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Why a French standardization strategy?

- Standards control is a major economic challenge. It is also a powerful economic intelligence tool.
- The fast rate of economic and technical development and the balance of power between the various players require regular adjustment.
- Some people feel overwhelmed by a flow of external constraints and initiatives: clear strategic policies that are known and shared by all can help people to cope and turn the constraints into opportunities.
- Although standardization, in the same way as so many other activities, is international, its players are mainly national bodies. There are various strategies: American, German, Japanese and now Chinese, which are clear, coherent, known to all and applied by the players in these countries.

A French standardization strategy for whom?

All players! To enable all French players to be involved in the standardization process that concerns them:

- For large or small, upstream or downstream businesses involved in production or distribution, who work with industrial customers, government contracts or the general public,

The economic impact of standards

A recent British study estimates the annual contribution of standards to the economy of the United Kingdom at 3.6 thousand million euros. In this country, 13% of the growth in work productivity can be attributed to standards. A German study assesses the profits from standardization at 1% growth.

What is meant by a «Standard»?

A standard is a document established by consensus and approved by a recognized body that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context. Since the use of such a document is voluntary, it is quite different from the mandatory regulations that are drawn up by public authorities. As it is prepared by consensus between all the stakeholders, it also differs from the standards developed within a professional organisation.

What is standardization?

The purpose of standardization is to provide reference documents containing consensual and regularly updated solutions to technical and commercial problems relative to products, goods and services that repeatedly arise in relationships between economic, scientific, technical and social partners.
The French Standardization Strategy 2006-2010

The French standardization strategy has been drawn up under the aegis of AFNOR’s Board of Directors which is composed of representatives from enterprises, trade/industry associations, public authorities, consumers, social partners and regional or local authorities. It has been prepared by the Board’s Committee responsible for Standardization Policy and Long-Range Planning (COP) that was enlarged for the occasion. The preparation consisted in a national survey involving enterprises, local authorities and other relevant organizations and in a large number of workshops: in particular those concerning the relationships between standards and in-house specifications or standards and regulations, regional workshops, together with European and international Technical Committee chairpersons, discussions within the consultation committees with local authorities, craftworkers, consumers, preservationists, trade unions, debates within the Strategic Committees.

How has this strategy been drawn up?

This general strategy adapts easily to the particular characteristics of the markets, the envisaged leadtimes and the objectives to be achieved. A concerted implementation framework regroups the commitments made by the different players. The Strategic Committees are where the concerted actions are decided upon and the adopted strategy is steered.

For the French public authorities and all those acting in their name at European or international level,

For laboratories and research centres, universities,…

For local authorities and the network of players involved in local economic development,

For consumer associations, trade unions, associations for the protection of nature and the environment,

For laboratories and research centres, universities,…

The players themselves implement the strategy. The sector-based standardization bureaux and AFNOR are at their disposal to provide them with the services they require.

How will this strategy be implemented?
**Context developments**

**A new global balance**

The global balance has undergone considerable change in recent years: enlargement of the European Union, low rate of growth of the euro zone, importance of the influence of China in international trade with its effects on the cost of raw materials, the emergence of India, the hope of eradicating poverty in Africa, the increasingly important role of the NGOs,… The durability of energy resources is questionable. Such developments, which alter the global economic balance, lead to a search for appropriate methods of governance that must allow international institutions to extend their membership to new members without compromising their efficiency.

**The rise of services in globalization-related issues**

The refocusing by industry on its core business activities and their consequent outsourcing, the transfer of service activities to low-cost countries (call centres, bulk processing, etc.) encouraged by technological developments in the dematerialization of trade, the opening up of services to international competition, the liberalization of new public sectors, the prospect of the free movement of European workers in the services sector, the recognition of competences and academic qualifications and the debate on the protection of software innovation are factors that indicate the increasing importance of service activities with respect to the problems arising from the globalization of trade.
The development of transnational strategic alliances between companies

Globalization and the need to create synergies, the dissemination of technologies, the convergence of fields of activity and the feasibility of achieving economies of scale or reducing the life cycle of products are factors that contribute to the emergence of large international groups, the development of partnerships or transnational alliances between companies and the establishment of new organizational structures («virtual company», «networks»,…).

China’s annual growth was more than 9% in 2003 and 2004.

Services account for 50% of the European GDP and 60% of jobs.
Innovation as a competitiveness factor in the private sector

The pursuit of competitiveness in western economies involves the implementation of systems that encourage innovation (competitiveness clusters, intellectual property and economic intelligence strategy, encouragement of innovation, patent pools, consortiums for the promotion of innovative technologies, in-house specifications and standards,...). These different systems enjoy a varying level of integration worldwide: International Standards on the one hand, lack of consensus on an international patent on the other.

