



**Asia-Pacific
Economic Cooperation**

2019/EPWG/DIA/012

Agenda Item: 8.3

Enterprise Resilience - From Physical to Digital and Local for SMEs

Submitted by: Chinese Taipei



**APEC Resilience Week
Taipei, Chinese Taipei
30 September - 2 October 2019**



**Asia-Pacific
Economic Cooperation**

Enterprise Resilience-

From Physical to Digital and Local for SMEs

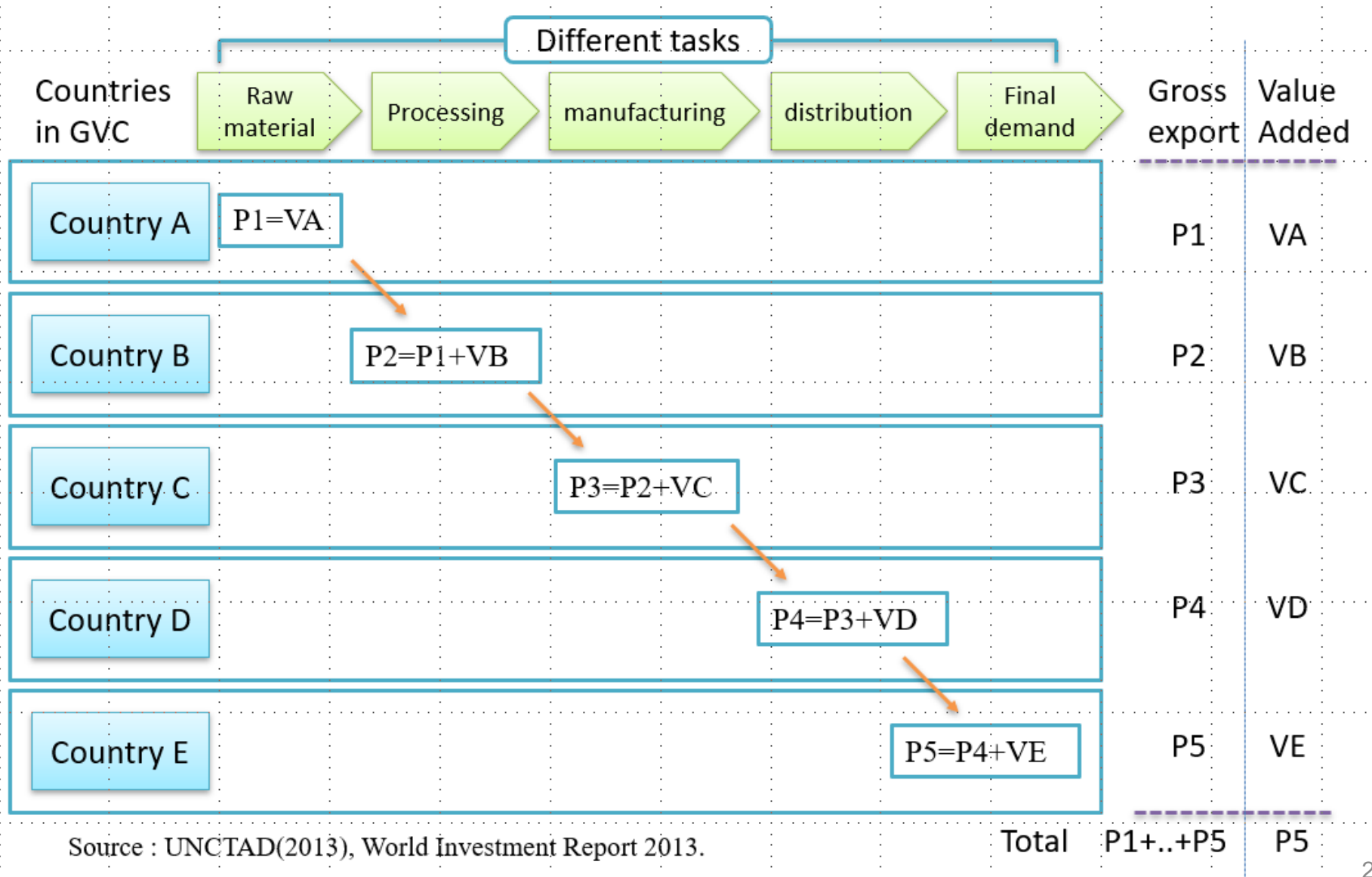
Dr. Ko-Hsiung Lien
September 30, 2019

Enterprise Resilience

