

Local Development Strategies, Tools & Instruments

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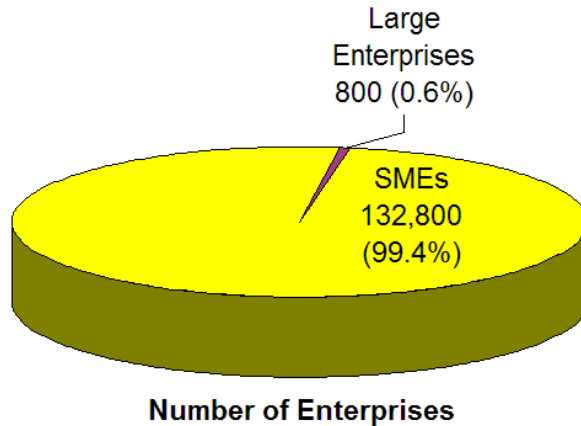


OUTLINE

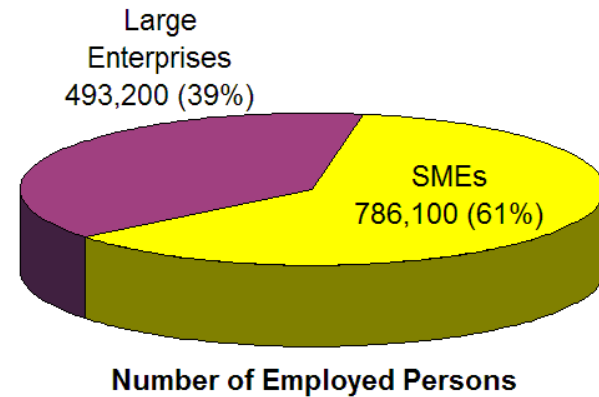
- SME Sector's Contributions in Singapore
- Key Challenges Faced by SMEs
- Approach to SME Development
- Key SME Development Strategies
- Public-Private-Partnership
- Tools & Instruments in SME Development

SME Sector's Contributions in Singapore

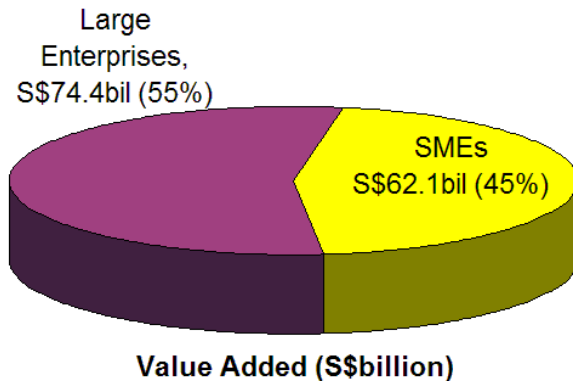
99% of all enterprises are SMEs...



...they employ 61% of the workforce...



...and contributed 45% of total value added

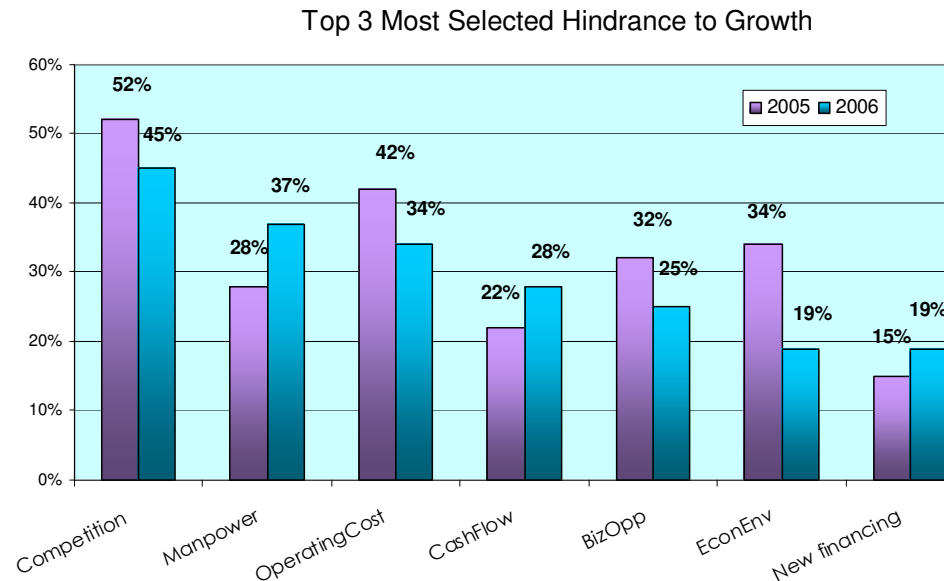


SMEs are defined as:

- manufacturing enterprises with net fixed assets investment less than \$15mil
- services enterprises with less than 200 employed persons

Key Challenges Faced by SMEs

- Increase in competition
- Manpower Issues – difficulty in hiring, developing and retaining talents
- Rising operating costs
- Insufficient cashflow
- Access to business opportunities (ie. new customers, markets, etc)
- Access to financing



Source: DP Information Group, SME Development Survey 2006

APPROACH

--- SMEs Development---



APPROACH

---Principles---

● Partnership

- Build a network of valued relationships and resources
- Partner with business chambers, industry associations and market players

● Self-help

- Adopt a self-help approach (where possible) in the delivery of Government services to SMEs

● Consultative

- Consult extensively with partners and market players when developing market-based solutions to address SMEs' needs

● Cost Sharing

- Adopt a cost-sharing arrangement between the private sector and government

APPROACH

--- 3-Pronged ---

● Provide Broad-based Support

- Nurture a pro-business environment by partnering public agencies and market players

● Build Industry Capabilities

- Partner lead industry associations to develop critical capabilities and infrastructure for SMEs in key industries

● Develop Enterprise Capabilities

- Develop key capabilities
- Groom SMEs with high growth potential to become future home-grown MNCs



STRATEGIES

--- SMEs Development---



Key SME Development Strategies

● Broad-based Strategies

- Facilitate access to information and services
- Enhance SME financing
- Promote entrepreneurship
- Improve access to market and business opportunities

● Industry Level Strategies

- Strengthen Industry Leadership
- Set Up Critical Industry Infrastructure

● Enterprise Level Strategies

- Develop key capabilities in people, management and systems



Public-Private-Partnership

Standards, Productivity and Innovation Board

(SPRING)

Singapore Business Federation
(SBF)

International Enterprise Singapore
(IE Singapore)

