

# THINK SME

World Union of Small and Medium Enterprises



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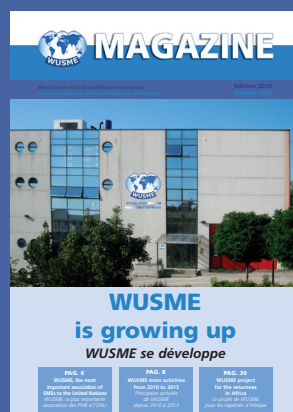
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## SMEs: SMALL IS GREAT





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## EDITORIAL

President  
Gian Franco Terenzi

# BUSINESS SUPPORT FOR SMEs



*We must find the conditions to foster a higher level of investment in Small and Medium Enterprises competitiveness and flexibility*

Since its inception in 2010, WUSME has been pursuing an important and compelling goal: to be referent Organization in support of SMEs and Crafts worldwide, offering significant opportunities for their growth. During the seven years of its existence, WUSME has become a well-established and recognized Global SMEs Organization, constantly undertaking numerous beneficial projects and initiatives, entering into cooperation agreements with complementary SMEs supporting bodies, increasing its representation throughout the globe and working on the establishment of Branches. Some highly important steps taken by WUSME include its recognition as *partnering Organization with the United Nations Global Compact* and the acquisition of the *Special Consultative Status* at the United Nations Economic and Social Council.

Being awarded *Special Consultative Status* at the UN ECOSOC allows WUSME to significantly increase public awareness of the economic and social importance of SMES and Crafts.

SMEs create more than 90% of all jobs, drive the socio-economic paradigm which, in turn, promotes appropriate economic growth and development. The creation of SMEs is the most effective way to alleviate poverty in both developed and developing countries.

The action of WUSME, and consequently the international accreditations achieved, are aimed to support the development of SMEs, particularly to enhance their ability to access investment projects, encourage international business partnerships, facilitate trading beyond borders and the transfer of innovative technologies, particularly those benefiting less privileged economies.

Access to finance remains a major concern and common problem for all enterprises.

The International Workshop on Innovative SME Financing, held in the framework of the 4th General Assembly of WUSME in San Marino on 16th and 17th April 2016, ended with the recommendation of a new general approach to the WUSME AGENDA 2021. The consensus reached is for a holistic approach, based on which smaller companies be enabled to fully reap the benefits of a more diversified financial offer.

In today's world, we must find the conditions to foster a higher level of investment in SMEs competitiveness and flexibility, necessary to operate in a globalized market, as well reduce the level of bureaucracy, a very important factor, especially for those who intend to start-up a new business. This is the vision that will guide WUSME's action in the next future, as Organization determined to combine the converging forces of SMEs, related institutions, economic associations and international organizations.

Main purpose: to enable Small and Medium Enterprises to play that key function as engine for growth in every economy of the world, with most effective impacts on areas of particular strategic concern in economic or social terms, such as, for example, advanced technology, employment and women's entrepreneurship.



# WUSME

## THINK SME

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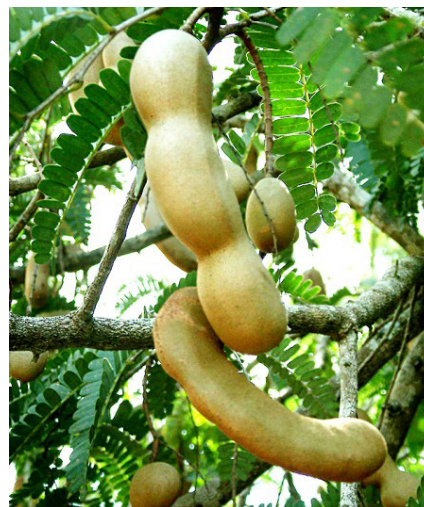
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# Summary



**5**



**12**

- 5** “Small is the New Big” - Malaysian SMEs Help Energize, Drive Economy  
SMEs have been at the core economic transformation since the 1990s
- 8** How SMEs can get in on the 3D printing revolution  
Is set to completely upturn the way we do business
- 10** Government procurement - a path to SME growth?  
Eastern Foundry, a company in Arlington (Virginia)
- 12** The enterprise of the month:  
Mango-So, the project  
The products are 95% exported to Europe and South Africa
- 14** Challenges & Opportunities of Digitization for SMEs - Asian perspective  
Edit by Dr. Joginder Singh Juneja - WUSME Vice President (India)
- 16** WUSME awarded during the 10th Assembly of CASME Council of Directors  
WUSME President Gian Franco Terenzi participated in the event
- 17** COP22 in Marrakech: the intervention of WUSME  
Present Mohamed El Ouahdoudi, WUSME Ambassador in Morocco
- 20** SME's NEWS  
Young african intents touch screen medical tablet  
Published by Forbes
- 21** Membership application form  
Arrangements for affiliate: Natural Person, Enterprise and Organizations





A shopkeeper in front of his shop in Little India, Kuala Lumpur. Photo: Trinn Suwannapha / World Bank

# “Small is the New Big” – Malaysian SMEs Help Energize, Drive Economy

SMEs have been at the core of Malaysia’s economic transformation since the 1990s to an upper-middle income nation and are an important driver of employment and growth.

## Story Highlights

- *Small and medium enterprises (SMEs) form the backbone of Malaysia’s economy.*
- *Ninety-seven percent of business establishments in Malaysia are SMEs. These businesses account for 65% of the country’s employment.*
- *Malaysia’s 2012-2020 SME Masterplan seeks to advance SME development and increase their contributions to the economy.*

Washington, DC July 5, 2016 - Ninety-seven percent of business establishments in Malaysia are small and medium enterprises (SMEs). These businesses are responsible for nearly 36% of the country’s GDP, 65% of the country’s employment, and nearly 18% of Malaysia’s exports.

SMEs have been at the core of Malaysia’s economic transformation since the 1990s to an upper-middle income nation and are an important driver of employment and growth.

“In terms of numbers, SMEs are significant, and they form the backbone of Malaysia’s economy,” said Dato Hafsah Hashim, chief executive of SME Corporation Malaysia at a recent event organized by the new World Bank Group Knowledge and Research Hub in Kuala Lumpur in partnership with the Trade & Competitiveness Global Practice.

“To us in Malaysia, small is the new big.” Hafsah, who is responsible for coordinating and overseeing policies for the overall development of SMEs in Malaysia, helped create and is now implementing the 2012-2020 SME Masterplan. Designed in conjunction with the World Bank Group, and described by Malaysia’s Prime Minister as a “game changer,” the Masterplan includes a structured framework to advance SME development.



