  – Training on IEC 62368-1 for Mexico

• Next phase:
  – Measure sales performance
  – Measure TC, NCs and Users satisfaction
  – Get validation from CB
  – Secure resources
  – Keep TCs motivation up
  – Review operations (online or physical, EN or local language, etc)
  – Finetune a ready to use Sales and Marketing plan for NCs
  – Finetune sale projections
Marketplace

- **The concept:** As experts in the electrotechnology standardization, we would like to offer a marketplace platform where experts and non-experts could find all relevant information, products and services available in the world.

- **Pilot:**
  - Mock up
  - 2021

- **Next phase:**
  - Review by the NRG team of the mock up for a first feedback
  - Review with IT Sandbox options
  - Verify legal aspects
  - Get the validation from CB to start Sandbox
  - Secure resources
  - Measure sales performance
  - Measure users satisfaction
  - Finetune sale projections
Key next steps

• OCTOBER: Report to CB

• NOVEMBER: General meeting- NRG open session

• DECEMBER: Secure resources

• JANUARY 2021: Launch of 3 product/services
Thank you!
## Comments received from National Committees

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<tr>
<th>Subject of comment</th>
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<th>NC</th>
<th>SAG reply</th>
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<tr>
<td>Clause 4.1</td>
<td>Full transparency between a NC and the IEC CO must be reciprocal in all economical sales topics related to the NC territory.</td>
<td>SE</td>
<td>Complete and detailed sales data provided to NCs upon request, even customer information (respecting swiss data protection laws).</td>
</tr>
<tr>
<td>Clause 4.3</td>
<td>Information asymmetry issue. The draft lacks provisions to inform the National Committee about IEC vendors and their sales status.</td>
<td>CN</td>
<td>IEC CO appointed SOs listed in royalties reports to NCs.</td>
</tr>
<tr>
<td>Clause 6.4 DE</td>
<td>DE NC agrees with the general provision that &quot;6.4 XML - IEC publications available in XML format will be provided to NCs (end).” However, all underlying conditions including potential charges (e.g. “…Sales Outlets wishing to use XML files need to sign a specific agreement with CO and will need to pay a contribution toward the XML conversion costs…”) shall only be proscribed in the foreseen licensing agreement(s), which are subjected to members’ approval at a later stage.</td>
<td>DE</td>
<td>Clarified. See CB decision 2020/06 following SAG recommendation. &quot;In addition to Council Board decision 2019/012, the Council Board grants the right for any NC-appointed Sales Outlet to receive access to XML files during the pilot phase for the purpose of supporting the appointing NC in the elaboration of national adoptions, sales and reproduction without paying a contribution to the XML conversion costs, subject to the following conditions: • The NC itself does not engage in sales and has delegated its sales responsibility to the Sales Outlet; • The NC’s sales responsibility has been delegated solely and entirely to the Sales Outlet; • The Sales Outlet has no current agreement with CO; • The Sales Outlet signs an agreement with CO (this may a tripartite agreement including the NC if so desired); and • The NC concerned has signed the Licence Agreement</td>
</tr>
<tr>
<td>Clause 6.4 SE</td>
<td>The XML statements provided in the Sales Policy are very much up for future discussions and possible changes/additions/modifications are predicted when the XML services will be a reality. It would have been much better to put the XML clause in an informative annex to be added as formative when ready.</td>
<td>SE</td>
<td></td>
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<tr>
<td>Clause 6.4 SE</td>
<td>The SE NC welcomes a discussion for a long-term sales strategy where IEC CO and the NC sets a vision/goals for future royalty levels/multiplying factors and the subscription calculator as well a policy for Sales Outlets. We do believe this is very important for the future when the XML is introduced.</td>
<td>SE</td>
<td></td>
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<tr>
<td>Clause 7</td>
<td>Distribution type. It is Australia’s understanding that new distribution types will be introduced via the implementation guidelines as recommended by SAG and other groups such as FinCom, NRG and SMB and will then be voted on by CB.</td>
<td>AU</td>
<td>This is indeed the current process.</td>
</tr>
<tr>
<td>Clause 8</td>
<td>According to what was mentioned in clause 8 in the New Sales Policy, (The following multiplying factors are applied to the IEC CO catalogue price in order to generate the adjusted IEC CO catalogue price :) Does the International Electrotechnical Commission (IEC) provide electronic facilities to the NCs for protection and control the multi-permission use.</td>
<td>SA</td>
<td>For publications sold on retail basis customers accept EULA and files are watermarked. NCs are free to use DRM systems if they wish. For publications sold on subscription basis IEC online collection allows to control multi users access.</td>
</tr>
<tr>
<td>Clause 9</td>
<td>The draft poses some risks to IEC standards promotion. The collection of royalties to the national standards adoption not only challenges the relevant provisions of the current IEC Sales Policy, but also restricts the global promotion and adoption of IEC standards.</td>
