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In this issue of the APEC SME Monitor, we continue to deliver a wide variety of topics discussing on the development of SMEs, including the crisis management and entrepreneurship issues.

In the "SME Development" section, the expert demonstrated the best way for startups to go to market. The expert stated that it is dangerous for startups to bank the success of their business on "going viral" strategy. Instead, startups should be highly aware of their target customer market and relationship to maintain with the customers.

In the "SME Challenges" section, experts took the startup company EZTABLE for example, illustrating how startups adjust their business model and provide value-added service to increase the revenue and enlarge the scale of market while confronting the difficulty. In another article, the expert focused on the emerging issue of venture capital. Although venture capital has continually created legends of growing wealth, the expert pointed out that there are countless failures buried under few brilliant successes. Venture capitalists should not let their brain stay on a hot streak and get lost in technology innovation and what people say.

In the "SME Policy" section, expert suggested that government should emphasize on industrial strengths and features, specialize and improve delicate quality of products and services of SMEs, so as to further extend branding, internalization and franchising. In the "Expert Perspectives" section, expert reported flood risk management by introducing the factors and categories that cause flooding, demonstrating the influences of floods, and providing recommendations on cooperation with local governments and disaster prevention within company.

In the "SME News" section, the MOEA of Chinese Taipei and Intel joined in promoting APEC start-up event in order to encourage entrepreneurship in the APEC region. This year, Chinese Taipei has launched the APEC Start-up Accelerator Leadership Summit 2013 to be held on 13-14 August in collaboration with Intel. The other news reported the 2nd APEC Focal Point Network and Expert Meeting on Improving SME Disaster Resilience and the 36th APEC SMEWG Meeting held in the Philippines on 12-14 March 2013.

Johnny Yeh
Executive Director
APEC SME Crisis Management Center
The Best Way to Get Your Startup to Market

Many modern startups bank their entire growth strategy on going viral, especially startups in the mobile and software industries. In an era rampant with the success stories of social media enterprises like Facebook, Twitter, Pinterest, and LinkedIn, each of which experienced exponential growth that turned their brands into instant household names, it is no wonder that so many early-stage internet startups yearn for the same overnight success.

Yet it is dangerous for startups to bank the success of their business on a viral growth strategy when so few companies actually achieve such rapid customer expansion. Only a very small percentage of startups manage to go viral, while the rest are prone to dawdling away time creating new features and hoping for the day when a massive influx of customers suddenly discover their product in a wave of enlightenment. It is important for startups to remember that there are many ways to go to market without going viral. It is not necessary or realistic for every startup to have their company name spread across the world in the blink of an eye, and there are plenty of companies that grew successfully and sustainably long before the internet era. Without banking on viral growth however, it is crucial to have a solid “go to market” plan in place.

Likewise, companies that are fortunate enough to experience viral growth may find themselves in a crux when they realize that their attractive growth rate is nothing more than what Eric Ries calls "vanity metrics." The number of unique visitors to a website might suddenly skyrocket, but while the numbers look outstanding they may not convert to engaged and returning customers. At that point, it is necessary for a startup to use its original plan for going to market to ensure that this type of viral growth is sustainable.

Steve Blank, author of "The Startup Owner’s Manual," explains that it is most important to know a startup’s "honest trajectory" to ensure that the growth of a startup is more than just numbers. To define the honest trajectory, founders and investors must first agree on what future success of a particular startup will look like, since the only way to truly know if a startup is successful is by first understanding the key elements a startup needs to build a solid customer base and growth that is more than just numbers on a screen. The honest trajectory of a startup is not a miracle of access to universal customers or overnight profit, but rather a clear framework of target customers and problems the startup is working to solve.

Defining the success of a startup requires having at minimal a solid plan for value proposition; determining key partners, key activities, and key resources; and thinking deeply about the target customers, channel partners, and cost structure/revenue streams. A strong value proposition is not
limited to thinking solely about the product or service provided and its specific features, but rather takes into consideration factors like whether or not the startup is entering an already saturated market and what minimal viable product a startup can take to market in order to start interacting and learning from its customers.

Modern startups also need to be highly aware of not only their target customer market, but also what kind of relationship they wish to maintain with their customers. In the internet age, companies are able to range widely from having completely automated customer relationships to having specialized personal assistants answer their customers' every beck and call. The relationship between customers is also changing as more mobile and internet companies choose to create a more integrated customer community through virtual forums and in-person meetups. The types of customers who engage in these activities are more likely to be return customers, and it is important to interact with them accordingly.

