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"APEC SME monitor" will focus on how to use the Business Continuity Plan (BCP) to strengthen the resilience of SMEs and maintain global supply chains, to assist SMEs in enhancing business continuity abilities and the knowledge of crisis response.

In the "SME Development" section, a business expert, who had multinational corporations' continuity operation experiences, indicated that how could BCP build up the capacity on disaster resilience for SMEs to assist in improving performance of industries and decrease risks. Another business expert stated the importance and value of BCPs to SMEs by proposing a practical case.

In the "SME Challenges" section, an enterprise expert took Gudeng for example, to point out how to introduce the process of BCP and the advantage of BCP. Another business expert took Qiao for example, after attending Business Continuity Management (BCM) counseling program, Qiao has achieved ISO certification successfully and resolved broken chain problem by risk management and BCM.

In "SME Policy" section, a specialist stated the capability of Thailand on how they improve SMEs' performance after natural disasters and make public and private sectors be aware of the importance of BCP. Furthermore, the specialist shared the experience with other economies.

In the "Expert Perspectives" section, an expert proposed that the SMEs' strategy of promoting BCPs to enhance the capability of occupational safety and health risk management. Another scholar illustrated that the successful experience of domestic chain enterprises to help the development of the developing APEC economies.

In the "APEC News" reported the "Intel Asia Pacific Challenge & Siemens New Ventures Forum, with APEC kick-off" which was held by the SME Department of Ministry of Economic Affairs on 21st March 2014. In the conference, the SME Department signed a letter of intent with Intel and Siemens, holding "2014 APEC Challenge" on 6th to 7th August to promote our nation's innovation and entrepreneurial energy in Asia-Pacific region, in the meanwhile, strengthen the international network of industry incubations. Another piece of focal news is about "The 38th APEC SME Working Group Series of Meeting", held in Taichung on 24th to 27th March. The meeting consisted of 4 events, including "APEC SMEs into Global Supply Chain" hosted by United States and Australia and co-hosted by Taiwan, "APEC High Level Policy Dialogue on Resilient SMEs for Better Global Supply Chains" hosted by Chinese Taipei, "APEC Accelerator Network Forum" on 25th March hosted by Taiwan and "The 38th APEC SMEWG Meeting" on 26th to 27th March. In the 38th APEC SME Working Group Series of Meeting, we invited experts and scholars from 19 economies, over 400 economies' representatives to discuss how to help APEC SMEs to establish business continuity plan and share good experience in BCPs and relevant policy measures. The last piece of focal news is about famous domestic insurance company and multinational post-disaster recovery company promoted BCP guide book.

Johnny Yeh
Executive Director
APEC SME Crisis Management Center
**Strengthen SME Business Resilience through "Risk-Based Assessment"**

SMEs are the source of a nation's power. Only through SMEs will large enterprises achieve success and more jobs as well as tax revenue be created. Therefore, SMEs' ability to survive will affect the overall competitiveness of a country. According to many countries, on average, less than 50% of their SMEs can operate for more than 5 years, and some research findings tell us that the average life span of SMEs is short.

Why do these enterprises fail to achieve sustainable management? There are apparently many reasons and a lot of researchers are studying this subject. Jim Collins points out in his book How the Mighty Fall based on his research that denial of risk is the main reason and turning point of many companies' decline. If we look at the survey conducted by the Japanese government in 2012 on the factories near the Fukushima Nuclear Power Plant after the Great East Japan Earthquake, we will find that, of all sizes and across all industries, among the respondents who have had BCPs in place, more than 80% believe contingency and recovery plans are effective (Figure 1). Unfortunately, only few respondents have had BCPs in place or plan to develop BCPs (Figure 2). Therefore, even though 46% of large enterprises either have BCPs in place or plan to develop, their BCPs will not be effective if the SME supply chain (68% of medium companies and 86% of small companies without BCPs) that large enterprises are dependent on cannot survive in the event of a disaster.

If we further look at the results of a survey published by the ADRC in 2013 (http://www.adrc.asia/publications/bcp/survey_2012.pdf), the top three obstacles for respondents...
that do not develop BCPs are "lack of company BCP knowledge and expertise" (67%), "lack of information needed for BCP development" (59%), and "management’s low awareness" (48%). (Figure 3)

The results of the survey remind us of the importance of BCP Risk Management to SMEs and the common issue encountering SMEs. Therefore, we started to consider how to help customers strengthen their risk management capability by conducting compliance audit periodically. We take a risk-based audit approach, in which we first do interviews with management system managers and other senior managers to identify current internal and external business risks. Then we collect stakeholders’ opinions and decide a theme based on the company’s business objectives and performance, which we call "theme audit".