<td>CN</td>
<td>With royalties set at 0% there should be no impact on the global promotion and adoption of IEC standards.</td>
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<tr>
<td>Clause 9.1</td>
<td>A reference to the royalties table is missing in the text of clause 9.1</td>
<td>AT</td>
<td>SAG was consulted and CB defined this specific requirement</td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>Royalties. The ballot version of the Sales Policy has reintroduced a paragraph removed from March 2019 edition which Australia supports. However, the original paragraph in its entirety should be reintroduced.</td>
<td>AU</td>
<td>CB DECISION 2019/005 IEC Sales Policy and Implementation Conditions</td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>Our vote on C/2206/DV Sales policy is against because we consider not convenient to use “0% Royalties” for National Adoptions. Instead we consider “no royalty” as a better term to apply on the policy, and same way to avoid future drawbacks for the purpose we struggle about the promotion of the use of IEC as reference for National Adoptions in the Country.</td>
<td>CO</td>
<td>Council Board approved the draft IEC Sales Policy for circulation to Council for final approval by correspondence. With the clarification that there are legal implications to use the term “no royalty”. Council Board decided that a 0% royalty on the sale of national adoptions shall continue to be applied. Council Board approved the IEC Sales Policy Implementation Conditions for immediate implementation following approval of the IEC Sales Policy by Council.</td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>The CZ NC fully supports UK NC argument against the new Sales Policy draft which was distributed by the letter from Scott Steedman to IEC National Committees on 24th July 2019.</td>
<td>CZ</td>
<td>Council Board noted that the Implementation Conditions would be circulated to Council for information in parallel to the draft Sales Policy.</td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>“9. Royalties”. It shall be clearly stated that there is no royalty for National Adoptions. The DE NC however welcomes future discussions on measures to improve the fairness of system, particularly on international sales and contribution in return to the IEC community.</td>
<td>DE</td>
<td></td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>The DK NC has thoroughly read and assessed the IEC Sales Policy sent out for Council vote in correspondence, document C/2206/DV. The DK NC acknowledges the need for an updated sales policy. The DK NC believes that the argument of strengthening the IEC intellectual property by using the term ‘0% royalty’ is not substantiated. At NC level we do not have insight into the IEC legal advisor’s arguments on why a 0% royalty – in case of a court case or case of infringement – would provide IEC with a better protection. The DK NC finds that keeping the term also used in the old Sales Policy, i.e. ‘no royalty’, would be more suitable and would underline the fact that IEC and its members wish to keep the national adoptions royalty free. Based on the above, the DK NC will vote against the current version of the Sales Policy.</td>
<td>DK</td>
<td></td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>The ES NC votes negatively to the new Sales Policy because of the policy change applied to royalties on national adoptions in the implementation conditions. The inclusion of this 0% royalty has been based on the need to protect the IEC intellectual property. ES NC considers that more information should be sought to understand the need to include this change in the policy which is not aligned with that of ISO. ES NC does not have</td>
<td>ES</td>
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<td>evidence that a “0% royalty” provides any additional IP protections as compared to “no royalty”. ES NC considers that through the revision of the IP Policy to protect IEC joint IP and the inclusion of a token fee of 1CHF ‘consideration’ is the best mechanism to achieve this goal, not to adapt the Sales Policy. Finally, the inclusion of this royalty wording can preclude IEC members to adopt IEC standards what is against the goal of “Ensuring IEC work is relevant and used everywhere” expressed in the IEC Masterplan.</td>
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<td>Clause 9.1</td>
<td>The Croatian NC votes against draft IEC Sales Policy for the following reasons: A) We disagree with a change of the long standing policy of no-royalties on national adoptions. No evidence has been presented of any specific threat for which external legal advice would counsel a shift to 0% royalties. B) If there is no difference in the financial impacts of “no royalties” and “0% royalties”, why is it better to make this change in the current sales policy? C) Regarding HZN’s financial model, HZN has to transfer all of its sales income to the State budget. In the near future, “0% royalties” can easily become 1, 2, 5 or more percent royalty. It is also not clear what the calculation basis would be: IEC catalogue price or national price. The difference is important, because the prices of national adoptions are substantially lower than the IEC prices. A rise in prices may have a negative impact on the image of HZN as the national standards organisation.</td>