There are a number of different mediums through which today's startups can reach out to their customers, and it can be daunting to make a decision on which mediums are the most suitable. The possibilities range from email marketing campaigns, social media accounts, company websites, blogs, and internet advertising campaigns to more traditional in-print ads, telephone calls, and in-person events. Many startups mistakenly think that because all these mediums exist, it is necessary to use all of them. In reality, this may overwhelm customers who subscribe to information from more than one channel, and it is an inefficient use of time and money. It is better to think more specifically about which mediums best appeal to a startup's target customer base and draw conclusions about how the customers integrate these mediums into their daily routines.

Here is a resource to help startups create and discover the best strategies for going to market without going viral:

Business Model Canvas is a tool to help startups lay out a business plan. This software makes it quick and easy to sketch out key partners, key activities, key resources, value propositions, customer relationships, channels, customer segments, cost structure, and revenue streams. Unlike other business plan creation software, the Business Model Canvas adds useful features like the ability to draw on the canvas and create sticky notes. Many modern startups are reluctant to sketch a business plan at all, fearing that it will change rapidly along with the business's ever-changing needs, but the Business Model Canvas also provides a way to sketch alternative versions of a business plan. http://www.businessmodelgeneration.com
"323 Technology Inc" was founded by Alex Chen, BrookyYen, Peter Hsieh and Jerry Yen in April 2008. In August 2008, "EZTABLE" is online and currently sells restaurant coupons also provides reservation service for high-end and popular restaurants. The four founders were classmates in junior high school, and the company name came from the name of their class. They all have experiences in North American investment banking, international sales, and research and development. They respectively specialize in different fields, such as finance, technology, sales, and operations, which help determine their roles in the company and create a sound organizational structure.

It All Started with Available Table Searching and Restaurant Reservation Service

Alex Chen, one of the founders, often used OpenTable when he was in the US. He found that for people in Chinese Taipei booking flight tickets and hotel online is common sense, but restaurant reservations were still largely made over the phone. Thus, he decided to use online restaurant reservation website: OpenTable' s business model in the Chinese Taipei' s catering market that exceeds NTD 320 billion per year.

At first, EZTABLE provided "available table searching" service and they aimed to work with high-end and popular restaurants. They spent six months to become a partner of Sheraton Taipei, which is their first five-class hotel partner, and EZTABLE' s market has been growing since then. At the end of 2009, EZTABLE already attracted more than 50,000 members, obtained financial assistance from the "Service Industry Innovation Research" program supported by the Department of Commerce, Ministry of Economic Affairs, and was interviewed by CommonWealth Magazine.

Restaurant reservation service creates much value for both restaurants and customers. However, because there was no significant internet traffic and big user base, it was difficult for the company to increase revenue. Moreover, not all of the partner restaurants accepted the service model that charges a commission for restaurant reservations. Therefore, even though the internet traffic and the number of partner restaurants were continuously growing, the company was under large pressure to improve cash flow and operations.
What the Market Needs is More Than Restaurant Reservation Service

At the end of 2010, the number of EZTABLE’s partner restaurants reached 200. The management team decided to take the advice of several potential investors and added coupon selling service to their business model, which has become popular and well-received by both customers and restaurants in the market.

Customers show their strong desire to consume through searching restaurants and making reservations. Thus, it is a predictable that they would purchase a discount coupon after making a reservation. For restaurants, there is a risk of "no show" by customers even after reservations are made. By selling coupons, restaurants can make sure that the customers will come, and can prepare ingredients in advance as well as allocate business resources, such as personnel. In this way, the opportunity cost of reservation cancellation is lowered and restaurants can sell coupons in a themed promotion.

Key Investors in Place, Continuous Innovation for the Business Model

In the beginning of 2011, 323 Technology Inc. obtained investment from appWorks Ventures by its outstanding management ability and market penetration. It also attracted well-known investors such as Clay Christensen, who is famous for the theory of disruptive innovation, and Steven Ho, the founder of Monday Tech. This round of funding was covered by Business Weekly.

At the end of 2012, more than 70% of the five-star hotels in Chinese Taipei have partnered with EZTABLE and the number of its middle and high-end restaurants partners exceeded 500. Moreover, the online reservations broke through the 1 million mark.

Internet and mobile industry creates its core value by analyzing and predicting consumers' behavior and then find business opportunities. For EZTABLE, which has already combined service and channel, the next step is to develop "products" and hopefully to carry out another disruptive innovation.
To Be or Not to Be—The Big Issue for Venture Capital

In the previous publications, we introduced "Fujian Sunner Development Co., Ltd."—How Kuang-Ming Fu started his business with RMB20,000 more than 20 years ago by trying his best to integrate "the suppliers and wholesalers industry chain" to transform their family business "running along the side of Wuyi Mountain" handed down from generation to generation into the largest chicken processing and export factory and earned the laudatory title of "Chicken King in China" in the industry. We also introduced how Kang Yu and Chu-Ling Liu made "1 The Store" achieve the number one position in the online grocery shopping in China and stepped firmly on their startup way without precedent to go by.