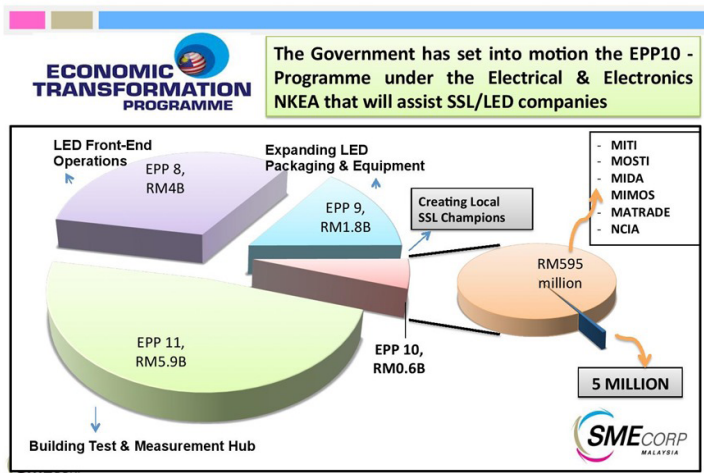
We want to create  
employment providers,  
not employment seekers.

Dato Hafsah Hashim



In the picture: **Dato Hafsah Hashim** - Chief executive of SME Corporation Malaysia

#### E&E NKEA – LED EPPs



By 2020, Malaysia aims to push SMEs' contribution to GDP to 41%, and the share of the country's exports from SMEs to 23%.

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By 2020, Malaysia aims to push SMEs' contribution to GDP to 41%, and the share of the country's exports from SMEs to 23%.

"Malaysia's transition to a high-income economy will highly depend on SMEs' contribution to GDP growth," said Anabel Gonzalez, Senior Director of the Bank Group's Trade & Competitiveness Global Practice. "In addition, SMEs have a significant role to play in creating opportunities for women and youth".

Malaysia's SME growth has outpaced that of the overall economy, but the country's target of 8% SME growth through 2020 will be tough

to maintain, given that the overall economy is growing only at about 5% annually, according to Hafsah.

"Our overall vision is to have globally competitive SMEs across all sectors that enhance wealth creation and contribute to the social wellbeing," said Hafsah.

Secondary goals include increasing business formation by 6% on average per year and increasing the number of high growth and innovative firms by 10% per year.

#### The Relevance of Data

An important element to boosting SMEs in Malaysia is understanding them. The surprising results of the

country's first-of-its-kind census in 2004 showed that the vast majority of SMEs were in the services sector, while only about 7% were in the manufacturing sector and even less in agriculture.

"I believe in the principle that what you can't measure you can't plan and if you can't plan you can't manage," Hafsah said, referring to the need to survey businesses and understand their subsectors. "The SME policy has evolved over the years in line with the overall country's development agenda".

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### Focus on Innovation

A key element of Malaysia's Masterplan that has worked thus far is the focus on innovation and technology adaptation. For example, Malaysia targeted the green light-emitting diode (LED) business as a focus for SMEs and has seen huge growth over the years and good international exposure. In 2016, Malaysian firms sold RM116.9 million in LEDs, compared to just RM65.6 million in 2012.

Future areas of focus will be medical devices, oil and gas, ship-building and repair, and aerospace. Each sector will receive specific attention for a 12-month period in an effort to kick-start activity in that area.

The TUBE youth development

program is another example of innovation, this time meant to spark the entrepreneurial spirit among young Malaysians. Based on a boot camp concept, the program sends participants to a jungle for a week to test their leadership, discipline and teamwork skills. Those who make it through the camp continue on to year-long apprentice training programs.

"This strategy is simple: entrepreneurship is not a 100-meter burst. It is a marathon and needs a lot of energy and a lot of stamina. If they can't get through one week, we feel they can't get through the entrepreneurship journey," said Hafsah, who called the program her 'pride and joy'. "We want to create employment providers, not employment seekers".

To ensure continued SME growth and contribution to Malaysia's economy, over the next few years Hafsah said Malaysia has to encourage the private sector to adapt to changes, have a pool of skilled personnel who can be absorbed in the market and get better at closing the productivity gap to be globally competitive.

"We have achieved a great deal thus far," explains Hafsah. "But there is a long road ahead for us to become a high-income nation."

### Published by The World Bank

<http://www.worldbank.org/en/news/feature/2016/07/05/small-is-the-new-big-malaysian-smes-help-energize-drive-economy>

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**no taxation** for high  
technology start-ups



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for up to 50% of the gross salary



**excellent deductibility**  
of all business costs

Find out about all the regulations, incentives and costs for creating your new company in San Marino at [www.startup.sm](http://www.startup.sm)



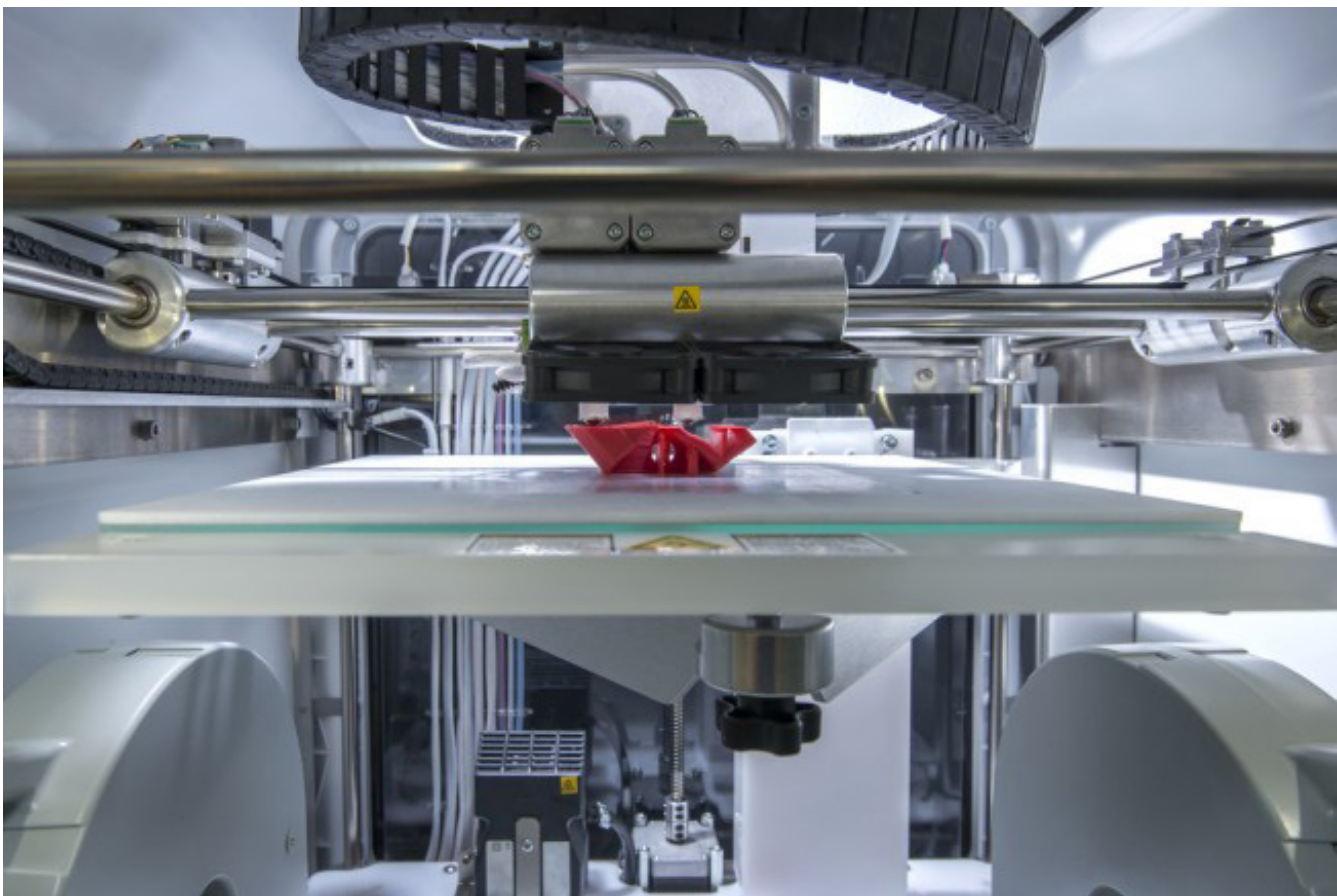
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# How SMEs can get in on the 3D printing revolution



