

# SMBA on Innovation

Small and Medium Business Administration

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## Dissemination Support Corps Inaugurated

# Green Dream SMEs

On January 27, SMBA and SBC (Small & medium Business Corp.) jointly held a ceremony to launch the 'SME Green Management Dissemination Support Corps' at SBC's head office on Yeoido Islet, Seoul.

The Green Management Dissemination Support Corps will supply green management technique guidelines, organize green management forums and seminars and also play the role of developing, managing and operating detailed projects to spread green management.

To be established at SBC's SMEs Technology Support Center in Ansan City, Gyeonggi-do, the support corps will consist of seven private and government experts and utilize the pool of business support corps at regional SMBAs.

For dissemination of green management to SMEs, furthermore, SMBA plans to promote the following policies starting this year.

Through operation of the Green Management Dissemination Support Corps, SMBA plans to create infrastructures required to spread green management, including establishment of a green management information portal, cultivation of green experts and development and supply of SME-type green management techniques.

To support low-carbon, green growth leader enterprises, SMBA intends to assess the green management levels of SMEs based on green management criteria and indices developed jointly with related ministries and select 'Excellent Green-Biz' SMEs and provide them with preferential treatment through policy support.

Through green management diagnosis and improvement programs, SMBA plans to diagnose SMEs' green management level, suggest substantial direction and develop solutions for them. SMBA also intends to promote 'Small & Medium Green SCM' projects designed to support the joint response of SMEs that export to multinational





## A Solution to Unemployment

# Shining Value of One-Person Creative Cos.

To pursue resolution of youth unemployment and job creation, SMBA decided to strengthen its support policies further for one-person creative enterprises this year.

SMBA focused on the early creation of infrastructures to facilitate the business activities of one-person creative enterprises in 2009.

In 2010, however, SMBA plans to support one-person creative enterprises by growth stage, from identification of excellent ideas and management activities to take-off, based on the already-established infrastructures and to actively nurture excellent one-person creative enterprises.

### Initial Stage

Identify one-person creative enterprises that have secured creative ideas and accelerate related start-ups

- o Identify one-person creative student enterprises utilizing mobile-based open markets: Jointly with universities, identify 1,000 excellent students for one-person creative enterprises and support the sale of their ideas

after implementation of specialized education

- o Commercialization of ideas: Identify excellent ideas in terms of nine knowledge service fields, including games, cartoons, characters, animations and knowledge-information services, and support about 100 tasks for the manufacture of test products, survey of consumer reaction and marketing
- o Development of connected technologies: Support 25 tasks when SMEs develop technologies utilizing one-person creative enterprises having new technologies and excellent ideas
- C&D (Connect & Development): One kind of open-type R&D method that develops value-added products after integration of internal and external intellectual properties

### Growth Stage

Provide assistance funds and support for securing projects required by one-person creative enterprises in the course of

## &lt;Custom-tailored Support by Stage&gt;



their business activities and implement capability reinforcement education

- o Business centers: Provide working space and management-support services like legal and tax affairs consulting through 21 business centers designated and established nationwide

**Takeoff Stage**

Strengthen publicity for one-person creative enterprises that have advanced to the growth stage and spread their success sentiment throughout the nation

- o Exhibition: Expand the present one-person creative enterprise 'Dream Bus' system (5 units presently in

operation centering on Seoul) to local autonomous bodies, Daegu, etc., and install booths to exhibit the products of one-person creative enterprises at key KTX stations for establishment of regional networks

- o Publicize success practices: Hold a success forum every year on a regular basis, stimulate self-pride through presentation of prizes, etc. for excellent one-person creative enterprises and organize & broadcast publicity programs through mass media
- o Strengthen cooperation with local autonomous bodies: Spread the policy cooperation practices of Seoul City to other local autonomous bodies (3 cities) and nurture regional one-person creative enterprises jointly with local autonomous bodies

## Support for Commercialization of Knowledge Service Ideas

SMBA has decided to strengthen its support for commercialization of ideas in the knowledge service fields in an effort to activate start-ups by young persons and create new jobs.

