

Improving Productivity in SMEs and Their Role in Global Value Chains

Puerto Vallarta, Jalisco, Mexico on May 15th-17th 2017

OBJECTIVES

The 13th INSME Annual Conference Meeting aims:

1. To understand specific issues that hinder SMEs from effective participation in global value chains
2. To identify opportunities to enhance SMEs productivity through innovation
3. To explore and adopt transferrable and measurable global best practices to catalyze growth of SMEs
4. To help SMEs access new channels and markets

BACKGROUND

Production processes are increasingly organized along **global value chains** (GVCs) in which the different stages of production are distributed across suppliers and producers in different countries. By effectively leveraging these value chains, small and medium-sized enterprises (SMEs) can competitively access new channels for their products and services, increase their productivity, expand their profitability and find new markets.

Competitiveness is a challenge for many SMEs because they suffer from ageing of manufacturing tools, low rates of robotization and digitalization and an overall power asymmetry between buyers and suppliers. To realize the benefit from participating in global value chains requires SMEs to enhance their managerial skills, increase their financial resources, comply with standards, upgrade their technological tools and processes and innovate continuously. These require smart investment and innovation choices for each SME.

SMEs also need a **conducive business environment** to successfully integrate into global markets. Governments and affiliated institutions play a fundamental role in the success of SME innovation because they create the business environment. The most supportive environment for innovation comes from collaboration between government, institutions and SMEs to upgrade their technical and business capabilities while reducing their regulatory burden.



The Conference is an opportunity to explore ideas to improve SME productivity in GVCs. Policy makers from the host country Mexico and OAS (Organization of American States) member countries engage in a constructive dialogue with INSME members and innovation stakeholders to improve SMEs competitiveness through innovation.



The 3 day program is focused on fostering creative collaboration on how to increase SME participation and competitiveness in global value chains.

Also the **International Exhibition** at the conference will showcase innovation projects, products and services from organizations attending the conference.

The first day on **May 15th** will be dedicated to activities related to the life of the INSME Network. In the morning, 4 workshops will be held enabling participants to gain a better understanding of specific topics and share experiences and best practices.

Workshop 1 - “Born-global” Companies

“Born global” firms view the world as their marketplace from their inception. They deploy differentiation strategies at an international level to gain market advantage while leveraging their technological or business assets, thus affecting established GVCs. The distinctive features of born global companies require a different set of policy instruments and a new supporting system.

Using a hands-on approach, the speaker will present the topic and then involve participants in interactive discussions.

Workshop 2 – Internet of Things and IPRs

Many high-tech SMEs are focused on commercialization of new technologies related to Internet of Things (IoT) i.e. selling services via advanced connectivity of devices with interoperable software. SMEs have to wrestle with challenges related to data security, privacy and IPR issues such as infringements of third parties’ rights.

Using a hands-on approach, the speaker will present the topic and then involve participants in interactive discussions.

Workshop 3- The Digitalization of SMEs

Digital transformation represents an unimaginable opportunity to SMEs to become nimbler, expand, and sell in larger markets.

Analysis of SME digital technology adoption to increase SMEs productivity and profitability will be discussed.

Using a hands-on approach, the speaker will present the topic and then involve participants in interactive discussions.

Workshop 4 – A New Tool for Scaling-up SMEs in Global Ecosystems

The tool presented allows SMEs to monitor their resources and develop a successful strategy to adapt to changing and complex environments. For SMEs located in developing and emerging countries, this approach

INSME - the International Network for Small and Medium Enterprises is a not for profit and legally recognized Association. Its aim is to strengthen international cooperation, exchange of know-how, best practice approaches and expertise in innovation and technology transfer among economic players and intermediaries worldwide. (www.insme.org)

INADEM – the National Institute of the Entrepreneur is a decentralized administrative office of Mexico’s Secretariat of Economy. Its tasks are implementing, executing and coordinating the national policy of inclusive support to entrepreneurs, small and medium-sized businesses, promoting innovation, competitiveness and national and international projection in the markets. (www.inadem.gob.mx)

OAS - the International Network for Small and Medium Enterprises is a not for profit and legally recognized Association. Its aim is to strengthen international cooperation, exchange of know-how, best practice approaches and expertise in innovation and technology transfer among economic players and intermediaries worldwide. (http://www.oas.org/en/)

will guide the effort to expand business opportunities, improve competitiveness and consolidate their role in global value chains.