Making profit by earning price differences is the main source to accumulate "earnings" for their business. An efficient supply chain is the one and only way for them to reduce production and selling "expenses". In addition, they introduced Ventral Capital (VC) to strengthen strategies and technique, which gave them the strength of expansion through the angel capital. This model has almost become the first choice for SMEs to extend the "size effect" within the shortest time.

Venture capital has continually created legends of growing wealth in China. However, venture capital itself is not an "angel" as the public images and not the panacea suitable for all enterprises. In many cases, any accidental mishap may result in failure beyond redemption.

More than ten years ago, mobile phones were not as popular as they are today. In the era where mobile phones were more like bricks with the meaning of showing off, beepers (BB calls) were the most popular communication tool at that time. A leading beeper firm located at Shenzhen of Mainland China was targeted by venture capital.

From the prospect of financial data, the enterprise had great performance in the past. Some people questioned whether popularity of mobile phones in the future would be a threat to beepers when internal examination was undertaken on this investment object after company site visiting. However, most people believed "That is to meet trouble halfway" at that time. The reason they believed this was because mobile phones were expensive and so impossible to fully replace beepers. In addition, even if mobile phones became popular in the future, it would be impossible to fully replace beepers as there would be substantial demand for beepers from many lower income groups.

Did the angel capital enter the industry after all? Nobody has an interest in the answer. However, beepers had an extremely short life and disappeared quickly, which everyone knows the end of the story.
Energy shortage and constraints and oil source fighting are the original cause of international political, economic and social disputes and the infinite attraction to solicit venture capital to "invest in". A new generation lead-acid battery company registered in Tibet Autonomous Region obtained special support from the local government and the market had great demand for products of the company. Therefore, capital input for product line expend was taken for granted for everyone.

The investment proposal stated sufficient reasons to access to the industry with development of energy saving cars in China, the new generation lead-acid batteries seems to have a promising future. In particular, this project was a "growth enterprise" specially supported by the government of Tibet Autonomous Region and guaranteed to be listed on the stock exchange. On the basis of right place, right time and right people, would there be any reason for venture capital to reject this project?

Within several years, venture capital throughout the country crowded into this company. However, this project completely failed in the course of time. Instead of expend the production line, the company spent money for other purpose. Venture capital invests not only in "industries" but also in "people". "People" mentioned here refers to the responsible persons of the invested companies. However, you may know a person's face but not his heart. You are incapable of action when "betting the wrong horse".

There is another story which is about "eye attraction". Around 2000, internet prevailed over the whole world. People joked that a beggar only needs to write "COM" on the hat and people would throw money into the hat immediately. If an "e" might be put in front of "COM", which meant e-commercial website, people waiting for inputting their money into the business queue along the street.

This exaggerated story described the stampede of venture capital into internet business at that time. Many years later, only little part of capital had respectable return. It was proved that e-commercial platforms survived ultimately had their unique and clear business models.

Investigation has also shown that among critical success factors for e-commerce in Mainland China, keeping the "gross profit rate" at 15.5% is the basis of maintaining break-even point. Even in the B2C competitive area in China, Tmall of Alibaba Group, 360buy.com, Suning.com, Gome, 51buy.com of Tencent Group, Amazon China and 1 The Store held by Wal-Mart Stores have preliminarily become the seven top platforms sharing the e-commercial market. Undoubtedly, fights among these seven top e-commercial platforms persist.

Not long ago, Shanghai "Fosun Group" declared that its own venture capital invested in 20% of shares of Chinese Taipei "Vigor Kobo", which was the first investment project in the Chinese Taipei food industry by a China enterprise after the Group invested in the resort Club Med and the luxury brand FolliFollie.

Will delicious, sweet pineapple cakes be able to continually create the legend of "the best-known Chinese present" under the consumption potential in Chinese Taipei and China? Can China's momentum connect and blend with Chinese Taipei features? The public is curious and expects to see the result.
"The way a cat goes depends on the track of a rat. "Venture capital incubates the future of various SMEs while often lets itself go on a way full of traps.