Since its announcement of model businesses for cultural content in March 2009, SMBA has promoted activation of one-person creative enterprises.

Based on last year's model businesses, in 2010, SMBA intends to identify and select about 100 excellent cultural content ideas in nine business types of the cultural content field, including cartoons, games, characters, animations, movies and broadcastings, and in the IT field, including e-learning, information service, etc.

For the 2010 tasks, which are about three times the model businesses launched last year, SMBA intends to support their commercialization and also intends to

increase the scope of support and budgets on a step-by-step basis.

A related SMBA official said, "As this project is being introduced for the first time this year after model businesses implemented in 2009, SMBA plans to actively help those enterprises that succeeded in commercialization to secure sales channels in linkage with App Store (Application Store), a mobile-based e-marketplace that is growing rapidly of late."

He added, "While supporting the success of commercialization also through diverse methods, such as publicity utilizing public media, including broadcasting, investment inducement and holding of purchasing consultation meetings, SMBA will pursue policies in a direction to become substantially helpful for start-ups with excellent ideas by providing support with links to existing policies for one-person creative enterprises."



## Briefing on SME Policy Initiatives for 2010

On Jan. 27, SMBA Administrator Hong Suk-Woo gave a briefing on SME policy initiatives for 2010 at the Conference Room of Korea Federation of Small and Medium Business (Kbiz). The Administrator's presentation focused on five grand policies and directions, including support for job creation, recovery of economic vitality and productivity enhancement, investment promotion and overseas market exploitation.



## MOU for Cultivation of Digital Merchants

SMBA concluded an MOU with Auction Co., Ltd., G-market and Korea Merchant Association on Jan. 20 to nurture digital merchants at traditional markets so that the merchants can increase online sales with an easy advance into Internet shopping malls.



## Breakfast Forum with SMBA Administrator

On Jan. 19, Gyeonggi Small & Medium Business Center (GSBC) held a breakfast forum at its Grand Conference Room and invited SMBA Administrator Hong Suk-Woo. In his remarks, Administrator Hong said, "As we can hardly expect large enterprises to create jobs now, job creation is SMEs' role and SMEs should create jobs through corporate expansion and business start-ups."



## Merchants' CEO Academy Matriculation Ceremony

SMBA Administrator Hong Suk-Woo attended the CEO Academy matriculation ceremony held on Jan. 16 at the Cheonan Sangnok Resort, in Cheonan City, for about 50 merchants selected from applicants nationwide and shouted 'Fighting!' together with the merchants.



## SMBA Administrator Visits PCB Firm in Incheon

On Jan. 12, SMBA Administrator Hong Suk-Woo visited a PCB maker, Seil Electronics Co., Ltd., in the Namdong Industrial Complex in Incheon City as part of his corporate site visit tour after presiding over the 'January Regional SMBA meeting' held at the Incheon SMBA on the same day.



## 'Public Purchase Violation Report Center' Established

The Korea Federation of Small and Medium Business (Kbiz) established 'Public Purchase Violation Report Center' at the SMBA Building on Yeoido Islet and held a plaque hanging ceremony on Jan. 13. Public purchase is a national support system designed to stimulate SME business through expansion of sales channels for SMEs.

Proud SME Entrepreneurs of December

# Korean Laver Exporters Cited



On December 29, SMBA and Korea Federation of Small and Medium Business (Kbiz) selected President & CEO Kim Duk-Sool of Sam Hae Commercial Co., Ltd. as 'Proud Entrepreneur of December 2009.'

Prior to his inauguration as CEO in 2005 after a succession of home businesses, President Kim had contributed significantly to the export of Korean laver through ceaseless development of new products, acquiring a world-class product certificate in 2002. As CEO, he achieved sales of 37.4 billion won in 2008.