Using a hands-on approach, the speaker will present the topic and then involve participants in interactive discussions.

In the afternoon of **May 15th**, the INSME General Assembly will gather (open to INSME Members and invited guests only).

On **May 16th** and **17th**, the International Conference will present state-of-the art and new perspectives related to the following:

Session I

The Open Innovation Paradigm and the Internationalization of R&D: challenges and opportunities for SMEs

Companies no longer rely on their internal knowledge and R&D efforts but look for new, more open sources of innovation. Both market supplies (*equipment, materials, components or software, other enterprises, commercial labs or private R&D institutes, etc.*) and institutional sources (*universities or other higher education institutions and government or public research institutes*) represent potential partners in innovation. The Open Innovation Paradigm implies a new mind-set and new and more complex forms of collaborations which pose challenges and opportunities for SMEs.

Panelists will analyze the new paradigm and discuss following issues:

- What are the most common and most effective sources of innovation for SMEs?
- How do SMEs acquire new technologies by collaborating with private or public R&D institutes?
- How can SMEs share their knowledge assets while keeping their uniqueness?

Session II

Digital Technologies as a Catalyst for International Growth and Productivity

A full-fledged industrial revolution is taking place implying that many traditional, industries and firms will have to adapt. The digital transformation gives an untapped opportunity to SMEs to become nimbler, expand, and sell in larger markets and new markets. But introducing digital technology is not just a toolkit to be developed, it requires an open collaborative innovation and management culture for linking people and technology. This session will analyze how SMEs can increase their productivity and growth by adopting digital technologies.

Panelists will discuss the following issues:

- Can best practices be highlighted in relation to the introduction of digital technology by SMEs in their production activities?
- What measures and policies can support SMEs in embracing the digital transformation?

Session III

Disruptive Business Models and the Sharing Economy

The last decade has seen the rapid rise of multi-sided software platforms acting as alternative suppliers of goods and services traditionally provided by long-established industries. The so-called Sharing Economy is a new phenomenon with disruptive business models that are revolutionizing many industries. For SMEs the implications are important in terms of increased competition and resource optimization and management. This session will review new business models focusing on their challenges and opportunities.

Panelists will discuss the following issues:

- What are the key components of these new business models for SMEs and where is there evidence of successful business models?
- What can business support organizations do to encourage the development of sharing-based businesses?

Session IV

Increasing SMEs' Productivity and Long-Term Growth on a Global Scale through Innovation

SMEs play an ever-increasing role in innovation both as users and actors and are driven by rapid changes in technologies and markets. However, innovation is the result of a range of complementary intangible assets (*R&D, software, human capital and new organizational structures*) that are lacking in a broad range of small firms. This factor largely explains productivity differences between small and large firms. In a fast changing world, it is important to focus on innovation-related factors that can enhance SMEs productivity and contribute to a business environment conducive to growth.

Panelists will discuss the following issues:

- What are the main challenges faced by SMEs in embracing an innovation-related business strategy and what are the successful best practices in implementing it?
- What is the impact of an innovation-related business strategy on SME productivity and enhancing their role in Global Value Chains?

Session V

Creating a Nurturing Environment for SMEs

As highlighted in the OECD “Bologna Charter on SME Policies” (2000) and the OECD “Istanbul Ministerial Declaration” (2004), an enabling business environment is a necessary condition for promoting SME integration into global markets. That environment is based on the rule of law, stable macroeconomic policies and well-designed structural policies. Supportive policies are associated with competition, international trade and investment, financial markets, labor markets and education, and include human resources capacity building for internationalization. SMEs need an environment where they can access finance, technology and skills. Creating this environment requires closer collaboration within the “Triple Helix” (*Governments, Public Institutions, Enterprises and Higher Education Institutions*).

Panelists will discuss the following issues:

- What are the best practices in terms of collaboration among the “Triple Helix” actors in promoting SME access in Global Value Chains?
- How can an enabling business environment minimize the negative impacts of globalization on SMEs and facilitate their integration into the global market?

