

1 The Link between Standardisation and Business Development

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5 **Abstract**

6 By simple definition, the term 'standardisation' refers to the process of using a set of rules or
7 procedures as a reference point or standard. A business, on the other hand, can refer to any
8 company, institution (including research, scientific and academic), hospital, society or
9 organisation whose objective is to provide services or sell products to communities and/or
10 society while making invaluable contributions to humanity and the economy, at large [Rishan
11 Singh, definitions in context of essay, 2011]. The evolution of businesses rely heavily on
12 finances acquired from banks, external organisations, including the government, and consumer
13 expenditure.

15

16 **Index terms—**
17 screens a Magnum advert internationally to attract consumers to purchase their new flavoured ice-cream,
18 depending on the countries that it is broadcasted in; the advert would have a different impact on the society
19 in those countries. It is something like wine: Californians may like red wine, while South Africans may prefer
20 sparkling white wine. However, statistically, Ola would have an idea as to which countries provide the most
21 revenue to their business and the production planner would instruct the supply chain manager to manufacture
22 a smaller quantity of their new ice-cream to those countries where it is not that widely sold. In this way,
23 Ola would develop a standard for the quantity of that particular ice-cream to be supplied to manufacturers and
24 supermarkets. This will reduce costs to Ola by producing and supplying only adequate quantities to supermarkets
25 [R. ??ingh, personal deductions, 2011].

26 Supermarkets rely on consumers for business development [R. Singh, personal deductions, 2011]. Therefore
27 the business communication between supermarkets and Ola will allow for Ola to develop profitably because the
28 public will purchase more of the ice-cream that they like in specific parts of the world where they are supplied
29 in adequate quantities [R. Singh, personal understanding and writing, 2011]. This cause the world economy to
30 become enhanced and gain confidence [8].

31 This scenario applies to any product or service that is marketed through advertising. Say if banana farmers in
32 the South African South Coast of Durban are in search of a pesticide to enhance their banana production, they
33 would rather purchase it from a business that can guarantee environmental, food and health safety because these
34 features in pesticides contribute to environmental governance [8] and userfriendliness [R. Singh, personal writing,
35 2011]. The latter adjective allows for pesticides to become more widespread and established in the international
36 markets. It also allows for such pesticides to become available to other farmers through business associations [R.
37 Singh, personal understanding, 2011].

38 Business associations and proper advertising of products and/or services enhance business profiles if customers
39 pay with cash and if such customers continue to increase in individual businesses. Advertising in any form of
40 media, is a 'manipulative technique' because it attract customers to purchasing products. Sometimes adverts are
41 so overwhelming that inspire the poor or less fortunate to overspend their budgets. This behaviour by consumers
42 result in financial crisis's in businesses [R. Singh, personal writing, 2011]. This was the case with the Global
43 Financial Crisis in 2008, which was caused by people buying on credit in many businesses globally [8].

44 When good customers who purchase goods on credit are unable to pay their debts within 120 days of notice,
45 they are handed over to attorneys. Business owners often have accountants and/or bookkeepers (depending on
46 the size of the business one is working in) employed to handle the process of credit control [R. Singh, personal

47 writing, 2011]. However, the Global Financial Crisis in 2008 also prompted businesses to employ people from
48 different accounting firms to form alliances and to make the process of tackling the credit crises worldwide more
49 effective, in an attempt of sustaining the economy [8]. In general, many accountants of larger businesses are
50 from different specialist and professional backgrounds which increases their ability to give input in a single sector
51 of business with objectivity. The subjective aspect of their inputs arise from the unfortunate circumstance that
52 their knowledge is unable to be used synchronistically (in the case of collaborations between members of the same
53 company) to contribute toward the development of a single business because their inputs are compartmentalised
54 into sectors that promote the holistic development of a business [R. Singh, personal writing, 2011].