The pursuit of effective public policies

The harmonization approach that has been used in Europe for the last 20 years to create a large internal market has greatly simplified the regulations by organising the use of European standards and refocusing on the fundamental objectives of public policies. This approach has been highly successful, although there are still expectations of more active market surveillance.

The LOLF Finance Law was passed for the purpose of instituting effective public policies in France. Its aim is to modernize public administration, the nature of parliamentary control and the control tools used, by giving public administrators more freedom in return for greater responsibility. Its main objective is to progress from a resource culture and a responsibility for conformity to a performance culture and responsibility for performance. Public administration will therefore be focused on the results and pursuit of effectiveness, whilst the transparency of budgetary information and the scope of parliamentary authority will be reinforced.

The United States spends 100 thousand million euros more than Europe on Research and Development.

France ranks 15th in the world for patent filing and holds less than 7% of European patents and 2% of American patents.

On average, French companies devote 6% of their turnover to innovation with an average 10% of their turnover coming from innovative products (source: French National Assembly «Encouraging innovation in France»).
**In pursuit of personal safety**

The events of the last few years (contaminated blood, BSE, natural disasters, terrorist attacks, etc.) have led the public authorities to strengthen the resources available to provide a safe environment for all their citizens. New rules for maintaining personal safety and security have therefore made their appearance (General Product Safety Directive, EU-US agreement on the transmission of personal data by airlines for transatlantic flights, draft crime prevention bill, European arrest warrant, ...).

**The precautionary principle**

The scope of the precautionary principle, which is already recognized in various international agreements (SPS agreement on health and phytosanitary measures, for example) is being extended to consumer protection and health. It elicits questions on the risks associated with failure to act or arbitrary decisions if it is not based on consensual guidelines that are appropriate to the risks to be covered.

**The diversification of risks for companies**

Companies have to cope with an increasing number of risks: risk of damage, risks affecting invisible assets, risk of financial losses, e-risk, risks associated with the logistics chain, risks of loss of public image, risks of malicious contamination, social risks, political risks, etc.

To increase confidence in economic activity, legal obligations (US Sarbanes-Oxley law, French financial security law of 1 August 2003, the NRE law (New Economic Regulations, etc.) have been defined. They take the form of information traceability and transparency tools provided by companies (social and environmental report, internal control analysis, the obligation to assess risks and give details of how they are covered) or risks coverage (development of an insurance proposal against the risk of loss of public image,...).
The impact of demographic and environmental changes

The impact of demographic ageing

Demographic ageing is responsible for an imbalance between pension funding and production capacity (the French active population is expected to start to decline from 2010 onwards). It also leads to changes in products and services (product ergonomics, development of certain in-home services,…).

Raising awareness of environmental damage and climate change

Management of critical resources is now envisaged on a worldwide scale. The prospect of global warming (Rio 1992 conference) led to the implementation of various policies on the reduction of greenhouse gas emissions. The awareness of environmental impacts resulting from human activity has been raised throughout the population. This gives rise to new expectations and behaviours that are more demanding in terms of environmental impact.

The elderly dependency ratio (ratio of those aged 65 and older to those aged between 20 and 64) is expected to reach 42% in France in 2025, as opposed to 33% for all the OECD countries.

In France, one worker in four will be over 50 years of age in 2010.
The search for coherent systems

The varying involvement of different States in the different systems of international governance

The rejection of the European Constitution by certain States, the lack of ratification of the Kyoto protocol by those States that are amongst the main emitters of greenhouse gases, the difficulties of fiscal harmonization at European level, the reservations about the proposed European Directive on the internal services market are indicative of the difficulties and the efforts required to achieve a global governance system.

Numerous reference document development mechanisms

The above-mentioned phenomena require rules to be laid down to ensure that the markets operate smoothly. Control of the development of such rules is a source of competitive advantages between companies or countries, as mentioned in a recent study by the World Trade Organization. It is now becoming necessary to ensure consistency between the various sources, such as mandatory regulations (decrees, European directives, international rules), voluntary and common national European or international standards, private documents (professional rules, private reference systems, charters, etc.).
The *mission* and *values* of standardization

Standardization carries strong values which are particularly well suited to the complexity of the modern world. Communicating its mission, its efficiency and these distinctive values is the starting point of the strategy adopted by the French standardization system.