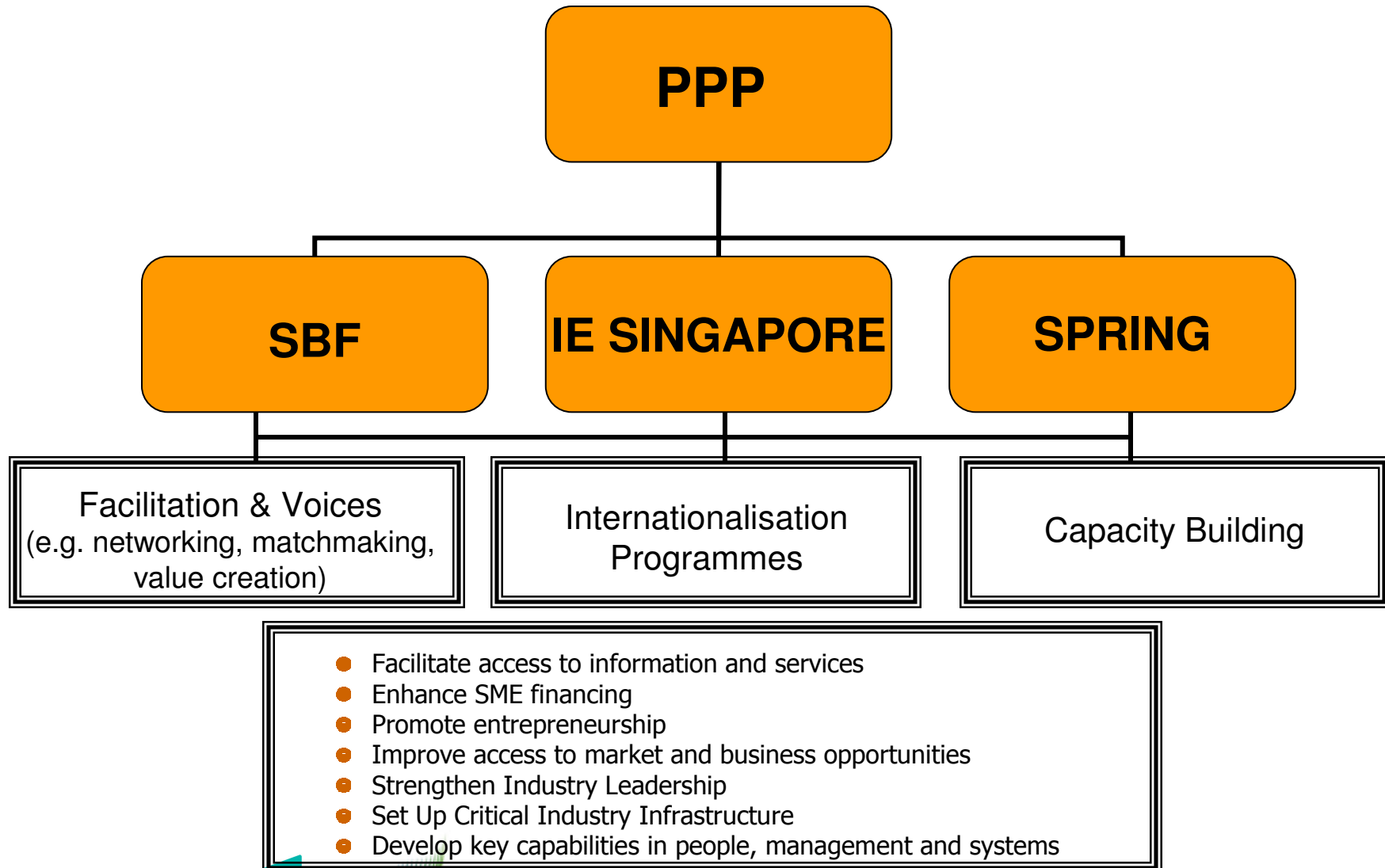


Tools & Instruments

--- SMEs Development---



Tools & Instruments



Facilitation & Voices



As the APEX business chamber, the **Singapore Business Federation (SBF)** champions the interests of the business community in Singapore in trade, investment and industrial relations.



SBF Global Sourcing Hub
Instant access to global business opportunities

Business Facilitation Services to the SMEs:

- Briefings, Seminars, Conference, Workshops
- Business Matching
- Missions
- Feedback and Networking sessions
- Meeting with Overseas Delegations
- Market Advisory Service And SME Helpdesk



Internationalisation Programmes



Helping Singapore enterprises internationalise

FRAMEWORK OF ASSISTANCE

COMPETENCY
Developing capabilities

Building robust competencies to help SMEs overcome international competition in the long-term

CONNECTIONS
Enhancing market access

Through a network of 35 overseas offices and other resources, support is available to help SMEs enhance their global network