Owing to Kim's active efforts for exploitation and expansion of markets, exports of Sam Hae Commercial increased about 260%, from US\$5,758,000 in 2005 to US\$15,435,000 in 2008. Sam Hae also received the 'US\$10 Million Export Tower' in 2007.

At present, exports of Korean laver are increasing sharply every year from US\$2.8 million in 1991 to US\$10 million in 1995 and US\$86 million in 2008. Sam Hae accounts for about 18% of the total, taking the lead in the export of Korean laver.

Of particular note, Sam Hae pioneered a new consumption market in Thailand where exports of Korean laver had been insignificant and played a decisive role in increasing exports of Korean laver to the country, from US\$679,000 in 2005 to US\$11,381,000 in 2008. Presently, Sam Hae has an 80% share of Korean laver exports to Thailand.

In recognition of its excellent product quality and stability, Sam Hae was selected as a 'Promising Export SME to Japan' and is helping to publicize the excellence of Korean laver.

Since assuming the chairmanship of the Federation of Korean Laver Industries in October 2009, President Kim has been exerting efforts to enhance the competitiveness of Korean laver industries, establish a sound distribution structure, create greater domestic demand for laver and protect consumers.

President Kim said, "I intend to manufacture 'Myoungga Kim (famous-house laver)' that responds proactively to the globalization of gourmet culture and pursuit of well-being and win customer emotion." He revealed, "I will develop 'Kim (laver),' a sea vegetable produced in cold winter, into nutritious and healthful food for people around the globe as well as for Koreans."



## Newly Established Corporations in Nov. '09 Up 40.8%

The number of newly established corporations in November 2009 reached 4,690, a year-on-year increase of 40.8% (1,359), posting a sixth consecutive monthly rise, while also reflecting an increase of 3.3% (150) compared with the preceding month.

In November newly established corporations hit a record high since 2003. The cumulative number of newly established corporations through November (51,406) also exceeded the average cumulative number of the past five years (51,204).

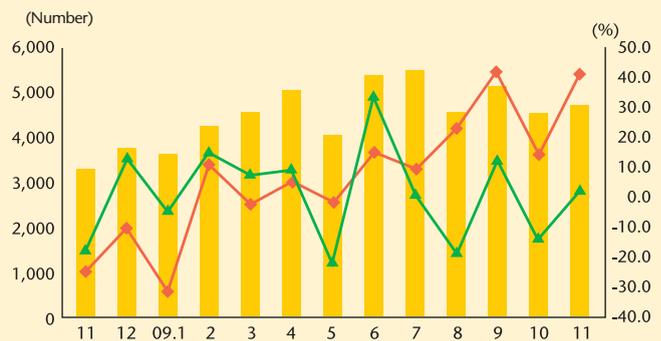
According to the 'Trends of Newly Established Corporations in November 2009,' the number of all business types increased except for a small decrease (-2.0%) in the manufacturing sector. In particular, manufacturing and construction businesses have maintained a high growth trend since February and May, respectively, year-on-year. Service businesses increased for the fourth consecutive month due to increases in conversion into wholesale and retail businesses (-0.7% → -16.6%) and continued growth in information service businesses.

The number of newly established corporations increased in all regions year-on-year. However, seven

cities and provinces, including Jeonnam and Gangwon, decreased month-on-month, while increases were recorded in 12 cities and provinces, including Seoul and Daegu.

- The ratio of the eight largest cities, Seoul, Busan, etc., was 59.3%, up 2.0 percentage points, and that of the capital sphere also increased 4.0 percentage points.

### Monthly Trends of Newly-Established Corporations



	11	12	09.1	2	3	4	5	6	7	8	9	10	11
No. of Newly-Established Corporations	3,331	3,797	3,664	4,227	4,564	5,038	4,029	5,393	5,501	4,567	5,193	4,540	4,690
Year-on-Year Change (%)	-24.1	-10.6	-30.8	10.4	-2.3	5.2	-2.0	15.7	9.9	23.0	41.5	14.2	40.8
Month-on-Month Change (%)	-16.2	14.0	-3.5	15.4	8.0	10.4	-20.0	33.9	2.0	-17.0	13.7	-12.6	3.3

## 32.4 Billion Won to Support Start-up Biz Incubators

The government plans to expand its support for establishment of business incubators (BIs) specializing in new growth engine fields, including cultural content.