Session VI

Engaging SMEs in Global Value Chains

Participation in global value chains can foster stability for SMEs and allowing increased productivity and expansion. The current phase of globalization is going through important modifications in the relationships among partners throughout the value chain. Greater exposure to new business practices and more advanced technologies of multinational enterprises (MNEs) can contribute to the necessary upgrading of SMEs’ technological and human assets. In contrast, on-going re-orientation of production locations can have a negative impact on SME performance.

Panelists will discuss the following issues:

- Which factors can enhance the role of SMEs in Global Value Chains?
- What are best practices in facilitating the technological upgrade of products and processes through information and financial support measures?
- Which best practices can be highlighted in MNE-SME linkages and which principles are related to such practices?



LOCATION:

International Convention Center of Puerto Vallarta
Paseo de las Flores N. 505 Col. Villa las Flores Puerto Vallarta, Jalisco C.P. 48335, Mexico. Tel. +52 (322) 226 2870

AGENDA

Monday – May 15th 2017		INSME Annual Meeting
9.00 - 9.30	<i>Registration and welcome coffee</i>	International Exhibition
9.30 - 10.30	Workshop 1 – “Born-global” Companies <ul style="list-style-type: none"> Nava Swersky Sofer * – President, International Commercialization Alliance-ICA, Canada/Israel 	
10.30 - 11.30	Workshop 2 – Internet of Things and IPRs <ul style="list-style-type: none"> Elio De Tullio – Italian Attorney-at-Law and Lawyer, Registered European and Italian Trade Mark & Design Attorney, De Tullio & Partners, Italy Rapporteur: <ul style="list-style-type: none"> Simona Marzetti – Italian Patent and Trademark Office, Head of International Affairs, Ministry of Economic Development, Italy 	
11.30 - 12.30	Workshop 3 – The Digitalization of SMEs <ul style="list-style-type: none"> Alan Wilkins – Executive Member, Global Coalition for Efficient Logistics-GCEL, Switzerland 	
12.30 - 13.30	Workshop 4 – A New Tool for Scaling-up SMEs in Global Ecosystems <ul style="list-style-type: none"> Maarouf Ramadan – Associate Professor, Kedge Business School, France 	
11.30 - 13.30	INSME Board Meeting <i>INSME Board Members only</i>	
13.30 - 14.30	<i>Lunch and Networking</i>	
14.30 – 15.00	Report out by Workshops Rapporteurs	
15.00 – 17.00	INSME General Assembly <i>INSME Members and invited guests only</i>	
18.00 - 20.00	Networking Cocktail <i>Puerto Vallarta International Convention Centre</i>	

Tuesday – May 16 th 2017		INSME International Conference
8.30 - 9.00	<i>Registration and welcome coffee</i>	International Exhibition
9.00 - 9.30	Joint INSME / OAS / OECD / SELA Opening Ceremony Responding to the Challenges of SMEs in the International Context <ul style="list-style-type: none"> Jorge Aristoteles Sandoval Diaz - Governor of State of Jalisco, Mexico Sergio Arzeni - President, INSME, Italy Alejandro González Hernández- Coordinator of Strategic Planning, INADEM, Mexico Maryse Robert - Director, General Secretariat, OAS, United States of America 	
9.30 – 10.30	Keynote Presentation <ul style="list-style-type: none"> Ildefonso Guajardo Villarreal - Minister of Economy, Mexico 	
10.30 - 11.00	<i>Coffee break</i>	
11.00 - 12.00	Improving Productivity in SMEs and Their Role in Global Value Chains Keynote Presentation: <ul style="list-style-type: none"> Frank J Devlyn - President and CEO, Devlyn Optical Group, Mexico Discussion with the floor	

