

SUMMARY REPORT
APEC TRAINING COURSE ON ENHANCING
ENTREPRENEURSHIP FOR SMEs

The APEC Training course on Enhancing entrepreneurship skills for SMEs was held in Hanoi, Vietnam on 17-19 June 2008 with the participation of representatives from Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, the Philippines, Thailand and Vietnam. Speakers come from Australia, Chinese Taipei, the United States, Vietnam and UNCTAD.

The Training course was divided into the following 6 sessions:

1. How to diagnose what service and help individual entrepreneurs need to success
2. Overview of the role of SMEs in the economy and contribution of entrepreneurs to the entrepreneurial engine
3. Examples, cases of how governments and agencies can help entrepreneurs in areas where they usually have needs
4. Practical applications, experiences and techniques for governments to help entrepreneurs and SMEs
5. Experiences sharing among APEC participants on supporting entrepreneurs
6. Panel discussion on how participants can improve the business and regulatory environment for entrepreneurs and assist them with better support services, etc...

The Training course was held in an informal way to encourage most interaction between speakers and participants. Speakers and participants shared view with each other in an cozy and friendly atmosphere, thus make discussions very open and fruitful.

Hereby are key discussion points at the training course:

Entrepreneurship today has been more and more popular. It can be understood as the spirit of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities. Entrepreneurship is often a difficult undertaking and entrepreneurial activities are substantially different depending on the type of organization that is being started. Entrepreneurship has to do with the

benefits, risks, and responsibilities of ownership. Entrepreneurship is also essential for the growth of foreign direct investment, building regional production networks and contributing to domestic growth and international growth. For these reasons, it is an extremely important matter to be addressed by all governments.

Speakers and participants shared view that in every economy, the spirit of entrepreneurship should be promoted in order to encourage people, especially young generations in order to grasp new business opportunities, thus generating new momentum for the economy and contributing to socio-economic development. Although the importance of entrepreneurship has been increasingly recognized, in some APEC members, there is still a lack of effective legal framework to foster entrepreneurship.

APEC participants shared with each other difficulties faced by SMEs and their experiences in promoting entrepreneurship in their economies. They have also listened to presentations of speakers on practical experiences and techniques for government to help entrepreneurs. Some key recommendations drawn from discussions at the training course:

1. The need to build entrepreneurial culture

When the role of entrepreneurship has been more and more recognized, governments play very important roles in fostering an entrepreneurship environment. The reality shows that in today's integrated world economy, more and more people want to establish their businesses. However, only those who are willing to take risk and not afraid of failure can survive and success. Education and awareness raising amongst young people is very important, especially promoting entrepreneurship in high schools and universities. The creation of Entrepreneurship Centers and Incubator Centers that provide business training, network opportunities, and mentoring contacts is also very important.

2. Governments need to build confidence for SMEs and encourage SMEs to adapt to changes

One way to keep SMEs working and progressing is to build confidence for SMEs. SMEs should recognize their roles in the economy. However, confidence building should not only be drawn from entrepreneurs per se, governments also have roles in this confidence building. One possible

way is to identify several strategies for improving the skills and capabilities of entrepreneurs. Governments should also encourage SMEs to be more active to participate in supporting programs developed by their governments such as international trade show and export promotion programs etc...

3. Effective and special support from governments

The speakers have mentioned key supports from governments, such as:

- Simplified & transparent administrative requirements
- Land access
- Finance access
- Trade promotion
- Capacity building & competitiveness enhancement
- Human resource and labor market development
- Improved laws/ policy-making
- Law/ contract enforcement
- IP awareness and enforcement
- Improved social attitude
- Better planning and focus of public investment.

Governments should implement support programs to reduce entrepreneurship costs. Speaker from Chinese Taipei shared with the audience his economy's experiences on supporting SMEs in terms of bridging digital divide for SMEs. Chinese Taipei has a program which focuses on young SMEs and about 30,000 SMEs have received this help. They have learn how to do business over the internet, for example learn how to use e-commerce platform provided by governments to make auction, exchange goods etc... by that reducing operation costs. Apart from that, Chinese Taipei has organized virtual trade show to help SMEs get access to much bigger international market at very low costs.

Speaker from Australia shared view that it would be very useful if governments or SMEs supporting organizations produce a matrix to show the number of start-up business and the number of business, which do progress over a period of time in order to understand real difficulties faced by SMEs at each stage as well as identify possible intervention to be made by the governments.

Speakers also shared view that there is a need to evaluate the outcomes of each program and if possible to produce Key Performance Indicators (KPIs) for each program to assess its effectiveness.

4. Public-Private cooperation to help entrepreneurs

The training course also touched upon the issue of how the private sector can help entrepreneurs to start up, grow and prosper. Representative of Shirlaws, a Global Organization specializing in coaching businesses shared with participants how they have worked to help entrepreneurs. Typically, service providers to the SME market have concentrated on providing low cost or free services due to the view that small businesses can't afford to pay high fees. Shirlaws instead offer a higher value proposition. Its services are not inexpensive, but its clients receive a multiple return on this investment, so are happy to pay. The SMEs who are pre-dispositioned to take a *high value* rather than *low cost* approach to support are generally the higher growth, higher contributing businesses within the economy.

Using resources of business coaching and consulting companies to help entrepreneurs also help reduce governments costs and responsibilities in terms of helping SMEs. Therefore, governments should learn how to explore this channel.
