

Standards; handy tools to empower young entrepreneurs to prosper in business

The world is ever changing. The beginning of the 21st century saw the dawning of a new era, globalization. In most parts of the developing world the concept of the world being one 'global village' is still new but its impact is undeniable. Trade barriers across regions are coming down, economies are expanding, and most importantly, young business people are becoming overnight millionaires. What is most frightening however, is that most of these successes are being experienced in the developed world and here in the proverbial 'dark continent', we are being left behind. Apart from the obvious reasons like ease of availability of resource and technology in the developing world, I believe standards have been the vehicle on which this success has been ridden. Africa is plagued with corruption, mismanagement of companies, fraud and ineffective judicial systems which basically translate to a lack of standards to govern the way industry is run, companies are managed and services are rendered. Because of these inefficiencies, prosperity becomes very difficult.

In this essay I shall endeavor to show a clear link between standards and prosperity. This essay will not have a geo-political inclination, but will instead be very general. My objective is to look at standards and prosperity in broad terms and not necessarily at how they apply to people in developing countries, even though I may state examples from developing countries. I shall look at specific industries that young people are involved in, the standards in those industries, and how young people can benefit or prosper from of these. These industries include, farming, catering, mechanical and materials and services. Firstly however, I shall define standards and prosperity.

Standards by definition are published documents listing specifications and procedures established to ensure that a product, method or service is fit for its purpose, and performs in the manner intended. Without them consumers, trade partners, industry and government would have no confidence in goods and services. In Botswana for example, the organization that establishes or enforces the implementation of standards is the

Botswana Bureau of Standards (BoBS). Its mission is to enhance trade, contribute to economic development, and ensure the safety of products and services offered to consumers through ensuring the adherence to standards. One of the most widely used standards in Botswana and around the world, is the ISO 9000 quality management series. These give businesses a benchmark against which they can improve their management and their processes.

On an international scale, however, it is the International Organization for Standards (ISO) that ensures the adherence to standards as well as formulates them in collaboration with national standards bodies like BoBS, work groups and committees. The existence of an international standards body ensures the standardization of goods, services and processes across the globe and this in turn makes trade a lot easier. Another example of a standard issued by ISO is the ISO 14001 which relates to environmental management systems and policies. Not only do standards protect consumers, they also protect the environment.

Another objective of standards is to provide a framework through which government and industry can form legislation. Standards are formed when interested parties or bodies come together to define procedure pertaining to a certain service, product or process. For example, today, Botswana's economy is suffering from dumping of low quality goods by China. In order to curb this dumping, interested parties like consumers, retailers and government should come together and put in place standards that demand a certain level of quality from the Chinese. Any goods that fall below this level of quality would then not be accepted. The Chinese and any other foreign goods should also be forced to adhere to certain pricing standards in order to protect domestic producers from foreign competition.

Overall, standards are a basis for consumer health, safety and protection, as they ensure consistency and standardization of things such as measurement of mass, distance or volume, abbreviations and codes. Because almost every area or aspect of industry, manufacturing and business is governed by standards, international trade, investment and

innovation are made simpler. Once a benchmark is in place, performance and quality, or lack thereof, can be measured. Thus, it can be said that standards guarantee quality.

Prosperity on the other hand, according to “Building Black Wealth In America”, is that point where all reasonable wealth accumulation goals are exceeded for successive generations; it is the epitome of financial stability, reliability, and security. Therefore, prosperity is not something that one achieves for the present. Instead it is something that one achieves in the present but will live beyond one’s time. It is leaving behind a legacy and in business this is not defined only by the amount of profit one makes. Prosperity in business means earning the respect of your peers through honesty and integrity, creating a brand and gaining the loyalty and trust of your consumers. If a business person can achieve these three, then I would say he or she has conquered his industry.

When a businessman runs his company through integrity and honest means he earns the respect of his peers because he can be trusted and therefore his product can be trusted. Quality management standards provide a framework for accounting and financial standards, management styles, product quality and business ethics in the company. By abiding by these, a business person can ensure that his methods, practices and approaches are beyond reproach, and this translates to prosperity.

