



Inclusive  
Trade

27-29 September 2016  
Geneva, WTO headquarters

## **Standards and Regulations: Do SMEs have a stake?**

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# What are standards for?

In essence, standards provide **codified knowledge** regarding materials, technologies, products and services, components, test methods, processes and much more.

They are the result of an **agreement** among the interested and concerned parties (stakeholders) and incorporate the distilled **knowledge of experts** in their subject matter, contributing to:

- ensuring that products and services are safe, reliable and of good quality
- the adoption of good practices by organizations, (e.g. for organizing and managing processes)



# Standards bring substantial benefits to stakeholders



## Companies

- Operational efficiency
- Product and process improvement
- Access to Market



## Consumers

- Choice
- Quality and Safety
- Price-performance



## Public Authorities

- Support good regulatory practices and
- Efficient implementation of public policies

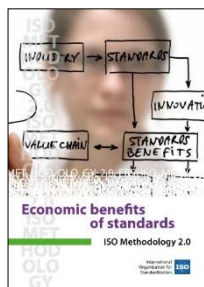
# The benefits of standards can be quantified

**MACROECONOMIC APPROACHES:** Evaluating the impact of standards on **growth, productivity, trade balances of countries**



*Studies undertaken in recent years by several National Standards Bodies in partnership with research institutes and government agencies*

**MICROECONOMIC APPROACHES:** the **ISO methodology and series of case studies** have addressed the issue from the **company and industry-sector perspective**



*About 40 **case studies** developed by ISO and NSBs in over 20 countries from all the world regions*



# Benefits of standards for SMEs



## SMEs

Can benefit from the use of standards and from participation in standards development



The right standard for the job *p. 22*

Get a head start *p. 23*

How we develop standards to suit your business *p. 24*

What is ISO? *p. 25*

## ISO standards...

- 1** help you improve the quality of your goods and services *pp. 2-3*
- 2** help you drive growth, cut costs and increase profits *pp. 4-5*
- 3** give your business a competitive edge *pp. 6-7*
- 4** open up export markets for your goods and services *pp. 8-9*
- 5** open doors to new customers and strengthen your existing business *pp. 10-11*
- 6** help you compete with bigger enterprises *pp. 12-13*
- 7** enhance your credibility and secure customer confidence *pp. 14-15*
- 8** sharpen your business processes and increase efficiency *pp. 16-17*
- 9** strengthen your marketing pitch *pp. 18-19*
- 10** help you comply with regulations *pp. 20-21*

What SMEs are saying...



# Baron Foods (St. Lucia) Ltd

- Founded in 1991, Baron Foods (St. Lucia) Ltd. is a family-owned food manufacturing company located in the Vieux-Fort Industrial Estate in the south of the island of Saint Lucia
- Established by **two people**, today the company is:
  - A **leading producer** of condiments, sauces, spices, essences, salad dressings and exotic food beverages in Saint Lucia
  - Covering domestic, regional (Caribbean) and extra-regional markets. The latter include USA, Canada, United Kingdom (UK), France, Germany and a few other European countries.



# Baron Foods and standards

- The use of standards was introduced in 2003
- That was **a turning point for the company**. Since then, the use of standards has become an integral part of the company culture, supporting its strategic development and mission of continual improvement in product quality
- Standards **have also been essential to get recognition** from demanding regional and global retailers



# Baron Foods and standards (2)

## QUALITY & STANDARDS

Baron Food's products are currently certified against the internationally recognized FSSC 22000 V3 food safety standard.

This standard offers a global solution in harmonizing requirements towards safety management systems of a food supply chain with its advantage being its overall makeup of the ISO 22000, HACCP and ISO/TS 22002-1 standards. The company also practices World Class Manufacturing which has engaged the gears of production to better increase efficiency and improve productivity





# A culture of quality

- Purchasing **ingredients of high quality** is critical for the final product quality. The company purchases 100% of the fresh produce required from a network of about 30 local farmers. Local fresh produce is preferred as it retains its flavour over time, a factor which greatly contributes to final product quality.