<td>HR</td>
<td></td>
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<tr>
<td>Clause 9.1</td>
<td>We oppose the mention of National Adoption in association with royalties (even if the amount is 0%)</td>
<td>IL</td>
<td></td>
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<tr>
<td>Clause 9.1</td>
<td>Indian National Committee (INC) for IEC is of the view that while 0% royalty on national adoptions does not provide any additional IP protection benefit to IEC as compared to “no royalty”, it puts IEC members at a potential risk for being imposed with higher royalties in future for national adoptions. There is no consensus amongst the IEC members to change royalty rates. INC-IEC therefore is of the view that this being a complex policy issue should be discussed during Council meeting. Also, it is important to clearly indicate the text that has been modified &amp; the text that remain unchanged with necessary justification to the IEC members for the sake of transparency</td>
<td>IN</td>
<td></td>
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<tr>
<td>Clause 9.1</td>
<td>This issue, particularly with regards to whether or not there should be no royalty applicable or a royalty of 0% applicable to the sale of national</td>
<td>JP</td>
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<tr>
<td>Clause 9.1</td>
<td>IEC’s justification for requesting a royalty of the adoption of international standards is not entirely clear. We wonder what relationship there are between royalty and, “in a more secure situation in terms of intellectual Property (IP)”. For example, in the document reads that the CB confirmed that 0% royalty on national sales should continue to be applied as this put IEC in a more secure situation in terms of Intellectual Property (IP) protection compared to the term “no royalty”. Additionally, in the case of Mexico, a large percentage of adoptions include national deviations, without which the IEC standard could not be applicable. We mean, although the IEC standard is used as the basis, the detail of the application is found in national deviations. We suggest making clarifications in the next IEC council statutory meeting to be held in Shanghai, regarding the implications of the proposed changes and above all avoided misunderstands.</td>
<td>MX</td>
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<tr>
<td>Clause 9.1</td>
<td>The document does not provide a clear justification for the change of policy from “no royalty” to 0% royalty. It is unclear how risks have changed that would justify the change of ‘policy’ in this area.</td>
<td>NZ</td>
<td></td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>We would like to inform you of the opinion of the Legal Department that there is a difference in the legal meaning, which may have financial implications so the Legal Department considers not to use the term ( 0% Royalties ) , and retain the previous term ( no Royalty) which provides legal protection and has no financial consequences.</td>
<td>SA</td>
<td></td>
</tr>
<tr>
<td>Clause 9.1</td>
<td>The discussions in SAG (and CB) regarding the “national adoptions” and the discussion on “0 %” or “not applicable” which are a very valid policy discussion which should be decided by Council.</td>
<td>SE</td>
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<tr>
<td>Clause 9.1</td>
<td>The THNC vote against the draft IEC Sales Policy for the reason that the term “0% royalty rate” for National Adoptions has a tendency to gradually impose royalties on IEC members nationally adopting IEC standards. This change is also considered as inconsistent to the policy that encourages the adoption of IEC standards around the world.</td>
<td>TH</td>
<td></td>
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<tr>
<td>Clause 9.1</td>
<td>The UKNC votes against the draft IEC Sales Policy for the following reasons: A) we disagree with the arguments presented to Council Board which led to a change in the long standing policy of no royalties on national adoptions. No evidence has been presented to CB or Council of any specific threat for which external legal advice would counsel a change of policy to refer to 0% royalties. B) this is a fundamental change in policy, not implementation. As detailed in the statutes, Council sets the policy for the organization, not the Council Board. C) no analysis has been presented to Council of the risks or benefits that this change in policy brings, including specifically the impact on members. D) this change of policy may reduce the incentive for IEC members to adopt IEC standards. Council has not had the opportunity to discuss the pros and cons of such a change. E) measures to provide a high level of IP protection have already been agreed in the revision of the IP Policy through the introduction of 1CHF ‘consideration’.</td>
<td>UK</td>
<td></td>
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<tr>
<td>Clause 9.2</td>
<td>Reporting. There is a requirement (that is not new) that for the purpose of calculating royalties and understanding the overall market, a detailed report on the sale of all products shall be submitted to CO by NCs, NC-Appointed Sales Outlets and CO Appointed Sales Outlets on a quarterly basis. Taking into account potential competition issues we request that detailed information about how commercially sensitive information is shared be included.</td>