To be or not to be is not only an issue about outlook and business models of enterprises to be invested but also about the precise vision of leaders of venture capital, who should not let their brain stay on a hot streak and get lost in technology innovation and what people say. Real venture capital investment is like fighting on the battle field, a course of cruelty. Behind outstanding achievement, there are countless failures buried under few brilliant successes.
SMEs' Fine Products and Services Are Keys to Future Economic Prosperity in Chinese Taipei

The contribution of small and medium enterprises (SMEs) to national economic growth, or even to global market, cannot be exaggerated too much. However, taking into consideration today's tough international market, SMEs have to succeed in dealing with pressing problems as industrial development and transition. Besides, it is also destined that SMEs have to specialize and improve delicate quality of products and services based on their long standing glory of manufacturing quality. However, SMEs in Chinese Taipei need to face challenges from an unfamiliar market. Business executors' creativity is the key to market positioning according to diverse global market by thinking out of the traditional OEM box.

SMEs played an important role in the Economic Miracle, the economic growth experience that Chinese Taipei boasts of, and SMEs are also features and energy of Chinese Taipei. However, during the past twenty years, the rise of emerging countries, especially mainland China, has attracted attention from global market. On the one hand, many companies in Chinese Taipei did not keep improving their existing advantage but seek the so-called "the second spring", i.e. another chance of business prosperity, and on the other hand, some companies that decided to stay faced severe challenge on cost control and price competition, struggling with a relatively slower growth rate. A few companies that broke through difficulties and outstood themselves mostly relied on creativity to control a relatively high-end market and to create an OEM-oriented global marketing strategy.

These years, the internet has greatly accelerated exchange of information, making pirate issue worse. Therefore, brand development becomes a compulsive option to most companies. If we would say that design, research, development and manufacturing are like competing in a standard swimming pool, then branding is an enormous plan like crossing the strait. Branding requires not only efforts in creating and controlling company strengths and features but also timely assistance from the government. Chinese Taipei can no longer rely on industries that struggle for their survival in mainland China, instead should focus on assisting those emerging and potential brands that have rooted in Chinese Taipei with great effort. With a little bit more patience and determination, the market can witness prosperous result from everywhere.
Although everyone is talking about design, the more important question is: how well is SMEs’ understanding of design? In fact, ideas of design originated from living experience, culture and environment that sit inside everyone’s mind. Although today’s market is ambiguous and fast-changing, there are still lots of brilliant designs that carry and broadcast their ethnic style to the world via products. It takes a long time, a lot of effort, patience to wait and boldness in action for designers to bring products to life. It is impossible for designers to contribute within short time. Instead, it is personal internalization, support from external environment and feedback from market that create so many world-renowned brands which combine efforts from both SMEs and designers.

Branding and global market are especially a must-do. We have witnessed that Chinese Taipei’s industrial strength, open-ended thinking style, diverse culture, ethnic integration and strong resilience brought unlimited resources, diverse perspective and dynamic energy to industries in here. However, the resourceful soil still needs cultivation of industrial transition from the government. It takes time and patience for tradition and culture to settle. Therefore, the government needs to abandon the myth of instant reward, regenerating manufacturing industry in today’s market which lacks of such industry in first-tier global market. If the core issue is continuously ignored without innovation, the industry will gradually be submerged by the tide of globalization. "Design" discriminates unique products from ordinary ones, and "branding" is the only way for companies to get rid of handcuffs called costs. Great support from the government is the key to success and a critical factor that determines whether Chinese Taipei can keep growing and maintaining achievement from economic growth, or be marginalized and collapse in the coming fifty or a hundred years.

In this hard age, it is more important for people to do right things. The government can place more emphasis on industrial strengths and features, specializing and improve delicate quality of products and services of SMEs, so as to further extend branding, internalization and franchising. Reformation sets-aside resilience and space for enterprises to operate, creating a new business model for Chinese Taipei, allowing companies to catch chances for transition and reconstructing the Economic Miracle.
Flood Risk Management

In the history of insurance markets, large-scale disasters include the Great California Earthquakes in the 1990’s, America’s Hurricane Katrina in 2004, as well as Japan’s earthquake and tsunami disaster, and Thailand’s flooding, both of which occurred in 2011. According to Swiss Re Group, the world saw Thailand’s 2011 flooding disaster as a "wake up call," understanding that the damages caused by floods is a problem that can never be minimized or placed on a secondary level.

In recent years, there have been frequent natural disasters due to climate change; while the natural disaster that costs the most economic and social losses would be flooding. Flooding can be seen as one of the processes of natural disasters, and can possess a few characteristics such as: having various reasons for its occurrence; it could happen anywhere, at anytime; the disaster period can continue for quite some time and affect many people. In July, 2012, we could see that there was no method to avoid the floods that rampaged through Australia’s New Wales and Queensland in January and February; other areas where we’ve heard about flood disasters include Chinese Taipei, Japan’s Kyushu Prefecture, the Philippines, China, Russia, and the US—apparently, all the continents didn’t have ways to avoid disasters caused by floods.