Accordingly, a total of about 18 new start-up BIs - three green technology-specialized BIs and 15 BIs for specialized education of start-up enterprises - are expected to be established.

Under the plan, SMBA intends to accommodate about 500 new preliminary start-up enterprises or start-up enterprises at an initial stage by 2011 so that they can secure appropriate business space and utilize various incubation services, marketing support, etc.

After designation as start-up BI center businesses, institutions can receive educational, financial and

marketing channel support, together with tax incentives for the purchase of start-up education-related real estate, including exemption of acquisition tax and registration tax.

279 start-up BIs have been designated and are presently in operation centering on universities and research institutes. The support achievements of these BIs are exceptional, realizing 2.3 trillion won in sales in 2009 alone through incubation of about 4,700 start-up enterprises.

The BIs have been carrying out the role of a centripetal axis for technology start-ups over the past 10 years, with about 50% of the total tenant enterprises participating in industry-academia-research institute projects.

Expansion of Fund of Funds

# Invigorate Ventures, Create Jobs

The government's efforts to create good-quality jobs through expanded investment for SMEs and venture companies are expected to go into full swing.

Placing the highest priority for 2010 investment projects by the fund of funds on 'job creation,' SMBA decided to provide 200 billion won as a supporting organization of a venture investment union. This investment union is scheduled to be organized in March with Korea Venture Investment Corp. (KVIC) set to receive applications starting in January,

Accordingly, SMBA gave public notice of the first 100 billion won-scale investment project on January 12 through Korea KVIC, while planning to promote an additional investment project in May this year.

The fund of funds, the creation of which started in 2005 to secure stable investment resources for SMEs and venture companies, realized its earlier target of one trillion won (1.0451 trillion won) in 2009.

With the inducement of 2.088 trillion won in private investments into the venture investment market and organization of a 3.93 trillion-won investment union compared with



the funds invested by the fund of funds, the effort has realized a high investment multiplier effect of about 3.8-fold so far.

Comparing the situation before and after introduction and creation of the fund of funds, annual organization of new funds and new investment scale have expanded over 40% and 20%, respectively, contributing significantly to the qualitative and quantitative growth of the venture investment market.

(Unit:100 million won, annual average)

Category	Before Introduction ('02 ~ '05)	After Introduction ('06 ~ Nov. '09)	Change
Organization of New Funds	8,430	11,812	up 40%
New Investment Scale	8,404	10,108	up 20%

(Continued from p1)

## Green Dream SMEs

enterprises abroad and their cooperating companies. To enhance SMEs' capabilities of responding to greenhouse gas reduction issues in advance, SMBA plans to promote a 'Greenhouse Gas Inventory Establishment Support Project' as well.