<td>AU</td>
<td>Details requested compliant with antitrust laws, confirmed with lawyer. Catalogue price listed in reports, not retail price. For national adoptions only quantities sold on retail basis are reported. IEC CO sales are reported to NCs. Any NC wishing to receive detailed sales information can request such reports.</td>
</tr>
<tr>
<td>Clause 9.2</td>
<td>All the reporting responsibilities mandated in this Policy for NCs shall be reciprocated by the IEC. This shall mean if members are requested to report to the IEC on their national sales and royalties, IEC CO is obliged to provide the members with the same granularity of information upon request.</td>
<td>DE</td>
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<tr>
<td>Clause 9.2</td>
<td>IEC being a member-based association should be reflected by the mutual benefit of the distribution of the standards reached by the IEC and its members. Any attempt to increase royalty levels above 0% in the future would require a clear demonstration of how the IEC and its members would continue to share balanced benefits from the wide dissemination of IEC standards.</td>
<td>FR</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>Any competition between IEC CO and NCs shall be avoided. For the sake of transparency and reciprocity it is necessary establishing that all the information concerning commercial activities have to be shared between IEC CO and a NC. The significant elements have to be the same. In case of use of a royalty report template it has to be the same for both IEC CO and NC.</td>
<td>IT</td>
<td>Complete and detailed sales data provided to NCs upon request, even customer information (respecting swiss data protection laws).</td>
</tr>
<tr>
<td>General</td>
<td>Turkey NC is against the draft document for sales policy. TSE does not reproduce original IEC products for selling purpose according to the current policy. As a general policy in Turkey to parties wishing to buy original IEC products in official IEC languages, TSE recommends to use IEC webpage, including the TSE’s stakeholders except very urgent cases. In addition, current TSE’s software has not prepared to support this draft policy and for manual case, we need additional staff. On the other side, the aim and future benefits of the draft for IEC on our side, for Members and stakeholders is not crystal clear. Because of provisions contained in the proposed draft is not going to create the desired effect in the short term, contrary, we consider that it will have a negative impact in many countries, including Turkey. Because most of the members do not have adequate digital infrastructure and available resources for this purpose. We believe that in preparing new national sales policies and new software for this purpose needs serious discussions not only in Council Board level but also between all related parties in technical and administrative level and serious technical preparation and work at national level for a fully acceptable IEC Sales Policy.</td>
<td>TR</td>
<td>Co will reach out to Turkish NC to provide them support.</td>
</tr>
<tr>
<td>General</td>
<td>This sales policy is aimed at a market that will use standards but IEC needs to pursue initiatives that will take a step back and also use other media methods to make available standards at affordable price</td>
<td>ZA</td>
<td>NRG is looking into this topic and will reach out to South Africa NC.</td>
</tr>
<tr>
<td>General</td>
<td>In developing countries, the culture to use standards needs to be promoted further than providing the Affiliated Countries NC with certain</td>
<td>ZA</td>
<td>SAG agrees to promote the use of IEC standards on a worldwide basis.</td>
</tr>
<tr>
<td>Subject of comment</td>
<td>Comment</td>
<td>NC</td>
<td>SAG reply</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Licence agreement</td>
<td>The draft is not complete. The draft proposes that the IEC and the IEC National Committee sign the relevant agreement, but the template of the agreement is not reflected in the draft.</td>
<td>CN</td>
<td>See AC/2/2020 NC invited to sign the Licence agreement to use IEC Products.</td>
</tr>
<tr>
<td>Licence agreement</td>
<td>If XML format will be provided to NCs, does the NCs needed any licence agreement?</td>
<td>SA</td>
<td>Yes, the licence agreement to use IEC Products has to be signed to access XML files.</td>
</tr>
<tr>
<td>Process</td>
<td>There is a procedure flaw in the approval of the draft. The requirement for the National Standards to apply “0% royalty” lacks advices from IEC National Committees in a broader range and their basis for royalty collection.</td>
<td>CN</td>
<td>Covered above (9.1).</td>
</tr>
<tr>
<td>Process</td>
<td>As well as the need of a long-term Sales strategy it is also the need for a flexible and simple process to update and revise the Sales Policy. Eleven years since the last update are fare to long. The Sales Policy should be updated regularly based on an agreed and long-term Sales strategy. It is recommended that SAG and CB undertake the discussions on a long-term sales strategy and a more flexible process for a regularly revision on the Sales Policy.</td>
<td>SE</td>
<td>Noted.</td>
</tr>
</tbody>
</table>
Sales & Royalties (as at 2020-08-14)

