



GROW YOUR BUSINESS WITH STANDARDS

STANDARDS play a strategic role in adding value to your brand, differentiating you from your competitors, and benchmarking the quality of your products to industry or international requirements. To help SMEs develop their capabilities, Spring Singapore supports the adoption and implementation of standards through the Innovation & Capability Voucher (ICV) and the Capability Development Grant (CDG).

For more information on how Spring can help your company adopt standards, visit www.spring.gov.sg/ICV or www.spring.gov.sg/EQS

Get a copy of International or Singapore Standards, or purchase an online version at www.singaporestandardseshop.sg

IN LINE with changes in the global environment, two key international standards were recently revised. In total, almost 8,000 companies were impacted because they had already adopted one or both standards. Having already adhered to internationally recognised standards, why is it necessary to revise them, you might ask. In fact, standards are typically revised every five years. In this case, the ISO9001:2015 Quality Management Systems – Requirements and ISO14001:2015 Environmental Management Systems – Requirements and Guidance for use were revised to ensure they remain relevant.

There were three main enhancements to the two standards:

- Top management is now expected to drive the implementation of management systems and align them with business goals. This focuses and motivates the entire enterprise to address strategic needs and challenges.
- Enterprises must now consider risk and life-cycle factors when implementing their management systems. This spurs enterprises to adopt a sustainable approach when seeking out new business opportunities and expanding to new markets.
- These standards use a common structure, making it easier for enterprises to adopt other critical management systems standards such as ISO 22301 on business continuity. Using these standards in an integrated manner allows the enterprises to reap benefits of reduced implementation costs and resources.

For Susan Chong, founder and managing director of Greenpac, an eco-packaging solutions company, going green forms the very ethos of the company. When it was founded in 2002, the company was the first Singapore business of its kind to use solely environmental friendly materials. Then, its main hurdle was convincing clients that green solutions can be as affordable, if not more so than regular options available in the market.

Today however, more businesses and consumers are looking for firms that are able to operate in a sustainable manner. “But no company will pay top dollar just because your product is green,” quips Ms Chong.

Her nonchalant attitude stems from the fact that Greenpac operates in an industry where the barriers to entry are at once high and low – it is not difficult to enter the packaging industry, but a significant amount of research and development is required to be able to churn out the kinds of products that Greenpac offers – products that are either recyclable and/or lighter, thus reducing freight and transportation costs.

Greenpac recently entered the business of temperature-controlled supply chains, providing green packaging solutions for pharmaceuticals. The packaging is not only able to hold the pharmaceuticals for seven days – a challenge faced by the industry – it is also able to ensure that the temperature is maintained throughout the seven days that the product is encased in its packaging.

“Going green is no longer just window dressing. SMEs (small and medium-sized enterprises) need to realise this is increasingly a requirement,” says Ms Chong.

MAINTAINING STANDARDS

Companies which adopt relevant standards will be able to gain greater trade and market opportunities as it assures customers that a product or service is safe and reliable, and that the organisation’s practices are effective and efficient

RIISING STANDARDS

More companies are recognising the importance of adhering to international standards. The number of companies adopting ISO9001 and ISO14001 management system standards has increased by almost 60 per cent, from 4,750 companies in 2010 to 8,000 in 2014.

On a broader scale, close to 20,000 national and international standards are sold in Singapore every year. According to a recent survey conducted among 1,000 local companies, about 24 per cent have adopted standards. Of these companies, 80 per cent benefited from cost savings or revenue growth after the adoption. Most companies also cited process improvements as a key benefit of adoption standards, says Choy Sauw Kook, assistant chief executive (quality and excellence), at Spring Singapore.

Among the most commonly adopted standards, 16 per cent adopted ISO9001 Quality Management Systems, 8 per cent adopted OHSAS18001 Occupational Health and Safety Management Systems and 6 per cent adopted ISO14001 Environmental Management Systems.

According to an ISO survey, close to 5,800 companies adopted ISO9001 in 2014, notes Ms Choy.

The standard is the most widely adopted quality management systems standard. Globally, 1.13 million companies have adopted ISO9001, with year-on-year growth at one per cent.

A 2008 study conducted by the University of California, Berkeley found that ISO9001 adopters realised faster sales growth and employment growth compared with a similar set of non-adopters, which served as the control group.

It is not about adopting any and all standards however. “The adoption of standards is a strategic decision which an SME needs to make depending on its business model and objectives. SMEs can start out by identifying a few key standards that are relevant for their business such as improving their systems and processes, increasing trade and market opportunities, and meeting the requirements of their buyers and customers,” says Ms Choy.

