

Knowledge management clusters for SMEs

The cluster approach has worked to augment the power of small entities through synergy and collaboration. Knowledge management (KM), a powerful tool to enhance SME productivity, is an area where clustering makes sense. In response to the continuing interest in KM in member countries, the APO in conjunction with the China Productivity Center (CPC) held a study meeting on Knowledge Clusters for SMEs in Asia in Taipei, 13–16 December 2011. Dr. Pao-Cheng Chang, President of the CPC, opened the meeting by addressing the 21 participants from 14 member countries. He emphasized that, “KM and related IT applications now make it possible for SMEs to establish strategic alliances and work more closely together than ever before.” Most participants represented SMEs, followed by NPOs, governmental agencies, NGOs, and business associations. They examined KM applications in SME clusters, analyzed the benefits and pitfalls of KM cluster approaches, and developed a methodology and steps for KM in SME clusters to enhance productivity.

Three resource persons, Ma. Theresa A. Agustin from the Philippines, Praba Nair from Singapore, and Dr. Atichart Harncharnchai from Thailand, provided theoretical and practical viewpoints on SME clusters, the APO KM framework for SMEs, and KM applications in SME clusters. Several key findings emerged from the study meeting. First, a majority of large firms in member countries practice KM although it is a newer endeavor for SMEs, fewer than half of which undertake KM at the cluster level. Second, in some cases SME clusters spontaneously form communities of practice by exchanging ideas without realizing that it is an element of KM. Third, most participants confirmed that their governments had policies to strengthen the capabilities of SMEs but fewer reported



Resource persons fielding questions. (L–R): Resource Persons Agustin and Nair, CPC President Chang, Secretariat Program Officer Masaya Amau, and Resource Person Atichart. Photo courtesy of CPC.

policies in place to support SME clusters in general or KM clusters specifically.

Study meeting participants recognized anew that KM can result in innovative, systematic approaches to strengthen SME clusters. Government and NPO participants hoped to promote KM under existing government and NPO schemes to develop SME clusters, as those schemes have already contributed significantly to increasing productivity. Based on inputs from the meeting, the APO Secretariat Research and Planning Department will conduct research on The Cluster Approach for SMEs in 2013, which will review the status of SME clusters in member countries, assess the roles of governments and NPOs in developing SME clusters, and make policy recommendations to member governments. The research results will also be used in planning future APO and NPO projects. 