



## PROJECT NOTIFICATION

Ref. No.: 21-CP-39-GE-WSP-A-PN2100063-001

<b>Date of Issue</b>	06 August 2021
<b>Project Code</b>	21-CP-39-GE-WSP-A
<b>Title</b>	Workshop on Digitization of SMEs in the Manufacturing Sector
<b>Timing and Duration</b>	28–30 September 2021 (three days)
<b>Hosting Country(ies)</b>	Japan
<b>Modality</b>	Digital Multicountry
<b>Implementing Organization(s)</b>	Japan Productivity Center and APO Secretariat
<b>Participating Country(ies)</b>	All Member Countries
<b>Overseas Participants</b>	19
<b>Local Participants</b>	12
<b>Qualifications of Participants</b>	Senior/mid-level managers of SMEs and senior officers and professionals of National Productivity Organizations (NPOs) and SME development agencies responsible for promoting digital transformation or developing programs to support SMEs
<b>Nomination of Participants</b>	All nominations must be submitted through NPOs of member countries
<b>Closing Date for Nominations</b>	8 September 2021

## 1. Objectives

- a. Discuss the latest, most effective methods for digital transformation of SMEs.
- b. Share best practices of digitization strategies for manufacturing SMEs.
- c. Develop a framework for NPOs to guide and fast-track the digitization of SMEs in APO member countries.

## 2. Background

In 2019, the APO published a research report on the status of digitization strategies for SMEs in member countries and their readiness to embrace the Fourth Industrial Revolution. Due to the different stages of economic development among member countries, the report observed that the approaches for preparing SMEs for digitization vary. Overall, however, the report noted that most member countries are still in the early stage of implementation and focusing on creating awareness of the benefits, educating stakeholders on the importance of adopting advanced technology, expanding internet access, and examining the level of investment needed for SMEs to embark on digital transformation (APO, Gearing Up to Industry 4.0, Digitization Strategies for SMEs, 2019).

The COVID-19 pandemic has accelerated the need for digital transformation to ensure business continuity and provide new revenue-generating opportunities. In October 2020, McKinsey & Company reported that companies had sped up digital technology adoption by three to four years and no longer considered it to be simply a method to increase cost efficiency. In addition, ADB Institute's research on the impact of the pandemic on Asian SMEs in 2020 concluded that online business had helped stabilize their profits.

Despite the inevitable direction toward digitization, issues and challenges such as a lack of management capabilities, resources, skills, access to ICT, and internet connectivity remain as obstacles that are hindering SME digitization initiatives. Regulations and rules may also slow efforts by SMEs to transform and venture into new fields supported by digital technology. With the pandemic far from over and SMEs comprising more than 95% of businesses in APO member countries, it is vital to assist them in digital transformation.

In collaboration with the Japan Productivity Center, the APO is organizing this virtual workshop to develop a framework to guide SMEs toward digitization for sustained productivity growth. It will also provide an opportunity for NPOs to exchange ideas on how to digitize current business models through productivity training and consultancy for SMEs.

## 3. Scope, Methodology, and Certificate of Attendance

The duration of each day's sessions will be around three hours comprising presentations by experts, group discussions, and other relevant learning methods. The indicative topics of the presentations are:

### Day 1:

- Impact of the pandemic and digitization response
- Digitization of manufacturing in Japan
- Smart transformation in selected member countries

### Day 2:

- Case studies of SME digitization in member countries
- How SMEs can achieve digital transformation

### Day 3:

- NPO's support for digitization of the manufacturing sector
- Opportunities and challenges in manufacturing SME digitization

The detailed program and list of speakers will be provided two weeks prior to the sessions with announcement of the names of the selected participants.

The participants are required to attend all sessions. This full participation is a prerequisite for receiving the APO certificate of attendance.

#### **4. Financial Arrangements**

- a. The APO will meet the assignment costs of overseas resource persons and honorarium for up to two local resource persons.
- b. The host country will meet the costs for a virtual site visit(s), either broadcast live or recorded as applicable.

#### **5. Implementation Procedures**

Please refer to the implementation procedures for APO digital multicountry projects circulated with this document.

A handwritten signature in black ink, appearing to read 'Mochtan', with a long, sweeping flourish extending upwards and to the right.

Dr. AKP Mochtan  
Secretary-General