55 Business accounting diversity is beneficial to the global economy if the number of accountants who form part
56 of the International Standards Committee in different businesses increase [5; R. Singh, personal writing, 2011].
57 This makes various accounting operations and procedures within such committees more transparent to economists
58 and the general public nationally and internationally. This allows greater stability of the foreign exchange prices
59 far and wide (R. Singh., personal deduction). In addition, in order to reduce the inflation of our oil and water
60 prices, the International Federation of Accountants (IFAC) has suggested that accountants undertake Continuing
61 Professional Development (CPD) courses through various professional bodies so that their attitudes, ethics and
62 professional values are tapered to fit the ethical framework of professional accounting standards. The values of
63 the accounting ethical framework include (1) becoming independent and having the confidence to do what is
64 right, and (2) to demonstrate leadership of being sensitive to the needs of their clients, stakeholders and the
65 public while maintaining professional competence and judgement [5]. It is integral to believe that the success of
66 all businesses rely on these ethical values of accountants, auditors and bookkeepers because it allows business
67 professionals, economists and accountants to pass judgement on financial information to the economy and public
68 with a great degree of certainty i.e. the ethical framework contributes to global business practices with great
69 benefits to the economy and the society [3; R. Singh, personal writing, 2011].

70 The emergence of the global financial crisis, in 2008, prompted private and public business stakeholders to
71 adhere to international standards so as to overcome the drastic drift in the world economy. This was enhanced
72 by the standards provided by the International Organisation for Standardisation (ISO) that helped the business
73 community, e-business, health, innovation, measurement, safety and sustainability [8]. Therefore accounting
74 standards allow businesses and accountants in different parts of the world to cope with financial crisis's, when
75 they do occur, by allowing economists to reproduce high quality data that can be utilised by the financial
76 markets, such as the Johannesburg Securities Exchange, with a high degree of confidence [R. Singh, personal
77 writing, 2011]. The confidence and timely reporting of financial data, gives the community and the economy
78 assurance that it is legitimate viz. it has been passed through the process of standardisation [8; R. Singh, personal
79 writing, 2011]. However, this information may be broadcasted (advertised) at different time intervals in different
80 parts of the world, and this may cause the business spirit of some international and local investors to dampen
81 [R. Singh, personal writing, 2011]. The International Accounting Standards Board (IASB) and the Financial
82 Accounting Standards Board (FASB) has therefore suggested that webcasting facilities be made available to all
83 major business holders so that there would possibly be improvements in financial broadcasting and reporting in
84 different countries. In addition, attempts are currently being made to include international financial interpreters
85 and analysts on the FASB so as to inspire certainty in financial reporting by showing the public its synchronisation
86 and unionisation [8].

87 However, during the Global Financial Crisis, harmonization required input from the public of other countries
88 such as Asia, Europe and America, if it wanted to be successful. This caused the IASB and FASB to accept
89 advice, suggestion and input from the government, regulators and society of those countries. In addition, the
90 IASB and FASB used suggestions that were published in their paper entitled 'Reducing Complexity in Reporting
91 Financial Instruments' to enhance global confidence by developing common solutions to communicate effectively
92 and reduce the complexity in financial instruments [8]. The communication between both boards helped return
93 confidence to the marketplace because investors, creditors, auditors, and others rely on credible, transparent and
94 comparable financial information [R. Singh, personal writing, 2011].

95 The International Accreditation Forum, Inc. has recommended that all accreditation certificates be recognised
96 in all parts of the world [9] so that people from different countries can work together in similar or same businesses
97 or give input into the governance of other businesses in different parts of the world [R. Singh, personal writing,
98 2011]. This is not beneficial to the prosperity of the economy, if the businesses involved in such collaborations do
99 not prosper in large numbers. Therefore this type of colleagueship is worthless to participating businesses and
100 to society [R. Singh, personal writing, 2011].

101 In terms of trading, accreditation enables suppliers to have their products or services exported and imported
102 to and from countries without health, safety, and environmental hazards between economies [9]. Individual
103 businesses benefit because conformity standards, like the Metric System (SI units), have to be 'accredited'
104 (or adhered to) by standard operation procedures (SOPs), like those in food and health laboratories [9; R.
105 Singh, personal writing, 2011]. These SOPs ensure that the, testing and calibration, results provided by those
106 laboratories to the scientific community, are accurate and reliable [R. Singh, personal writing, 2011].

