APEC Symposium on Promoting SME Business Continuity Plans

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2013/8/5 Taipei
1. Introduction of **Inventec Group**
2. Introduction of **CCAT**
3. Major Trends in the Development of **SMEs** in Taiwan
Inventec Group – Corporate Philosophy

• July 1, 1975 - Inventec founded in Taipei Taiwan with capital NTD1,000,000.00
• July 31, 2013 - Inventec celebrated 38th anniversary with:
  – Paid-Up Capital USD 1.2Bn
  – Annual Revenue USD 15Bn
  – 30+ Subsidiary Companies
  – Global Employees Over 46,000
  – Engineers Exceed 7,800

(as of 2013.07.31)
Inventec Group – ICT Companies

Group Companies

EBG
Enterprise Business Group

IAC
Inventec Appliances

Besta
Inventec BESTA

PSG
Personal Solution Group

T&I
TPV-Inventa

IMT
Inventec Multimedia & Telecom

Manufacturing Campuses

IPC
Inventec Pudong Campus

ICC
Inventec Chongqing Campus

INC
Inventec Nanjing Campus

IMX
Inventec Mexico

ICZ
Inventec Czech

Vertical Integration Bases

IHH
Inventec Huan Hsin Technology

ITM
Inventec Tooling & Molding

ICT Partners

e28
E28

Arima
Arima Communications

(as of 2013.06.17)
Inventec Group – Software Companies

ISC
Inventec Shanghai Software Co.

IBC
Inventec Beijing Software Co.

ITC
Inventec Tianjin Software Co.

INC
Inventec Nanchang Software Co.

IXC
Inventec Xian Software Co.

(as of 2013.03.01)
Inventec Group – Solar Companies

ISEC
Inventec Solar Energy

IENC
Invetec Energy

E-TON
E-TON SolarTech

(as of 2013.03.28)
Inventec Group – 5 Missions

自主創新  Innovation
綠能環保  Sustainable Energy
雲端服務  Cloud Service
無線寬頻  Mobile Broadband
新興市場  Emerging Market
Cloud Computing Association in Taiwan (CCAT)
Taiwan Plays a Key Role in World’s ICT Industry

Taiwan plays a key role in producing ICT products

<table>
<thead>
<tr>
<th>Product</th>
<th>Worldwide Market Share</th>
<th>WW No. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable CPE</td>
<td>96.2%</td>
<td></td>
</tr>
<tr>
<td>Notebook PC</td>
<td>89.0%</td>
<td></td>
</tr>
<tr>
<td>WLAN NIC</td>
<td>86.9%</td>
<td></td>
</tr>
<tr>
<td>Motherboard</td>
<td>78.5%</td>
<td></td>
</tr>
<tr>
<td>Tablet Device</td>
<td>68.9%</td>
<td></td>
</tr>
<tr>
<td>LCD Monitor</td>
<td>67.8%</td>
<td></td>
</tr>
<tr>
<td>IP Phone</td>
<td>62.8%</td>
<td></td>
</tr>
<tr>
<td>DSL CPE</td>
<td>61.2%</td>
<td></td>
</tr>
<tr>
<td>IP STB</td>
<td>56.1%</td>
<td></td>
</tr>
<tr>
<td>Server (System)</td>
<td>54.6%</td>
<td></td>
</tr>
<tr>
<td>Desktop PC</td>
<td>45.7%</td>
<td></td>
</tr>
<tr>
<td>DSC</td>
<td>41.2%</td>
<td></td>
</tr>
</tbody>
</table>

Source: MIC, March 2013
Advantages of Taiwan’s ICT

- Global Success of Taiwan’s ICT
- Perfect Supply Chain
- One Stop Shopping
- Patented Technology
- High Quality
- Competitive Prices
- Reliable Services
- Professional Services
- Strong R&D

Taiwan Government
Taiwan Cloud Computing Industry

**Cloud Hardware System**
- Server (Inventec, Wistron, Quanta, MiTac, Foxconn...)
  - CPU (Intel, VIA...)
  - Storage (Infortrend, Promise, AccuSys, InnoDisk...)
  - Network Device (Accton, D-Link, ZyXEL, CyberTAN...)
  - Power and Cooling (Delta, AcBel...)