**The dawn of affordable 3D printing is set to completely upturn the way we do business. The ability to use additive layer manufacturing to create new, more efficient and more affordable items no longer requires an investment of tens of thousands of pounds for a single 3D printer. Now, the revolutionary technology is well within the means of small businesses across the country.**

3D printing – or ‘additive layer manufacturing’ – builds items in layers, fractions of millimetres at a time, to form high resolution 3D objects. Traditionally 3D printing has been used to create plastic and metal items, but the range of possible materials, and the 3D printing processes to create them, is broadening.

Within the next three or so years, we should see the 3D printing of fabrics. This has the potential to completely revolutionise textile, fashion and home interiors businesses, to name but a few.

Perhaps you notice a jacket you like the look of, but the material's not for you, or the colour isn't what you're after. With brands embracing the rise of domestic 3D printers, you could have your perfect cut, colour and fabric building itself in your living room in a matter of minutes. Fashion brands could also offer bespoke tailoring as the norm, individually printing clothing to fit each customer perfectly.

We're already seeing 3D printed shoes companies making strides in personalised printed apparel.

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With 3D printing offering ever-increasing opportunities for small businesses, here are five key ways in which all kinds of SMEs can get in on the revolution:

### **Prototyping**

With 3D printing being vastly more affordable for creating singular objects than employing a third party manufacturer, 3D printing is breaking down the barriers to entry for entrepreneurs by enabling prototypes to be created swiftly and cheaply.

Speeding up the design process can be invaluable to young companies, and now even the smallest of businesses can afford to own their own 3D printer to do so. By designing and printing a prototype in a matter of hours, rather than waiting days or weeks for a design to come to life, entrepreneurs can significantly cut down the time they spend working up a viable product.

### **Re-designing and Personalisation**

For small businesses producing branded or personalised merchandise, minimum orders from manufacturers may require the purchasing of hundreds or even thousands of one design. As 3D printing doesn't demand the re-tooling of machinery – instead simply requiring the uploading of a tweaked design – customised products can be created singularly. By vastly cutting down the overproduction of items, small companies can offer products and enter markets otherwise unaffordable.

### **Always in stock**

Similarly, the ability to produce products or spare parts locally and individually is another way small businesses can capitalise on the recent availability of desktop 3D printers.

For example, reducing shipping costs and offshore production costs means that businesses such as garages can afford to print individual spare parts as needed, vastly reducing the waste and repair time and providing a much more streamlined service. Soon, even office equipment could be more affordable if printed on-site.

### **New horizons**

For sectors as diverse as manufacturing companies and healthcare professionals, the most exciting quality of 3D printers is their ability to create shapes otherwise impossible to produce. Moulding, drilling and binding materials and other manufacturing processes simply cannot make certain shapes which additive manufacturing masters.

We've now seen surgeons using an MRI scan to 3D print a copy of a toddler's heart, to help them understand how to operate effectively. Shapes available through 3D printing may be also lighter, more effective or more efficient than those created by traditional processes.

We've now seen surgeons using an MRI scan to 3D print a copy of a toddler's heart, to help them understand how to operate effectively. Shapes available through 3D printing may be also lighter, more effective or more efficient than those created by traditional processes.

### **Domestic printers offering instant sales**

All of these are ways small businesses can capitalise on the affordability of 3D printers for use in-house. However, the fact that 3D printers are now available for as little as a regular 2D desktop printer means that it is not only SMEs that can afford to have them. Domestic 3D printers are now on the rise, and businesses can also make the most of this move into British homes.

In our world of 'next day delivery', consumers are expecting goods to be in their hands within shorter and shorter periods. Amazon have already patented plans for delivery trucks containing 3D printers, enabling the creation of purchases en route to a consumer. However, the more exciting opportunity – and most interesting revolution on the horizon for small businesses – is for brands to offer their products as downloadable 3D designs. SMEs can embrace the rise of domestic 3D printers and offer their customers access to products within hours, without them even having to leave their home. Importantly, such designs can also be personalised, with colours chosen, branding and images modified and add-ons readily available.

Such a move will change the world of consumer goods manufacturing as we know it, and hugely impact on retail and delivery industries. We can imagine Amazon shifting towards a marketplace for people to print a whole range of purchases at home, which would completely upturn its existing system of warehouses and delivery services.

These are just five ways in which businesses can capitalise on the rise of affordable 3D printing. The breadth of possibility for creating novel objects quickly, cheaply and efficiently means innovative SMEs can find countless uses for the technology. Once the reserve of sci-fi fantasies, 3D printing is already making waves in a whole range of businesses – the time to get in on the revolution is now.

### **Published by Business Matters**

<http://www.bmmagazine.co.uk/tech/how-smes-can-get-in-on-the-3d-printing-revolution/>



# Government procurement – a path to SME growth?

We recently visited Eastern Foundry, a company in Arlington, Virginia, which helps American SMEs navigate the byzantine corridors of U.S. Government procurement

In many countries Government is the biggest procurer of goods and services, which makes them an attractive client for small and medium scale enterprises (SMEs) seeking to get a leg up in business.

Recognizing the important role that the public sector plays as a purchaser of goods and services, as well as the critical role SMEs have for the economy, Governments frequently use Public Procurement to incentivize, support and otherwise sustain local SMEs.

Also, as in many of our client countries, where the vast majority of SMEs are informal, the lure of a significant Government contract can serve as a strong motivator to register and formalize – bringing these companies in from the shadows.

But there is also a significant downside in many countries. Cash-strapped governments frequently don't pay their bills on time and, in some countries, payment delays of 12 months or even two years are not uncommon. Such delays can seriously compromise the position of a small scale enterprise which – with limited access to formal bank financing – relies critically on cash flow from its clients to sustain its business. A six month delay in receiving payment on a contract can easily put a small firm out of business.