Based on the input received from the ten NCs sending highest royalties as well as from the CO-appointed Sales Outlets and based on Central Office sales as at end-July (see details in the specific sections below), the following three scenarios in terms of forecasted impact on revenue from sales and royalties have been created. It should be noted that these scenarios are basic in the sense that we have taken information about volume of sales and applied that reduction directly to the original budget whereas the price categories vary and may therefore have a significant effect.

Even though the figures should be considered as basic indications and have as main purpose to provide some form of general guidance, it can be noted that the end-July “Medium estimated impact” forecast is less positive that the one provided at the end of June, and more similar to what has been reported the previous months. The “High impact scenario” shows a continuous decrease over time of the forecasted impacts.

Scenario A (low estimated impact – business as usual¹)

<table>
<thead>
<tr>
<th>Potential impact</th>
<th>End-July</th>
<th>End-June</th>
<th>End-May</th>
<th>End-April</th>
<th>End-March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>CHF</td>
<td>%</td>
<td>CHF</td>
<td>%</td>
</tr>
<tr>
<td>NC royalties</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO-appointed Sales Outlet royalties</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>Net: 0</td>
<td>Net:0</td>
<td>Net: 0</td>
<td>-</td>
<td>Net: 185’000</td>
</tr>
</tbody>
</table>

¹ This represents the lowest impact figure received
### Scenario B (medium estimated impact²)

<table>
<thead>
<tr>
<th>Potential impact</th>
<th>End-July</th>
<th>End-June</th>
<th>End-May</th>
<th>End-April</th>
<th>End-March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>CHF</td>
<td>%</td>
<td>CHF</td>
<td>%</td>
</tr>
<tr>
<td>NC royalties</td>
<td>12.5</td>
<td>750'000</td>
<td>3.7</td>
<td>222'000</td>
<td>11.9</td>
</tr>
<tr>
<td>CO-appointed Sales Outlet royalties</td>
<td>13.8</td>
<td>Gross: 952'200</td>
<td>6.5</td>
<td>Gross: 448'500</td>
<td>21.6</td>
</tr>
<tr>
<td>CO</td>
<td>8</td>
<td>Gross: 496'000</td>
<td>10</td>
<td>Gross: 620'000</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net: 216'000</td>
<td></td>
<td>Net: 270'000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Net: 1'657'800</td>
<td>-</td>
<td>Net: 732'500</td>
<td>-</td>
</tr>
</tbody>
</table>