107 Hence, accreditation provides global confidence among buyers and regulators in that the products of a business
108 are technically compatible, high in quality and safe (e.g. biodegradable/recyclable products). This facilitates the

109 free exchange of commodities without technical barriers that would otherwise increase costs for importers and
110 consumers ??9].

111 In small and large businesses the ability to listen, read and write English influences many strategic aspects of
112 business decision-making. Ever since the evolution of the English language, since the 12th century from Ireland, it
113 has become the official standard language for travel, shipping and commerce in the United States, Canada, India,
114 the Middle East, Australia and Hong Kong. There are, however, a large number of countries where there are
115 numerous native languages e.g. in South Africa there are 11 official languages (excluding sign language); as well
116 as specialised businesses that require a knowledge of English to communicate effectively with other professionals
117 in the business. These businesses include computing, engineering, science, technology, medicine, and law. In
118 these specialities, English is needed because professionals are required to understand what said at presentations
119 and meetings so as to ask intelligent questions about the content of the presentation (listening). Also in order
120 to maintain proper records of statements and annual quarter reports, business professionals like lawyer and
121 consultants, use writing styles that are unique to other professions (writing). Moreover, they require English
122 proficiency to read policy changes, to interpret them and to critically reflect back those changes (reading) [2].
123 Therefore, the wider the vocabulary of English in business professionals, the greater their ability to describe
124 important ideas [2]. Some business leaders also use tonality and body language to enhance their point about
125 particular ideas to the people listening e.g. of adjectives of tonality and body language are voice control, body
126 language, and empathy [2].

127 Entrepreneurs need to learn English in order to land jobs in business because English is required to
128 communicate clearly with contacts and potential clients, in most countries because it is an internationally
129 recognised language. Although English is considered to be a language of greater intelligence and professionalism,
130 linguistically no language is superior to another [7]. However, aspirant entrepreneurs should note that it is crucial
131 for them to be able to converse in the language of the country that they decide to work in e.g. a South African
132 working in Spain would make more invaluable contributions to the prosperity of the business he/she is working
133 in, if he/she knows Spanish and English. This makes English as a standard language important to entrepreneurs,
134 but is of a greater value if known with the language of the country one is living in [R. Singh, personal deduction
135 and writing, 2011]. Furthermore, since English is a universal language, website advertisements of products and
136 services in English attract many customers and enable even small business owners to sell their products to
137 people around the world [6]. This means that English communication contributes towards the establishment of
138 businesses in the international business arena [R. Singh, personal writing and conclusion, 2011].

139 For all forms of advertising, well-written products and service descriptions in English will therefore be vital
140 for attracting new customers and keeping them up to date on new product and service offerings [6].