This process not only keeps us updated to customers’ status but allows us to take the opportunity to remove the obstacles identified by the ADRC, reaching the goals of educating managers, promoting the idea of BCP and sharing experiences. With every theme audit conducted every year, we are able to help customers manage their risks on a daily basis and at the same time comply with their business policy. This business assurance approach allows traditional audit to be useful for risk management and facilitates businesses to enhance performance, reduce risk and strengthen resilience. According to a customer survey in 2013, more than 86% of the existing customers appreciated the value of "business assurance", and more than 87% of new customers were willing to recommend this "risk-based audit approach" to other companies. The good news is that risk-based thinking has been incorporated into ISO 9001 and ISO 14001 currently under revision. We expect that they will have a bigger impact on industries after being published in 2015.
BCP Opportunities and Best Practice, the Scope of MNC

New Mexico is one of the states that have the highest rates of lightning strikes in the US. But no one expected that the lightning strikes occurred in Albuquerque, New Mexico in 2000 would reshape the global mobile phone market: Ericsson declined while Nokia grabbed more market share. The key reason is that Nokia had a contingency plan in place but Ericsson did not.

How did lightning change the global mobile phone market overnight? On March 17, 2000, a bolt of lightning hit the electricity lines in Albuquerque and sparked a fire in the Philips plant, which was Nokia and Ericsson’s only source for their chips. The fire was extinguished within ten minutes and only damaged eight trays of silicon wafers and approximately a thousand cell phone chips.

In the aftermath, Philips told these two biggest customers that the disruption in chip manufacturing would not last more than a week. However, Philips later found out the calamity was worse than they thought—millions of chips that had been stored were contaminated. Nokia and Ericsson took totally different measures that would determine their success and failure in the industry. Upon knowing the bad news, Nokia assigned a team of 30 staff to redesign the chips and pulled every string to find alternative manufacturers in other countries. By contrast, Ericsson suffered great loss because they "did not have a Plan B”

At the time, Philips did not have any experience in removing nanometer sized dust after a fire, and they even joked about using toothbrushes to help clean up. This gave Philips a poignant lesson. Later in December 2013, when one of its factories in France caught fire, Philips immediately asked BELFOR to salvage and restore it, using 10% of their resources to reduce 90% of loss. It is admirable that Philips is willing to share this great lesson worth $2 billion with others to prevent similar disasters.

This case study goes hand-in-hand with the topic of the 2014 APEC Expert Forum. Brian Whitmore, Managing Director of BELFOR, provided three key points in the forum:

1. Many companies suffered severe damage in a disaster due to a lack of business continuity planning and the ability to recover quickly.
2. Restoring what can be restored and replacing what cannot be restored can help resume operation rapidly after the event of a disaster.
3. When a disaster occurs, it is important to turn to disaster recovery experts as soon as possible so that damage will not get worse.
Tangible BCP can play its full role when a disaster occurs. According to APEC SME Monitor (No. 15, December 2013), "international BCP standards share similarities in principal components: Business impact analysis, Contingency Recovery Plan as well as Training and Testing" To BELFOR, these standards are interconnected. Before the event of a disaster, it is necessary to have business impact analysis, disaster recovery plan and business continuity plan in place. In the process of disaster recovery planning, particularly, BELFOR helps clients review their practices. In the knowledge/training stage, BELFOR facilitates companies to learn from their past mistakes through case studies. Additionally, BELFOR guides clients to identify potential risks by conducting a familiarization survey, in which they estimate the cost and time needed to carry out alternatives so that company executives are able to make timely decisions when there is a contingency. After the event of a disaster, BELFOR helps companies salvage and restore their buildings and facilities to resume operation as soon as possible. With a disaster recovery plan in place, companies will be able to take quick action, reduce loss, identify priorities, and keep their business running after a disaster occurs.

On average, BELFOR works with 260 clients worldwide each day and they found out that it is pivotal for multinational corporations to implement BCP. Apart from large-scale natural disasters, an accident happens to one single company may cost tens of billions of Chinese Taipei dollars. The best way for multinational corporations to strive for excellence and create best practices is to learn from others' failures.
Business Thinking for Sustainable Development

To have access to substantial resources needed for advanced R&D, many big manufacturers have been making large-scale M&A that were rarely seen in recent years. They collaborated with international companies to achieve this end and reduce the risks that a single manufacturer cannot undertake by itself. Overall, it seems that "the big are getting bigger" in the semiconductor industry.

Facing markets and clients many times bigger than it is, Gudeng is still the first choice for global leading companies in the industry. The main reason is that we fulfill our promises to world-class clients in a sustainable and stable manner. Apart from providing innovative technology and outstanding products, it is equally important to prevent out of stock conditions and material shortage by all means. We expect ourselves to bring sustainable value to the clients, so we named the company "Gudeng", which means "sustainability" in the Chinese Taipeiese language.

Gudeng has had a disaster recovery plan and back-up system in place since early stage, and now it has incorporated business continuity plan (BCP) into its overall business operation in recent years. By building and implementing prevention and recovery systems, Gudeng is able to systematically identify potential risks that threaten the organization and establish a tangible contingency mechanism. In doing so, Gudeng ensures that it has the ability to quickly respond to disasters, reduce potential risks that may have a continuous impact on operation, and accomplish the goal of sustainable development.