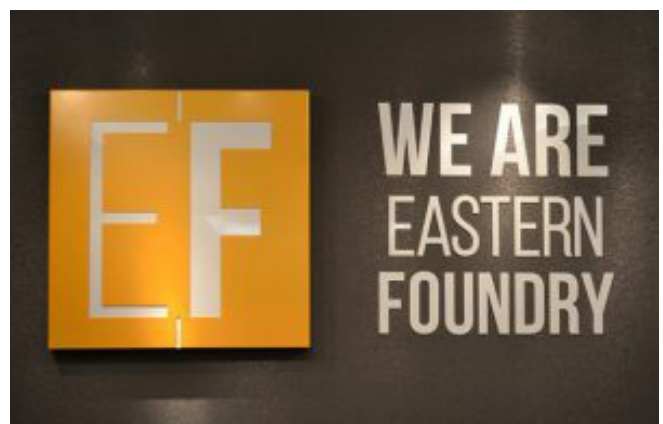
We recently visited Eastern Foundry, a company in Arlington, Virginia, which helps American SMEs navigate the byzantine corridors of U.S. Government procurement.

The U.S. Federal Government allocates 23% of all Federal Contracts to American SMEs. Also it has small business set-asides for women-, veteran- and native American-owned SMEs. These preferential access policies provide succor for a dynamic American SME market while supporting key social goals. U.S. State Governments also have their own procurement schemes for local SMEs, which vary from those of the Federal Government. The total Government procurement market in the U.S. – both Federal and State – is massive, as

is the SME share of that total. It can be difficult to be successful in the U.S. Government procurement space. Just navigating the Federal Government's procurement website Federal Business Opportunities can be challenging for the uninitiated.

Eastern Foundry provides a space in Arlington from which SMEs can operate and network. It holds informational and educational classes on government procurement, helps SMEs navigate the FBO website, and provides a networked location where Prime Contractors can connect with U.S. SMEs as subcontractors to help them meet the 23% target on SME collaboration.

Although Eastern Foundry doesn't provide lines of credit or bridge financing, it can direct SMEs to banks and crowd funders, and can help them manage preferential rates. Although they can work with factoring and invoice financing, they prefer straight bank financing as they find that this is generally a cheaper alternative for SMEs. Equally interesting, the U.S. banks seem to prefer guaranteed income streams as the source of future loan repayments over other forms of collateral. Hence income from stocks and bonds, rental and pension income are all highly rated when trying to access SME credit.







Payment delays in the U.S. are less of an issue than in some of our client countries, with most U.S. Federal Government contracts paid out in 30 days. This payment is generally to the Prime Contractor, while the SME sub-contractors are typically paid within 90 days. Some large prime contractors, such as Walmart and General Electric, are said to have negotiated 120 day payment terms and these cause considerable stress for cash constrained US SMEs.

#### **Can such models be useful in our SME support work?**

- Linking public procurement and SMEs through public policy would be an important start, considering that some developing countries don't even provide preferential SME access to government contracts.
- Developing "facilitation mechanisms" which target SMEs in public sector procurement could provide support. They could be designed to be more market-friendly than many interest subsidy systems which Governments promulgate in support of their SME sectors. Facilitation bureaus could help SMEs access finance, understand government contracting processes, support the development of SME networks, connect prime contractors with SME sub-contractors, or facilitate joint ventures involving SMEs.
- Overcoming government payment delays is a more difficult hurdle. Some countries, such as India, have legislation which stipulates periods within which Government contracts must be paid out. Others, such as Morocco, are working with the World Bank to address this issue. Using electronic factoring platforms to discount bills receivable could be another method to facilitate SME access to financing to participate in public

procurement markets (albeit not a substitute for prompt government payment of their outstanding bills)!

– Equally exciting, recent research points to a "Growth" as well as an "Employment Generation" impact of linking public procurement with SMEs. The February 2016 paper "Procuring Firm Growth: The Effects of Government Purchases on Firm Dynamics" (Ferraz, Finan, and Szerman) assembled comprehensive data from Brazil and found that "winning at least one [government] contract in a given quarter increases firm growth by 2.2 percentage points over that quarter, with 93% of the new hires coming from either unemployment or the informal sector. These effects also persist well beyond the length of the contracts. Part of this persistence comes from firms participating and winning more future auctions, as well as penetrating other market".

Maybe it is time for us to build beyond our traditional lines of credit to SMEs – and embrace more innovative methods of SME support – as headwinds slow the global economy and governments increasingly look to the SME sector not only to generate more jobs but to also help retain those jobs which they have already created. Could stronger links with public procurement provide an important key?

#### **Published by The World Bank**

Image: Startup incubator Eastern Foundry (Image via Eastern Foundry)

<https://blogs.worldbank.org/psd/government-procurement-path-sme-growth>





## THE ENTERPRISE OF THE MONTH

# Mango-SO, the project

Family run business, specialized in the processing of fruits and vegetables in drying (90%) and in the production of juice, syrup and mango jam.



MANGO-SO is a family run business specializing in the processing of fruits and vegetables in drying (90%) and the production of juice, syrup and mango jam.

With a production capacity of 300 tons of dried mangoes per year,



**MANGO-SO products  
are 95% exported to  
Europe and South Africa.**

MANGO-SO products are 95% exported to Europe (Switzerland, Germany, France, Belgium, Sweden) and South Africa.

Since its establishment in 2001, by Madame Riouall Fatoumata Alice, MANGO-SO is committed to the local economy and the economic



## THE ENTERPRISE OF THE MONTH

The company also contributes to the promotion of gender by enabling girls and women to be self-sufficient in economic terms.

emancipation of women in Burkina Faso.

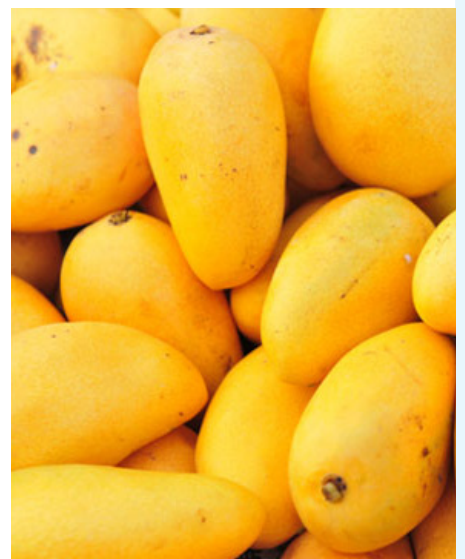
Installed in the heart of the “orchards” of Burkina Faso (Toussiana), MANGO-SO has a considerable impact on the local economy of the TOUSSIANA town on several levels:

- Improved incomes of mango producers: the MANGO-SO unit consumes an average of more than 600 tons of fresh mango per year.
- Organization of producers: the producers organization is a pillar of agricultural development. The socio-economic challenge by the presence of MANGO-SO has led suppliers to create a grouping to sustain their relationship with MANGO-SO.
- Job creation: MANGO-SO is one of the largest employers in TOUSSIANA. It takes an average of 200 people. More than 80% of jobs are occupied by women. MANGO-SO also contributes to the promotion of gender by enabling girls and women to be self-sufficient in economic terms. It also helps to the fight against the exodus of girls and to early and forced marriages.
- The social impact of MANGO-SO in the life of TOUSSIANA town is also an element to be noted. MANGO-SO participates as a sponsor in sport and cultural activities organized by the population of TOUSSIANA.



