

Institute of Corporate Directors

Podcast Topic: **Be It Resolved: Standards are the key for Canadian companies to unlock new global markets.**

Rahul Bhardwaj (0:06 - 1:22): Welcome to Be It Resolved, the podcast where bold ideas meet courageous leadership. I'm Rahul Bhardwaj, President and CEO of the Institute of Corporate Directors in Canada. In each episode, I speak with experts to delve into pressing issues impacting directors and decision-making in the boardroom.

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My guest today is Chantal Guay, CEO of the Standards Council of Canada, the SCC, a federal crown corporation. A priority of this role, she served at SCC as the Vice President of Standards and International Relations as well as the Vice President of Accreditation Services. Through these roles, she managed the Canadian standardization network and established a new customer-centric business model.

As of January, Chantal also stepped into the role of Vice President Policy for the International Organization for Standardization, better known as the ISO. As the first woman to lead the SCC and represent Canada at the ISO Council, she offers a unique, globally informed perspective on why Canadian companies and boards must play a leading role in shaping the standards of tomorrow. Welcome, Chantal.

Chantal Guay (1:23 - 1:25): Thank you so much for having me this morning.

Rahul Bhardwaj (1:25 - 2:51): Great to be here. And now today's resolution, Be It Resolved: Standards are the key for Canadian companies to unlock new global markets. For our listeners, which way will you vote?

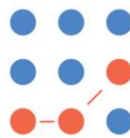
Chantal, you get to vote on this a little later. The episode today explores how standards such as ISO, as many of you will have heard, how they have shaped Canada's connection to the world then and now. Now, long before standards influenced global markets, Canada helped shape the world's shared systems.

I don't know if many of you know, but Sir Sanford Fleming, a well-known Canadian railway engineer, led the development of international standard time, creating the time zones the world still uses today. We have history here. Today, standards play a different but equally decisive role.

Standards and conformity requirements are now the primary non-tariff barriers affecting global trade, making standards a determining factor in who can access markets and who can't. So, from sinking train schedules in the 1800s to coordinating AI ethics in 2026, standards are the invisible rules that make our world run efficiently, safely, and fairly. Well, let's get started on this conversation.

Chantal, when we're talking about standards, what do we really mean?





Chantal Guay (2:51 - 4:13)

We mean agreed-upon frameworks, like you used the example of Sir Fleming creating a way to talk about time zones around the world so we can refer to it and understand it. Standards are really that, agreed-upon frameworks, guidelines, specifications that are developed in countries, but also internationally, and they help to ensure consistency, quality, in many cases, safety, in this digital era, interoperability, which is so important, of product, services, systems, processes, again, within a country, but also around the world, so between countries. And standards surround us.

You gave the example of the railway. Actually, standards in Canada were created because, back then, the railway tracks had different width. If you wanted to move merchandise from point A to point B, sometimes you needed to take the merchandise and put it in a different wagon because the railway tracks were a different width.

That was the first thing that happened in Canada to facilitate trade and movement of merchandise was, can we agree that the railway tracks are going to be all the same width and space the same way? We can build one type of wagon, and then we can carry merchandise around. Supporting trade, very important.

Rahul Bhardwaj (4:13 - 4:16): How are standards different from regulations or legal standards of care?

Chantal Guay (4:17 - 5:16): Standards come from industry. They come from a group of individuals that realized that it would be a great idea to have more consistency on how we approach things. Let's take safety of cars, for example.

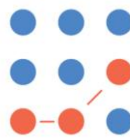
Manufacturers, if we want to ensure that cars are safe on the roads, we have to agree on how we are going to approach safety and to be implemented. In some cases, the industry will propose standards. And at one point, what might happen is regulators will see it's a great idea to have that, and they will take the standards and incorporate them in regulation and law.

But at the onset, a priori, standards are typically developed by a group of individuals within a sector or within an industry. And they're of great value to that industry because they establish a baseline or a benchmark for a particular desired outcome of safety or performance or interoperability.

Rahul Bhardwaj (5:18 - 5:22): Now, I've heard it said standards are often invisible until they become observed.