Factors and Categories that Cause Flooding

Flooding is caused by the reciprocation of elements in meteorology and hydrology but is also mixed with various natural and human factors. Large-scale disasters such as earthquakes can be caused by the movement of the earth’s surface layer or its release of energy; but compared with other major disasters; human factors play an important role in the causes of flood disasters and is a reason why flood disasters can become worse or is how the losses from flood disasters are pushed to its pinnacle—another characteristic that distinguishes flood risks from other major disasters. The UN’s World Meteorological Organization published an Urban Flood Risk Management Report in 2008 and pointed out: "...as a result, flood disasters in a human environment must be seen as the result of natural and human factors." The report categorized the causes of flooding into 3 main factors:

- Weather Factor—Rain, tropical storms, torrential rains, temperature, snow, and snow melting.

- Hydrological Factor—Soil moisture level, the underground water level before storms hit, surface permeability, shape and roughness of channel cross-sections, the present or missing embankment movement patterns and channel network, and to observe the simultaneous runoff circumstances of each area from the watershed’ s drainage area, and the drainage obstacles that occur during high tide periods.
Human factors that cause natural flooding to become worse—urbanization has resulted in the misuse of land as well as deforestation. It has also destroyed the water’s pathways; flooding areas are being occupied, obstructing the water flow. Other reasons include inefficient infrastructure that lacks periodic maintenance, and over-efficient drainage systems upstream that causes flood peaks. Climate change also influences the scale and frequency of flooding and rainfall, while the level of urbanization increases the probability of rainfall.

Influences of floods

As we all know, floods impact public safety, the economy, and also destroys the environment. In the Flood Risk Management Guidelines published by the British government in November, 2009, floods impact the people and the community the most. Floods impact human life, health, and safety, as floods bring along large amounts of ruins, the damage become even greater as it causes pollution, epidemics and etc. Other than this, flood disasters also cause pressure and trauma non-immediate but long-term influences on the human body, mind, and an individual’s finances. Floods also cause large scale personal, corporate, and social economic losses. Not only does this include losses on personal property, but also includes damages and obstruction to electricity, water
resources, energy supplies and transportation systems. Losses caused because of the inability to provide products and services can continue for up to a year longer, if the floods are caused by sea water. On the environmental side, the soil, embankment destruction, mudflow, water quality, and ecology will all be changed.

According to the United Nations Flood Risk Management report's categorization, flood losses can be divided into two main categories:

- Direct losses—referring to buildings, architecture, and infrastructure.
- Indirect losses—such as family income, and halting operation due to transportation disruption.

According to the two main categories above, they could then be divided in more detailed into: tangible defects—measurable in money value, and intangible losses—referring to losses that cannot be quantified.

According to the UN's Global Assessment Report on Disaster Risk Reduction, we can see that in the trends of recent natural disasters, although risk exposure rates have increased and the fatality rate have decreased due to risk management; however, floods still continues to cause high risks and economic losses.

The impacts of floods on a company include not only property losses, but, most importantly, losses caused by the disruption of the supply chain and operations. In the Thailand floods, global insurance lost up to 70-80% because of it. But these risks are then transferred, most often in insurance policies and agreements, which can be easily overlooked.

Swiss Re Group specifically reminds the public, while Asia's GDP continues to grow over the past decade and foreign investment continues to pour in, these areas now have the world's future economic growth burdened on their shoulders; the international community cannot withstand
the impacts if the Asian region were to be hit with any major natural disaster. Yet floods are not something Thailand is unfamiliar with, nor is it to other countries. The corporate and insurance markets have definitely learnt a lesson from Thailand’s flood disaster. Swiss Re Group also warns and points out that floods that impact companies in China, Malaysia, and Vietnam have to pay extra attention, and that flood risk management must be carried out in even more discretion by companies working and investing in these countries.

Flood Risk Management

Adequate flood risk management and planning can become more efficient after understanding the qualities of floods and the impacts they can cause. Most often, flood risks refer to the probability of flooding and the overall potential losses. Flood risks cannot be absolutely avoided of course, nor is it possible to stop flood disasters from happening. Yet moderate risk management procedures are necessary in order to decrease the risk probability and potential losses by reducing flood risks to an acceptable level. As a result, through different mechanisms and analysis, reservation, sharing to transfer flood risks. The recommended steps to achieve this are as below:

![Figure 4. Flood risk management procedures](image)

To corporate risk management, flood risks is another "Black Swan." The concepts of risk management can be applied here too: sufficient preparation, adequate responding, and quicker resilience.