### Scenario C (high estimated impact³)

<table>
<thead>
<tr>
<th>Potential impact</th>
<th>End-July</th>
<th>End-June</th>
<th>End-May</th>
<th>End-April</th>
<th>End-March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>CHF</td>
<td>%</td>
<td>CHF</td>
<td>%</td>
</tr>
<tr>
<td>NC royalties</td>
<td>30</td>
<td>1'800'000</td>
<td>30</td>
<td>1'800'000</td>
<td>30</td>
</tr>
<tr>
<td>CO-appointed Sales Outlet royalties</td>
<td>30</td>
<td>Gross: 2'070'000</td>
<td>20</td>
<td>Gross: 1'380'000</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net: 1'110'000</td>
<td></td>
<td>Net: 740'000</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>13</td>
<td>Gross: 806'000</td>
<td>15</td>
<td>Gross: 930'000</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net: 351'000</td>
<td></td>
<td>Net: 405'000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Net: 1'668'000</td>
<td>-</td>
<td>Net: 2'945'000</td>
<td>-</td>
</tr>
</tbody>
</table>

² This represents the average of the impact figures provided from the relevant entities. Where ranges were given, the middle of the range was taken.
³ This represents the highest impact figures received.
The end-July 2020 Central Office gross sales have decreased by 5.2% compared to end-July 2019. However, the impact on net sales at end-July 2020 is only 4.36% lower than at end-July 2019. The impact on net sales at end-June 2020 was 3.38% lower than at end-June 2019.

It has to be noted that special orders were received during the month of July 2019, this has not been the case in July 2020. The fact that the results stand at +13% compared to July 2018 shows that despite the pandemic the sales are good. If the general trends (not only the special orders) continue the same way, the scenarios for the end of the year could be revised as follows: -8% moderate and -13% worst case instead of -10% moderate and -15% worst case, compared to budget.

**Royalties: Top 10 NCs impact forecasts**
Information on royalties is difficult to monitor on an ongoing basis as it is received each quarter. Data for Q2/2020 are currently being received. To date, information from two major NCs are still missing.

In order to establish forecasts, the ten NCs providing the highest amount of royalties in 2019 are regularly requested to share their forecasts on the impact. Based on the replies received regarding their forecasts at end-July, the average estimated impact is anticipated to be a reduction of 12.5% in terms of sales of IEC publications. One NC provided quite pessimistic intermediate forecasts (not confirmed) in July. Other NCs provided forecasts similar to or better than the previous month.

**Royalties: CO-appointed Sales Outlets impact forecasts**
For CO-appointed Sales Outlets, information on royalties are received at the end of each quarter. Data for Q2/2020 shows an increase of 20.6% compared to Q2/2019.

All CO-appointed Sales Outlets were requested to provide forecasts on the impact, reported in this document. Based on the replies received regarding the situation at end-July, the average estimated impact is anticipated to deliver a reduction in terms of royalties on CO-appointed Sales Outlets of
13.8%. One of the smaller CO-appointed Sales Outlets provided quite pessimistic forecasts. Other CO-appointed Sales Outlets’ forecasts are similar to or very slightly lower than the previous month.

**IEC publications provided free of cost to help tackle Covid-19 (as at 2020-08-14)**

CO has processed 508 requests to date from 76 different countries. The nominal value of publications sent is CHF 1'242'060. The top 5 countries in terms of number of requests are India, Turkey, USA, Canada, and China.

The number of requests processed by NCs (based on reports received to date) has reached 12,517. To date we are aware of 13 NCs that are providing IEC publications (or national adoptions thereof) free of cost to help tackle Covid-19. Of the 13, 11 NCs have provided reports; reports are missing from the National Committees of France and Ireland.
Market intelligence, projection and sales

WANG SHICHUAN
Senior Engineer
China

SAG
2020-09
What market data do you collect?