Chantal Guay (5:22 - 6:01): I think that because some of the standards will be incorporated in regulation, and that will create basically a bar to be met. And I think that's from that perspective that sometimes they are looked at as red tapes. I'll give you the example in Canada that happens sometimes is that a regulator in province A will decide this is the bar you need to meet to enter the market.





But another province will pick a different standard. When there's no coherence between the standards that are used, let's say in a one economy like Canada, it might be perceived as being a barrier.

Rahul Bhardwaj (6:01 - 6:12): We're speaking to a community of directors, and they're going to be asking themselves, isn't this just another form of compliance? Or is there actually something more to this? Page | 3

Chantal Guay (6:12 - 7:26): Let's think like directors. We say that strategy is about positioning your product or your service uniquely in the market. That means obviously you want to and you need to access that market.

Standards are there to help you access those markets. And certainly in many cases, and we have seen that working very closely with innovators, is that they have this great idea. They think about patents, they think about IP, but they don't think about standards.

And if they need to meet the standards to access the market, and then they have this great technology available, but they have important barriers to enter a market. And I can give you many examples, but that's often what happens, what we see happen. And what we say to companies is you have to treat standardization like you treat IP.

It is a strategic way to position yourself in a market, either to enter it or even better, if you are in a position to actually write the standard that will define the access to market, you have the key to be better positioned or uniquely positioned to access that market.

Rahul Bhardwaj (7:26 - 7:35): So let's dive into that just a touch more. How do global players actually use standardization to shape markets and change the environment?

Chantal Guay (7:35 - 8:45): Very, very important point. Let's take the example of China or the EU or the US and think about digital economy. They have all these entities, these large economies are actually using standardization as a strategy to control markets.

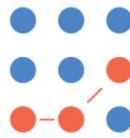
And what I mean is that at the international tables where those standards are designed for IT, for example, it's a very important area. They will ensure that they have their experts at the table to make sure that let's take 5G, Chinese did a very big push to be present at the table because they wanted to dictate what their technology was able to do in terms of performance. Being at the table and making sure that you are not told by your competitors what your technology needs to perform to is a very important way to control the market.

The EU is doing that. China is doing that. The US is doing that.

And we are certainly very interested in continuing to position Canada more and more strongly at those international standardization tables.

Rahul Bhardwaj (8:46 - 9:07): What I'm hearing from you is that you want to be at the table and boards need to figure out how management gets to the table and the type of oversight boards would have of management as they're doing that.





What would your advice be to directors, those that are starting to look at the issue of standards? How would they start to look at their oversight?

What type of questions might they want to ask?

Chantal Guay (9:08 - 10:48): I think first and foremost, if you, let's say, want to export to Indonesia a new technology, I think it's very important to understand what are the conditions to enter that market in Indonesia and are there standards that have to be met? Are those standards considering your new technology, for example? Are they not considering your technology?

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And obviously, if it's clear there's a standard and our technology can be compared to it and we meet it, easy access to market. But we've seen cases with the innovators we supported in the past where the standard did not consider that technology, so they could not even be looked at and compared to their competitors. And for sure, in that case, you would expect that management is looking into what's the best way to make sure that our technology is going to be considered in the standard.

That would be, for me, an important piece. Ultimately, directors are interested in seeing success in the organization. That means very often more sales, especially if we're targeting a particular country.

If you want to increase your sales in a particular country, you have to be able to certainly enter the market. And if there are barriers, what is your strategy to ensure that you remove those barriers? And often, and as we've seen with some technology, is actually being at the table of standards development, at the international table, and making sure that not only your competitors are calling the shot in the standard, but you are present so you can make sure that your own technology will be considered going forward.

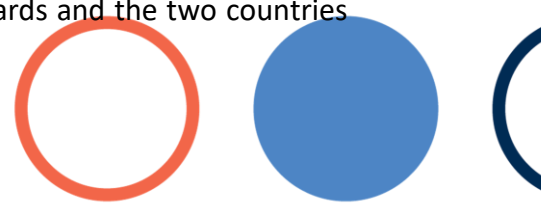
Rahul Bhardwaj (10:48 - 11:06): That's a great point to make. And it sort of raises the issue in my mind that boards, and particularly Canadian boards, are going to be existing within modern trade agreements that are being developed in concert with them, but largely by government. Where do standards function inside these trade agreements?