**Infrastructure Software**
- Application Software (Education, SMB, Medical...)
- Cloud OS (ITRI, III, TCloud, CHT, ...)

**Service Operation**
- Service Operator (CHT, TFN, FETnet...)

Taiwan Cloud Computing Industry

Cloud Computing Association in Taiwan
Taiwan Government Initiatives to Cloud Computing

- Total 24 billion NTD (750M USD) investment from 2010 to 2014
- 10 million people to experience the intelligent cloud services
- Create 50,000 job opportunities
- Expand the value of cloud systems and services about NTD 1 trillion (USD 30 billion)

(Source: MOEA)
About CCAT

- **CCAT-Cloud Computing Association in Taiwan**
- **Initiated by**
  - ITRI (Industrial Technology Research Institute)
  - CHT (Chunghwa Telecom)
  - TEEMA (Taiwan Electrical and Electronic Manufacturers' Association)
  - III (Institute for Information Industry)
  - CISA (Information Service Industry Association of ROC)
- Taiwan Cloud Computing Consortium, the predecessor of CCAT, established in April 2010.
- In October 2010, CCAT registered under the Ministry of Interior.
- Membership: around 120 members
CCAT Members

- Telecom operators, Service providers, H/W manufactures, S/W developers, System Integrators.
The Mission of CCAT

To promote Taiwan's Cloud Computing industry

- Promote cloud applications
- Develop cloud technologies
- Provide Cloud DC total solutions
CCAT Milestones

• Cloud Open Lab – 2012/9/24
• TWOSUG, Taiwan Open Stack User Group -- 2013/3/27
• The Cloud for SMEs of New Taipei City -- 2013/4/19
• OCPT, Open Compute Project Taiwan – 2013/5/23
• SDN (Software Defined Network) for Universities – 2013/5/23
  (交通大學 NCTU, 東海大學 THU)
• Cloud Computing Industrial Park of Taipei City – 2013/6/19
Cloud Computing Association in Taiwan

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Major Trends in the Development of SMEs in Taiwan

1. Taiwan’s General SME Business Environment

2. (Taiwan’s) The Number of Female-owned SMEs, and the Sales Performance of Female-owned SMEs)

3. Taiwan’s Economic Development

4. Taiwan’s 7th Period Economic Development
Taiwan’s General SME Business Environment

1. 97.63% of Taiwan’s Enterprises are SMEs
2. A Slight Increase in Total Sales of SMEs Compared to 2010
3. The Number of SMEs Enterprises Accounted for 99.72% of New Enterprises and 64.34% of Total Sales.
4. 56.72% of Taiwan’s SMEs are Sole Proprietorships
5. 47.01% of Taiwan’s SMEs Have Been in Existence for Over 10 Years
6. A Steady Decline in SMEs’ Share of Exports, but a Slight Increase in SME’s Export-orientedness
(Taiwan’s) The Number of Female-owned SMEs, and the Sales Performance of Female-owned SMEs

1. Female-owned Enterprises Account for over **30%** of All Business Enterprises in Taiwan
2. The Sales of Female-owned Enterprises Account for **Less Than 20%** of the Total Sales of All Business Enterprises
3. **45%** of Female-owned Enterprises Have Been in Existence for Over 10 Years
4. **63.43%** of Taiwan’s Female-owned SMEs are Sole Proprietorships
5. Female-owned Enterprises are More Oriented Towards the **Domestic Market**
6. Female-owned Enterprises are Heavily Concentrated in the **Service Sector**
Taiwan’s Economic Development

1\textsuperscript{st} Period – the 1940s: A Period of Economic Reconstruction

2\textsuperscript{nd} Period – the 1950s: The Import Substitution Period

3\textsuperscript{rd} Period – the 1960s: A Period of Rapid Export Growth

4\textsuperscript{th} Period – the 1970s: The Second Import Substitution Period

5\textsuperscript{th} Period – the 1980s: The Emergence of Taiwan’s Hi-Tech Industries

6\textsuperscript{th} Period – the 1990s: A Period of Changing Industrial Structure

7\textsuperscript{th} Period – from the 2000s to the Present: A Period of Innovation and R&D
Taiwan’s 7th Period Economic Development

1. The arrival of the knowledge-based economy era, aided by the application of the Internet, e-commerce and IT, has provided SMEs with a new operating model and has enhanced the speed and efficiency of business operations.