Having a brand gives one staying power within an industry and in order to create a brand in any market, one has to be unique and offer a product of superior and unmatched quality. In this respect, standards help because they make the industry competitive. When there are set standards and generally accepted levels of quality, one has to raise his products above this bar in order to thrive because everyone else is performing at the same level. This would apply in the case of quality management. One of the main differences between companies that succeed and those that fail lies in the management policies. If, for example, everyone in an industry were given guidelines on how to manage their companies (that is standards), company A would be no different from company B unless one of them worked harder to become superior.

Finally, with respect to prosperity, one has to gain the trust and loyalty of his or her customers through continuously and consistently producing goods and services that are clean, healthy and safe for the consumer. The business person has to consistently prove himself worthy of the consumer's trust. When there are standards, consumers accept goods more readily because they know they have gone through rigorous testing, been approved and certified by independent bodies whose main concern is the health, safety and protection of the consumers.

Thus, standards are useful in the pursuit of business success because they help one to gain the respect and trust of one's peers in the industry, become a brand, and gain consumer loyalty. To the young business people out there, standards are therefore a platform on which they can start their businesses.

Now, imagine the world without standards! Imagine a young business person in an industry without procedures and policies; yardsticks that define quality and professionalism within the industry. The results would be catastrophic! Step with me into the shoes of a young mushroom farmer. His raw materials include fertilizers and chemicals. In the absence of standards, first of all, his employees' health and safety would not be guaranteed because chemicals have not gone through testing and certification for occupational health and environmental safety. Secondly, because the young farmer's products have no accreditation, consumers would have little trust in this product. The young man's prosperity would then be in jeopardy because his workers are dissatisfied, which means that they are not working at their optimum level, and because consumers are not buying his product.

Consider now the case of a car mechanic. With the influx of cars from Asia, a mechanic's success in Botswana is quite dependent on standards. When a Botswana buys a car from Asia, it may have been assembled in Asia but perhaps its parts are from Germany. When this car breaks down and needs to be repaired, the buyer would then go to our mechanic, in Botswana, to fix it for him. The question that is then raised is whether the nuts and bolts that are made here in Botswana would be compatible to a car whose parts made in

Germany and assembled in Asia. In the absence of international standards that ensure consistency and accuracy in the sizes of these nuts and bolts, the young mechanic would lose customers and business because car owners would have to send their cars back to Asia for fixing. Otherwise, the young mechanic would have to order the parts from abroad, which would be more expensive than buying them locally.

A third example is that of a chef running a small restaurant. The largest input into her business is food and beverage, whether it is bottled, canned, fresh, raw or frozen. As mentioned earlier it is important in business to establish consumer loyalty and one of the easiest ways to do this for our young chef would be to consistently cook food that is appetizing, and most importantly safe. If our young chef experiences even one case of food poisoning with her clients, this could damage her reputation. This is where standards come in; standards that ensure that the food she buys for preparation is safe, as well as standards that ensure that the restaurant's cooking facilities are clean and uncontaminated. This means that all food she buys should have been tested for traces elements, organic contamination and fresh produce will have to meet certain quality levels. An example of such a standard is how every food packaged in factories should have a warning that it may contain traces of nuts, because in some cases this causes death. In this case then, the prosperity of the chef relies on a good reputation with consumers as standards help to ensure that the customers are kept safe and satisfied.

The medical field is probably one of the most important industries in society. Medical practitioners have the power to give, take or prolong life and this is an enormous responsibility. Likewise, the companies that produce the medicines that are administered to society have an equally huge responsibility to ensure that their products are safe and perform in the manner intended. Standards in this field, and any other field, exist because consumers take for granted the fact that the products they buy are safe for consumption. Such confidence if misplaced can be fatal.

For a young person deciding to start a pharmaceutical company that produces and sells drugs his products would have to go through rigorous testing before they can be approved

for sale. Products would be tested for environmental health, occupational safety, sterility and adherence to health standards. If the products pass the testing and get approval for adherence to health standards, the products are considered reliable by both medical practitioners and patients. When both peers and consumers have confidence in the pharmaceutical company, it is easier for the company to penetrate new markets and expand, because it has a good reputation.