- All kinds of standards that stakeholders take part in
- What they need from standard
- Standardization in stakeholders
- Training needs
- Cooperation opportunity
What kind of information do you provide to your board?

- Sales statistics
- Key customers
- Market prediction
- Cooperation proposals
Which forecasts method are you using?

- Sales data
- Visit key customers
- Communication with league members and local institutes
- Do some market researches
- Questionnaire
How can IEC improve its forecasting?

- Establish forecasting mechanism in IEC
- Cooperation with TCs
- Cooperation with NCs
- Cooperation with key associations
- Cooperation with key enterprises
- Cooperation with experts
How can IEC increase its understanding of the global market?

- Strengthen the propaganda of IEC by new media
- Enlarge cooperation with other international organization
- Develop incentives to TCs
- Deepen cooperation with NCs
What are your main customer profiles?

- Manufacturing companies
- Local institute
What are your main markets?

- Manufacturing fields
- Local cities
How do you differentiate your products and services?

- Customer oriented
- Use new media
Have you identified any trends?

- Enrich the form of training
- Develop new platforms for IEC
What is covid-19 impact and which measures have you taken?

- Sales declines
- Virtual communication
Thank you
Any questions?
Market intelligence, projection and sales

Isabelle SITBON
Director AFNOR
Publishing

SAG
2020-09
What market data do you collect?

- The business sector of our customers
- The number of organisations
- The number of employees
- Studies on specific industries
- The need for standards
- Digital transformation
What kind of information do you provide to your board?

- The number of visitors/webshop
- The number of documents sold and their origins
- The number of subscriptions
- The number of cancelled subscriptions
- The number of new customers
- The number of customer calls and e-mails and processing times
- The processing time for customer complaints
Which forecasts method are you using?

- Forecast of new services
- Production of standards and best sellers
- Pricing policy
- Quarterly forecasts based on the current results and the previous years
How can IEC improve its forecasting?

- Precise number of new publications and revised publications
- Number of documents sold in the same field
- View of subscriptions over 5 years
How can IEC increase its understanding of the global market?

• *Which external forces should be monitored to measure their impact on sales patterns?*

• Projected economic growth by country

• Identification of growth and decline sectors

• Budget of the companies

• Studies on policy price
What are your main customer profiles?

- Key accounts: 4% of the customers for 25% of turnover
- SMES: 48% of the customers for 45% of the turnover
- VSE: 30% of the customers for 12% of turnover
- 18% non-identified customers for 18% of turnover
What are your main markets?

- Engineering offices
- Manufacturing industry
- Electrical sector
- Aeronautical industry
- Administration and public authorities
- Construction sector
How do you differentiate your products and services?

- Our strategy is to have only 2 platforms
  - The webshop for retail sales
  - COBAZ for all our subscription services (access to the standards, monitoring, assessment, articles...)
Have you identified any trends?

- Subscription 100% on line
- Requirements
- Commented Redlines
- Videos/training/explanations
- IA (questions/answers)
- Standard of the future
What is covid-19 impact and which measures have you taken?

- The decrease of our turn over
- Difficulties to launch new project
- Focus on priority projects and our core business
- Reinforced control of recruitments and expenditure
- Removal of DRM in the case of teleworking
- Free access to standards related to the health crisis
Thank you
Any questions?
Market intelligence, projection and sales

Florian Spiteller
Clemens Matern
Germany DKE

SAG
2020-09
What market data do you collect?

- **Market sizes Germany**
  - # of electricians and SMEs
  - # of large electrotechnical industry corporations (LE)
  - # of electrotechnical industry employees based on ZVEI numbers

- **General market trends**
  - Market statistics Germany e.g. GNP
  - Technology development trends stemming from industry, academia, government policies and media reports
What kind of information do you provide to your board?