Our recommendations include the following measures:

**Cooperate with local governments and communities:**

- Each local government office level will provide warning systems, and notify about geological and weather changes.
- Information exchange with relevant organizations – provide disaster prevention maps and information, and providing APPs.
- Collaborating with the resources of the local community and government.
- Community development and land usage.
- Disaster mutual aid system between the community and local governments.
Disaster prevention within the company and restoration planning:

- Pay attention to the climate and geological changes of the area where the company is operating, as well as the building’s disaster prevention system.
- Companies should set up a "natural disaster contingency team" within the company.
- Disaster prevention— updating and maintenance of the drainage system within the operational area.
- Maintaining the sewage system on the operational grounds.
- Emergency water sources and energy supply.
- Transportation and transmission system’s emergency contingency plans.
- Emergency allocation and cooperation of the company workers.
- Management and preparation of the supply chain.
- Continue updating and practicing operation continuity plans.
- Risk transferring: buying relevant insurances such as natural disasters flood insurance, operation disruption insurance and other property insurance clauses. Assess and re-check the insurance policy contact on a regular basis.
- Ask for information from exterior risk managers and insurance brokers.

※The original article was available in Risk + Insurance Quarterly Autumn 2012.
Chinese Taipei MOEA and Intel Joined in Promoting APEC Start-up Event

Startups and SMEs are regarded as the driving force behind structural changes and sustainable economic growth and prosperity, especially in its facilitation of job creation for the next generation of young workers. They take a vital role for generating new knowledge, products, and services in the Asia-Pacific region. Recognizing the significance of startups and young entrepreneurs to economic growth of the APEC region, the APEC Leaders and Ministers, in the 2012 APEC Leader’s Declaration and 2012 APEC Ministerial Statement, supported and endorsed the APEC Start-up Accelerator (ASA) Initiative proposed by the Small and Medium Enterprises Working Group (SMEWG), and instructed officials to work collectively on promoting startups and entrepreneurship in the region.

Based on the concept of the ASA Initiative endorsed by the APEC Leaders, Chinese Taipei has proposed the APEC Start-up Accelerator Leadership Summit project, including a two-day forum that takes place in Taipei in August 2013. For two days, the startups and top executives/officials from the APEC region will be invited to challenge current assumptions regarding how public and private sectors collaborate to build sustainable startup ecosystems in the APEC region and to recognize how startups can more effectively find new markets, customers, business models, revenues, and profits.

In order to bring synergy of public-private partnership, Chinese Taipei Ministry of Economic Affairs and Intel Microelectronics Asia Ltd. joined in Promoting Business Startups by signing a letter of intent on 6 March in Taipei, paving the way for collaboration on promoting business startups in the APEC region. The pact requires both parties to jointly organize the APEC Start-up Accelerator Leadership Summit set on 13-14 Aug. in Taipei.

APEC Start-up Accelerator Leadership Summit on 13 Aug will enable startups to facilitate business relationships and to create content, both of which will be highly relevant and actionable. It will feature seminars attended by global business executives and venture capitalists, who will...
share their entrepreneurial experiences and shed light on startup best practices. Invited speakers include Steve Chen, co-founder of YouTube; Jeff Hoffman, co-founder of online hotel reservation company Priceline; Stan Shih, founder of Acer Group; and Jonathan Ortmans, President of Global Entrepreneurship Week.

Day 2 features the Intel APEC Challenge for startups to enable business development activity combined with fundraising opportunities and see 30 teams from the Asia-Pacific region battle it out for the best business startup plan. Participants are also able to network with aspiring entrepreneurs and venture capitalists from around the world, as well as compete for the opportunity to take part in the Intel Global Challenge at the University of California, Berkeley in October.
APEC Start-Up Accelerator Leadership Summit 2013 is an exclusive 2-day forum, seeking to connect entrepreneurs with innovation needs of these enterprises, build international business relationships, and facilitate fundraising activities between investors and start-ups across 21 Asia-Pacific economies.