- The quest for resilience-HBR(2003)
 - The world is becoming turbulent faster than organization are becoming resilient
 - Numerous external shocks
 - Success has become less persistent
 - A company could be *operationally efficient* and *strategically inefficient*.
 - The essence of resilience
 - Make sense of your environment
 - Generate strategic options
 - Realign faster than your rivals



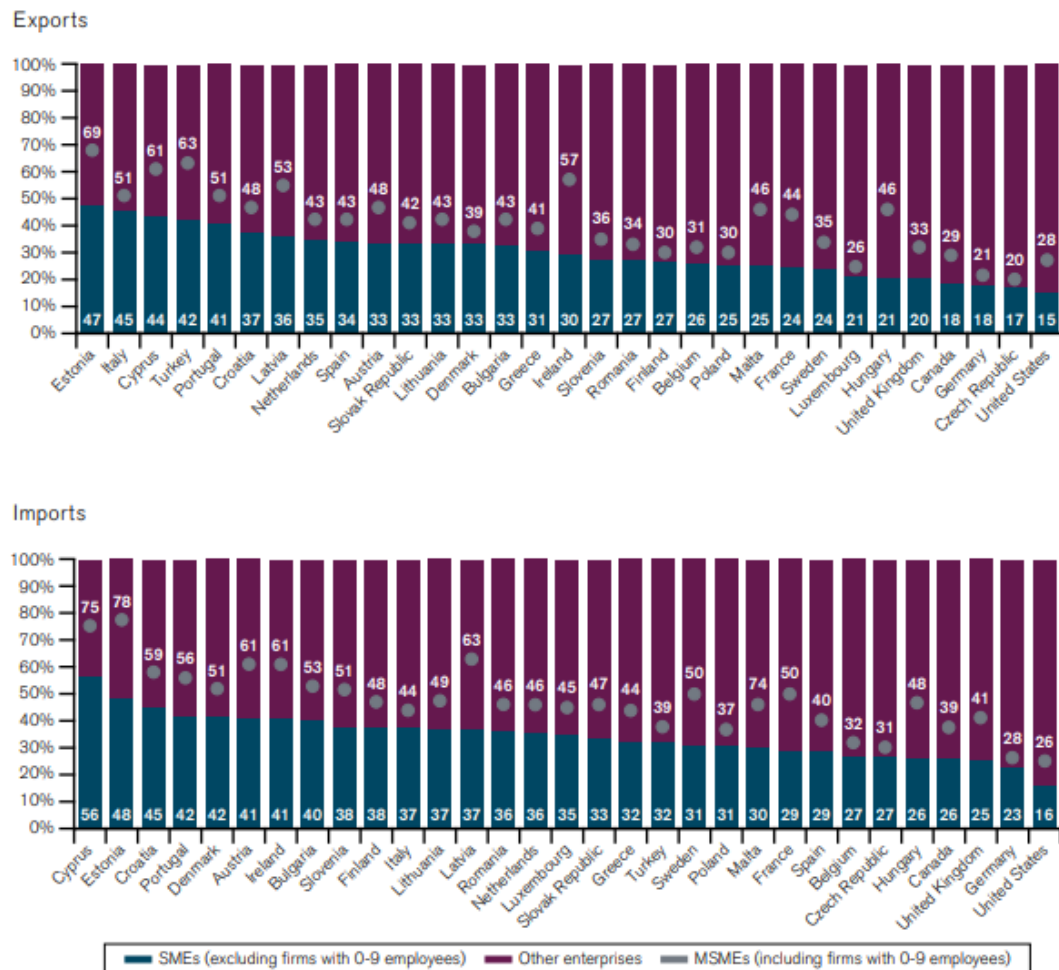
Global Value Chains : world input and output