In the process of incorporating BCP, we need to find "what is the key to survival for Gudeng" in order to estimate the possible impact a disaster may have on the company. By conducting risk assessment and business impact analysis, Gudeng is able to identify the priorities in its operating procedure and further develop a prevention mechanism as well as recovery plan accordingly.

As a leading provider of innovative technology in the semiconductor industry, Gudeng sees infringement of patent, lower growth in R&D and malicious attacks from competitors as the biggest strategic threats. Therefore, it uses its resources to strengthen the information security management system, comprehensively enhance the security of its trade secrets and establish a preemptive defense mechanism. In terms of operational risks, it fulfills its promise of "no delays" by preventing production disruption. The company not only thoroughly inspects the facilities of alternative providers but also opened a factory in Tainan as the second production base, largely reducing the risk of production disruption.

To achieve sustainable management, having a plan in place is not enough. Only when a company continues to perform drills and provide training, will their employees familiarize themselves with all the contingency procedure and have a deep sense of crisis. In doing so, BCP will be able to play its full role and ensure that the company’s operation and goodwill remain intact.
As an intermediate goods manufacturer specializing in polyurethane foam and plastic raw materials, Chiao Fu has long recognized the importance of the interconnectedness of each link in the manufacturing supply chain. Chiao Fu entered the automobile supply chain more than 20 years ago and has acquired a lot of experiences in using the center-satellite system. It is hard to enter the automobile industry, but once a provider becomes part of the supply chain, it will find deeper interdependence among players and will have to make a long-term commitment to quality and deadlines.

In 2007, Chiao Fu became the first provider of polyurethane foam for the aircraft seating industry in Chinese Taipei. Later, it successfully entered the rail car industry supply chain and started to manufacture for Chinese Taipei High Speed Rail and Chinese Taipei Railways. Customers in this industry have higher requirements, and the external environment is changing at a faster pace, so any natural and man-made disasters as well as labor disputes can easily lead to delays in delivery. Therefore, it is crucial for a sustainable enterprise to enhance its risk management capability. In order to have a more comprehensive plan in place in case a disaster occurs, Chiao Fu joined the BCM program supported by Small and Medium enterprise Administration, Ministry of Economic Affairs in 2012 and became an ISO 22301:2012 certified company in February, 2014.

Chiao Fu has three divisions: polyurethane foam, composite materials, and wiring accessories. Each of them has a production base in Chinese Taipei, China and Thailand. Chiao Fu has always stressed the importance of risk diversification. In a bid to expand our business and provide better service to customers, we set up factories in multiple locations. By doing so, we can not only shorten the delivery time but also enable the factories to support each other. Our business strategies created an effective platform that provides us more flexibility and alternatives to respond to a disaster. After incorporating the systematic procedure and planning in BCM, we have become even more prepared to any changes in the external environment.

In the past, Chiao Fu had several experiences in which risk management and BCM helped quickly resume production when a natural or man-made disaster struck. Many years ago, our polyurethane foam factory in Taichung caught fire and was totally destroyed. We immediately sent the workers to the factory in Taipei so the production was not affected and most of our customers did not even know about the fire. In 2005, a strike broke out at our factory in Guangzhou. We hired a bus to send the assembly line workers from the Fuzhou factory to travel 750 kilometers overnight to Guangzhou and had them support the production there. Shortly after the workers arrived, the strike was over.

Similarly, many years ago, our factory in Thailand had an odor problem that caused the villagers to surround the plant and protest for almost a month. We did our best to solve the odor problem and at the same time supplied the affected products from Chinese Taipei to ensure that all the deadlines were met. During the 2011 Thailand floods, we also had a back-up plan in place, but fortunately we did not use it because our factories were not affected. Additionally, we have long used the ERP
system for remote backup to prevent service disruption caused by any failure in the information system.

Generally speaking, SMEs have fewer resources, so it is more important for them to strengthen their disaster response capability through comprehensive planning. By setting up multiple divisions and factories in multiple locations and incorporating BCM, Chiao Fu seeks to provide customers with stable service and ensure that the company has the capability to quickly recover from an unexpected disaster without any production disruption. In doing so, Chiao Fu will become a sustainable and everlasting enterprise.
The Experience from Thailand on BCP Dissemination

The private sector in Thailand was severely affected by the unprecedented flooding in 2011. Damages to the private sector accounted for more than 90 per cent of the total losses caused by the floods. It is noteworthy that the flooding had a devastating effect on the SMEs who play a key role in economic terms and are pivotal for post disaster economic recovery. Thus, it is important for SMEs in Thailand to secure business continuity during emergencies through the establishment of effective Business Continuity Plans (BCP) as to safeguard against the possible impacts for natural disasters in the future.

