

Assessing the benefits of a standard



Holk Traschewski

Because standards are so important to economic success, one of the most important endeavours of the Committee of Standards Users at DIN (ANP) is to determine the significance of standardization for businesses.

Standards generate economic benefits which have been estimated at 16 billion euros a year for Germany alone: These are the results of the 2000 study »The economic benefits of standardization« carried out for DIN by the Fraunhofer Institute for Systems and Innovation Research (ISI) and the Technical University Dresden (TUD).

The study – which was carried out in Germany, Switzerland and Austria – shows that almost all areas of a business can profit from systematic, strategic standards work. These areas include research and development, marketing, procurement, production, quality management, systems technology management, environmental protection, and occupational health and safety.

Standards allow a business to

- ▶ reduce the costs of materials, time and human resources, as well as liability costs,
- ▶ reduce adaptation costs through product modifications, organizational changes or interface adjustments,
- ▶ increase productivity through the optimization of material flows and operational processes, and
- ▶ lower transaction costs due to better communication, shorter search times, faster access to information, and simplified, internationally recognized measurement, testing and certification procedures.

Businesses active on the global market need to persuade potential customers of the quality and safety of their products - standards can help them do just that. Standards also promote international trade and contribute to rationalization, quality assurance, environmental protection, safety and better communication. According to the above-mentioned study, standards make a greater contribution to economic growth than patents or licences.

By becoming involved in standards work, businesses gain a competitive lead through timely access to information and knowledge. They can use this to their own advantage, reducing the risks and costs involved in R & D. Applying standards also helps considerably reduce information costs associated with contract negotiations.

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>> Taking the results of the study mentioned above as a basis, the consulting firm [j2-consult] Jänchen and Partner, located in Dresden, developed an interactive checklist for assessing the impact of standards within a company. The costs of standardization or participation in standards work are relatively easy to determine. The challenge is in **calculating the benefits of standardization**, e.g. in terms of the cost savings that can be attributed to the use of a particular standard. Originally published in 2004, the checklist has been extensively revised in cooperation with the ANP and is now presented in a more user-friendly version. With the help of the checklist you can determine the real benefits and any potential benefits of applying an existing or future standard in your company – from a number of perspectives. While completing the checklist, keep in mind the perspective you have chosen and the standard you are interested in throughout the entire process.

Although this checklist is a useful tool, some important aspects of standards for your company may remain unconsidered, due to the complex nature of the impact of standards. Feel free to apply the methodology behind the checklist to develop your own solutions. ANP welcomes your ideas regarding creative alternatives to the present checklist.

Enjoy completing the checklist!

We would like to thank all those who have supported us in the development of this checklist and helped us provide you with this tool for assessing the benefits of standardization.

I would like to personally thank the project team (Mr. Bormann, Ms. Dind, Dr. Jänchen, Dr. Raith, Mr. Rosan and Mr. Schaber) for their contribution to the development of this tool – many thanks to you all!

Holk Traschewski
PRESIDENT
COMMITTEE OF
STANDARDS USERS (ANP)