SMEs exports : Facts

- WTO(2016)-SMEs in international trade: stylized facts
 - Direct export:
 - MSMEs account for 34% of exports on average in developed countries with participation rate : micro(9%) small(38%) 、medium-sized(59%) 、large(66%)
 - Indirect export:
 - USITC(2011):-The share of SMEs in gross exports rose from 28% to 41% once “indirect exports” were considered.
 - In developing countries, the indirect exports in the manufacturing sector of SMEs were 2.4% of total sales.
 - E-commerce enables SME participation in international trade (lower trade costs ?)
 - SMEs in China typically export to 63 countries, and Korean SMEs typically export to 57 countries.

Figure B.1: SME and MSME shares in the dollar value of exports and imports of selected developed countries, 2013 (or latest year) (percentage)



The establishment of APEC SCMC

- In response to global financial tsunami
- Proposed by CT in SME MM of 2009
- Listed on the Ministerial Statements of SME MM and AMM
- Grand Opening in May 2010 in Taipei with 250+ representatives from 15 member economies.
- A series of APEC initiatives with training and mentoring programs was implemented from then on, BCP, AAN, O2O, LIE, etc.





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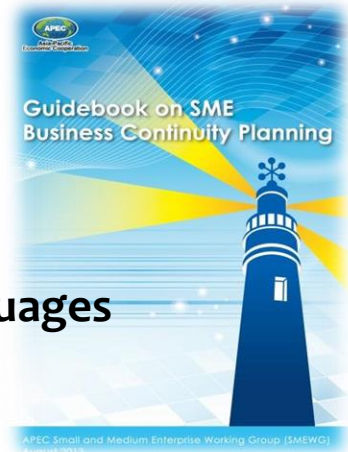
Business Continuity Planning 3 Year Project



30,000+
Subscriptions



Scenario Checking
10 steps based on
ISO22301



7 Languages



Promotion of SME BCP being Selected
as top 10 APEC Photo Journal:
Charting 25 Years of APEC Progress
<https://www.facebook.com/APECnews>

6 Economies





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Project Milestones

2012/2
Project
proposal
approved

2012/4~10
Joint study in
collaboration with
EPWG and other
stakeholders

2013/3
2nd Focal Point
Network
Meeting
and Expert
Meeting

2013
Collaboration with
ADRC
Published:
Guidebook on SME
Business Continuity
Planning

2014/3/24
High Level Policy
Dialogue on
Resilient SMEs for
Better Global
Supply Chains

● **2012**

● **2013**

● **2014**

Preparation and Research

2012/7/11~12
Focal Point
Network Meeting
and Expert
Meeting

July 11th~12th, 2012



**16 Economies, 21 Experts
and 300+ Participants**

Train the Trainer

August 5th~9th, 2013
2013/8

APEC Train-the-
Trainer
Workshop on
Promoting SME
BCPs



**16 Economies, 20 Experts,
44 Seed Trainers and
400+ Participants**

Dissemination

March 24th, 2014





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Example : BCP Workshops in 2014

Thank for Thailand, Indonesia, Singapore, Viet Nam, and Mexico's Supports for hosting Train-the-Trainer Workshop and translating BCP Guidebook.



Date	February 18-21	April 23-24	June 20	June 26-27	August 20-21	August 27	September 15-16
Economy	Thailand	Indonesia	Chinese Taipei	Viet Nam	Chinese Taipei	Mexico	Singapore
Seed Trainers	40 people	30 people	70 people	50 people	50 people	50 people	50 people

Physical Resilience :

10 Steps for BCP

10 easy steps for SMEs to use Business Continuity Plans to Strengthen Reliability of Supply Chains



Step 1

Determine
BCP
Purpose,
Scope and
Team

Step 2

Prioritized
Activities
and
Recovery
Time
Objective

Step 3

What Do
You Need
to Resume
Key
Activities?

