



International Telecommunication Union

# Economic Benefits of Standardization

Makoto ISHIKAWA

Associate Professor of Education

Kyoto University of Education

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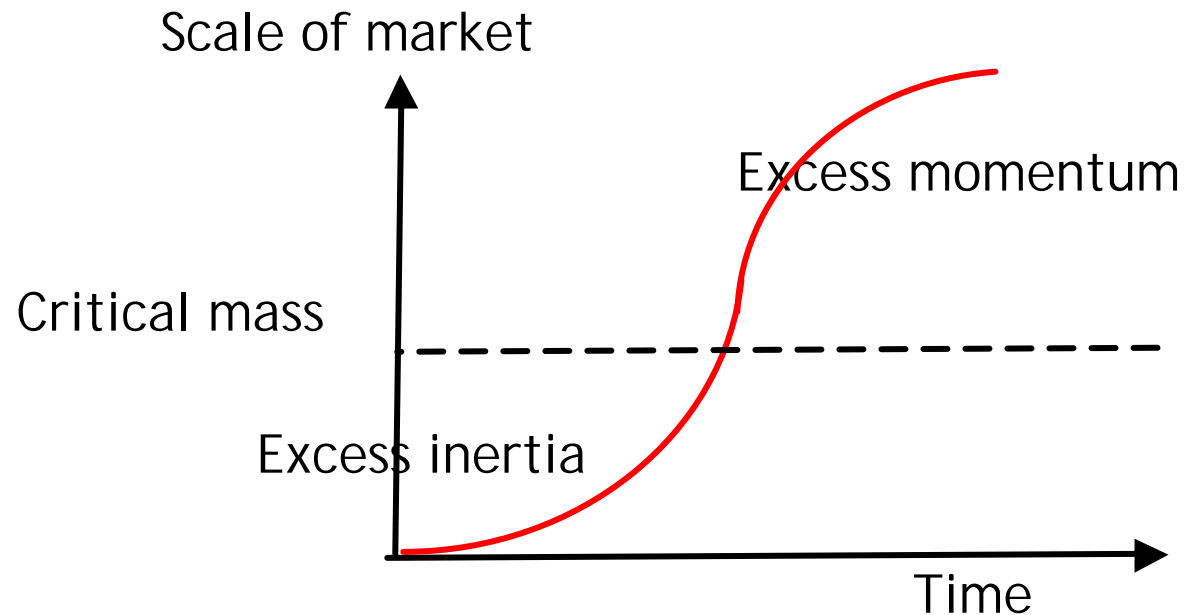
# Why is standardization important?

- o Compatibility
- o Network externality

Network externality can be positive or negative.

In the case that a positive effect is big, standardization can produce many economic benefits.

# Network Externality



In this case, in order to diffuse a new product, the number of user shall be over the critical mass in some way.

Therefore, standardization is important and necessary.

## Who benefits from Standards?

- o Businesses benefit from standards. (In this case, “businesses” means the companies which produce E-health products and systems.)
- o Users benefit from standards. (In this case, “users” means doctors and their staffs, and hospitals using E-health products and systems.)

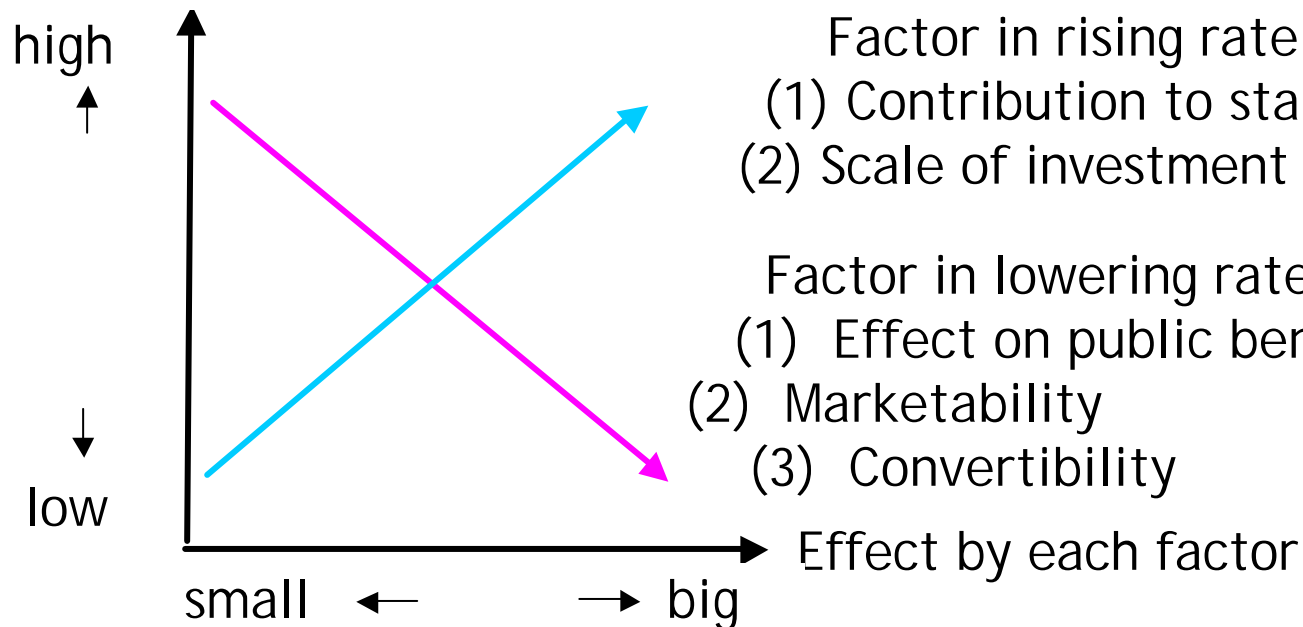


# Benefits of Standards for Business

- o Potential Competitive Advantage through Standards
- o Cost Reduction through Standards
- o Effects of Standards on the Supplier/Client Relationship
- o Effects of Standards on R&D Activities
- o Benefits for Intellectual Property Holders through Standardization

# Decision on Rate of Licensing Fee

Rate of licensing fee



Factor in rising rate  
 (1) Contribution to standard  
 (2) Scale of investment for R&D

Factor in lowering rate  
 (1) Effect on public benefits  
 (2) Marketability  
 (3) Convertibility

Which factor does give weight to?

## Benefits of Standards for Users

- Price reduction of products/services
- Facilitates the selection of sellers in the market
- Facilitates training for machine/system operation
- Facilitates the acquisition of complementary goods in the market



## Standardization of E-health in Japan

- Japan Association of Healthcare Information System Industry (JAHIS) promotes the standardization of E-health in Japan.
- Its major members are computer manufactures, system integrators, software houses, such as Toshiba Corp., NEC Corp.



## Standardization Activity of JAHIS

- JAHIS develops models (JAHIS standard), e.g. Hospital Information Model, Elderly Care Model.
- Nine models developed by JAHIS are available in Japan.
- JAHIS participates in WG of ISO/TC215(Health Informatics) as a Japanese representative, and it contributes the promotion of international standards.