With the support of the JTI Foundation, the Asian Disaster Preparedness Center (ADPC) started a project in partnership with the Office of Small and Medium Enterprise Promotion (OSMEP), under the Ministry of Industry, Royal Thai Government and the Department of Disaster Prevention and Mitigation (DDPM), Ministry of Interior, Royal Thai Government with the aim of improving natural disaster resilience of SMEs in Thailand in general, and the Ayutthaya province of Thailand in particular. The overall objective of the project is to improve disaster resilience by increasing awareness among SMEs, supporting SMEs to engage effectively with local government in risk reduction activities, and documenting and disseminating lessons learned. The key result areas and activities are;

1. Strengthening SMEs resilience to natural disaster risks and adaptation to climate change
2. Developing practical guidelines and build capacities to develop Business Continuity Plans (BCPs)

As part of the capacity building of BCP in Thailand, a Training of Trainers (ToT) on BCP was organized from 18-21 February 2014 in Bangkok, Thailand with the aim to establish a cadre of qualified BCP trainers for the country in order to sustain the impact of the project. The training is designed to equip participants with knowledge of business impact and risk analysis as well as drafting and updating business continuity plans. It also deals with the essential steps of developing business continuity recovery strategies and covers the contents of the ISO 22301 Standard for business continuity management. The participants of this ToT will serve as trainers to train SMEs from the Ayuthaya province and the surrounding areas focusing in agriculture, automotive industries, ICT, logistics, and tourism sectors.

A total of 41 participants attended the four-day training from both the public and private sector including the Thai Chamber of Commerce; the National Economic and Social Development Board (NESDB); SME Bank and industrial-based organizations such as Thailand Automotive Institute and
The discussions focused on creating an enabling environment through government policies and regulation and private sector incentives. A national standard on BCP for Thailand, national law to enforce the implementation of BCP and the inclusion of BCP into policy planning process of concerned agencies were suggested. Incentive measures such as special tax rate and insurance incentives, financial institutions such as SME Bank and Export Import Bank should provide special financial considerations to SMEs including low interest loans and exemption of service fees, the consideration of BCP as a criteria for tender evaluation and the requirement by large multi-nation corporations (MNCs) of their partners and supply chains to have BCP were raised.

One key suggestion from the participants is the sharing of risk assessment information with the private sector. It is very important for the private sector to understand the risks in their surrounding areas for them to have a proper BCP. Most of the time, this information is already available with various government ministries and agencies and it is necessary for the private sector to get access to them.

On capacity building, it was agreed there is a need for an online national resource center on BCP that will be able to provide a one-stop access to all information and material relating to the subject. Easy to use toolkits should be made available for SMEs along with support of consultancy service to the SMEs on implementing BCP. MNCs and large corporation should also provide support to the SMEs as part of their Corporate Social Responsibility (CSR) programs. The national training program on BCPs can be co-organized between the government and chamber of commerce to further build the capacity of SMEs.

Raising the awareness of both the public and private sector on BCP was another key pointed raised by the experts and the participants of the training. BCP promotion should target the top management of SMEs as they would be the drivers of the implementation. Dissemination of successful and failed case studies should be compiled and shared among the SMEs. Experiences from SMEs from other countries in the region could be disseminated through existing regional mechanisms. The suggestion of an online national resource center on BCP will also add to the awareness raising effort.

As Thailand is the host of the 6th Asian Ministerial Conference on Disaster Risk Reduction (6th AMCDRR) to be held in Bangkok from 22-26 June 2014, and the topic of private sector engagement is one of the technical theme of the event, the recommendations and findings from the project will feed directly into the 6th AMCDRR for considerations by governments in the region for using BCP as one of the tools to engage the private sector especially the SMEs.

Please visit the ADPC website at www.adpc.net to learn more about the future activities of the project.
Best Practices of SMEs Adopting BCPs: An Extension from OSH (Occupational Safety and Health) Risk Management

Introduction

The Taiwan Institute of Economic Research, TIER, conducted a regional survey focusing on private SMEs' preparedness against natural disasters in 2012. Major findings of the survey were:

- Business Continuity Plan, BCP, development and awareness level of SMEs was low – 13% of the respondents had a BCP in place while 34.8% of the respondents intended to set up a BCP. Almost half of the respondents had no idea about BCP.

- Many SMEs relied on public support systems for BCP development.

- Lack of BCP knowledge and expertise was the major obstacle for SMEs BCP development.

Recommendations by TIER, based on the survey results, are:

- Raise public awareness of BCPS, especially among SMEs

- Eliminate obstacles to BCP development

- Expand effective public support systems and resources available to SMEs

The Safety and Health Technology Center, SAHTECH, with most of its original staff from the Environmental, Safety and Health Technology Development Center of Industrial Technology Research Institute, was established in 2007 as an NGO providing occupational and industrial safety and health consulting services. SAHTECH staff's first-hand experience with BCP was during the SARS outbreak in 2003. SAHTECH's current BCMS clients are primarily major hi-tech corporations. This paper attempts to propose a SME BCP promotion strategy based on SAHTECH's experience in enhancing Chinese Taipei SMEs' capacity in occupational safety and health risk management.