**Honorable Speakers include:**

- Co-Founder of Priceline, **Mr. Jeff Hoffman**
- Founder of Acer, **Mr. Stan Shih**
- Co-Founder of YouTube, **Mr. Steve Chen**
- President of Global Entrepreneurship Week, **Mr. Jonathan Ortmans**

**20+ APEC economies!**

**30 Top Start-ups!**

**200 Top CEO/VCs!**

**Time** August 13-14, 2013

**Venue** Sheraton Grande Taipei Hotel

**Website** [http://www.apecaccelerator.org/](http://www.apecaccelerator.org/)

For more information, please contact **Mr. Chen** (asasummit@tier.org.tw or 886-2-2586-5000 ext. 342)

*Please note that the organizing committee reserves the right to limit the number of attendees. A confirmation letter will be sent when the registration process is completed.*
### Focus Areas

- Internet, Mobile, and Software Computing
- Computing for Social Innovation
- Hardware and Computing

### Core Value

- Top Start-ups will get chances to present to global VCs and industrial seniors
- Early-stage winners will get chances to attend **Intel Global Challenge at UC Berkeley in 2013**

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**Schedule**

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<th>August 13 9:00-16:30</th>
<th>August 14 9:00-17:30</th>
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<td><strong>APEC Start-Up Accelerator Leadership Summit</strong></td>
<td><strong>Intel APEC Challenge</strong></td>
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| **Online Application**  
Entry submission deadline: May 31, 2013 | **Team Selection**  
Intel APEC Challenge shortlists announcement: June 30, 2013 |
| **APEC Start-up Accelerator Leadership Summit** | **APEC**  
August 13, 2013 in Taipei |
| **Intel APEC Challenge** | **Intel APEC Challenge**  
August 14, 2013 in Taipei |

- **Early-Stage Start-ups**
  - Capital Raised < USD 250,000

- **Growth-Stage Start-ups**
  - Capital Raised > USD 250,000

### APEC Start-Up Accelerator Leadership Summit

APEC Start-Up Accelerator Leadership Summit will involve intensive discussion between 200 global business executives and policymakers on the cutting-edge issues:

- Internationalization - Borderless Pursuits
- Innovation - Corporate Disruption
- Application - A Smarter World

### Intel APEC Challenge

The Intel APEC Challenge will feature 30 top early and growth-stage start-ups across APEC economies to present in a competitive process in front of an international panel of expert judges and investors.

The pre-selected 30 start-up teams will receive:

- **Networking opportunities** with high profile executives, angels, VCs, and mentors.
- **1-on-1 mentoring opportunities** with top global mentors and entrepreneurs.
- Early-stage winner will receive an opportunity to showcase their projects at the **2013 Intel Global Challenge at UC Berkeley**.

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For more information, please contact Mr. Chen (asasummit@tier.org.tw or 886-2-2586-5000 ext. 342)
The 2nd APEC Focal Point Network and Expert Meeting on Improving SME Disaster Resilience and The 36th APEC Small and Medium Enterprises Working Group (SMEWG) Meeting

The 2nd APEC Focal Point Network and Expert Meeting on Improving SME Disaster Resilience held by Chinese Taipei

APEC Focal Point Network and Expert Meeting on Improving SME Disaster Resilience was held on 12 March in the Philippines, as a back-to-back event of 36th SMEWG meeting this year. 12 experts and 38 focal points from 19 member economies joined together and contributed to the 2nd stage activities of Multi-year project on "APEC Improving Natural Disaster Resilience of APEC SMEs to Facilitate Trade and Investment" proposed by Chinese Taipei.

In order to enhance resilience of SMEs to natural disasters and improve reliability of supply chains in APEC region, Chinese Taipei host the 2nd Focal Point Network and Expert Meeting, serving as a platform for experts and officials to examine current needs of SMEs in coping with natural disasters and to collect best practices of business continuity plans and policy framework for further knowledge dissemination among APEC economies.

On behalf of Chinese Taipei, Ms. Mei-Hsueh Lin, the Deputy Director General of SMEA, MOEA, delivered the warmest welcome and deep appreciation for the support from all member economies. She introduced briefly the origins of multi-year project on improving APEC SME Resilience initiated last year, summarized the fruitful outcomes in 2012 and introduced the deliverables of 2013.

During the meeting, intensive discussion among the focal points from each economy, and experts from the Asian Disaster Reduction Center (Japan), the Asian Disaster Preparedness Center (Thailand), the East West Center (the US) and Asian Development Bank (ADB) were all drawn on the Guidebook on Promoting SME Business Continuity Plans to Strengthen Reliability of Supply Chains, which helps SMEs build up their own BCPs. The Guidebook will be finalized and utilized as an educational instruction for seed trainers in the Train-the-Trainer Workshop on Promoting SME BCPs to be held in Chinese Taipei this August.

The experts also presented the reports on the role of government and policy frameworks in assisting SMEs to build BCPs, which will serves as a guide for APEC governments in helping
SMEs to cope with natural disasters. In addition, the focal points from Canada, Indonesia and Thailand made presentations to share their best practices on disaster resilience of SMEs across APEC region. Experts from Singapore, Australia, and Canada also shared their brilliant insights on various natural disaster issues.