Step 4

Risk
Assessment
- Know Your
Disaster
Scenarios

Step 5

Do Not
Forget Pre-
Disaster
Protection
and
Mitigation

Step 6

Emergency
Response to
Disaster

Step 7

BC
Strategies to
Early
Resumption

Step 8

Be
Financially
Prepared

Step 9

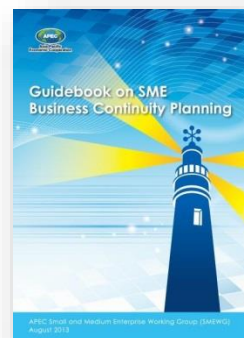
Exercise
Makes Your
Plan
Functional

Step 10

Ongoing
Review and
Improvement

Experiences from BCP

- After the implementation of this 3-year project, it is not the end, but rather a beginning of a new stage.
- Welcome to download Guidebook on SME Business Continuity Planning (BCP) with 7 languages at the APEC Publication Website: <http://publications.apec.org> & APEC SCMC website: <http://www.apecscmc.org/>
- With all member economies' effective engagement in promoting SME BCP, we are looking forward to seeing better global supply chains in the future.



Connect to Global Market in Digital Economy Online to Offline Initiatives

The **digital market** is expected to **grow 11%** over next five years to 2020
(APEC PSU, 2017)

The Rising of O2O

Mobile payment & Location Based Marketing
Product-Service System & Collaborative Life
Smart City & Smart Manufacturing
AR/VR/MR & 5G & AI & Genetic Engineering

Digital Security

Local protection

Offline service cost

Cross-Border
restrictions

O2O Initiatives: 4-year Framework

1st year

**Knowledge
Discovery
in O2O**



**Guidebook on SME O2O Application
& Best Practice Collection**

3rd year

**Formulation
& Modelling**



**Designing & Establishing Capacity
Building Training Program by
Adopting the above Two
Guidebooks**

2nd year

**Knowledge
Discovery in
Digital
resilience**



**Guidebook on Enhancing SME Digital
Resilience**

4th year

**Conclusion &
Disseminatio
n**




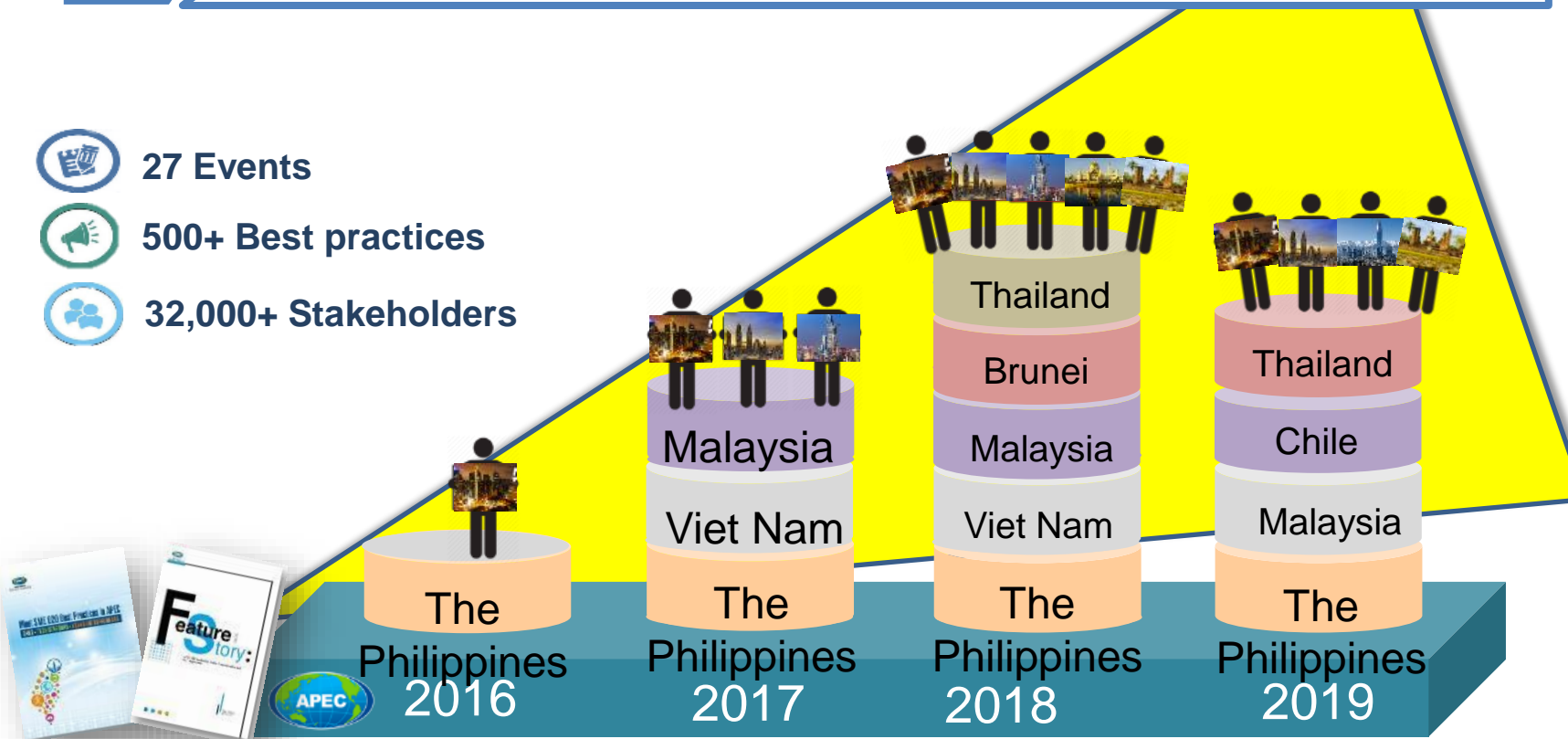
**Member Economies to Volunteer for
Holding more O2O Capacity Building
Training Programs to further benefit the
whole APEC Region**