“It is important that the company is fully committed and sees through the implementation of the standards to reap good results and benefits.” Perhaps not surprisingly, industries with highly regulated standards such as building and construction, consumer electrical & electronics and bunkering, as well as industries that have strict customer requirements

such as aerospace and medical technology, have high standards adoption rates. On the flip side, the industries with generally lower take-up rates are those where national and international standards adoption is voluntary. These

include mainly the industries from the service sector such as the retail industry, notes Ms Choy.

Singapore, represented by Peter Leong, president of the International Electrotechnical Commission (IEC) National Committee for Singapore and managing director of SP PowerGrid, was elected into the IEC council board (CB) at the 2015 IEC General Assembly held in Belarus for the term 2016-2018. This is significant because members of the IEC council board contribute to the formulation of IEC’s directions and strategies.

“At the Singapore International Energy Week last October, we learnt that more than 65 per cent of the world’s population will live in cities by 2050,” says Mr Leong. This future will likely see an exponential rise in use of renewables due to the need to reduce the carbon footprint and efforts by government to be more energy efficient. The ageing population and increasing digitisation of economies due to lifestyle changes will also require smarter use of energy and development of smart cities.

“We are now in a period where we see unprecedented developments in the energy landscape. The development of smart energy covers the use of renewables, the advent of distributed generation enabling demand response, grid integration, use of energy storage technologies, energy

optimisation and management,” says Mr Leong.

“Many Asian cities are leveraging on these smart energy technologies and standards to develop smart cities which can become more economically competitive, and enhance the lifestyle of their people and businesses.”

Similar to the International Organisation for Standardisation (ISO), the International Electrotechnical Commission is a global organisation that publishes consensus-based international standards and manages conformity assessment systems, but specifically for electric and electronic products, systems and services, collectively known as electrotechnology.

The IEC is the global leader in the development of some 6,000 international standards in the development of electrotechnical fields, covering component-level to system-level standards. Apart from its key role in the development of international standards, IEC also manages several conformity assessment schemes that are widely adopted by industries worldwide to promote trade, sustainability, inter-operability and safety.

“My direct involvement in the IEC CB would give me a better appreciation of international developments in energy standards. This could help me better update the Singapore industries through activities organised by the IEC regional office, and also promote involvement

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– Susan Chong (below), founder and managing director of Greenpac



PHOTO: YEN MENG JIN

of our local companies and government agencies in the standards development activities,” said Mr Leong.

A BOOST FOR INTERNATIONALISATION

Globally, 80 per cent of commodity trade is impacted by standards. Companies which meet export requirements through adopting relevant standards will be able to gain greater trade and market opportunities as it assures customers that a product or service is safe and reliable, and that the organisation’s practices are effective and efficient.

The Asean Economic Community (AEC) 2015 is the goal of regional economic integration of Asean in achieving a single market and production base; a highly competitive economic region; a region of equitable economic development; and a region fully integrated into the global economy. Standards and conformance assumes an important role in facilitating a free flow of goods.

For this reason, the Asean Consultative Committee for Standards and Quality (ACCSQ) was formed in 1992, to contribute to furthering Asean’s economic development and integration, and the region’s goal for a single market and production base. ACCSQ aims to harmonise standards, conformity assessment procedures and technical regulations through alignment with international standards as well as develop Mutual Recognition Arrangements based on international conformity assessment systems.

This helps to achieve transparency and freer movement of goods and services in the region and facilitates trade. Businesses which comply with local requirements will also be able to meet the requirements in the other Asean countries. It helps businesses to increase their trade and market opportunities, and reduce unnecessary delays due to different regulatory requirements.

Currently, ACCSQ’s harmonisation efforts are in nine priority sectors due to the high trade volume – these are electrical and electronic equipment, medical devices, pharmaceutical products, cosmetics, automobiles, prepared foodstuff, traditional medicine and health supplements, rubber-based products, and building and construction materials.

“Standards provide the opportunity for SMEs to strengthen their capabilities and differentiate themselves from their competitors. For example, internationally recognised management system standards help a company in attaining superior performance and lower business risk, through the process of control or product quality. Continuous improvement is typically a key feature of these management system standards,” says Ms Choy.

SMEs that are looking to adopt and implement standards can leverage Spring Singapore’s help through the Innovation & Capability Voucher, and the Capability Development Grant for SMEs. ■

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