## A culture of quality (2)

- High quality is achieved through using high quality ingredients and
- Adhering to **high standards of food processing, quality and safety management practices** aligned with world standards



*This is extremely important to the company due to high customer expectations regarding quality of food products sold on very demanding, competitive international markets.*

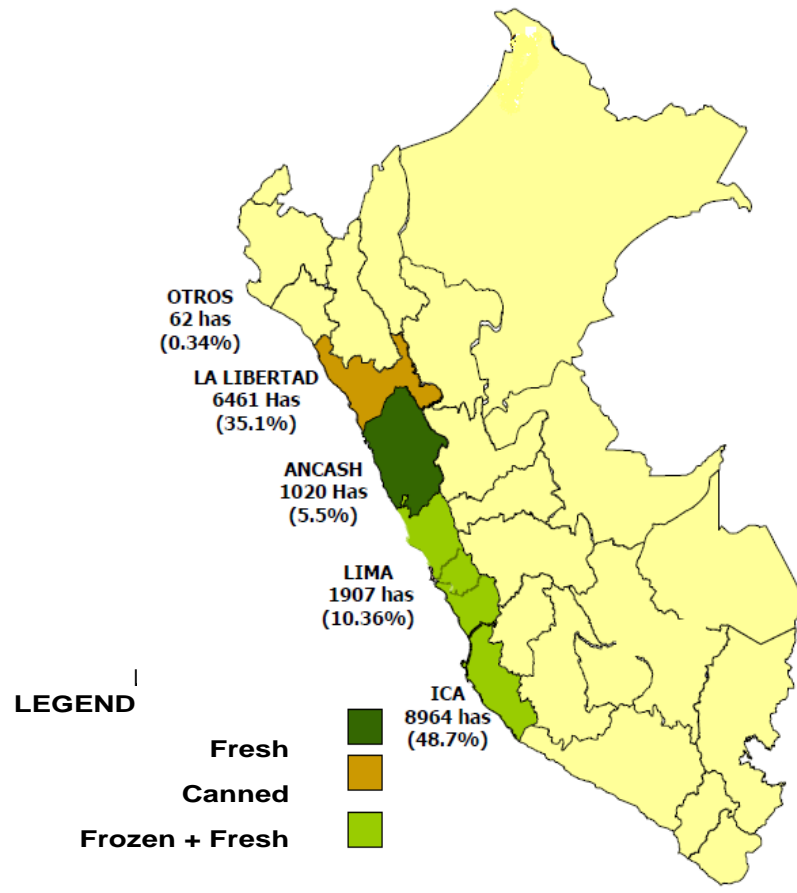
# Value generated by standards

Overall financial value:

- **5.6%** of the company **gross profits**
- corresponding to about **2%** of the **total company revenue**

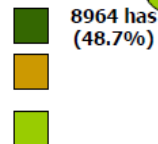


# PERU: GEOGRAPHICAL DISTRIBUTION OF CULTIVATED LAND DEVOTED TO ASPARAGUS (in 2004: 18 400 has; 190 thousand MT)



LEGEND

Fresh  
Canned  
Frozen + Fresh

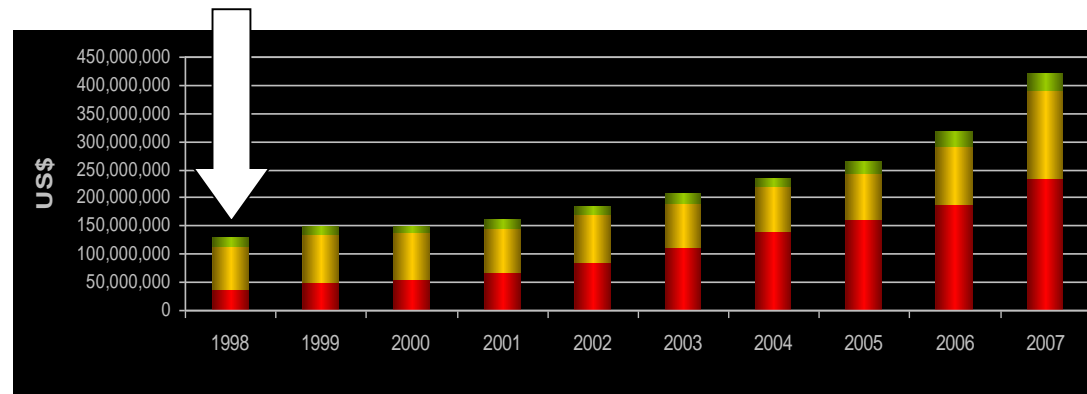




# PERUVIAN ASPARAGUS EXPORTS (Valor FOB US\$ 1998-2007)

In 1998, INDECOPI promoted the creation of the Asparagus National Technical Committee of Standardization (ANTCS) as a way to develop standards for to strengthen the Asparagus sector.

Started the standardization work



Fresh ●  
Canned ●  
Frozen ●

Fuente: SUNAT / ADEX  
Preparado por: Inform@ccion







DanPer Trujillo, **established in 1993**, is today one of the largest agro-exporter companies in Peru, **with 130 million USD (2014) total revenue**, based almost entirely on export.

At the time of the study (2011), around 45% of its export was directed to the USA, 30% to Europe and 25% to other regions (Asia, Oceania, Africa and Latin America).



