Promoting the Digital Transformation of Small and Medium-sized Enterprises (SMEs) —— Experience-sharing from China

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SMEs with unlimited potential for innovation and economic growth

- As the most common, active and innovative market entities, micro, small, and medium-sized enterprises (MSMEs) are striving to build an economic globalization that is open, inclusive, balanced, and beneficial to all.
- It has become the common measures and goals to provide full support to SMEs and boost their confidence and expectations in development in order to achieve the steady economic growth.

Fig1. MSMEs operate in every sector, with varying economic contributions

Fig2. MSMEs generate the majority of jobs and roughly half of total corporate value added

Resource: Mckinsey Global Institute 《A microscope on small businesses: Spotting opportunities to boost productivity》
Digital transformation presents opportunities and challenges for SMEs

- New-generation digital technologies continue to upgrade and facilitate far-reaching penetration into various sectors.
- MSMEs with better digital transformation progress have showed strong survival ability and competitiveness for dynamic adjustment in the future.

“Unwilling to transform, Unable to transform, Afraid to transform.”

- The heavy survival pressure
- The weak digital foundation
- The different needs for transformation
Chinese Approach

- China has always been supporting the development of SMEs and regarded this as a long-term strategy.
- These measures aim to accelerate the digital transformation of SMEs and promote the close integration of digital technology and the real economy.

1. Publish "Guide Indicators"
2. The "cluster-driven transformation" pathway
3. "small, swift, simplified, and targeted" services
Chinese Approach—–Publish "Guide Indicators"

- With "one guide, one indicator", China focuses on the actual needs of SMEs, continue to improve the paths so that SMEs are willing and active to transform, and promote the widespread adoption of digital transformation across more industries and a broader range.

- 《Digitalization Assessment Index for Small and Medium Enterprises (2022 Edition)》
  - digital infrastructure
  - digital operations
  - digital management
  - digital outcomes
  - over 200,000 online self-assessments numbers
  - over 30% the cloud adoption rate

- 《Digital Transformation Guide for Small and Medium Enterprises》
  - Taking the key scenarios as entry points
  - starting from a value-driven approach
  - addressing SMEs' primary concerns
  - Common scenarios
  - Corresponding solutions
### Chinese Approach——The "cluster-driven transformation" pathway

- China has developed innovative pathways such as "chain-like transformation" and "cluster-based transformation".

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<td><strong>《the Collection of Typical Cases of &quot;Chain-like&quot; Digital Transformation for SMEs》</strong></td>
<td><strong>Developing national-level special clusters for SMEs</strong></td>
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<td>4 typical models</td>
<td>over 200</td>
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<td>✓ technology empowerment</td>
<td>✓ Create supply chain collaboration platforms</td>
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<td>✓ supply chain empowerment</td>
<td>✓ Explore new &quot;cluster-based&quot; transformation models</td>
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<td>✓ platform empowerment</td>
<td>✓ the rational layout of digital infrastructure and computing power centers</td>
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<td>✓ ecosystem empowerment</td>
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<td>34 replicable cases</td>
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<td><strong>Establishing industrial internet platforms for vertical industries</strong></td>
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<td>✓ networked collaborative production;</td>
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<td>✓ mature digital empowerment expertise and practical examples</td>
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<td>✓ technology, talents, services, and data</td>
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The service products required by SMEs should be small, fast, simplified, and precise, such as the cloud-based software, low-code products, subscription software services etc.

- Enhancing the matching and suitability of digital tools with the needs of SMEs by developing digital products and solutions that are small, swift, simplified, and targeted.

- Building a series of digital transformation promotion centers, which will serve as physical operating spaces that integrate functions such as demonstration, diagnostic assessments, application promotion, and talents cultivation.

- Launching the SMEs Digital Services Festival, bringing together over 6,000 service providers, offering more than 22,000 low-cost, simplified digital products and services.
A Few Suggestions

- Continue to strengthen exchanges and mutual learning on digital policies.

- Collaborate to provide affordable digital infrastructure.

- Jointly promote coordinated transformation among large, medium and small enterprises.

- Jointly provide low-threshold and available transformation services.
As a National Innovation and Entrepreneurship Demo Center, CAICT established the Innovation and Entrepreneurship Management Research Center in 2016, who concentrated on the principal line of promoting the high-quality development of SMEs.
感谢观看

THANKS