CAPITAL
Facilitating access to finance

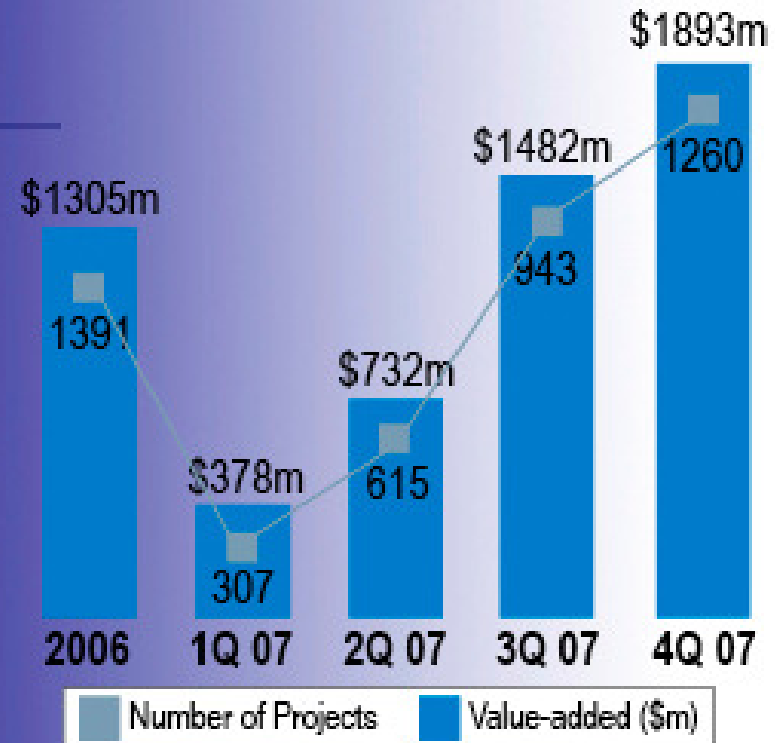
Access to and understanding of various funding and financial resources available to support international expansion



Capacity Building

Capability Upgrading

(includes enterprise capability upgrading projects in technology innovation, quality management and operations, branding and customer service)



When fully implemented, the 1,260 projects supported in 2007 are expected to generate \$1.9b of cumulative value added

Facilitate Access To Information And Services

ENTERPRISEONE
Serving Singapore's Business Community

**EnterpriseOne
Portal**
www.business.gov.sg
Hotline: +65 6898
1800

Online business
information and
government
e-services (e.g.
for licensing and
application)

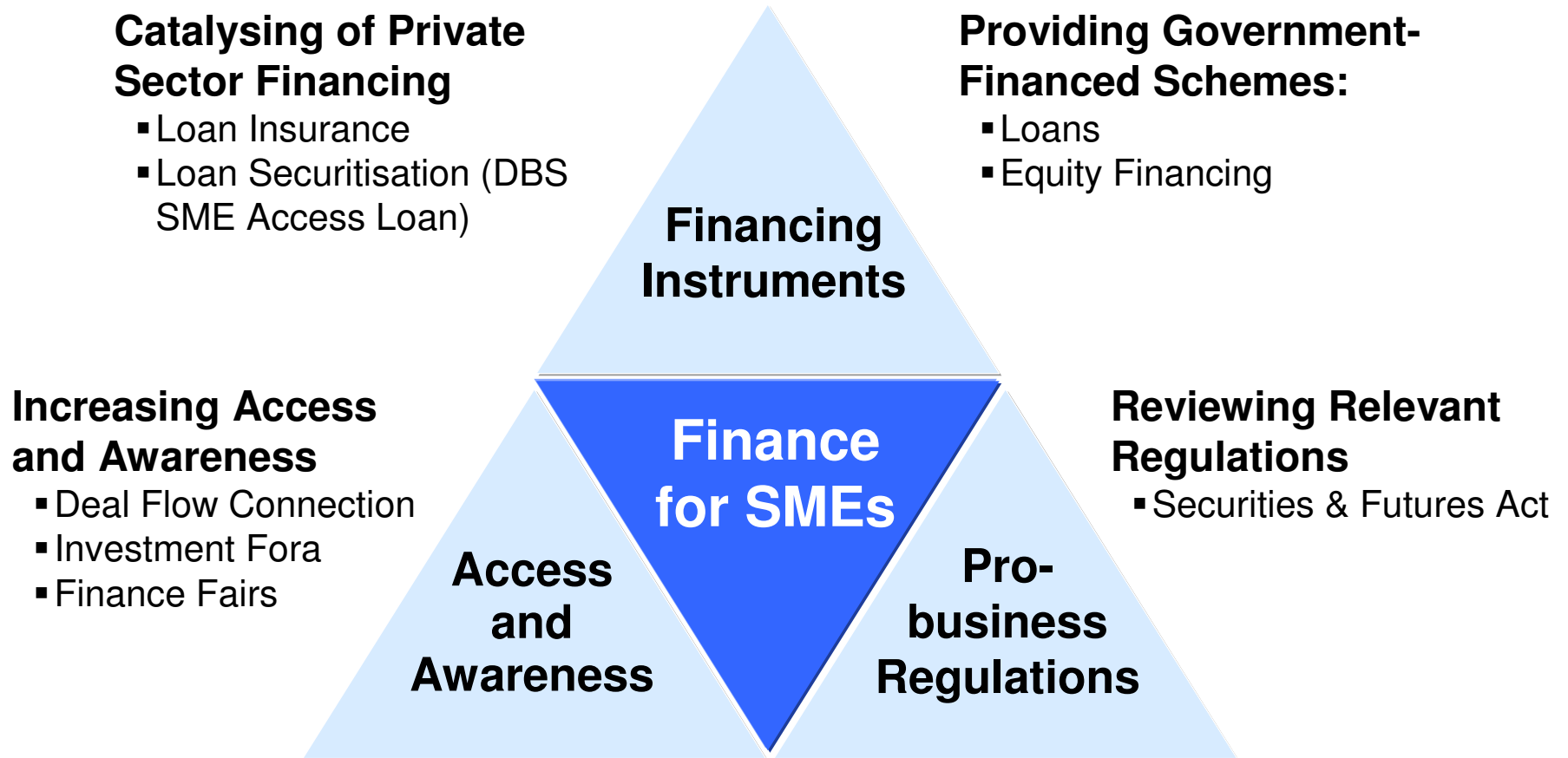
**Enterprise
Development
Centres**
@ ASME, SMa,
SCCCI, SMCCI