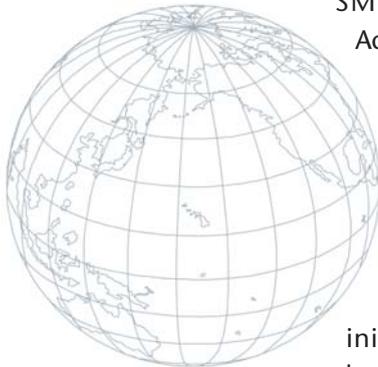
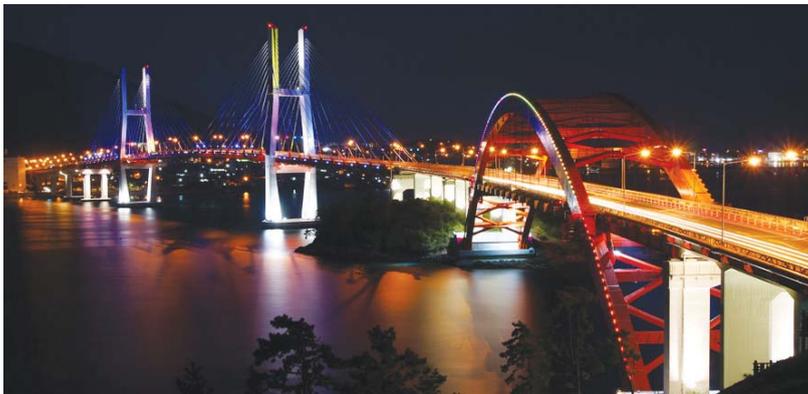
To support green factories that accelerate greenization of all enterprise sites, SMBA intends to support 'Development of Greenization Technologies for Manufacturing Sites' and 'Development of SMEs' Green Design Technologies', which are R&D support businesses.

## Presidential Award for Customer Satisfaction

# Innovative & Communicative



The Small & Medium Business Administration (SMBA) won the Presidential Award for Customer Satisfaction Policies on Dec. 29, being recognized for its SME policy making & implementation tailored to the requirements of citizens, enterprises, etc.



SMBA, under the leadership of Administrator Hong Suk-Woo, has developed and implemented innovative, creative and communicative policies amid nationwide efforts to overcome the global economic crisis.

Cited as SMBA's excellent policy initiatives, based on exemplary analysis of on-site obstacles and development of appropriate solutions, were:

Reflection of diverse voices from the sites of SMEs

- SMBA organized 98 communication forums and listened to and responded to 1,491 cases of difficulties and recommendations through 36 site visits for dialogue with about 1,700 SMEs.

Operated 'Communication Venue Management System' designed to settle collected difficulties and recommendations

- SMBA replied to the issues raised at communication forums by letter and publicized them on its homepage, thereby enhancing rapid resolution and transparency.

- For resolution of chronic SME difficulties, SMBA designated May and July as 'Month for Policy-Experiencing', during which its 456 employees responsible for policy matters implemented 318 cases of 'Policy Experiencing' and supported system improvement.

- SMBA induced the active participation of all its employees and provided incentives, including presentation of prizes to excellent divisions and employees.

Improved small but important life-sympathy-type business restrictions in the micro business field, and business environments, alleviating burdens of micro entrepreneurs.

- SMBA eased restrictions on business areas so that small-sized rice cake manufacturing sites of less than 33m<sup>2</sup> could buy rice for processing and also allowed restaurants to use Noraebang (singing room) equipment for banquets on their 60th and 70th anniversaries

Under the SMBA measures, expense reduction effects at 1.77 million businesses, such as restaurants, public bathrooms, rice cake manufacturers and retailers, are expected to reach about 300 billion won per year.

For those issues requiring improvement among 110 cases of difficulties and recommendations identified through experts, tax accountants and consultants, SMBA plans to continue efforts to reflect them in consultations with related ministries in the future.

In Pursuit of Regional Prosperity

# Ignite SME Innovation in



Showcasing the nation's outward-looking SME policies, Korea is committed to making full efforts to support the innovation drive in APEC. According to the APEC SME Innovation Center, headquartered in Seoul, the 2010 program includes APEC SME Innovation Seminar, Innovation Education, Innovation Consulting, Korea-Japan Business Matchmaking, Dispatch of Korean SME Specialists, etc. The regional-oriented SME programs are described below.

## 2010 APEC SMEIC Innovation Seminar

The APEC SME Innovation Center (SMEIC) will host the 2010 APEC SME Innovation Seminar on June 7 (tentative date) in Hong Kong, linked with the meeting of the APEC SME Working Group in the same city.

The central Asian venue and timing were chosen to maximize convenience for participation in the seminar, which is being designed to generate opportunities to improve APEC members' capacity to implement and assess SME policies through the sharing of related information and experiences.