Danper is famous for its non traditional agricultural products, primarily **asparagus and artichokes**, complemented by grapes, avocados and mangoes. It is also a producer of increasingly popular super grains, such as quinoa both as grain and in prepared meals.





## Company mission

to be a reliable supplier of consistent quality, world leader in the agro-industrial products and related services, committed creator of value for our clients, employees, suppliers and shareholders, and promoter of the continuous and healthy growth of our society



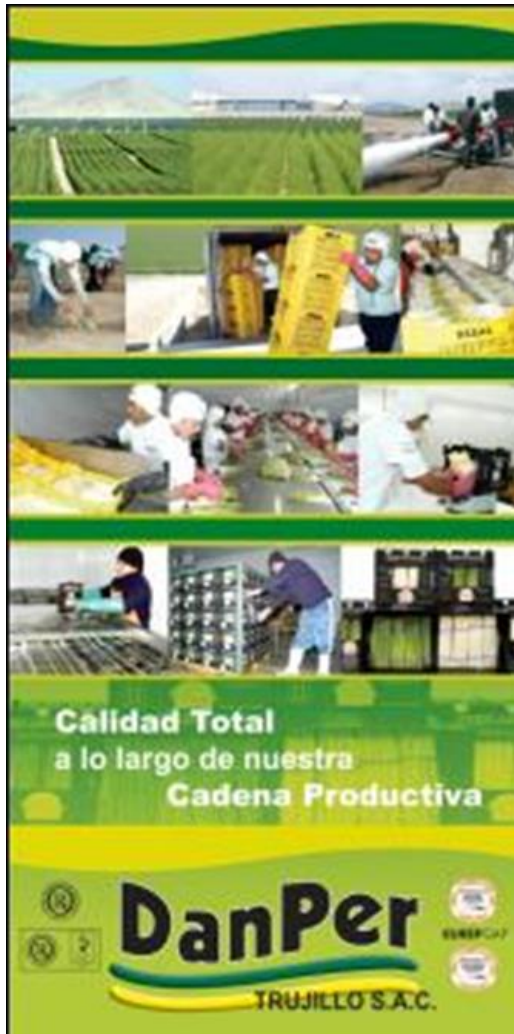




## Standards and certifications

The company maintains a library of approximately 100 technical standards and regulations, primarily for agricultural good practices, *HACCP* (Hazard Analysis Critical Control Point), hygiene et safety of food products. It also maintains an integrated management system (quality, environment, occupational health and safety, social responsibility)





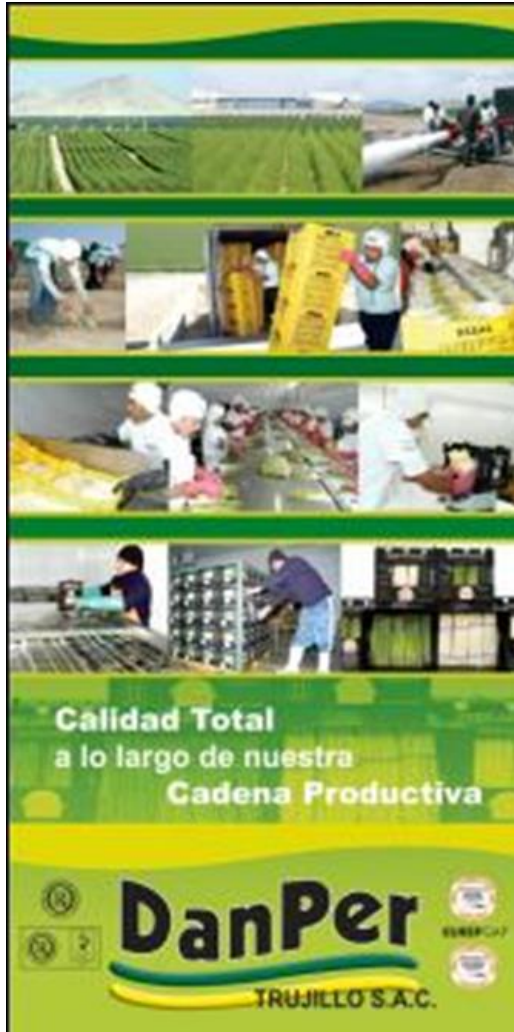
## Key role of standards and certifications

Danper exports over 90% of its produce. The target markets and the buyers serving them are **extremely demanding** in terms of: safety, traceability, quality, continual improvement

Conformity to standards and certification against major standards (e.g. ISO 9001, HACCP, Global GAP, etc.) **have been critical to drive Danper's growth** because:

- Supported customers' perception of the company's commitment to quality and good practices, and
- Helped to build customer confidence (and, in some cases, to respond to specific customers' requirements)





