

CLMVT Forum 2018
Day 2 – 17 August 2018 (10.45 – 12.30 Hrs.)

Discussion Paper for

Young Dialogue: *Opportunities for All: Strategies for Inclusive Economy in the Era of New Technology*

ROOM 1: SMEs and Startups: Time to Reap the Benefits of Technological Transformations

Lead Discussants:

- **H.E. Dr. Santi Kiranand**, Vice Minister for Industry, Thailand
- **Dr. Soe Naing**, Director General, Ministry of Industry, Myanmar
- **Mr. Oudet Souvannavong**, President, Lao National Chamber of Commerce and Industry (LNCCI)
- **Ms. Nguyen Van Anh**, Country Head/ Grab for Business, Grab Vietnam
- **Mr. Kai Kuramoto**, Founder, Cleanbodia, Cambodia
- **Mr. Wittawin Vidthayanon**, Co-Founder, Somjai (Online) Ltd.
- **Mr. Sutthikead Chantarachairoj**, CEO, Shippop, Thailand

Moderator: Dr. Watcharas Leelawath, Executive Director, Mekong Institute

Background and Overview

Small and medium enterprises (SMEs), accounting for over 89 per cent of all enterprises and employing over half of the workforce, have long been the engines of growth within the CLMVT region. However, with the rise of digital technology, SMEs with traditional business models will have to adjust by incorporating technologies into their operation in order to be competitive in the changing environment. At the same time, (tech) startups are entering the stage to provide SMEs with technological / business solutions as well as to exhibit themselves of high growth potential through initiation of technology-driven & innovative business model.

The catchphrase “disrupt or be disrupted” is a crucial question for SMEs and young startups. With continuous new waves of technology and technology-enabled business models, there are constant calls for adjustment to the changing trade and investment environment to stay competitive. Attentions are directed towards technological or digital transformation, the process of adapting current business transactions to incorporate digital strategies and technology into the company. This could be anything from using new devices or adopting trending digital solutions such as the Internet of Things (IoT), mobile computing and big data analysis. The transformation could lead to fundamental changes which support growth and innovation strategies.

In parallel, the major key drivers to SMEs’ digital transformation and to kick-off startups businesses are; the change in demands of customers, the need for business innovation, the digital-friendly ecosystems and the advancement of technology itself. However, very few numbers of SMEs and newly created enterprises have succeeded in integrating digital technology into all areas of their business since technological transformation is not a bed of roses.

The challenges of implementing technological transformation for traditional SMEs are plenty. Business owners would question whether it is worth the money, time and efforts to change from familiar systems to the unknown processes. For startups, even though they might have used their own technology in their business since the beginning, they still face the problems of further enhancing their technology for business growth or facing complicated regulations for doing new business strategies.

Yet, the CLMVT region has still plenty of rooms to grow. The importance of SMEs and young entrepreneurship is evidenced by the amount of recent initiatives by the public and private sectors on programs for business incubation and acceleration. SMEs and startups have an imperative role to play to further expand economic growth and employment within the region. At the end, digital tools should not only enhance productivity and economic efficiency, but also lead to sharing economy and inclusivity, by providing the venue for small players to compete and succeed.

In this session, while SMEs with success cases such as Somjai (Online) as well as tech startups with solutions such as Grabtaxi, Shippop, and Cleanbodia will discuss experiences and inspirations of digitalised SMEs and successful startups, Ministers as policy makers will discuss their plans and efforts towards enhancing the development of SMEs and startups and their capacity to engage in international trade. Panellist will together explore collective actions to facilitate better tools for CLMVT entrepreneurs to make the most out of technological transformation.

Possible Points for Discussion:

- What are the benefits and challenges of implementing technological transformation to the business?
- How do SMEs get on board with digital transformation?
- What are the vital skills needed for becoming a successful startup?
- What are the institutions and the governance structures that the governments need in order to facilitate startups or SMEs technological transformation?
- How can CLMVT work together to help SMEs and startups gain more benefits from digital transformation?