**Mission**

The mission of the standardization process is to provide reference documents which encourage communication, assessment and progress in response to market expectations and the expectations of all socio-economic players. It is a collective and modern tool that is used to organize and inspire confidence in products or services with a view to enhancing economic competitiveness, the attractiveness of the French territory, the quality of life and sustainable development.

**Efficiency**

Standardization is a tool for both economic and social efficiency:

- an innovation dissemination medium,
- an instrument that harmonises and facilitates transactions,
- an ownership and transaction cost-saving factor,
- a confidence inspiring and risk reduction tool,
- a contribution to productivity gains,
- a market enlargement factor,
- a factor of differentiation,
- a modern means of voluntary regulation.
Distinctive values

The way in which the standardization process provides a reference framework for technical and economic information highlights its distinctive values:

- it is open to all players,
- it relies on a network of recognized experts,
- there is consensus between players,
- there is transparency at all stages of the process,
- it is regularly updated,
- it has both a European and an international dimension,
- it seeks to achieve intersectoral coherence,
- it constitutes a means of applying regulations
The four main lines of the strategy

1. **Contributing towards the control of globalization**
   - Meeting the expectations of globalized players and strengthening ties with the national and local economic base
   - Taking account of the new value chains in industry and services worldwide
   - Promoting and obtaining agreement with the French positions for the development of European and international standards
   - Encouraging the use of international standards in all countries

2. **Promoting the implementation of sustainable development**
   - Contributing to the rapid rise in innovation, local economic development and organizational performance
   - Characterizing the environmental impacts of products and services
   - Developing mutually beneficial relationships between all the stakeholders
3 Enhancing the value of standards with respect to other reference documents

- Stating the voluntary nature of the standard and clarifying its relationship with regulations
- Providing the best quality of service for the standardization process
- Ensuring complementarity between standardization, forums and consortiums
- Providing solutions that are appropriate to the characteristics of markets and players

4 Clarifying the standardization system and its products

- Developing the applicability of standards and feedback
- Clarifying the life cycle of standards
- Improving the identification and clarity of standards
- Teaching about standards and standardization

It is consistent with the ISO strategic objectives:

1> Developing a consistent and multi-sector collection of globally relevant international standards
2> Ensuring the involvement of stakeholders
3> Raising the awareness and capacity of developing countries
4> Being open to partnerships for the efficient development of international standards
5> Promoting the use of voluntary standards as an alternative or as a support to technical regulations
6> Being the recognized provider of international standards and guides relating to conformity assessment
7> Providing efficient procedures and tools for the development of a coherent and complete range of deliverables.
In response to the globalization of players and markets, the first strategic axis involves action to ensure that the standards governing the markets incorporate in the best possible way the expectations of the French socio-economic players and promote a French standardization policy defined within the context of a global vision.

80% of new French standards are now the same as those of our 28 European neighbours. Our normative patrimony is thus merging more and more with the European one, which is itself to a large extent of international origin. Hence, in many sectors, the defence of French interests worldwide includes promoting the European standard internationally, direct action on a worldwide basis, the pursuit of the global relevance of international standards and their application throughout the world.

Depending on sector-based requirements, French players must, however, be able to quickly create a national document that is representative of their views and interests and subsequently to negotiate it under the best possible conditions at European level or directly at international level.

Meeting the expectations of globalized players and strengthening ties with the national and local economic base

Certain industries are strongly focused on a small number of global players. These players have combined their competence centres on an international level and are becoming reluctant to have their point of view considered by an ever-increasing number of member committees (between 2002 and 2005, the number of CEN members rose from 18 to 29, CENELEC membership increased from 22 to 28, the membership of ISO increased from 143 to 155 and that of the IEC from 62 to 65). This phenomenon does not apply only to large companies. SMEs and public authorities such as NGOs have also designed their action plan on a worldwide basis.

The French standardization system must adapt its own methods and operation and influence the European and international system in order to satisfy the expectations of globalized players while continuing to serve the national and local economic base.
The French Standardization Strategy 2006-2010

Taking account of the new value chains in industry and services worldwide

The boundaries between sectors are changing under the impact of new technologies or new organizational structures. The services’ share of wealth creation is increasing and there is now closer interaction between products and services. The scope of the standardization organizations should therefore be regularly adjusted to take these developments into account, establish the required coordination activities and promote the appropriate normative approaches for such changes (standards focused on the characterization of customer expectations, systems approaches, data interchange, etc.).