12.00 - 13.00	<p>Session I The Open Innovation Paradigm and the Internationalization of R&D: challenges and opportunities for SMEs</p> <p>Moderator:</p> <ul style="list-style-type: none"> • Hamsa Thota - President, Innovation Business Development-IBD, United States of America <p>Speakers:</p> <ul style="list-style-type: none"> • Damian Testori * - Chief of Staff of the Undersecretariat of SMEs, Ministry of Production, Argentina • Daniel Arango * - Vice Minister of Trade, Industry and Tourism, Colombia* • Ana María Rivas – Director. CIEF Incubation Program, ITESM CCM, Mexico <p>Discussion with the floor</p>	
13.00 - 14.30	<p><i>Lunch and networking</i></p>	
14.30 - 15.30	<p>Session II Digital Technologies as a Catalyst for International Growth and Productivity</p> <p>Moderator:</p> <ul style="list-style-type: none"> • Andrea Di Anselmo - Founder & Vice President, META Group, Slovenia & Vice President, INSME, Italy <p>Speakers:</p> <ul style="list-style-type: none"> • Gregory Bird - Deputy Secretary General, Global Coalition for Efficient Logistics- GCEL, Switzerland • Chuck Russel - Board Member, Global Trust Registry-GTR & Chairman and CEO, BestWork DATA, United States of America • César Cardenas Pérez- Director- Innovation Center of the Internet of Things- ITESM Campus Guadalajara, Mexico. • Alfredo Sánchez – CEO, iCluster - Co-Chair, MUSEIC, Mexico. <p>Discussion with the floor</p>	
15.30 - 16.30	<p>Session III The Sharing Economy and Disruptive Business Models</p> <p>Moderator:</p> <ul style="list-style-type: none"> • Jay Mitra - Professor, Essex Business School, United Kingdom <p>Speakers:</p> <ul style="list-style-type: none"> • Elfid Torres – CEO, Fundes, Mexico • Anatoli Beifert * – Head of EU Project Centre, Wismar University of Applied Sciences: Technology, Business and Design, Germany • Ariel Hernán Galli * – Laboratory Head in the Water Chemistry Lab, Instituto Nacional de Tecnología Industrial-INTI, Argentina • Dario Mazzella * – Project Manager, META Group, Italy • Jeff Readman * – Course Leader MBA Programme, Brighton Business School, United Kingdom <p>Discussion with the floor</p>	
16.30 - 18.30	<p>Drafting session of the “INSME Conclusions” from Innovation Practitioners and Experts <i>(Internal meeting)</i></p>	
20.00 - 22.00	<p><i>Gala Dinner</i> <i>The Gala Dinner will take place at Puerto Vallarta Port</i></p>	

8.30 - 9.00	<i>Registration and welcome coffee</i>	International Exhibition
9.00 - 10.00	<p>Introductory Remarks by INSME and OAS</p> <ul style="list-style-type: none"> • Sergio Arzeni- President, INSME, Italy <i>Presentation of the “INSME Conclusions” from Innovation Practitioners and Experts</i> • Maryse Robert - Director, General Secretariat, OAS, United States of America 	
10.00 - 11.00	<p>Session IV Increasing SMEs’ productivity and long-term growth on a global scale through innovation</p> <p>Moderator:</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Jonathan Potter - Senior Economist, OECD • Juan Carlos Elorza *- Director, Productive and Financial Development, Corporacion Andina de Fomento-CAF, Venezuela • Mauricio Moscoso *- Director for SMEs, Ministry of Production, Peru <p>Discussion with the floor</p>	
11.00 - 11.30	<i>Coffee break</i>	
11.30 - 13.30	<p>Session V Creating a nurturing environment for SMEs</p> <p>Moderator:</p> <ul style="list-style-type: none"> • Essam Disi *- Director, Strategy and Policy, Mohammed Bin Rashid Est. for SME Development (Dubai SME), United Arab Emirates <p>Speakers:</p> <ul style="list-style-type: none"> • Jaime Del Castillo - Professor of the Department of Applied Economy; Basque Country University UPV-EHU, Spain • Maria Fonseca – Director, Business School, ITESM CEM. <p>Discussion with the floor</p>	
13.30 - 14.30	<i>Lunch and Networking</i>	
14.30 - 16.30	<p>Session VI Engaging SMEs in Global Value Chains</p> <p>Moderator:</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Leonardo Iacovone - Representative for Mexico and Colombia, World Bank, United States of America • Maria Lucia Castrillon Simmonds * – Director, PROPAIS, Colombia <p>Discussion with the floor</p>	
16.30 - 17.00	<p>Conclusions</p> <ul style="list-style-type: none"> • Giovanni Zazzerini – Secretary General, INSME, Italy • Ivan Ornelas Diaz – Coordinator of the International Area, INADEM, Mexico 	

*Speakers to be confirmed

Translation service from English to Spanish and vice-versa will be provided.