APEC O2O Initiative

Cooperate with Member Economies

Appreciate these partner Economies to work with us in these 4 years to achieve the solid results of APEC O2O Initiative together

-  **27 Events**
-  **500+ Best practices**
-  **32,000+ Stakeholders**



APEC Guidebook on SME Digital Resilience

11 steps of Information Security Management System(ISMS) Based on ISO 27001/27005

Step 1: Understand your ISMS Requirements and form your Team

Step 2: Determine ISMS Policies and objectives

Step 3: List and categorize Information Assets

Step 4: Identify and evaluate information asset Risk

Step 5: Assess information asset risk

Step 6: Produce a risk Treatment Plan

Step 7: Select ISMS Controls

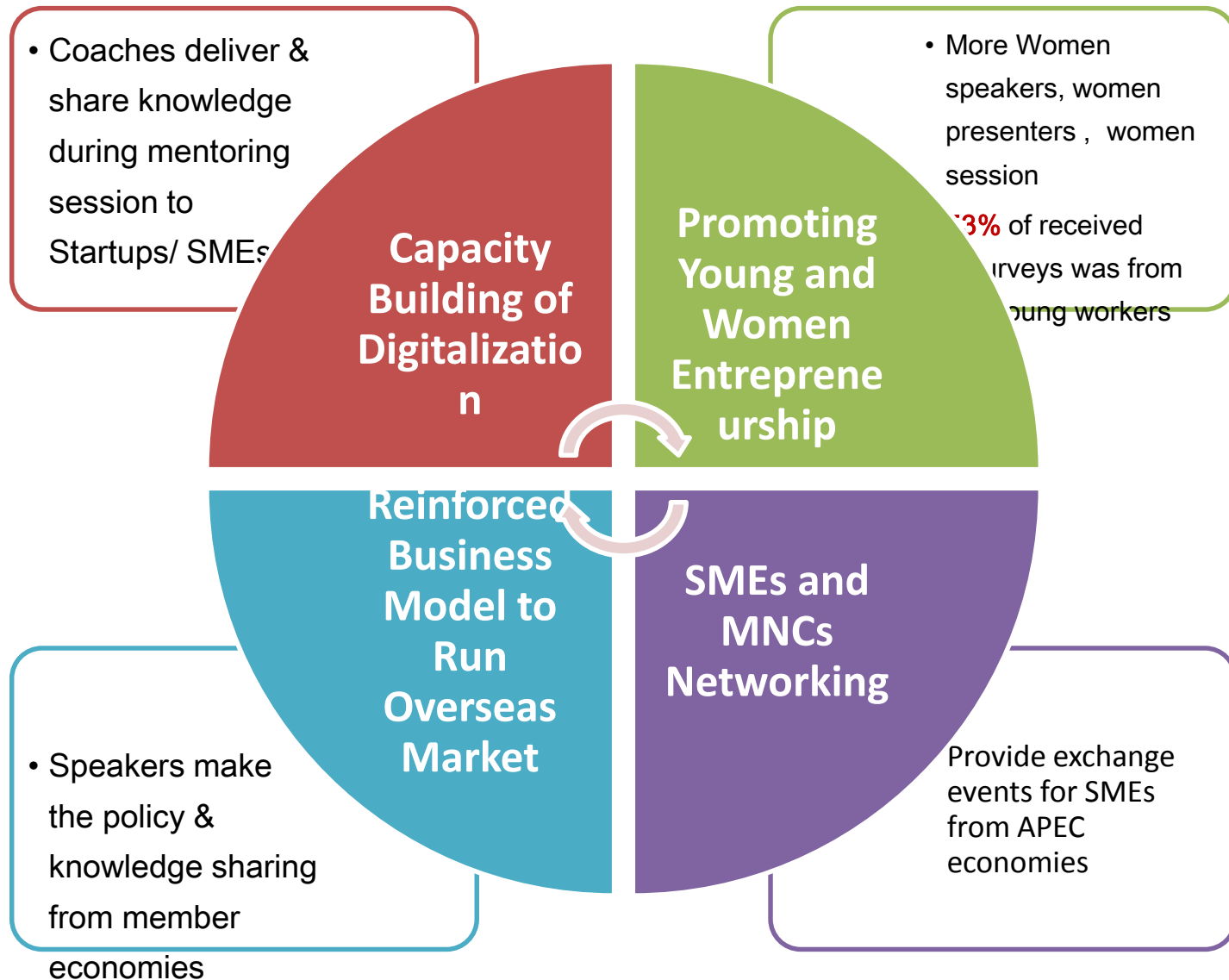
Step 8: Establish SME Business Continuity Plan

Step 9: Respond to and report information security Incidents

Step 10: How to determine the Effectiveness of your ISMS

Step 11: Continuous ISMS Improvement and problem follow-up

Impacts from O2O Initiatives



Challenges of Local SMEs in APEC Region

- The proportion of urban population in the Asia-Pacific region increases from **41.1%** in 2000 to **58.2%** in 2017. (UN statistics)
- Capital regions amass more than **26%** of national GDP. (OECD statistics)
- Most young adults and SMEs are desperate in the local areas with lower relative income and fewer business opportunities.