Risk Factors Affecting the Supply Chain

According to FM Global, risk factors affecting any supply chain are:

- Environmental – economic, social, governmental, and climate factors
Expert Perspectives

Market influence – market resilience of a supplier's suppliers

Business practices – financial and management stability, internal processes and corporate governance practices

Physical plant – loss prevention measures

Certain factors such as business practices and physical plant are directly or indirectly related to a company's OSH risk management.

There exists a certain degree of similarities between OSH risk management and BCP since both address the following critical questions:

- What can go wrong?
- What are the causes?
- How likely?
- How bad?
- What is needed to reduce the likelihood and to mitigate the consequence if something does go wrong?

Despite the fact that the APEC Small and Medium Enterprises Working Group’s focus is business continuity planning, it is believed that effective BCPs must be built on solid risk management principles and practices. Therefore, it is proposed that the SMEs can adopt the same or similar approaches in OSH risk management in setting up the basis for BCP design and implementation.

The Dandelion Project

The SMEs in Chinese Taipei are very dynamic and employ a large portion of the workforce locally. They make significant contribution to Chinese Taipei’s economic development and social stability. Some of the SMEs even play a vital role in the global supply chain. However, because of the lack of occupational safety and health risk awareness and the risk management capacity, these SMEs usually have higher occupational injury rate than large enterprises.

To enhance the protection of labor and to raise the employers' awareness of accident prevention, the Ministry of Labor initiated the Dandelion Project in late 2007 with the 80,000+ SMEs in the manufacturing sector as the primary target. SAHTECH, acting as the Dandelion Project’s primary contractor along with the support from county and city governments, has conducted more than 60,000 on-site visits to assist SMEs in identifying occupational health and safety hazards, conducting risk assessments, and recommending risk control schemes since 2007.

The Dandelion Project’s impact on SMEs can be illustrated by the following facts. In 2013, 215 service teams, composed of SAHTECH staff and OSH volunteers visited 8,680 SMEs, where
90% of them with less than 50 employees and 84% of them having less than 30 employees; 39,900 recommendations were made to improve the OSH performance standards of these companies; about 87% of the recommendations or 5 recommendations per factory were implemented.

In addition to on-site visits, the Dandelion Project also provides OSH awareness raising activities such as senior manager training, OSH manager training, risk assessment training, mutual site-inspection, incident investigation and experience sharing, and many other activities. It is apparent that the impact of this outreach program on Chinese Taipei's SMEs is quite significant.

**Conclusion and Recommendation**

SAHTECH's experience with the Ministry of Labor's Dandelion Project reveals the fact that most Chinese Taipei's SMEs are serious about their business prospects as well as employees' safety and health but lack the knowledge and capacity to effectively manage OSH risks. The same observation can be made about BCP implementation. It is strongly believed that the Dandelion Project's outreach approach can be of great reference value to the APEC Small and Medium Enterprises Working Group in drafting the strategies for BCP promotion, capacity building, and information dissemination.

The Small and Medium Enterprise Administration of the Ministry of Economic Affairs can adopt the Dandelion Project strategy or even develop an interagency program to reach out to the vast SMEs to enhance BCP awareness and implementation capacity.
Experience Sharing of Chinese Taipei Chain Enterprises for Modernization of the Retail Sector in APEC Developing Economies

APEC developing economies such as Mainland China, Indonesia, Malaysia, Thailand and Vietnam are emerging with their growing economic and consumption power. Just like Chinese Taipei 20 years ago, the retail industries in these developing economies are about to take off. In order to develop retail industries at a faster pace and reduce the learning cost for retailers, they need to learn from success stories of other economies in the Asia Pacific region whose retail industries are more mature and modernized. The experiences of advanced countries in developing the retail industry indicate that chain enterprises are usually the driving force behind a retail industry’s improvement and faster growth.

Headquarters of chain stores need to connect with all the suppliers and effectively meet the product and operational needs of their direct-selling or franchise stores. This involves many strategic and operational tasks, and it is more important to be effective than efficient in carrying out these tasks. The bigger they are, the more they need to incorporate proper technology, tools and platforms. It is necessary for them to effectively integrate all the operating procedures, from suppliers to headquarters, from headquarters to logistics centers, and from logistics centers to stores, creating a seamless and sustainable supply chain system that links business flow, goods flow, money flow and information flow. Many chain store headquarters are always asking themselves the following management questions: how much budget should be allocated to technology? What kind of technology products should be included? When to invest? When to upgrade?

Chinese Taipei’s chain store industry started to develop in the 1950s. In the early stage, chain stores were mostly direct-selling stores. Later, business models of franchise stores from the US and Japan gradually came in and allowed the chain stores to expand rapidly by copying successful models, creating many job opportunities for Chinese Taipei and helping people realize their startup dreams. The businesses have also transformed from family-run to professional and modernized operations. Many chain enterprises in Chinese Taipei have become well-established internationally in terms of management expertise and branding. Some of them like DinTaiFung Dumpling House even successfully entered foreign developed markets such as Japan and Singapore, turning into leading international brands like McDonald’s and Starbucks.