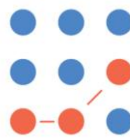
Chantal Guay (11:06 - 12:23): That's a great question. It's actually very interesting. Most trade agreements are obviously built based on the principles of the World Trade Organization.

And the World Trade Organization realized many decades ago that standards and conformity assessment were essential for trade. To the point where right now, 90% of global trade relies on standards and conformity assessment. I repeat, 90%.

All trade needs standards and conformity assessment. That's why in each trade agreement, we actually sit at the table with global affairs to ensure that what is considered in the trade agreement vis-à-vis ensuring that there's no technical barriers to trade, because the World Trade Organization has a very important chapter called technical barriers to trade.

And what we discuss is ensuring that we use international standards and the two countries can agree that we can use that as a basis to support trade.





And there's other mechanisms that are discussed during those trade agreements, but they are at the center of the trade agreements. That's why standards are so important and so strategic for economies like Canada, but also for organizations.

Rahul Bhardwaj (12:24 - 12:35): We'd spoken earlier, and you told me a very interesting story, and you don't have to give me the specifics of the name here, but it was a really interesting case study of what works and what doesn't work. Maybe you want to share that.

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Chantal Guay (12:35 - 13:31): Yeah, I have many examples, but I would say that one that struck my mind was actually a technology for marine. And they were having a lot of difficulties being able to make offers, like participate in RFPs at the international level, because their technology was not part of the standard that existed. So it could not be compared to other technologies.

We tried to convince them, and it was not easy to convince them to come and be at the international table where those standards are designed. And when they entered the room, the light went on. Why?

All their competitors were sitting at that table. And that's when they realized that if they were not there, they were never going to be able to have access. And it took two seconds, just putting them in the context of, if all your competitors are there, there must be a very good reason why you should be there.

Rahul Bhardwaj (13:32 - 13:48): What a great example when that light goes on. Those epiphanies can be scary, but I'm sure they were better coming out of it. What you've described a little bit, if we bring it back into the boardroom, and I'm going to use the word, is there a standards strategy that a board should be asking of its management?

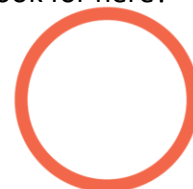
Is this a term that's used?

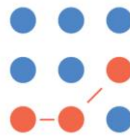
Chantal Guay (13:49 - 14:29): We often refer to that. We refer to a standardization strategy, especially in the case of new technology. Like I explained, you have a great new idea, but you can't enter the market because the standard that exists doesn't take it into consideration and you need to modify that standard.

That's what we talk about. The first thing we did with them is develop for them a standardization strategy so they could understand the strategic nature of that tool. Yes, it can be very technical, but if you're ignoring it, it can put you in a situation of the example I gave you where there was no way they were going to be able to access the market because the standard didn't consider their technology.

Rahul Bhardwaj (14:30 - 14:42): And anytime you use the word strategy in a boardroom, immediately somebody's going to say, how do we measure outcomes?

And KPIs, everybody loves KPIs. What sort of KPIs would a board look for here?





Chantal Guay (14:42 - 15:40): I think that there's a simple one that boards are already interested in. And I've used this example earlier today. If you want to access, let's say, the Indonesian market and sell there, you want to see your sales grow, right?

So certainly, just that, I think, is a very good KPI. And I think asking the question, what are those entry barriers to that market? And are we looking into all the possibilities?

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Are we looking at all the potential tools that can be used? That would be certainly, for me, an important way of asking the question of management. Like, what are those barriers if there are issues in sales, for example?

And certainly, if the answer from management is, like in the example I gave you, is like the standard doesn't consider our technology, what are you doing about this? What are we putting in place to make sure that we're not going to be kept out of the market because we did not consider that at the onset?