In particular, the seminar participants are expected to decide whether to pursue a second cycle of the Daegu Initiative on SME Innovation Action Plan.

## Innovation Education Workshop

This year's innovation education workshop will focus on the presentation of Korea's expertise and experience in SME development. Inviting policymakers and entrepreneurs, the forum aims to provide lessons in development that can eventually be tailored to specific models that match the environments in each economy in the region.

The main content of the workshop will be presentations on Korean SME support policies as well as on Korean economic development history. These will be followed by an open discussion of SME innovation policy cases of the participating economies.

## APEC SME Innovation Consulting

One of the primary missions of the center is to provide technology management analysis and consulting with the dispatch of specialists in the required fields to SMEs in developing countries throughout the region.

Based on intensive and extensive analysis of pilot innovation consulting projects conducted in Indonesia, the Center will expand its projects in terms of scope, quality and beneficiary economies.

## Dispatch of Korean SME Policy Specialists

The program to dispatch Korean SME specialists to developing economies in the region is designed to offer Korean economic and SME development experience that helps policymakers and supports development plans.

The program features research and analysis tailored to the needs of each economy.

*(Continued on p11)*



## Financing for Developers & Users

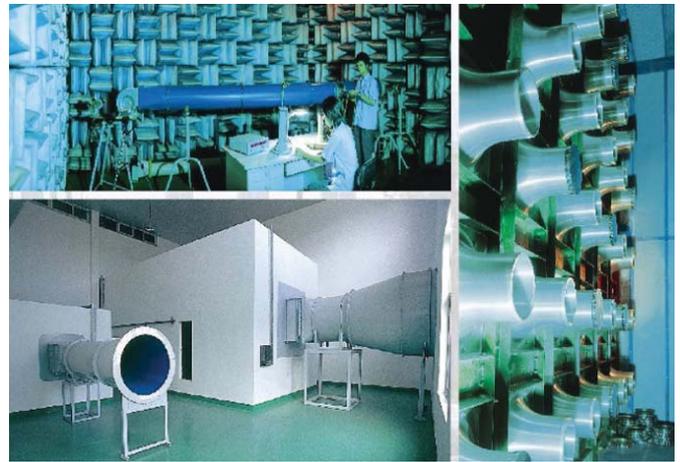
# Smoke Tech Transfer to SMEs

To identify excellent technologies that can be commercialized by SMEs, SMBA is soliciting technologies that universities and research institutes intend to transfer to SMEs.

Starting this year, SMBA plans to allocate government R&D funds only for those technologies identified through technology demand surveys at public research institutes.

This measure is designed to increase commercialization of the tasks that are transferred to SMEs by actively utilizing public research institutes equipped with excellent R&D infrastructure and capabilities for commercializing transferred technologies.

To ensure that SMEs can obtain transfer of really necessary technologies, SMBA also plans to hold technology roadshows and provide assistance for the matching of public research institutes and SMEs and for



facilitating technology transfer contracts.

According to the technology transfer status of public research institutes, the number of institutes that own transferable technologies increased to 201 in 2008 from 178 in 2007, and those institutes that had a record of technology transfer also increased to 137 in 2008 from 118 in 2007.

*(Continued from p10)*

## Ignite SME Innovation in APEC

A team of policy specialists and professionals will be composed based on the research and needs analysis and dispatched to conduct on-site surveys and write related reports.

### Korea-Japan SME Business Matchmaking

A Korea-Japan Business Matchmaking Session will be held to generate opportunities for innovative SMEs to access new markets.

About 20 Korean small and medium enterprises will be selected to participate in the bilateral business matchmaking session with prospective partners from the neighboring economy.

The Korean side will conduct a collective education session for the Korean participants in order to help them successfully generate new business collaboration

with their Japanese counterparts.

### Communication Portal & Newsletter

The Center will continue to upgrade its portal ([www.apec-smeic.org](http://www.apec-smeic.org)) to facilitate 24-hour round-the-clock communication among APEC SMEs engaged in innovation. The content will be reinforced to focus on real-time updates of innovation activities and to serve as a knowledge generator to fuel the progress of SME innovation in the region.

