Lecture 4

How Does Certification Work?

The key steps to getting certified

This paper will introduce you to the main terminology and steps involved in getting your business certified.

Whether you are in doubt about the purpose of a certificate, who certifies or how, or even which are the steps in the process to become certified, do not miss this lecture. We will guide you through these steps.



Basic terms related to certification

What is certification?

Certification is a procedure by which a third party gives written assurance that a product, process or service is in conformity with a certain standard or set of standards.

What is the purpose of a certificate?

A certificate demonstrates to potential buyers that a supplier complies with certain standards based on either third party inspection or another monitoring methodology.

Who certifies and how?

The organization performing the certification is called a certification body or certifier. The certification decision, that is, the granting of the written assurance or certificate, is based on an inspection report, possibly complemented by other information sources. The granting of a certificate of conformity may be subcontracted by the standard owner to the certification body or issued by the standard owner itself.

Why engage in certification?

A business' decision to become certified in one or more voluntary sustainability standards (VSS) can be traced back to the different strategies that it might employ. In principle, businesses employ 3 different strategies with regards to certification.

- Reactive: Respond to the demands of buyers (A company has been supplying a product to a trader for the past ten years. Changing circumstances mean that the trader will now only purchase this product if it is certified)
- Proactive: Use VSS as market differentiators (The market for a product is saturated. The company cannot diversify its production. It looks into means of differentiating itself, and identifies certification as being one possibility)
- Predictive: Internalize future trends (A company forecasts that the demand for a certain certified product will be close to 80% of the total market demand for this product by 2020. As a result, it turns to certification)

What are the key steps in the process to become certified?

No matter which of the three strategies triggers the decision to get certified in a VSS, the steps that guide the precertification phase and certification process are the same. To learn more about them, click on each of the buttons below.

1. Be Ready!

• Do the research! What target market are you interested in? What clients are you targeting? What do they value?

• Make sure you are "export-ready"! Make sure that you comply with local laws, export processes and mandatory requirements in your target market!

2. Compare

• What standards best fit your market goals and your business condition?

3. Assess

• Assess the gap between the requirements of the standard(s) which you have chosen and your current abilities.

• If you think you are ready, contact the certification body.

4. Apply/Certify

• Fill out a registration form and arrange for an inspection.

• You may be awarded the certification on your first try, or you may have to undertake corrective actions before the certification can be awarded.

• Once all of the certification's requirements have been met, you will receive the certificate

5. Follow up

• After a certain period (generally 1-3 years), a new audit will be arranged.

• Keep working! Voluntary sustainability standards are all about continuous improvement!

The pre-certification phase

Be Ready: Do the research!

What target market are you interested in? What clients are you targeting?

Quantitative research: know your numbers

• Identify your export market: Is it spread across one or more countries? What is its potential? (One of ITC's market analysis tools, Trade Map, can serve as a good starting point to do this!)

• Assess market performance, dynamics and conditions (Another of ITC's market analysis tools, Market Access Map could be helpful for this.)

• Other useful tools include the ITC SME Trade Academy 's "Export Market Analysis" course and the SSI Review

Qualitative research: know your customer

• Assess consumer attitudes, tastes, values and perceptions: is there a demand for certified products in your target market?

• Engage with your (potential) business partners, or contact your home-market trade support institution to evaluate and narrow your options

Be Ready: Make sure you are "export-ready"!

Make sure that you comply with local laws, export processes and mandatory requirements in your target market!

As we saw in Lecture 2 of this course, being able to export and market your products in a different country also means being able to comply with the essential (mandatory) regulations of that target market. Voluntary standards represent an additional layer of compliance to this.

Remember: Some voluntary standards also incorporate basic mandatory requirements applicable across markets or ensure traceability, which might be of great importance to your (potential) business partner(s). As such, it is essential to compare between the different voluntary standards applicable to your product(s)!

2. Compare: What standards fit better with your market goals and your conditions?

As a next step, you should decide which voluntary sustainability standard (certification scheme) is the best fit for your market goals and business conditions. As you learned in Lecture 3 of this module, a multitude of standards exist out there!

Differences among standards

- Product scope: The certification applies to your business/products
- Geographic scope: It is possible to become certified to this standard in your country and this standard is (or will be) of interest to your buyer
- Sustainability scope: The standard focuses on sustainability issues which are of importance to you (your business) and to your business partner(s)
- Implementation mechanism: Your business is in a position to comply with the standard requirements, and you have considered the financial requirements too

Your strategy

- Reactive: Specific standard is required by your business partner
- Proactive: You look for new, niche markets
- Predictive: You know there will be a surge in demand for certified production in certain markets of your interest

3. Assess

What is the gap between the requirements and my ability to meet them?

When you have identified the relevant standard(s), make sure you are ready for the sustainability journey: focus more on the standard's implementation mechanism and assess the gap between its requirements and your ability to meet them.

Make sure that you are ready for the sustainability journey: study carefully the certification with the use of the available tools, such as ITC's Standards Map !

The modalities of the use of Standards Map will make up the most part of Module 2 of this E-learning course.

Certification process

4 4. Apply / Certify: The Costs

When applying for a specific sustainability standard, an additional aspect needs to be taken into account: the cost of participation.

- Some costs can be known in advance, such as membership fees and certification fees.
- Other costs, mainly audits fees, depend on the fees from different certification agencies, how many farms/factories the auditor will be visiting in the same trip and how long do they need to do this job.
- Finally, the value of investments needed to meet requirements can be a very important cost component many producers.

Cost of participation:

Membership fees + Certification Fees + Audit Fees + Investments needed to meet requirements (time, financial)

4. Apply / Certify: Certification process

1. Contact the certification body/certifier and get ready for an inspection

2. The inspector makes an inspection visit going through documentation and activities on the ground.

3. A visit can take from a few hours to several days depending on the size and complexity of the business inspected.

4. At the end of an inspection it is common that the inspector has an exit interview presenting the major findings of the inspection, also giving the possibility for the producer to give inputs and explanations.

5. Based on the results of the audit, your production will then either be certified or require additional work to address non-conformities.

6. Be sure to request explanations that refer to a particular paragraph of the standard when an unclear certification decision occurs, and appeal decisions as necessary!

5. Follow up: Corrective actions and continuous improvement

1. In case of non-conformities identified by the inspector, a plan of corrective actions needs to be set-up that addresses the non-conformities.
2. Read the certification decision document and handle any additional certification requirements in a timely manner.
3. Additional audits may be required.
4. Once certified, work continues! Standards is about continuous improvement