141 In businesses throughout the world, the most crucial and 'introverted' standard is the International System
142 of Units (SI) which ultimately involves knowledge that is acquired through the scientific study of measurement
143 (metrology) [1]. SI units are used in trade and commerce and it attempts to ensure that the public, employees or
144 owners of businesses and the economy speak the same numerical language [Rishan Singh, personal writing, 2011].
145 In general, it is used as an internal control for individual businesses and it is utilised for conveying financial and
146 statistical information relating to product design, manufacturing, marketing, and even labelling [4]. The Metric
147 System (SI) is therefore considered an objective tool since it measures global significance in all aspects of business
148 and at the same time it contributes enormously to global infrastructure in terms of providing precise, accurate
149 and traceable measurements [1; R. Singh, personal writing, 2011]. In the United States, for example, labelling
150 products precisely is pivotal if the product is to find its place in the global marketplace. In the United States the
151 precise labelling of products is achieved by manufacturers developing standards for labelling different products,
152 in individual businesses according to who will be the ultimate buyer [4]. This avoids the unnecessary wastage
153 of money in making unwanted labels. This means that food, beverage, clothing and other retail stores will have
154 labelling requirements that are different compared to non-consumer products, like those in wholesale trade [R.
155 Singh, personal writing, 2011]. The difference between wholesale trade and retail trade is that wholesale trade
156 involves numerical communication between manufacturers [R. Singh, personal deduction, 2011] e.g. Unilever
157 packaging 50 litres of a dishwashing liquid for sale to another manufacturer for use in producing another product.
158 This allows the manufacturers to familiarise themselves with each other's metric unit standards and for the
159 consumers in the United States to relate metric quantities to equivalent inch-pound quantities by familiarising
160 themselves with the units displayed on product packaging labels as endorsed by the Fair Packaging and Labelling
161 Act (FPLA) [example adapted ??rom 4]. Therefore, it is very important to be familiar with the metric system of
162 units in order to expedite global business and consumer activities [4]. In other words, if a litre of petrol costs R
163 10.50 in South Africa, the amount in the United States, United Kingdom, Australia, and other countries has to
164 be calibrated to the corresponding value per litre of petrol in order to sustain corporate development, governance,
165 and the world economy [R.

166 Singh, personal deduction, 2011].

167 SI units are used objectively, but there are some countries where its usage has become prejudiced. These
168 countries include: Taiwan, India, Japan, China and Hong Kong [R. Singh, personal writing based on reports
169 using unstandardised SI units, 2011]. This severely highlights the need for measurement standards to become
170 universal and this view is supported by the Bureau International des Poids et Mesures (BIPM) [1]. The BIPM [1]
171 emphasises the economic benefits of using metrology because of its advanced nature 130 years since its inception,

The Link between Standardisation and Business Development

172 when the first reference standards were the metre and kilogram. The advances in metrology, and government
173 investments, instil standardised operations in business and the economy by enabling metrologists to record data
174 about standards effectively, by comparing the current scientific, technical, commercial, and social applications
175 with those 130 years ago [1; Rishan Singh, personal deductions, 2011]. This permits precise and traceable
176 measurements to be recorded. Hence, the BIPM has estimated a clear and large techno-economic benefit of
177 approximately 40 million pounds in United Kingdom investments for metrology, with returns of over 5000 million
178 pounds [1].

179 In order to buy and sell commodities between different countries, consumers need to have a full understanding
180 into the importance of SI unit conversions. SI unit conversions sustain the economy e.g. between reserve banks
181 around the world. And it enables excellent business communication among entrepreneurs in different countries
182 e.g. a boutique owner who makes and sells bridal outfits, would report measurements in metres which is the
183 universal SI measurement that is understood throughout the world. Furthermore, say if one had to pay for
184 a product using the MoneyGram method, the Foreign Exchange of banks would be able to provide the exact
185 exchange value inclusive of the commission. This is an example of standardisation as well because by reporting
186 the commission value to customers the bank sustains its development by reducing the financial losses to the
187 business, by making such transfers, while meeting the needs of customers [R. Singh, personal writing, 2011].

188 SI units are also used in other fields such as Biology, Chemistry, Electrotechnology, Metallurgy and
189 nanotechnology. In scientific laboratories, metrologists calibrate laboratory equipment [1], like the weighting
190 scale, pipettes and biurets [R. Singh, personal writing, 2011], that measure physical quantities of solids and
191 liquids [1]. Metrologists also certify masses and volumes that lie outside standard measurements. This is
192 particularly important in order to obtain precise measurements [1] of the resultant, needed compound when
193 performing titrations and precipitating important medicinal compounds such as aspirin and panado [R. Singh,
194 personal writing, 2011]. Therefore metrologists aid scientists to acquire technical standards that are used to,
195 test, calibrate and inspect laboratory equipment as well as, provide researchers with proper results for reporting
196 to the public and private sectors [1]. In contrast, the periodic table, which is a tabular grouping of elements,
197 like sodium, calcium, magnesium, silver, gold, copper, lead, tin, lead, nickel and many others, according to
198 their proton (atomic/weight numbers), is also a universally accepted standard for chemists and allied chemistry
199 professionals. The periodic table, in addition to SI units, allow scientists from different countries to understand
200 each other's scientific results at conferences and within research publications; especially when reporting on new
201 and innovative discoveries [R. Singh, personal writing, 2011].