- Technological market trends and needs
- Market/stakeholder size: electricians, SME, LE, etc.
- DKE will have a new dashboard available containing organization KPIs and market data
Which forecasts method are you using?

• Expert reviews and workshops
• Customer surveys
• Sales forecasts based on historical data and experienced customer behaviour e.g. sales numbers on collections offered at discounted prices or when running campaigns
• Revenue is also depending on the number of standards offered in collections in subscriptions due to sales model Germany
How can IEC improve its forecasting?

• Understand the sources of income of the IEC and where it could develop a deeper insight
• Collaborate with NCs on market intelligence
• Support NCs in their own market development
• Develop better understanding who are the customers of IEC and what are their evolving needs
How can IEC increase its understanding of the global market?

- Monitor global economic changes and trends
- Collaborate with NCs on market intelligence
- Monitor sales competition from IEEE, ETSI and even from IEC members
- Have a close look also to ISO as global economic trends will be relatively similar for IEC customers and ISO customers
What are your main customer profiles?

• Personas:
  – End User (Electricians, Architects, Civil Engineers, Planner)
  – SME: Owner, MD, Head of Quality, Head of Purchasing, Head of R&D
  – LE: Purchasing dep, R&D dep, quality dep
  – Education, Academia
What are your main markets?

• By region:
  – Germany

• By customer segment:
  – Electricians (running own business)
  – SME
  – LE
  – Academia
How do you differentiate your products and services?

- Standards (Norm) paid by user / subscriber
- Pre paid standards paid by industry upfront
- Standards interpretation and support
  - Expert Service by phone
  - Apps
- Trainings web based and presence
- Community building, networking events
Have you identified any trends?

• New markets
  – Industry requires faster but reliable standardization
  – Standards to be accessed more easily on different media
  – Availability of support to apply standards
  – Standards more easily to read

• New technologies
  – XML
  – Machine readable standards
  – Machine interpretable standards
What is covid-19 impact and which measures have you taken?

- Expert meetings to discuss standards are transferred from presence to online meetings
- Majority of DKE employees work at home
- Sales numbers of standards slightly decreasing:
  - Less One-time sales due to economic decline
  - Production of standards impacted in the first wave of transferring processes to online
  - Due to high amount of recurring revenues from collection sales total sales decrease less than in other areas of German industry
Thank you
Any questions?
Market intelligence, projection and sales

Koji Baba
Japanese Standards Association

SAG
2020-09
What market data do you collect?

- Customers’ search history and inquiries
- Trends of main markets, incl. safety/security incidents
- Natural disasters and businesses/governments
What kind of information do you provide to your board?

- Sales figures of products and services
- A list of high impact standards to be published
Which forecasts method are you using?

- Sales figures of previous editions
- High impact standards to be published
- Number of attendants in standards seminars
- Number of customer inquiries
- Sales trends of the products related to Standards
How can IEC improve its forecasting?

- Forecasting: based on NC efforts to understand their local markets

- IEC CO can support NCs, e.g. by providing useful information of:
  - high impact standards;
  - bestsellers by region.
How can IEC increase its understanding of the global market?

- Communication with relevant forums, consortium, regional and other international SDOs
- Use external market research or intelligence services
What are your main customer profiles?

- Job title
- Section / department name
- Location
- Purchase history
- Membership
What are your main markets?

- Civil engineering, construction
- Mechanical engineering
- Electronic and Electrical Engineering
How do you differentiate your products and services?

- A variety of standards translated in JP
- Standard-derived/related products (standards seminars, qualification, etc.)
- Membership benefits (discount, event)
Have you identified any trends?

Shift from paper to PDF in 2020

- **Japanese standards (JIS)**
  - FY 2019: PDF 23%
  - FY 2020: PDF 26%

- **IEC standards**
  - FY 2019: PDF 45%
  - FY 2020: PDF 54% = higher than ISO stds
What is covid-19 impact and which measures have you taken?

• Impact on
  - International standards : small
  - other products : medium or large

• Measures taken
  - Promotion of digital standards, online subscriptions
  - Digitalization of some products/services (e.g. training courses)
Thank you