## Benefits of standards

### Quantitative

The direct contribution of standards to the creation of value (gross profit) was estimated in **almost 1% of the total company annual sales**

*[contribution to business development **did not consider past achievements**, but only increase on an annual basis]*

### Qualitative

Standards help DanPer in developing the company's quality culture, a philosophy of continual improvement impacting all company processes

# Also an example of gender empowerment





# How SMEs can understand and exploit the benefits of standards?

- **First:** openness, curiosity, motivation, interest in and commitment to quality
- Then:
  - Support from national institutions such as government agencies and industry associations
  - Support from the national standards bodies
  - Access to national and international business and trade development programmes





# The role of National Standards Bodies

- National Standards Bodies have a fundamental role to play:
  - Sharing and disseminating information about standards and standardization – and other important issues affecting SMEs' business
  - Supporting effective stakeholder engagement in standardization activities
  - Providing training and other services to support the implementation of standards
  - Fulfilling country's obligations in relation to international agreements



# The role of National Standards Bodies (2)

## Obligations under the WTO TBT Agreement

In most countries, National Standards Bodies are directly **involved** and in **several cases responsible** for some or all of the activities related to country's obligations under the TBT Agreement, including :

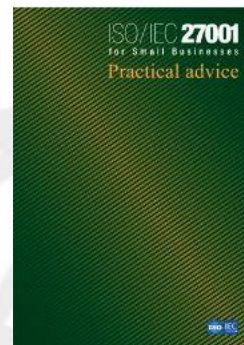
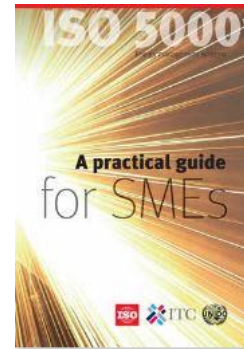
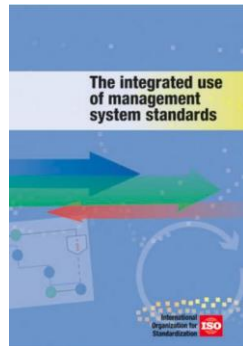
- Helping to ensure that regulations are based on international standards (Art. 2.4)
- Application of the Code of Good Practice for the Preparation, Adoption and Application of Standards (Art. 4.1)
- Organization and management of the enquiry points (Art. 10)

*Similar provisions apply to the WTO SPS Agreement – in particular, Article 3 (Harmonization) and Article 7 (Transparency), along with Annexes A and B.*

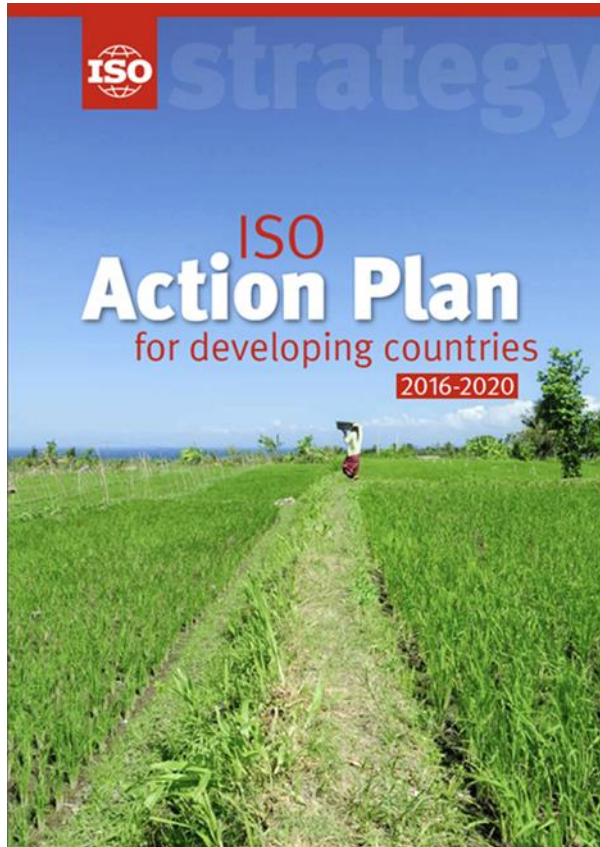


# Support from ISO – general

- Publications, information and guidance targeting SME concerning:
  - Participation in interantional standardization
  - Understanding and implementing ISO standards of particular importance



# Support from ISO – developing countries



- **Primarily, through activities targeting the National Standards Bodies (NSBs)**
  - capacity building, technical assistance and training: aiming to strengthen the NSBs and their ability to support their constituencies
- In addition – in the framework of specific projects or in partnership with other organizations:
  - Projects targeting specific sectors and focused on empowering SMEs (particularly, in relation to global supply chains)

# Thank you!