202 In order for a business to operate legally, it has to be accredited by an organisation which can provide
203 consumers with confidence, that the products available for purchase are safe and secure ??9]. This implies that
204 accreditation assures consumers that the products sold, and services rendered, by a business, have conformed
205 to certain professional standards. For example, if one purchases a new laptop and the instruction manual says'
206 Brand demonstrates corporate social responsibility and has a certified environmental management system',

207 The Link between Standardisation and Business Development the consumer will be satisfied if he is a business
208 professional and understands the value of environmental management system. Therefore consumers are more
209 prone to purchase advertised products because advertising ensures consumers that a particular business is reliable.
210 Thus it can be assured that accredited businesses would achieve greater profit margins compared to those who
211 sell the same product needed by that person, but is not accredited [R. Singh, personal writing, 2011].

212 Therefore governing and sustaining a businesses' development (whether a commercial firm, a theatre stage,
213 trade or even buying and selling) depends on the way it markets itself, both nationally and internationally,
214 while conforming to standards. The marketing process of businesses can either be detrimental or fruitful to
215 the economy, depending on how a business chooses to procure consumers to buy their products or utilise their
216 services e.g. advertising as discussed above. Advertising, people buying on credit, metrology, the periodic table,
217 and accreditation have all contributed in some way to the global financial crisis. Accreditation, however, has
218 had a great influence on consumer expenditure especially when standards have been advertised, including on
219 the internet. Industrially, extroverted qualities such as the sociability of staff members and reliability of service
220 delivery can also have an impact on business success e.g. if Debonaires allows for a 60 minute delivery time for
221 pizzas to their consumers in South Africa, then all Debonaires stores should utilise such a rule as a standard
222 globally. This allows Debonaires to prosper by attracting more customers through their reliability of service
223 delivery [R. Singh, personal writing, 2011].

224 Standards also contribute to design excellence and adherence to proper and optimal procedures in business.
225 The great pyramids of Egypt is an example of metrological standardisation used on a huge scale, and even
226 though this sort of developments encourage business suppliers to formulate their own standards to indicate to
227 other suppliers, and even customers, that a product or service provided by them meet the proper requirements
228 to perform in the manner it was intended for, in life there are impediments. English, a language barrier, is not a
229 universal language to all businesses restricting business communication and reporting among members working
230 in the same and/or similar businesses in different parts of the world. This causes the quality, safety, and customer
231 protection of interactive trading to be lost [R. Singh, personal readings and writing, 2011].

232 In many ways, implementing standards in businesses have contributed positively to the economy and the
233 business world, and have influenced or been influenced by, society. Some qualities are not standards but can be
234 considered standards for the sake of doing proper business; its evolution and advancement. In general, English

235 communication is a general confounder to many countries where business is done using native languages and
236 also because this is a major contributor to fraud and tax invasion. The idea of standards is tainted in similar
237 businesses due to international competitiveness in order to achieve personal growth at the expense of the economy
238 and possibly even the society [R. Singh, personal writing, 2011]. In spite of this, overall, the hypothesis that
239 there is a strong link between standardization and business development still holds true, and aspirant business
240 professionals and management students should be aware of this at all levels of entrepreneurship. As far as is known,
241 standardisation is important for business and economic development by allowing people to work cooperatively
242 and in a coordinated manner, but its effects on society are quite different in that it aims, in some ways, to
243 alleviate poverty and crime in the world we live in.

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247 3

¹ June © 2012 Global Journals Inc. (US) it results in customers buying on credit and it can even

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248 .1 Acknowledgements

249 This article was written by myself, Rishan Singh, only, and brings recognition to the Republic of South Africa,
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