Promoting and obtaining agreement with the French positions for the development of European and International Standards

To ensure that the action of the French participants is as effective as possible requires opening up to other countries, understanding their manner of reasoning, their expectations and their decision-making process. It includes forging closer relationships between all the representatives of the economic players and public authorities (in particular those outside France) within the various bodies in which they participate: professional, normative and regulatory groups at both European and international level. Collaborative working practices, particularly between SMEs and as often as possible in French, should also be supported in order to reduce costs, increase the impact of the French proposals and build alliances; finally the issues should be made known to ensure that each group becomes involved and that the appropriate resources are allocated.

Encouraging the use of international standards in all countries

The number of normative references used in Europe has been considerably reduced due to the cancellation of national standards and their replacement by European standards. The way in which companies conduct their business in the European market has been considerably simplified. It is not always the case in other regions of the world where the initiatives intended to create a «regional» level of standardization have not had the same impact. Under such conditions, the effective use of international standards throughout the world can simplify the way in which companies conduct their business.

Review of the ISO strategy:

> Developing a consistent and multi-sector collection of globally relevant international standards
Sustainable development is aimed at meeting the needs of the present without compromising the ability of future generations to meet their own needs. This conception of development coincides with new concepts such as the «triple bottom line», an assessment of the financial, social and environmental performance of an organization. It further develops the production and consumption models by extending the vision of management, particularly with respect to environmental and societal aspects. Encouraged by its contribution to the environmental aspect of sustainable development, standardization can offer companies, the State, local authorities and the other players concerned a practical «triple performance» approach that integrates the three pillars of sustainable development: economic, environmental and social. With its tradition of openness, standardization can contribute to sustainable development by bringing together all the stakeholders in order to build a consensus on standards that will encourage the economic development of the countries concerned. This positive and anticipatory response to the precautionary principle contributes to the consistency and rationality of the solutions chosen to ensure the material well-being of the citizens and the preservation of our planet.

**Contributing to the rapid rise in innovation, local economic development and organizational performance**

Innovative companies must be able to consider standardization as a tool that allows their innovations to become more quickly established on the markets and which can also sufficiently protect their rights. Cooperation and partnerships between the research and standardization communities must be actively sought in order to take advantage of the potential for acceleration that standardization provides to innovation and R&D strategies and processes. This cooperation will also facilitate the transfer of knowledge and technologies and extend our influence at international level. Globalization leads to new local specializations. Those responsible for local economic development are keen to anticipate them and to ensure that companies and their stakeholders are prepared. Involvement in standardization can help promote local strategies for developments such as competitiveness clusters and be a source of information for economic intelligence systems.
Characterizing the environmental impacts of products and services

As a result of the increased sensitivity of consumers to environmental issues and the commitment of organizations to sustainable development, the characterization and measurement of the environmental performance of products and services during the different phases of their life cycle (design, manufacturing, distribution, implementation, commissioning, maintenance, withdrawal) need to be improved.

Active cooperation combining the competences of partners in standardization must be developed with the French-speaking countries and the emerging countries in order to enable them to become familiar with international standardization and make their opinions known, thus facilitating the development of applicable standards throughout the world.

Developing mutually beneficial relationships between all the stakeholders

By integrating concerns for safety, accessibility for all, environmental protection, health, resource preservation, or durability into standards relative to products, services or procedures, standardization contributes to building mutually beneficial relationships between producers and consumers, customers and suppliers and more generally between the different stakeholders in the activities of public or private organizations.

For consumer associations, environmental protection associations and trade unions, standardization provides a means of having their aspirations taken into account and enabling them to exercise influence over future rules. A way must be found to make it easier for them to participate. They need clear information to determine their priorities and prepare their contributions. Support mechanisms for such participation must be found amongst other stakeholders wishing to demonstrate their commitment to sustainable development by taking the points of view of all concerned parties into account when developing standards.

Review of the ISO strategy:

- Ensuring the involvement of stakeholders
- Raising the awareness and capacity of developing countries
In conducting their business, companies use a set of reference documents that they have partly helped to create: in-house specifications, standards, regulations. The desired positioning of standardization must enhance the ability of standards to provide solutions to specific problems, whilst at the same time ensuring overall consistency.

**Organising complementarity between standardization, forums and consortiums**

Technical reference documents are now being produced in an ever-increasing number of places and the participation of organizations is constantly being sought. It must be far easier for players faced with this situation to assess the risk or opportunity represented by such forums. They need to keep an eye on the objectives and participants of these new establishments, clubs, forums and consortiums, who are often acting directly on an international level. Liaison and cooperation mechanisms that are able to prevent confusion and inconsistencies must provide for complementarity in accordance with the interests of the various parties concerned by promoting the transposition of such reference documents into standards.