**MANGO SO is committed to local economy and economic emancipation of women in Burkina Faso.**

Settled in the heart of the “orchards” of Burkina Faso (Toussiana), MANGO-SO has a considerable impact on the local economy of the Toussiana town on several levels: improved incomes of mango producers, organization of producers, job creation and social impact.





By Dr. Joginder Singh Juneja - WUSME Vice President (India)

# Challenges & Opportunities of Digitization for SMEs – Asian perspective



BANGKOK (THAILAND), November 26th-28th, 2016

The Asian SMEs continue to face problems in their day to day operations such as inadequate infrastructure and credit facility, skilled labour, lack of targeted marketing strategy and distribution network, low technology penetration etc. They had to face competition from large firms not only in their own country but also from the companies abroad and massive imports. With the onset of fourth industrial revolution challenge to digitize, it is crucial for Asian SMEs to take adequate measures to retain its existing status and emerge as global leaders. In order to make Asian SMEs globally competitive and successful, it is necessary for them to be creative and innovative apart from being technology savvy. They must also enrich skills of their workers to benefit from the onset of the digitization.

## 1. Technology as a game changer.

The first technology revolution was initiated in Britain with the mechanization of the textile industry, where instead of crafting things by hand, machines were used to make them. The second revolution began in America which led to the period of mass production with the concept of assembly line by Henry Ford. In the third industrial revolution, the manufacturing has been digitized to a large extent and is being run by smarter softwares. And now the fourth Industrial Revolution which is conceptualized as an upgrade on the third revolution, marked by a fusion of technologies extending over the physical, digital and biological worlds has set in motion. According to The Economist: *'the traditional systems of manufacturing products will be replaced by the highly automated group of machines.'*



*Factories will be becoming vastly more efficient with automated machines that can swap and cut tools, visualize and have other sensing systems with robots equipped within them. The effects of digitization in manufacturing will not only be limited to large manufacturers but tremors will be felt by Small and Medium Enterprises also in Asia.'*

The consequences of all these changes will have a big impact on the Small and Medium Enterprises (SMEs) in the developing economies like India, China, Thailand, Malaysia, South Korea, Taiwan and other Asian countries since digitization tends to reduce work force and hence will encourage manufacturers to shift some work and jobs back to the rich and developed countries like USA and Europe. The modern and digital manufacturing processes like the 3D printing will allow things to be made more economically, flexibly and with less labour. This will empower small and medium firms and individual entrepreneurs. For example, Indian teenager Rifath Sharook has developed the world's lightest satellite using a 3D printed carbon fiber reinforced polymer and the design was selected through the Cubes in Space competition set up by NASA. Mass manufacturing will turn towards more individualized production. However, we must recognize that SMEs have to be empowered to face the onslaught of imports and global competitiveness. Technology will enable the process of empowerment of SMEs to upgrade their technology to produce quality products at competitive prices and face the global competition. Hence, technology could be a game changer for SMEs. SME segment is not unified but much diversified. Its presence is felt across the entire spectrum from traditional sectors such as agro-based products to the newly evolved e-commerce retail industry. Truly competitive SMEs have to be agile, get close to customers and be constantly innovative. Technology is a keen enabler of innovativeness in SMEs. The arrival of broadband, smart phones and the eager adoption of mobile-based technologies have empowered small business to address competition and demand for quality in a globalized and knowledge based economy. While huge disparities still exist in the nature of knowledge tools adopted, SMEs are transitioning towards addressing some challenges

with information and communication technologies (ICT). ICT is changing the way small enterprises engage their customers and run their back-office processes. SMEs can fully benefit by utilising ICT applications right from designing of products and processes, CAM, promotion of products and services, marketing including e commerce, accessing target audience, distribution network, customer servicing, financial services etc. And in nutshell complete range of applications. Computerization has helped to cut costs by streamlining internal processes, improving services through faster communication with customers, and bettering promotion and distribution of products. Every link in the value chain is empowered. Hence, there is no escape for SMEs but to upgrade their technology, products, processes, marketing techniques and organizational tuning.

## **2. Fostering of Innovations In SMEs**

According to a well known management thinker and Guru, Peter Drucker, 'Innovation is an essential process of change that is necessary in order to maintain the development and growth of an enterprise'. Innovation is defined as the ability of an enterprise to "manage knowledge creatively in response to market-articulated demand and/or other social needs" (OECD, 1999). According to the concept of innovation in the OSLO Manual which was adopted by National Survey of Innovation (NSOI) sponsored by Department of Science & Technology, Ministry of Science & Technology, Government of India, 'any product development that results in generation of wealth is regarded as Innovation'. The 'product development' as further elaborated in 'Oslo Manual for measuring innovation' would include not only product development per se but also novel processes, strategies, changing or leading to benefits/gains to the firm. Thus as per the Oslo Manual there are four types of innovations namely: (i) Product innovation; (ii) Process innovation; (iii) Marketing innovation; (iv) Organizational innovation. Keeping in view the above definition, we carried out a study on 'Status, systems and strategies of Innovation in SMEs in the equipment and machinery sector' on behalf of the Department of Science & Technology, Government of India with the purpose to identify trend of

innovation in the SMEs. The study focused on the novel developments/innovations done by the SME firms in terms of the products, processes, marketing strategies, organizational changes made which have enhanced product (new product), productivity, efficiency, market reach etc. leading to the gains to the firm, industry and country at large. The equipment and machinery firms in the SME sector have innovated products to suit the locale specific conditions in the resource constrained environment that hitherto prevailed in India, by frugal use of scarce resources. Affordability, appropriability and sustainability of Indian SME equipment and machinery manufacturers have replaced the premium pricing and abundance use of resources generally associated with imported equipments. It has been found in the comprehensive study that innovations by SMEs are mainly by way of introduction of machinery and equipment which are new to the firm albeit adapted mostly by reverse engineering with minor modifications/improvements, of the existing machinery and equipment produced by others or imported. The Study shows innovations for most participating SMEs meant adapting others' basic designs with minor modifications undertaken mainly through their in-house efforts. However, it was heartening to note that a few owner-innovators do recognize the need for innovating novel products, not only new to the firm but even globally and working in this direction. Though the nation has invested heavily in creating scientific and technological infrastructure by way of publicly funded R & D laboratories/institutes, Universities, Polytechnics etc, however, it was surprising that the SMEs were largely not aware of their expertise, facilities and knowledge assets or averse to availing of their assistance owing to bureaucratic attitude, failure to maintain delivery schedules, inadequate contemporary knowledge of the specific sector etc. As mentioned earlier, fostering of innovation in SMEs is crucial for their growth and development. Hence, SMEs need to be encouraged to innovate and for which awareness and financial incentives are required.