According to Warren Buffet, a premium brand had better be delivering something special, or it's not going to get the business. Branding simply defined is differentiation, the ability to be unique. There are certain industries that are dominated by giants, as LG, Samsung, Daewoo and Sony to name a few. When these companies first started out they had industry standards they had to meet and then surpass in order to differentiate themselves. Having done so, through proficiency, reliability and consistency in the quality of their products and services over time, they now command the loyalty of their customers. Breaking into such an industry would be a very difficult task for a young entrepreneur unless he/she comes in with a revolutionary new idea that will redefine the product.

The next important thing would be for the young person to seek intellectual property rights for his/her work. Intellectual property is a broad term that includes creative ideas and expressions of the human mind that possess commercial value and receive the legal protection of a property right. It extends to a wide variety of creative efforts, including inventions, discoveries, know-how, processes, methods, materials, copyrightable works, original data, and other creative or artistic works. They enable owners to select who may access and use their property, and to protect it from unauthorized use.

In the making of computers for example, there are standards that define what a basic computer should look like and what its components and functions should be. Success in this field would require not only creative genius, but ingenuity as well. One will have to create a computer that supersedes already existing computers in performance and quality in order to get customers' and the industry's attention. Having done so, this new

computer should be protected under property laws so that other companies do not cash in on the young entrepreneurs ideas. This, in my opinion, is what will make anybody prosper; their ability to not only brand themselves, but also to protect their ideas from unauthorized users.

Lastly, I shall give an example from the services industry. The ISO 9001:2000 is an example of a Quality Management standard. It gives organizations an opportunity to increase value to their activities and to improve their performance continually, by focusing on their major processes. Specifically, they define standards for product or service quality, management styles, work ethics, organizational structure, legal compliance and financial discipline. According to management theory, one of the major reasons why business fail is because they are not managed well. In some cases there is no financial discipline, or there is no proper communication of goals to employees, or there is simply no business ethics. Quality management standards provide a framework for effective and efficient running of businesses. This will lead to prosperity because the firm becomes more reliable and also experiences increased return on investment and improved operational results.

In the case of an auditing firm, their job consists of keeping books for companies as well as auditing accounts. There are accounting standards and policies in place that define how financial statements should be structured and interpreted. This makes for easy readability in cases where more than one person is keeping the books of a company. Within the auditing firm itself, quality management systems are necessary to give the company a good reputation for honesty, diligence and integrity in their work. Such a reputation is necessary for the success of an auditing firm before clients can trust them to handle their money.

The above have all been examples of how standards generally can lead to young people prospering in business. Before concluding this essay I would like to state that the Standards body of a country should be fully supported by Government and the judicial system in order for the standards they enforce to be effective. Without this support,

standards would be rendered useless. For example, it is a legal requirement that certain service industries obtain licenses before they can start operations. Such licenses are obtained from government. Caterers for example, would need their cooking facilities tested for health and safety before they are licensed to sell food. In the absence of support from the judicial system, caterers can just start their businesses without adherence to any standards and not getting punished for it. The side effect of this is that the health and safety of the consumer will not be protected, and this could tarnish the image of other caterers who would have been running their businesses legitimately.

Another area where young people would need the support of the legal system is in the protection of their ideas. Once a young person has broken into an industry with his innovative ideas, he/she needs those ideas protected in the form of intellectual property rights. It should be the government's obligation to put laws in place that protect original works because without them a young person's ideas can easily be used by anybody else without any of the profits going back to the originator of the work.

It is also important for anti-corruption laws and firm penalties for those caught contravening the law to be in place. When an industry is known to be corrupt it does not carry a good reputation which makes success in that industry difficult for new entrants. An industry of bad repute will tarnish the image of the companies operating in it because it may be assumed that everyone in that industry is corrupt. This detracts investment and businesses lose customers and profits. With particular reference to standards, anti-corruption laws are necessary because they provide a level of assurance to customers and other parties that a company got its certification through the right procedures and this in turn makes the firm more reliable. Without the laws, some companies can pay bribes to get certification which jeopardizes consumer health and safety because the products would not have gone through appropriate testing.

In conclusion therefore, standards are indeed handy tools that empower young entrepreneurs to thrive in their different professions. They provide a benchmark, or lower limit that the young people have to surpass in order to make a mark in an industry.

Ultimately, making a mark and leaving behind a reputation for excellence is what true success really is. There has never been, nor will there ever be a substitute for quality and standards provide a framework in which this can be achieved.