Rahul Bhardwaj (15:41 - 15:56): Chantal, I know you've had such a long history with this area and you're very passionate about how important this is and what a competitive tool it is for companies anywhere. But I get the sense, though, that the stakes have never been higher than right now when it comes to standards. What do you think about that?

Chantal Guay (15:57 - 16:52): Absolutely. And I think for me, what speaks very loud to this is thinking that economies like China, EU, and U.S. are using standardization to basically dictate what the markets will do and what the markets will consider. For me, that's a very, very strong signal that this is not just about technical details.

This is about owning a very large part of the market. And certainly, I think that that board should pay attention to this. If economies are taking the time and investing the time in this, there's a very big reason behind.

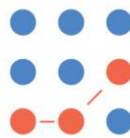
And if you think of how, for example, China has been doing everything they do when they plan for 25 years and when they have a target, they usually meet it. And they use all the strategies behind to ensure they meet it. Certainly for me, that speaks very, very loudly.

Rahul Bhardwaj (16:53 - 17:11): In some ways, what I'm hearing you say, it's not enough to have the best mousetrap. That mousetrap has actually got to fit within a regime to be able to get into these markets. And I'm getting the sense from you as well that the companies that figure that out sooner than later are the ones that tend to succeed and that there's some that are actually left on the sidelines.

Is that right?

Chantal Guay (17:12 - 18:00): Absolutely, it is. Again, that's what we've seen with all the innovators we've worked with. Close to 70% of them have seen their sales increase a lot, their revenues, of course.





And what's really interesting also in participating in this sensation world is we have been able to help them identify strategic partnership. If you are part of this, you actually have the advantage of accessing the market, increasing your revenues and growing, but also finding partners, which is so important, especially when you want to diversify and you want to go to different countries. You often need partnerships to be able to facilitate that entry.

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And that's a key component of the impact that we've had by working with innovators.

Rahul Bhardwaj (18:00 - 18:22): I think there are a lot of management teams that if they're listening to this podcast, they're saying, yeah, we've got this. And it's a management function. This isn't a board function, but like most things, boards should have certain competency if there's relevant to the success of their strategy and their organization.

Where would you point a director to if they wanted to learn more about standards and start to sort of find out more?

Chantal Guay (18:22 - 19:11): We have a lot of tools that we've developed over the years. There's access on our website. There's a lot of information around.

We've done some short modules that talk about how businesses can use standardization and what is the purpose and how it can help you. It's not easy because in Canada, the quality infrastructure and standards are part of that. It's been there for a long time.

It delivers so well that we never question it. You never question, am I going to get electrocuted by my coffee machine this morning? No.

And why? Because of the quality infrastructure in the standards world. It's trying to make that visible.

We've developed a lot of tools and modules and we're always very happy if you call us to help you. We're a federal crown and we're there to help our businesses and industry.

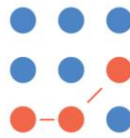
Rahul Bhardwaj (19:12 - 19:37): And just a reminder to everybody, that'll be the website of the Standards Council of Canada, the SCC. Chantal, now it's time to vote on the resolution. And I'm going to ask our listeners to consider this.

Be It Resolved: Standards are the key for Canadian companies to unlock new global markets. Which way would you vote?

Chantal, it's time for you to vote too. And I think I know which way you might be going, but what would you say?

Chantal Guay (19:38 - 19:57): Absolutely in favour. And I hope that I have shared enough information with the audience to make them realise that it is a very important strategic tool for an organisation because strategy is about unique positioning and standards will help you being uniquely positioned in the market or in new markets.





Rahul Bhardwaj (19:57 - 20:29): That's two thumbs up. I'll take that as a pass. That's great.

Thanks, Chantal. And thank you for sharing your insights and expertise with our director community today. Your perspective as an advocate for standards has helped to really shape this conversation.

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Thank you for that. For our listeners, I hope you enjoyed today's episode of Be It Resolved, that you've deepened your boardroom insights to stay ahead of emerging trends. If you enjoyed the episode, please subscribe to your favourite streaming platform.

From the Institute of Corporate Directors in Canada, I'm Rahul Bhardwaj. Until next time.