**Stating the voluntary nature of the standard and clarifying its relationship with regulations**

In response to the many problems to be resolved, regulations are refocusing on their essential public policy objectives. In standardization, it finds tried and tested technical solutions developed by the players themselves and therefore proof of the effective application of such solutions in the field. The approach implemented at European level, which involves focusing regulations on the essential objectives and relying on standardization to provide the technical solutions, has been shown to be effective. It can usefully be applied at the French level.

In certain sectors, standardization can even be an effective means of self-regulation. To improve the effectiveness of such collaboration and avoid redundancy, a clear relational framework between standardization and regulations must be agreed with the parties concerned, the interaction between standardization and regulations must be anticipated and top priority given to the involvement of the authorities in the various phases of the process.
Providing the best quality of service for the standardization process

The efficiency of standardization must be regularly assessed and compared with that of other mechanisms that are used to establish rules. The companies and all the players concerned must have at their disposal a process that is economical in terms of their resources and relevant in terms of its demands. Efforts must be made to control deadlines in order to ensure that the standards are delivered when the market is expecting them. The duration of the various development stages of a draft standard must depend on the predicted life time of the product or process concerned and the expectations of the market in question.

Providing solutions that are appropriate to the characteristics of markets and players

The life time of a standard varies according to whether it applies to products with a very short service life or products with slowly changing characteristics. The geographical markets for which products or services are intended can be global or local. The objectives to be achieved, i.e. competitive differentiation, determination of a minimum common core, compliance with regulatory requirements, can vary significantly. That is why the players themselves must take responsibility for implementing the strategy and why it must be possible to define particular procedures concerning the process, the development time and the level of the requirements differently, according to the fields concerned, without affecting the overall consistency guaranteed by the general common framework of French standardization.

Review of the ISO strategy:

- Being open to partnerships for the efficient development of international standards
- Promoting the use of voluntary standards as an alternative or as a support to technical regulations
- Providing efficient procedures and tools for the development of a coherent and complete range of deliverables
As the purpose of standards is to solve various types of problems, they have a number of objectives. Such diversity provides standardization with a valuable asset, but the diversity and wide range of uses also make it complex. Standards only achieve their objective if they are known, understood, accepted and fully used. Improving the clarity and accessibility of the standardization process and its deliverables is a major strategic line for inspiring confidence in standardization.

**Improving the identification and clarity of standards**

Due to the particular value of a standard as recognized by its users, it must be clearly distinguishable from any other reference document prepared for use by specific players. Its referencing, layout and structure must be designed accordingly. The text must be easily accessible and comprehensible to the different types of users involved. This concern must not lead to the content of standards being watered down, nor should their accuracy and their relevance be diminished. The general and specific contributions of a standard must be clearly defined for the different categories of players involved. Equivalences between standards and their relationship with other reference documents must be explicit, thereby facilitating the exploitation of the normative collection.

**Developing the applicability of standards and feedback**

It must be possible for those players who so wish to find in standardization, as in many other forums, simple, effective mechanisms that will enable them to promote the application of a standard after its publication and thus ensure that the standard fully achieves its initial objective. The different categories of players concerned must, if necessary, be able to develop additional tools to help them implement the standards. Companies must be able to communicate easily about how they implement standards and must be able to pass on their feedback and easily obtain any interpretations they may require. Standards must be revised using different methods and at different intervals.

**Strategic line 4: clarifying the standardization system and its products**
Clarifying the life cycle of standards

Preliminary assessment/Gathering the stakeholders/Drafting/Public consultation/Approval/Circulation/Application monitoring/Review are the key stages in the life cycle of a standard. Communication on each of these stages must be improved, in particular with respect to the public enquiry and publication. Any potentially interested parties must be able to access the relevant information and contribute in their own way to each key stage of the development process, according to their perception of the envisaged impact of the standard on their activities and to their ability to make a contribution to the process. Mechanisms must exist allowing very small and small and medium-sized businesses to become involved in the development and application of those standards that concern them, should they so wish and resources permitting.

Teaching about standards and standardization

Apart from the technical content of standards, the standardization process and the role of the standard must find their place in education as a development tool. Young professionals, whether involved or not in technical activities, must be familiar with the economic and social advantages of standardization and with the challenges of controlling the development and application of standards. They must be informed of the role of standards as a tool to enhance economic competitiveness, as a potential instrument for global governance, for a company or for a local authority and as an effective complement to regulations.

Review of the ISO strategy:

- Being the recognized provider of international standards and guides relating to conformity assessment
- Providing efficient procedures and tools for the development of a coherent and complete range of deliverables