2. January 2002, Taiwan joined the WTO, making Taiwan a part of the global industrialized system.

3. The National Economic Development Conference helped setting up in Taiwan of local innovation and incubation centers for SMEs:
   a. Nankang Software Incubation Center
   b. Southern Science Incubation Center
   c. Nankang Biotech Incubation Center
Taiwan’s 7th Period Economic Development (Cont.)

4. The economic development in the last few years have seen a pronounced trend towards the formation of multilateral and bilateral free trade agreements (FTAs) and comprehensive economic partnership agreements (CEPAs).

   a. ECFA (the Economic Cooperation Framework Agreement) with China
   b. BIA (the Bilateral Investment Agreement) with Japan
   c. ANZTEC (an Economic Cooperation Agreement) with New Zealand
   d. TPP (the Trans-Pacific Strategic Economic Partnership Agreement – a major focus of discussion at the Asia-Pacific Economic Cooperation (APEC)
Cloud Computing Becomes Mainstream for SME

- Lowers capital costs
- Turns fixed costs into variable costs
- Scalable solutions
- Many cloud issues seen as advantages by small businesses:
  - Security
  - Reliability
  - Control of data
Taiwan SME Cloud Service Development & Promotion

**Goal:**
- Promote cloud services to SMEs. Support ISV’s migration to cloud.
- Promote adoption of cloud services by SMEs

**Results:**
- Induced investment of NT few hundreds millions.
- Accelerated cloud adoption by thousands of SMEs.
- Reduced IT cost

Supported development and marketing of 30+ cloud applications/services in 10 categories (including CRM, ERP, POS, Logistics, eLearning, Enterprise Portals, Content Management, decision support.)
Cloud Computing and SME

• Cloud Computing provides significant advantages in cost, scalability, reliability, and business continuity for SMEs.

• Inventec and CCAT members will fully support the development and use of SME cloud services in Taiwan.
From “Cloud Computing” to “Cloud Everything”

- Hardware has arrived
- The Rise of "Virtualization"
- Cloud Computing
- Cloud Everything
- Time to Change Your IT Systems
- Invention and Innovation at Blinding Speed
- SME Management needs to Fully Understand the Capabilities and Trends
Hardware Has Arrived

We have achieved a level of hardware capability that is allowing the powerful minds of ICT industry to retrain our focus onto providing pure innovation for today’s enterprise and SME users.
The Rise of “Virtualization”

• Servers can be “virtualized”, can be created and can be released on demand.

• The combination of unlimited compute power with extreme flexibility – allowing SMEs IT teams to focus our efforts on serving the needs of our company’s users and our customers.

• The trend towards enterprise virtualization is only the beginning.
Cloud Computing

• The trend has now gone from enterprise virtualization to “Cloud Computing” with the hardware now moving from one site into massive data centers that comprise the “Cloud”.

• This trend is going to extend further into “Cloud Everything”.

Cloud Everything

- We are now moving from Virtual Computing to Virtual Everything, or from Cloud Computing to “Cloud Everything”.
- We are moving towards an age when almost every major IT function such as NETWORKING and SECURITY can also be virtualized, to allow SME to have all the capabilities and functionality of a Fortune 500 company at our disposal, without having to incur the huge investments.
- We are closely aligning all of our future hardware innovation with a keen eye towards “virtualization of everything”.

Time to Change Your IT Systems

• Your investment into “thinner” clients, both stationary and mobile, will increase such that these devices will become the dominant portions of your own IT hardware assets.

• Faster and faster networks will make moving larger data sets and media easier and easier.
Invention and Innovation at a Blinding Speed

• Interface such as voice recognition that have been attempted for so many years are now finally achieving a threshold level of usefulness.
• Mobile devices are no longer limited to the compute and storage capabilities of the device.
• “Big Data” is allowing us to learn more about human behavior and trends than ever before.
• “Cloud Everything” is going to connect not only every human on the planet, but also every working device.
SME Management Needs to Fully Understand the Capabilities and Trends

• SMEs with more open minds and clear vision in the future will be a great threat to older and traditional companies.

• All of this new power and capability also come with increased responsibility for the IT teams of SMEs.

• Security concerns and threats can now come from anywhere, and this same power that can be used for good can also be used for harm.

• Corners cannot be cut in key areas such as security and user identification in order to protect the assets of each SME and our end customers.
THANK YOU!

Questions and Answers