Of particular note, the advantages of networking and clustering for innovation will be applied to website operation. For example, cross-border links with technology-transfer-related organizations will be utilized to strengthen the foundation for global cooperation of APEC-member economies.

# '10 Korean SME Pavilion Program at O'seas Exhibitions

(January-March)

No.	Name	Date	Place	Managed by
1	SHOT SHOW	10.01.02~10.01.02	Las Vegas, America	Korea Bag & Luggage Industry Cooperative
2	Hong Kong Toys & Games Fair 2009	10.01.04~10.01.07	Hong Kong, China	Korea Toy Industry Cooperative
3	ARAB LAB 2010	10.01.10~10.01.13	Dubai, Arab Emirates	Korea Scientific Instruments Industry Cooperative
4	IFF 10/11 F/W	10.01.14~10.01.16	Tokyo, Japan	Korea Fashion Association
5	GTE 2010	10.01.16~10.01.19	New Delhi, India	Korea Sewing Machinery Industry Association
6	Macau Jewelry Show	10.01.21~10.01.24	Macao, China	Korea Federation of Jewelry Industry Cooperatives
7	AHR expo 2010	10.01.25~10.01.27	Orlando, America	Korea Refrigeration and Air Conditioning Association
8	ARAB HEALTH 2010	10.01.26~10.01.29	Dubai, Arab Emirates	Korea Medical Devices Industrial Coop. Association
9	Informex USA 2010	10.01.27~10.01.30	San Francisco, America	Korea Pharmaceutical Traders Association
10	Paper World	10.01.31~10.02.03	Frankfurt, Germany	Korea Stationery Industry Cooperative
11	CSTB 2010	10.02.02~10.02.05	Moscow, Russia	Korea Digital Convergence Association
12	2010 S/S MUNICH FABRIC START	10.02.03~10.02.05	Munich, Germany	Korea Textile Trade Association
13	Texworld USA 2010 S/S	10.02.03~10.02.05	New York, America	Korea Federation of Textile Industries
14	2010 International Toy Fair Nuernberg	10.02.04~10.02.09	Nurenberg, Germany	Korea Toy Industry Cooperative
15	2010 S/S PREMIERE VISION	10.02.10~10.02.13	Paris, France	Korea Textile Trade Association
16	Quadrum SACA - 2010	10.02.18~10.02.21	Bologna, Italy	Korea Frame & Moulding Association
17	3 AFJ 2010	10.03.03~10.03.06	Hong Kong, China	Namdaemun Accessory Cooperative
18	Hong Kong International Jewellery Show	10.03.05~10.03.09	Hong Kong, China	Korea International Trade Association
19	Komipa	10.03.08~10.03.09	Tokyo, Japan	Korea Martial Industrial Promotion Association
20	Aeedc Dubai 2010	10.03.09~10.03.11	Dubai, Arab Emirates	Korean Dental Trade Association
21	Security Show 2009	10.03.09~10.03.12	Tokyo, Japan	Korea Information Security Industry Association
22	Sino Pack 2010	10.03.09~09.03.11	Guangzhou, China	Korea Packaging Machinery Association
23	Intertraffic Amsterdam 2010	10.03.23~10.03.26	Amsterdam, Netherlands	Korea Parking Systems Industry Cooperative
24	lledx Vietnam 2010	10.03.25~10.03.27	Hanoi, Vietnam	Korea Animal Health Products Association
25	Asia Pacific Maritime 2010	10.03.24~10.03.26	Singapore, Singapore	Korea Marine Equipment Traders Business Association
26	APLF (MMT) 2010	10.03.29~10.04.31	Hong Kong, China	Korea Tanner's Association
27	Intertextile Beijing Apparel Fabrics	10.03.30~10.04.01	Beijing, China	Korea Fashion Textile Association