APEC developing economies seriously lack the experience and technology needed to develop the chain store industry. On the other hand, Chinese Taipei’s chain brands have established mature, stable brands, management skills and technology after many years of development. Even during
recent economic downturns, chain retail stores and restaurants still achieved triple digit growth rates and revenue growth, showing their significant potential.

The experience of Chinese Taipei in management and development can be valuable references for APEC developing economies, helping their retail industries modernize at a faster pace and create more local start-ups and jobs. We expect Chinese Taipei to contribute to the growth and improvement of the global value chain by having more cooperation and exchange with developing economies in the field of chain industry development.
MOEA and Foreign Businesses Promote Start-up Innovation

An "Intel Asia Pacific Challenge & Siemens New Ventures Forum, with APEC Kick-Off" press conference was held on 21st March by Small and Medium Enterprise Administration, Ministry of Economic Affairs (SMEA). During the conference, a letter of intent was jointly signed by Intel Corporation and Siemens as a statement of their commitment to the forum that directs Taiwan's innovative energy towards the international platform. Winning SMEs from the challenge may have an opportunity to go to Silicon Valley for the final competition and even gain international support. The forum is expected to facilitate the development of innovative start-ups in the Asia-Pacific region.

"2014 APEC Challenge" will take place on 6th August, said SMEA. As a second forum of its kind in two years, the event will give rise to six teams that get to attend the final competition to be held in Silicon Valley on behalf of the Asia-Pacific region, showcasing Chinese Taipei's innovative power to the world. "It is my hope that more large companies will recruit young and innovative talents when seeking feasible and creative possibilities in the market. This is of great importance to our current endeavor," said SMEA Director-General Yun-Lung Yeh. Siemens Taiwan CEO Erdal Elver said that Siemens has been developing the local market for over half a century and is now an indispensable technology provider to many large Taiwanese companies and SMEs. In 2012, a "Grow Chinese Taipei Together" development plan was launched by Siemens Taiwan as a commitment to support industrial upgrading and sustainable development in Chinese Taipei as well as to secure Chinese Taipei's interests in the global market.

The forum's advisory committee comprises of industrial big wigs such as Youtube co-founder Steve Chen, HTC chairwoman Cher Wang, Groupon Taiwan CEO and other international business...
leaders. The forum serves as an important platform for local start-ups to increase international exposure and connect with global venture capital opportunities.

A good example of this is Gogolook, a former Taiwanese company that attended the previous APEC start-up challenge held by the MOEA and gained international attention that led to their eventual bought-out by LINE’s Korean mother company Naver Corporation for NT$ 529 million after Gogolook launched its widely known cloud-based call identifying app WhosCall.

"2014 APEC Challenge" jointly organized by the MOEA, Intel and Siemens that will take place on 6th and 7th August in Taipei, Chinese Taipei. Six winning start-up teams will emerge from the challenge and represent the Asia-Pacific region to attend the global finals at Silicon Valley, the United States. Participation in this international competition increases local start-ups’ opportunities to gain mentoring, funding and media coverage on a global scale as well as obtaining an accelerated pathway to the international market.
Chinese Taipei's SME is full of Energy. Its Acceleration and Innovation are the highlight in Asia-Pacific Region.

APEC Small and Medium Enterprises Working Group (SMEWG) was held at the Hotel Splendor Taichung, Chinese Taipei from 24th to 27th March. During the four-day meeting, there are high-level officials, scholars, experts and business representatives from APEC 19 economies gathering in Taichung. We invited Francis Kuo-Shin Liang, policy advisor of Executive Yuan, Ms. Holly Vineyard, the U.S. Department of Commerce trade and APEC and Asia-Pacific Deputy Assistant Minister, google, IBM, DHL FedEx and other famous international enterprises to give speeches and over 400 participants joined the event.

Shaping the Future through Asia-Pacific Partnership

APEC Small and Medium Enterprises Working Group (SMEWG) took place in The Splendor Hotel, Taichung from 26th to 27th March. This year’s meeting was presided over by SMEWG Chair, Dr. Wimonkan Kosumas, the Deputy Director General of Small and Medium Enterprise Promotion of Thailand. Johnny Yun-Lung Yeh, the Director General of Small and Medium Enterprise Administration of Ministry of Economic Affairs, gave opening remarks on behalf of Chinese Taipei. Over 100 Representatives including high-level government officials and experts from 17 APEC economies, ABAC and APEC observer, Macao, China attended the meeting.

