

SME PROMOTION AND IT – A COMPREHENSIVE ANALYSIS

SME is the main engine for growth in many of the world's economies nowadays. Therefore, SME promotion is one of the most important tasks and given the context of further and deeper economic integration today. This task is more crucial than ever since SME face a lot of internal and external constraints such as poor management skill, lack of funds for modern technology, and limited capability to afford large contracts. Among available tools, IT is of great help to facilitate this task. Group 4's writing will consist of 3 parts: SME promotion in different areas, IT tools, and how IT facilitates the SME promotion.

First of all, among many forms of SME promotion being observed throughout the different countries, it can be categorized under three following items: regulatory framework, non-financial services and financial services. For the regulatory framework, the governments have to work hard on regulating and simplifying laws and regulations to assure a favorable legal environment for SME. Non-financial services cover a lot of aspect which can contribute to the development of SME such as training, *business* information, workforce, entrepreneurship, consultancy, technical/technological support, land/premise for production/office and linkage/inter-relationship. Among financial services, banks and financial institutions can offer micro-finance schemes, facilitation in collateral-based and credibility-based lending, and/or utilize venture capital and stock exchange for improving SME access to official finance.

Regarding information technology (IT), it can be said that only during the past years, IT has been helping us much in terms of being a great tool in many steps of the value chain: design of products, manufacturing, management of resources, and control over machinery/equipment, among others. And the popularity of internet and networking has proved greatly the advantage that IT has brought about in terms of bring a cheap, quick, almost maintenance-free communication and a reconsideration of 'distance' concept in the cyberspace.

With such advantages, it is virtually that IT can make SME promotion in every aspect, legal environment or financial/non-financial services, much cheaper, much quicker and also available 24 hours a day, 365 days a year. In this regard, we have come to the following 6 suggestions on how IT can help SME promotion:

1. Utilize IT (under the form of information database and networking) to facilitate the simplification (in case there are too many and conflicting laws regulating SME) and the finalization (update and supplement) of laws and regulations to create an enabling legal framework for SME.
2. Establish a comprehensive business information database (controlled by government agencies) to serve the needs of SME and customers essential information including or linking with each SME's virtual gallery (those who do e-commerce).
3. Facilitate distant learning (including popularization of virtual incubators) to bring efficient training to a wide range of beneficiaries and also further develop the entrepreneurship.

4. Open business matching forum for registration and develop optimized system for matching enterprises with little human works.
5. Create an information database on available credit lines, financial support schemes as well as guarantee banks and credit guarantee funds.
6. Modernize the banking procedures and financial services so users especially SME can benefit from modern tools, such as e-banking and mobile-banking, to save time and minimize transaction cost.

The important solutions for implementing the above suggestions are:

- Developing an IT center with strong and close relationship with involved parties such as international organizations, service providers, universities and research institutes, chambers of commerce and other private sector organizations, financial institutions, public agencies and other public/private IT centers. Developing a network of IT centers throughout the nation, throughout the region and throughout the world.
- Developing a country network with connection to competent agencies and relevant parties inside that country, and also develop a network of these country networks to develop quick and low-cost business opportunities.