*(Second part on Capacity building and Skill development of Asian SMEs will be published in the next edition).*



# WUSME awarded during the 10th Assembly of CASME Council of Directors

SHENZHEN (CHINA), December 21 th, 2016 – Small and Medium Enterprises and Crafts (SMEs) are the backbone of the global economy. For this reason, they must be protected and supported in their development. A concept remarked by WUSME President Gian Franco Terenzi in several occasions and highlighted as well in the video-message broadcasted during the 10th Assembly of the Council of Directors of CASME, the Chinese Association of Small and Medium Enterprises (an Organization directed by the Commission for the Reform and China Development of China), held on December 21, 2016 in Shenzhen.

The participation of WUSME in the Assembly of CASME was also significant for the presence of WUSME's Honorary President, Zhuo Yan Lin, and the consignment of a special award, handed by the outgoing President

and Mayor of Shenzhen, Li Zhibin, for the contribution of WUSME to the growth, progress and development of global SMEs.

**«China has the highest number of Small and Medium Enterprises in the various fields both in Asia and the rest of the world -said WUSME President Gian Franco Terenzi-. Economic development and experience gained over the years have confirmed that SMEs role is crucial to sustainable development. CASME, led by founder-president Li Zi Bin, has strongly contributed to the social-economic development of China, and I wish, on behalf of WUSME, that through new President Zhang Jing Quiang, CASME can further contribute and support SMEs all over the world».**





# COP22 in Marrakech: the intervention of WUSME

The appeal of the Employers' Organizations and the proclamation of the participants



Our climate is heating up at an alarming and unprecedented pace and we have an urgent duty to stand up to

Upon conclusion of the COP 22 conference held in Marrakech on November 2016, the organizers' committee gave the floor to the NGOs and other Organizations present. Mohamed El Ouahdoudi (*photo*), WUSME Ambassador in Morocco, highlighted the role of SMEs in the innovation process and in sectors of the green economy, expressing concern for their absence as interlocutors at the COP, and proposing that, on occasion of COP 23 in Bonn, WUSME, formally recognized by the UN Economic and Social Council, convey the proposals of these small and medium-sized enterprises from around the world, which the Organization represents at different levels. «The General Confederation of Moroccan Enterprises (CGEM) played a welcome mobilizing role, bringing some 40 global Employers' Organizations present in Marrakech. Thus, the private sector, represented by these Employers, expressed its determination to:

- Anticipate the consequences of climate change on the structure

and functioning of enterprises and provide solutions.

- Be associated with decisions of the institutions to implement the Paris Agreement, particularly with regard to the support given by the countries providing their Contributions determined at national level (NDCs);

- Set up mechanisms for the mobilization of public funds as well private funding in favor of climate.

- In addition to the cooperation in climate technologies North/South and South/South, call for more support in favor of the Adaptation, particularly in highly vulnerable regions (Africa, Asia and island regions). The approach of the Employers' Organizations is in line with the proclamation of the Heads of State, Governments and Delegations gathered in Marrakech, upon invitation of His Majesty the King Mohammed VI, who urged all countries to take into account this shift towards a new era of implementation and action for climate and sustainable development.

- Our climate is heating up at an alarming and unprecedented pace



and we have an urgent duty to stand up to.

- We welcome the rapid entry into force of the Paris Agreement, adopted under the United Nations Framework Convention on Climate Change, as well as its ambitious goals, its inclusive nature, its fairness and the principle of common but differentiated responsibilities and respective capacities in relation to the different national situations. We affirm our commitment to its full implementation».



# SMEs NEWS

## With 'Silicon Valley' model, UNICEF invests in tech start-ups working to improve children's lives

November 15 th 2016 – Using a venture capital approach – investing in companies with short track records but long-term growth possibilities – the United Nations Children's Fund announced today the first five emerging market start-ups to which it will provide seed money to source solutions for issues like transportation, wearable technology, finance, and personal data. Along with the UNICEF Innovation Fund's first portfolio of investments, the agency also opened the next round of applications from start-ups, calling the Fund a "new way of doing business at the UN; combining the approach of Silicon Valley venture funds with the needs of UNICEF programme countries." "Using UNICEF's 190 offices and 12,000 staff, the Fund will help us source and support companies that might be overlooked by traditional investment vehicles," Cynthia McCaffrey, the Director of the UNICEF Office of Innovation said in a news release. According to the release, the Fund allows UNICEF to prototype technology solutions, as well as expand its networks of open source collaborators to improve children's lives.

The start-ups included in the portfolio of investments are:

- **Saycel (Nicaragua)**: provides affordable mobile connectivity to communities that are not on the traditional information grid in rural areas;
- **mPower (Bangladesh)**: create a digital registry platform to improve data collection and delivery of maternal and child health care;
- **9Needs (South Africa)**: uses blockchain – is a distributed database that maintains a continuously-growing list of records called 'blocks' – and advances in identity technology to create

better management systems for early childhood development services;

- **Innovations for Poverty Alleviation Lab (Pakistan)**: creates stories and information that can be played over a simple mobile phone to help fathers (who may be semi-literate) support their families for better maternal and newborn health;
- **Chatterbox (Cambodia)**: provides a fundamental technology layer to be integrated into UNICEF's RapidPro platform to extend its reach to communities that are low literacy, particularly in Cambodia, but eventually globally.

UNICEF has an eye to investing in 20-40 additional companies in 2017, said the release.

It added that the Innovation Fund is inviting technology start-ups to apply for investment and become part of this growing portfolio of open source solutions. Progress made by portfolio projects are monitored in real time and displayed in detail at: [www.unicefinnovationfund.org](http://www.unicefinnovationfund.org). UNICEF Innovation, which includes the agency's Office of Innovation, Innovation Unit (UNICEF Supply Division) and a network of Innovation Labs, is an interdisciplinary team of individuals around the world tasked with identifying, prototyping, and scaling technologies and practices that strengthen UNICEF's work.

News Tracker: past stories on this issue UNICEF Goodwill Ambassador Liam Neeson praises strength of Syrian refugee children in Jordan *Innovators using a specialised computer*.

**Published by UN News Centre - With breaking news from the UN News Service**

**Photo: UNICEF/Giacomo Pirozzi**





# SMEs NEWS

## Normandy village home to world's first solar panel road



**Northern France is not known for its beating sun but the region now hosts the world's first "solar highway", which will be inaugurated on Thursday.**

December 22th, 2016 – France's Ecology Minister Segolene Royal headed to the little known village of Tourouvre in the department of Orne in Normandy on Thursday to officially open the world's first solar panel road. The road, named a "Wattway" is made up of 2,800 square metres of solar panels stretching along one kilometre that cost some €5 million to construct, which was covered by a grant from the state.