Business advisory
and consultancy
services

**EnterpriseOne
Business
Information Service**
@ NLB, SBF & IE
Singapore

Market information
resources and
research services

Enhance SME Financing



Promote Entrepreneurship



action
community for
entrepreneurship

● Promote Entrepreneurial Culture and Mindset

- *e.g. BlueSky Exchange and Evening, Annual BlueSky Festival*
- Educating entrepreneurs-to-be e.g. ACE Speakers' Circuit, Enterprise Day

● Catalyse Start-up Formation and Develop Entrepreneurial Talent

- **e.g. SPRING SEEDS** – *for innovative start-ups*, **Entrepreneurial Talent Development Fund** – *for students' start-ups* and **EntrePass Scheme** – *to attract foreign entrepreneurs to set up business in Singapore*

● Facilitate Review of Rules and Regulations

- Pro-Enterprise Ranking Survey



Improve Access To Market And Business Opportunities

- Broaden Access to Government Procurement Market
 - Review of government procurement rules and regulations
- Get Connected to Opportunities
 - SBF Global Sourcing Hub
 - Business networking platforms e.g. Network China, Network India and Network Indonesia
- Help to Overcome Export Requirements
 - Export Technical Assistance Centre (ETAC)
 - FTA Guides and Assistance



Strengthen Industry Leadership

Local Enterprise and Association Development (LEAD) Programme

- A 3-year programme launched in May 05 to groom Industry Associations to lead in industry development
- Key activities supported – Technology & Infrastructure, Expertise & Managerial Competence, Business Collaboration, Intelligence & Research, Advisory & Consultancy



Set Up Critical Industry Infrastructure



Marine Centre of Excellence

- Offshore construction & processing
- New processes for inspection & testing
- Component design & analysis

Environment & Water Technology COI

- Water, waste treatment & remediation technology
- Alternative energy & energy management
- Monitoring & instrumentation control
- Air pollution control



- Proof-of-Concept, Product & Process Development
- Shelf-life extension & packaging
- Market testing of prototypes



Develop Key Capabilities In People, Management And Systems

- **Systems & Processes Development and Upgrading**
 - Business Excellence Programme
 - Implementation of CRM, ERP, Quality Management, etc.
- **Management Competencies**
 - SME Executive Management Programme
- **Technology Innovation**
 - A 5-year programme to strengthen technology innovation in local enterprises
- **Capability Development Programme**
 - A 5-year programme to upgrade SME capabilities in supporting MNCs

For more information, please visit the following websites:

- www.sbf.org.sg
- www.iesingapore.com
- www.spring.gov.sg