APEC Local Innovation Ecosystem Initiative: Revitalization for Inclusive Growth and Sustainable Future

Our project aims to solve the problems from local SMEs development challenges by promoting **Local Innovation Ecosystems** in the APEC region.

- To echo APEC Priorities 2019 - **Digital Society** and **Women, SMEs** and **Inclusive Growth**
- To promote the Revitalization of **Local Industrial Clusters** and Development of **Social Innovation** to local challenges.
- To build **networking assets** and **economic assets** for local MSMEs
- To promote **local Entrepreneurship**
- To assist **MSMEs** building their **local innovation capability**, especially the innovation technology application

Roadmap of Local Innovation Ecosystem Initiative

Objectives

SMEs IoT and technology application;
Enhance competitiveness of local industrial cluster;
Solve Disparity between Local and Urban



Russia

Thailand

The Philippines

4 Serial Events;
Knowledge Accumulation;
Capacity Building



Establish Economic and Networking Assets for SMEs;
Promote Local Entrepreneurship

Linking Local Industrial Clusters with the GVC



Conclusion

- Peter F. Drucker-Management scholar
 - “The purpose of an organization is to enable common men to do uncommon things.”
- Andy Grove-Cofounder of Intel
 - “Bad companies are destroyed by crisis, Good companies survive them, Great companies are improved by them.”