"This new use of solar energy takes advantage of large swathes of road infrastructure already in use... to produce electricity without taking up new real estate," Royal said in a statement. From now on, or at least for the next two years while testing is carried out, the 2,000 motorists who use the RD5 road each day will pass over the specially protected panels stuck to the road. The road is still part of a test phase to see whether it can provide energy but if all goes to plan the panels should be able to produce enough electricity to power the street lighting in the village of 5,000 inhabitants.

The project is being managed by Colas, a subsidiary of French company Bouygues. It comes after the concept of a solar road was tested at four different sites – mainly car parks, around France, including two in the Vendee department and two others near Marseille and Paris.

The minister announced a four-year "plan for the national deployment of solar highways" with initial projects in western Brittany and southern Marseille. The idea, which

is also under exploration in Germany, the Netherlands and the United States, is that roadways are occupied by cars only around 20 percent of the time, providing vast expanses of surface to soak up the sun's rays. With one million kilometres of roads around France, Colas says the country could in theory become energy independent thanks to the solar panels. One of the downsides is that solar panels placed flat on roads produce less electricity than those placed at an incline, on the roofs of houses for example.

Detractors also doubt whether the panels will resist the elements as well as the heavy trucks that will test their sturdiness. And the cost question is far from being resolved. Each kilowatt-peak — the unit of measure for solar energy — generated by Wattway currently costs 17 euros, compared with 1.30 euros for a major rooftop installation. But Colas hopes to make the cost competitive by 2020, noting that the cost of producing solar energy decreased by 60 percent between 2009 and 2015 according to a French renewable energy association, SER. Perhaps Normandy is not the best region of France to test the effectiveness of solar panels. Figures show that the Normandy town of Caen gets 44 days of "strong sunshine" per year, compared to 170 in Marseille. The residents of Tourouvre will be the first to find out.

**Published by The Local - Photo Wattway**

<http://www.thelocal.fr/20161222/normandy-village-home-to-worlds-first-solar-panelled-road>





## SMEs NEWS

### Young african invents touch screen medical tablet

**Here's an example of African innovation at its finest.**

Arthur Zang, a 24 year-old Cameroonian engineer, has invented the Cardiopad, a touch screen medical tablet that enables heart examinations such as the electrocardiogram (ECG) to be performed at remote, rural locations while the results of the test are transferred wirelessly to specialists who can interpret them. The device spares African patients living in remote areas the trouble of having to travel to urban centers to seek medical examinations. According to Zang, the Cardiopad is "the first fully touch screen medical tablet made in Cameroon and in Africa." He believes it is an invention that could save numerous human lives, and says the reliability of the pad device is as high as 97.5%. Zang says he invented the device in order to facilitate the treatment of patients with heart disease across Cameroon and the rest of Africa. So far, several medical tests have been carried out with the Cardiopad which have been validated by the Cameroonian scientific community. According to Radio Netherlands, which broke the story of the Cardiopad earlier this week, "the tablet is used as a classical electrocardiograph device: electrodes are placed on the patient and connected to a module that, in turn, connects to the tablet. When a medical examination is performed on a patient in a remote village, for example, the results are transmitted from the nurse's tablet to that of the doctor who then interprets them."

According to Zang, "software built into the device allows the doctor to give computer assisted diagnosis". Cameroon, a Central African country with a population of some 20 million people, lays claim to only 30 heart



surgeons. To make matters worse, these heart surgeons are mainly concentrated in Douala or Yaoundé, the country's two most important economic hubs. This severe deficit of medical personnel means that patients with heart ailments usually have to travel long distances to undergo heart examinations and consult with doctors. Even at that, it is still not easy. On some occasions, patients must make appointments months in advance, and some even die in the process of waiting for their appointment. Zang believes his invention will cut down the cost of heart examinations. The Cardiopad is already generating a lot of interest in African tech and medical circles. The inventor is currently looking for venture capital to commercially produce the device.

**Written by Forbes**

### E-commerce: SMEs in BRICS countries

NEW DELHI, December 20 th, 2016 – The exchange of information on e-commerce and technology development, as well as the strengthening partnership between small and medium-sized enterprises (SMEs) in BRICS countries (Brazil, Russia, India, China and South Africa), were the focus of a meeting organized today by the Federation of Indian Chamber of Commerce and Industry (FICCI) and the United Nations Industrial Development Organization (UNIDO). The meeting was part of an interregional project implemented by UNIDO, which aims to facilitate the cooperation between SMEs in China and other BRICS countries through the development of e-commerce, thereby contributing to the achievement of inclusive and sustainable industrial development (ISID) in these countries. Participants included members of the Russian Technology Transfer Network, the National Small Industries Corporation, and representatives of a number of e-commerce companies in India. The discussion emphasized the

importance of promoting SME development through e-commerce, and highlighted the great opportunities that e-commerce provides SMEs to overcome logistical and geographic challenges for better access to markets. Speakers also expressed support for the key target of the project, namely the preparation of national studies on e-commerce development in BRICS countries. The importance of engaging governmental departments and business associations in order to establish a BRICS E-commerce Industry Alliance was also highlighted. The BRICS economies have been among the fastest growing in the world. Over the years the BRICS countries have systematically strengthened their cooperation among each other, including through the creation of the New Development Bank, headquartered in Shanghai, and through the annual BRICS Summits.

**Written by Unido**



# Membership application form

## MEMBERSHIP POLICY FOR ADMITTANCE AS AFFILIATED MEMBER NATURAL PERSON

MEMBERSHIP AS NATURAL PERSON is addressed and reserved for those who, even though are not entrepreneurs or business managers and/or don't have any specific interest in receiving assistance from WUSME for the benefit of their business, but rather feel sympathy and a favorable consideration towards the Association and wish to support its mission, by contributing with a symbolic fee as provided by the Board of Directors, as well as volunteering in projects or initiatives available.

Natural persons who join WUSME as Affiliate Member have the:

- Right to participate as Observer in General Meetings;
- Right to participate in WUSME conferences, seminars, webinars and special workshops
- Opportunity to speak in the WUSME events;
- Opportunity for free or with reduced rate to participate in international regional meetings, exhibitions and other annual events co-organized by WUSME or by its members and partners;
- receive the WUSME SME Newsletter.

## MEMBERSHIP POLICY FOR ADMITTANCE AS ENTERPRISE AFFILIATE MEMBER

Membership of Enterprise as Affiliate Member of WUSME is addressed and reserved to all small and medium sized businesses, entrepreneurs or business managers of SMEs, regardless of their legal form, who have are interested in joining WUSME and receiving assistance in their activity by contributing with a the membership fee as provided by the Board of Directors.