The annual theme of 2014 is "Shaping the Future through Asia-Pacific Partnership", in hopes of reaching regional economic integration, innovation and reform through the collaboration among member economies and of shaping the Asia-Pacific region into the economic growth engine of the world. The discussion of 38th SMEWG Meeting focused on the main theme of 2014 SME Senior Official Meeting: "Innovation and Sustainability", and throughout the event, global rising issues such as helping SMEs into Global Supply Chains, promoting high-growth SMEs and raising SME financial inclusion were also fully reviewed and discussed. In addition, during the meeting, Chinese Taipei reported on the results of APEC Multi-Year project, APEC Accelerator Network and Business Continuity Plan, and shared the methods on how to assist SME with financial affairs and to create high-growth enterprises. Furthermore, United States, Korea, Malaysia and other economies also shared their experiences on business ethics promotion, one-stop clinic program for SME, and SME’s participation in global value chains with member economies, which allowed the presented economies to engage in lively discussion.

Lastly, the 38th SMEWG meeting came to a fruitful end under the chairmanship of Dr. Wimonkan. The Chair and all of the participated member economies acknowledged the efforts and contributions that Chinese Taipei made for hosting the meeting, and reached the consensus that we shall continue to promote SME development through technology innovation disseminating, financing guidance providing and capacity building. The 21st APEC Senior Official Meeting will be held in Nanjing, China on 5th September 2014, and all the SMEWG economies' contributions to APEC this year will then be submitted to senior officials to incorporate into the APEC Leader’s Declaration and SME Joint Ministerial Statement.
High Growth Asia-Pacific Region, Global Supply Chain Main Point

In recent years the natural disasters of which 70% happened in the Asia Pacific region. According to United Nations statistics, from 2003 to 2013, natural disasters have caused Asia-Pacific region $68 billion annual in economic losses. Besides, disasters have impacted on the Asia Pacific region which plays a key role on global supply chain. Therefore, "Scission effect" caused by disaster has shocked global trading and the development of SMEs.

For this reason, in 2012, Chinese Taipei has started the MYP. By APEC Emergency Preparedness Working Group (EPWG) cooperating with other forums, to promote SMEs to establish BCPs to steady global supply chain and value-chain. "APEC High Level Policy Dialogue on Resilient SMEs for Better Global Supply Chains", held on 24th March, summarized the results of the 3-year project.

APEC High Level Policy Dialogue Joint Statement on Resilient SMEs for Global Supply Chains was endorsed by Francis Kuo-Shing Liang, policy advisor of Executive Yuan, Dr. Wimonkon Kosumas, SMEWG Chair and the two co-chairs of EPWG, Mr. Kiyoshi Natori and Dr. Wei-Sen Li. The Joint Statement explicitly states that APEC economies should take three concrete actions on strengthening resilient growth: 1. Establish SME Business Continuity Plans to Facilitate Trade and Investment 2. Implement BCP Guidebook for Better Global Supply Chains 3. Enhance the Public-Private Partnership and Cross-Fora Cooperation. The statement would also be submitted to the APEC SME Ministerial Meeting and APEC Economic Leaders' Meeting (AELM) of this year, as the valuable contribution that Chinese Taipei made to APEC.

Ms. Ann Lavin, Director of Public & Government Relations, Google and Ms. Mijee B. Dirks, Executive Consultant of Global Continuity and Resiliency Services, IBM were invited to give keynote speeches on how to create business opportunities of global supply chain by building business continuity plans. The following are the three topics of the each session: the first session is the high-level dialogue moderated by Francis Kuo-Shing Liang, policy advisor of Executive Yuan, which discussed the concrete approach for SMEs to build up business continuity capacity and for APEC economies to implement the following plans on promoting SME business continuity capacity.
building. The second session was the panel discussion with the panelists from leading multinational corporations focusing on exploring the means to lower accident risks and to raise competitiveness in global supply chain by building business continuity plans to create business opportunities. The last was formed by SMEs representatives' conversations, in which their experiences and knowledge on business continuity plans were shared. By establishing specific and feasible contingency mechanism through systematic identification of potential threats and risk, it ensures the enterprises the ability to respond and decrease the impact to accidents and disasters. In all, enables enterprises to reach to demand of continuity and consistency.

The APEC High Level Policy Dialogue on Resilient SMEs for Better Global Supply Chains paved a clear way for policy-makers from APEC member economies to assist SMEs constructing business continuity plans, and in a larger picture, to enhance the global supply chains for SMEs so as to generate global business opportunities.

**APEC Accelerator Network Forum Connects with International Accelerator Networks**

APEC Accelerator Network Summit 2014 was held at Splendor Hotel Taichung on March 25th. In an attempt to bring together the accelerators in the Asia-Pacific region and encourage resource sharing, the 2014 APEC Accelerator Network Forum invited important leaders from international organizations such as Global Accelerator Network (GAN), European Business and Innovation Centre Network (EBN), Yushan Ventures, Plug & Play, APEC Business Advisory Council (ABAC) as well as domestic entrepreneurship efforts such as AppWorks, Taiwan Mobile Innovation (TMI), and more. The forum gathered approximately 300 participants to discuss the application
APEC Accelerator Network Summit 2014 saw experts and delegates from 21 APEC economies to explore the possible development of an Asia-Pacific accelerator network that speeds up businesses’ pace in connecting with the international market.