During the meeting, Chinese Taipei established the "Guidebook on Promoting SME Business Continuity Plans to Strengthen Reliability of Supply Chains", where the guidebook was discussed by the experts and focal points, and the guidebook will be sent to the ministers for endorsement. Lastly, Chinese Taipei welcomed experts and focal points to join its Train-the-Trainer Workshop on Improving SME Natural Disaster Resilience to be held on 5-9 August 2013 in Chinese Taipei.

The 36th APEC SMEWG Meeting and related meetings

The 36th SMEWG Meeting held in Makati City, the Philippines, on 13-14 March 2013, was chaired by Dr. Wimonkan Kosumas, SMEWG Chair 2013-2014 from Thailand. The Chair and Ms. Rhodora M. Leaño, Director of the Bureau of MSME Development, Department of Trade and Industry of the Philippines, welcomed the delegates to this meeting and appreciated member economies for their efforts to SME promotion. The chair also paid special thanks to the former Chair Dr. Robert Lai from Chinese Taipei, for his contributions for creating the SMEWG Strategic Plan 2013-2016.

In alignment with the theme of 2013 APEC SME Ministerial Meeting, "Enhancing SME Global Competitiveness", the priority areas includes Entrepreneurship Development for SMEs, Increasing Access to Finance for SMEs, and Empowering SMEs to Expand to International Markets. The Chair invited member economies to share their best practices and reports on new projects related to each priority area.

Under the priority area, Building Management Capability, Entrepreneurship, and Innovation, Chinese Taipei reported APEC Start-up Accelerator Leadership Summit 2013 to be held on 13-14 August in Taipei. The inaugural APEC Startup Accelerator Leadership Summit will be a two-day forum linking companies and on-the-rise startups to meet business innovation needs, discussing the latest entrepreneurship issues and building strategic partnerships. During the two days, serial groundbreaking events that bring together the leading corporate decision makers with entrepreneurs in Internet, Mobile, and Computing for Social Innovation from the most buzzed-about startups across the Asia-Pacific region. Chinese Taipei was looking forward to the further collaboration on promoting entrepreneurship among APEC economies and sincerely welcomed the high profile executives, venture capitalist, angel investors, incubators, entrepreneurs, and start-up teams to support the ASA event.
In addition to priority areas, the Chair also identified three key areas that require public attention, namely Promoting Venture Capital, Enhancement of Global Supply Chains and Women’s Participation. The discussion on the Venture Capital issues pointed out problem areas confronting APEC SMEs, such as insufficient or ineffective government policies to encourage VC investment and lack of connectivity between VC investors and SMEs. Participants concluded that a number of activities could be designed to address these issues, including seminars on incentives for international VC investors; networking for VC investors; SMEs, and policy makers; and coaching for SMEs on successfully attracting VC.

With regard to Global Supply Chains, participants pointed out key issues to be addressed and considered so that more integration and collaboration were needed from CTI for their current initiatives in this field. Besides, Indonesia focused on the issue of women’s entrepreneurship as an emerging issue, noting how addressing women’s role in contributing to SMEs can enhance overall economic growth and vitality. Indonesia will host a seminar on this issue in Bali in September 2013. Issues that were raised included constraints facing SMEs and particularly women’s SMEs in rural areas. The problem of formalization was also signified—whether it was important to formalize informal enterprises, and whether policy measures could be taken to encourage female participation in formal enterprises.

On the margin of 36th APEC SMEWG meeting held three related meetings. First of all, APEC SME Trade Finance Conference host by USA on 11 March focused on information and best practice shared by export-import banks and other financial support institutions from APEC member nations, with a focus on innovative trade finance programs that assist SMEs access trade finance and internationalization. Secondly, Carbon Labeling Workshop organized by Korea discussed the best practices and lessons regarding the benefits of carbon labeling and how SMEs are affected by the labeling. Korea, Japan, Thailand and the United Kingdom further shared their programs for carbon labeling. The workshop featured presentations from SMEs engaged in this field, ending up with a successful story from Chinese Taipei and the United States. Last but not least, Chinese Taipei host the 2nd APEC Focal Point Network and Expert Meeting on 12 March 2013, where 50 experts and participants from 19 member economies shared their best practices and knowledge on governments’ role to help SMEs in coping with natural disasters. Fruitful outcomes and efforts were contributed by participants during the meeting, and Chinese Taipei welcomed experts and focal points to join its Train-the-Trainer Workshop on promoting SME Business Continuity Plans to be held on 5-9 August 2013 in Taipei.

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