Enterprises, joining WUSME as Affiliated Members, have the following benefits:

1. to participate in WUSME's General Meetings as Observer;
2. to participate in WUSME's conferences, seminars, webinars and workshops;
3. to speak in WUSME's events;
4. to participate, for free or with reduced rate, in international or regional meetings, exhibitions and other events co-organized or promoted by WUSME or its members and partners;
5. to benefit from special discount agreed with International Hotels, Airlines and other similar services;
6. to receive WUSME's monthly SME Newsletter – WUSME's weekly news and hard copy of WUSME's Magazines;
7. the opportunity to enter the WUSME Community, an international network of selected and qualified SMEs, organizations, institutions, training centers, banks and other partners specialized in SMEs;
8. to seize opportunities of development and cooperation at national, regional and international level;
9. to receive basic assistance in the following areas of interest for their business.

## MEMBERSHIP BENEFITS OF ORGANIZATIONS

Organizations, joining WUSME as Affiliated Members, have the opportunity to identify and convey factual opportunities to participate in projects, programs, bids and tenders highlighted from the WUSME international network.

Affiliated Organizations have the opportunity to be introduced to National and International SMEs Organizations, as well as to United Nations Organizations, European Union and other International Associations in Asia, Africa and Latin America which WUSME is in contact with. Affiliated Organizations may enter into Cooperation Agreements with WUSME, wherein customized modalities of future operations are agreed to reach mutual benefits.

Some specific benefits reserved to affiliated Organizations are:

### 1. to access the WUSME information services.

Affiliated Organizations may receive regular information on opportunities available in different economies of the world, such as "best practices", new business opportunities, access to the United Nations Global market and competitive advantages for exports and business partnerships;

### 2. to contribute to the written statement to United Nations Organizations.

Affiliated Organizations may contribute to written statements of WUSME to UN ECOSOC and other UN Organizations, e.g. UNIDO, UNESCO, OECD etc. aiming at the safeguarding of the rights, interests and competitiveness of SMEs and Crafts.

### 3. to assist enterprises in starting international business partnerships through the network of WUSME.

WUSME is in contact with the world and enjoys privileged international relations in many countries, where the Union has the potential to encourage entrepreneurship cooperation agreements. As a consequence, affiliated Organizations may offer assistance to entrepreneurs and startups in entering into business partnerships, joint ventures, clusters etc. in different countries across the world.





### GENERAL INFORMATION

To be filled out in capital letters

Enterprise / Organization Name: \_\_\_\_\_  
 First Name: \_\_\_\_\_  
 Last Name: \_\_\_\_\_  
 Position: \_\_\_\_\_  
 Nationality: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 State/Province/Other: \_\_\_\_\_  
 Country: \_\_\_\_\_  
 Generic email for Enterprise or Organization: \_\_\_\_\_  
 Telephone No.\*: \_\_\_\_\_  
 Mob. No\*: \_\_\_\_\_  
 Fax\*: \_\_\_\_\_  
 E-mail address: \_\_\_\_\_  
 URL: http://\_\_\_\_\_

\*Please, type telephone and fax numbers as they should be dialled from outside your own country – including country and city prefixes

Place and Date \_\_\_\_\_

Signature \_\_\_\_\_

### OECD COUNTRIES:

(Australia, Belgium, China, Denmark, Finland, Germany, Hungary, Ireland, Italy, Korea, Mexico, New Zealand, Poland, Slovak republic, Spain Switzerland, United Kingdom, Austria, Canada, Czech Republic, Estonia, France, Greece, Iceland, Israel, Japan, Luxembourg, Netherlands, Norway, Portugal, Slovenia, Sweden, Turkey, United States)

### CATEGORY:

- Organization (OECD COUNTRIES) ☐ € 500,00
- Chamber of Commerce & Industry
- National SME and Crafts Association
- Regional SME and Crafts Association
- Other SME Supportive Organization:  
please specify
- Organization (NOT OECD COUNTRIES) ☐ € 250,00

### CATEGORY:

- Enterprise (OECD COUNTRIES) ☐ € 250,00
- Enterprise (NOT OECD COUNTRIES) ☐ € 150,00

### CATEGORY:

- Natural person ☐ € 25,00

### MEMBERSHIP FEE PAYMENT

#### 1° METHOD

#### WIRE TRANSFER

BENEFICIARY: ASSOCIAZIONE "WUSME"

BANK: CASSA DI RISPARMIO DELLA REPUBBLICA DI SAN MARINO S.p.A.

BRANCH: AGENZIA SERRAVALLE

IBAN: SM 17 A 06067 09802 000020112378

SWIFT CODE: CSSMSMSM

DESCRIPTION: FIRST AND LAST NAME / ORGANIZATION OR ENTERPRISE NAME FOR MEMBERSHIP FEE YEAR 2017

#### 2° METHOD

#### PAYPAL

Address your payment to the following account [info@wusme.org](mailto:info@wusme.org)

NOTE: CHECKS NOT ACCEPTED

# TO JOIN WUSME MEANS

- **TO BECOME PART OF AN INTERNATIONAL AND QUALIFIED NETWORK OF SMEs AND RELATED ORGANIZATIONS AND INSTITUTIONS WORLDWIDE**

WUSME Members are enabled to pursue qualified contacts and establish profitable relationships helpful to develop and expand their action, also through the participation in events organized or promoted by WUSME and its partners, such as national and international conferences, seminars, workshops, training programs, etc.

- **TO SEIZE OPPORTUNITIES FOR DEVELOPMENT AND COOPERATION AT NATIONAL AND INTERNATIONAL LEVEL AND BE SUPPORTED IN THEIR IMPLEMENTATION**

WUSME Members are facilitated in entering into cooperation agreements with other Members in more than 80 countries worldwide and linking to national and international organizations, academic institutions, research centers and similar bodies specifically competent in SMEs. In addition, WUSME Members have the opportunity to approach the United Nations System, by virtue of the Special Consultative Status with the Economic and Social Council of the United Nations, and identify opportunities of cooperation.

- **TO ENTER AN INTERNATIONAL BUSINESS PLATFORM**

WUSME Members have access to an international business platform designed to facilitate the matching of supply and demand and combination of opportunities and conditions for an effective implementation of projects, programs and investments of different size, scope and value, which can relate to the private sector, SMEs in particular, as well as the public sector, with actions to be developed in the several fields considered strategic for the economy.

- **TO BE ASSISTED IN BUSINESS ACTIVITIES AND ENTREPRENEURIAL PROJECTS**

WUSME Members may receive support in the start-up phase, expansion of existing business, development of skills and capabilities, identification of potential partners and contact with international experts.

- **TO BENEFIT FROM A WIDE RANGE OF SPECIFIC ADVANTAGES**

Through the several and cross-cutting activities implemented and promoted by the Organization, WUSME Members receive professional guidance and qualified information with full access to the Organization's publications.

For more information, please, visit our web site: **[www.wusme.org](http://www.wusme.org)**

To stay up to date and get  
news on **SMEs**,  
please subscribe to our  
**newsletter**

**[info@wusme.org](mailto:info@wusme.org)**







World Union of Small and Medium Enterprises