The forum centered on creating and connecting global business opportunities through the formation of an APEC accelerator network, which in turn can facilitate and benefit the development of domestic accelerators. Two keynote speeches were given by Mr. Eugene Kim from GAN and Ms. Madeline Song, investment partner of Siemens Venture Capital; moreover, two panel discussion sessions participated by internationally renowned accelerator leaders and entrepreneurs were held to seek ways to stimulate entrepreneurship, courage innovative business startup and expand the scope of influence of accelerators in the development of industry.

Furthermore, to encourage international partnership, seven companies with high innovation/creation potential were chosen to demonstrate their products and receive constructive feedback from experts and overseas venture capitalist representatives. The seven companies including web designer MeWorks, first-ever cloud GPS tracking and security platform provider JareyMobile, interactive English learning website leader VoiceTube, paper digital camera developer Paper Shoot, interactive voice and advertisement integrator and app developer bYAPPY Digital Media Group, and domestic bathroom shower enclosures leader itai. Such demonstration and detailed coaching allowed the companies to understand how to better connect with the international market. The demonstration successfully brought the forum to an end with VoiceTube, run by REDIdea, receiving the most positive feedbacks from the judges.

Speed has become one of the most crucial factors in determining whether a company or industry has what it takes to join the ranks of the international market leaders. Many countries now place incubation accelerators at the heart of their SME innovation development policies as part of their effort to assist SMEs to innovate and adapt quickly to the rapid changes in the highly competitive global market. Committed to introducing overseas accelerator resources, Taiwan has signed several letters of intent with Europe, the United States, Japan and Australia to foster incubation partnership projects that encourage international incubation support, technological R&D, market expansion, and marketing resource integration. This may put local SMEs on an accelerated path to overseas expansion. The forum is expected to establish a communication platform among the many accelerators in the Asia-Pacific region and increase incubation business opportunities.
Promotion of the Guidebook on SME Business Continuity Planning

While all companies around the world see business continuity as their ultimate goal, they are faced with various common risks on the journey to company sustainability, one of the most disastrous risks being climate change. The numerous natural disasters that it brings about have severely jeopardized the stability of global supply chain. To help SMEs understand how to respond aptly to natural disasters and strength their capacity in business continuity, APEC SME Crisis Management Center has published the APEC Guidebook on SME Business Continuity Planning. The guidebook lays out 10 clear steps to help SMEs understand the requirements of ISO 22301 and create their very own business continuity plan.

As part of our effort to increase domestic awareness and promote the use of the guidebook, the Regional Development Research Center, APEC SME Crisis Management Center partnered with Singapore-based BELFOR in a workshop to introduce and present the guidebook to the senior management at Cathay Century Insurance at Taichung, Chinese Taipei on 17th April. BELFOR is a global disaster recovery and property restoration company that offers a comprehensive range of water, fire and storm damage emergency analyses, recovery and restoration services, and help clients through disasters in an efficient and coordinated manner.

BELFOR played an important role in the preparation of the workshop. Before the workshop, the TIER met with BELFOR representatives and senior managers from Cathay Century Insurance in discussion of ways to increase awareness on business continuity among SMEs. A consensus was reached which pointed to the need for more trainers and workshops on business continuity to deepen SMEs’ understanding of such issue. The result of the effort will lead to a more stabilized SME product supply chain. During the workshop, RDRC detailed the origin, objective, purpose and promotion strategies of the guidebook to BELFOR representatives and twenty senior sales reps from Cathay Century Insurance. The workshop participants
showed much interest in the guidebook and recognized that the guidebook can be an important part in the promotion of their businesses as it shows to their clients that the company concerns itself with such crucial issue as business continuity. The workshop came to a successful end after selected trainers and the participants received the guidebook. The closing group photo marked the start of a new stage of the promotion of the guidebook on SME business continuity planning.

Moreover, as part of RDRC's overseas effort to raise awareness on business continuity, RDRC partnered with APEC economies Thailand and Indonesia to translate the guidebook into Thai and Indonesian and hold workshops in these two countries in February and April. The two workshops saw a gathering of approximately 90 participants that included government officials, scholars, experts and SME representatives who learned invaluable knowledge from the guidebook and shared their experiences with regard to business continuity.

Furthermore, as the workshops held both at home and abroad received positive feedbacks and high recognition, domestic insurance giant Fubon Insurance and countries such as Vietnam and Singapore also expressed their interest in holding similar workshops and events. RDRC will continue its effort to partner with organizations from home and abroad in its campaign to promote the APEC Guidebook on SME Business Continuity Planning in order to fortify SMEs' ability to cope with natural disasters in the Asia-Pacific region and ultimately reinforcing their business continuity capability.