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## Business development services

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This chapter examines how to strengthen business development services for start-ups and scale-ups in the Chiang Mai and Chiang Rai advanced agriculture and biotechnology and food-for-the-future cluster. It covers advice, consultancy, mentoring and management training. It starts by proposing avenues for improving business development services in Thailand, including by creating a more integrated business development services system, developing more online support, introducing a voucher system and expanding mentoring. It then focuses on creating a new “fast-track” strand of support for start-ups and scale-ups with innovation and exporting potential. Features include connections with private suppliers, a client-centred approach, and a structure to co-ordinate business development services suppliers in the cluster. The role of business incubators in business advice is also briefly discussed. The chapter ends with conclusions and recommendations.

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## Introduction

Business development services (BDS) can be broadly defined as services that aim to improve the performance of user enterprise, for example its access to markets and its ability to compete. They may refer to information, training, consultancy and advisory services, marketing assistance, technology development and transfer, and business linkages promotion (Committee of Donor Agencies for Small Enterprise Development, 2001).

Governments take different approaches to meeting the BDS needs of start-ups and scale-ups (OECD, 2020). Providing a full range of services through a network of public institutions is a valid option in certain conditions. This is most relevant when private sector consultancy services in the country are underdeveloped, when there is lack of availability or access for start-ups and scale-ups to these private services, or when the nature of the services is not fully sensitive to the needs of start-ups and scale-ups. However, if the market of external consultants is relatively well-developed, public services may crowd-out the private sector, which should be avoided (OECD, 2017).

Government policies can add value to existing BDS offers in various ways, in particular by providing financial support to start-ups and scale-ups to encourage their use of the services, helping firms to understand their business needs through an initial company diagnostic, and referring firms to service providers of proven quality relevant to the type of services needed (OECD, 2017, 2018a).

The role of an SME agency in the provision of BDS will differ depending on the market conditions affecting the access of SMEs to private sector services. Most commonly, governments adopt a mixed approach whereby the government delivers some of the services, usually basic information and advisory services, and draws on private sector expertise to provide more sophisticated technical advice and assistance. In the mixed approach, governments may partner with private and/or civil society organisations (e.g. universities, chambers of commerce) to extend the reach of BDS to SMEs in local communities or to special target groups. For example, the US Small Business Administration (SBA) has service level agreements with about 1 000 university-based Small Business Development Centres (SBDCs) to deliver BDS to entrepreneurs and SMEs in their geographic areas. It would be unusual for a government in any country to rely on the private BDS market as the sole source of advisory and consultancy services to SMEs, but the role of the private sector can grow as it is supported by the government, as has been the case in Indonesia for example (see Box 3.1).

### Box 3.1. Recent evolution of business development services in Indonesia

The initial policy of the Indonesian government was to encourage a supply of private sector BDS providers by providing a small amount of initial operational capital to private sector consultants who would agree to provide various BDS services to SMEs. However, the quality of the consultants was uneven and often unpredictable, thus causing strong heterogeneity in the quality of services to SMEs across the country. Furthermore, most consultants were based in large urban areas, leaving SMEs in many parts of Indonesia underserved or unserved. Finally, in a system where only part of the services cost was covered by the government, most consultants preferred working with larger SMEs which could pay more, thus leaving smaller SMEs underserved.

In 2013, the Ministry of Cooperatives and SMEs sought to improve co-ordination and standardisation of BDS across Indonesia by launching the “Integrated Business Services Centres” (PLUT-KUMKM). The main objective was to make comprehensive, integrated and affordable (free) BDS available to SMEs through a network of local one-stop shops. These one-stop shops developed relationships with private-sector organisations and qualified consultants/advisors with strong BDS expertise to deliver the services. This approach had the advantage of creating a local demand for BDS, leveraging existing private sector expertise, and minimising the negative effects from the possible crowding-out of the private sector consultancy industry

Source: OECD (2018b)

It is common for governments to make use of approved consultants and mentors as part of subsidised programmes to improve SMEs’ access to private sector BDS. However, it is important that the intermediaries and external consultants are appropriately skilled, have incentives to supply high-quality services, and that their consultancy interventions are perceived by SMEs to be beneficial. At the same time, co-ordination and quality control can be very important considerations in the outsourcing of publicly-supported BDS services.

Business development services policy in Thailand needs to take a differentiated approach, which distinguishes between a track of generic and basic business development services support for all SMEs and a track of more intensive business development services combined with financial and innovation support for start-ups and scale-ups with innovation and exporting potential in driving sectors for the future development of the Thai economy, including advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai. The latter is likely to require a shift from a system dominated by direct public sector provision of BDS, to a public sector role that is more focused on stimulating SME demand for BDS by providing incentives such as vouchers, acting as a broker between supply and demand, and ensuring good performance of publicly-subsidised BDS supply, for example with performance management systems and support for capacity-building of consultants and BDS suppliers.

## Strengthening business development services in Thailand

### ***Increasing integration in the system for referring SMEs to BDS suppliers***

Thailand has an extensive system of business support centres and mechanisms for providing policy support to SMEs. They include the OSMEP One-Stop Shops (OSSs), SME Support and Rescue Centres (SSRCs), Business Support Centres (BSCs), and branch offices of the SME Development Bank and the Industrial Estate Authority of Thailand. In 2017, this comprised a network of 248 locations

nationwide (JICA/UNICO International Cooperation, 2018). However, more efforts are needed to refer SMEs to the right BDS supports in the network. A number of key tools can be used for this – the RISMEP referral system, the OSMEP one-stop shop centres, the OSMEP SME ONE web portal, and a potential new digital business diagnostic tool. It is important to maintain and strengthen the existing tools in these areas and fill the gaps in the system.

### *The RISMEP client referral system*

The Regional Integrated SME Promotion (RISMEP) project was funded by the Japan International Cooperation Agency (JICA) from 2009 to 2018. As a result of the project, about a third of Thailand's provinces have developed an integrated and collaborative “referral” system for servicing the needs of SMEs (see Box 3.2). Based on this initial success, the Thai government allocated funding to expand the RISMEP mechanism to all provinces by 2023, increasing the number from 22 provinces in 2019 to 44 in 2021 and to the remainder over the following two years.<sup>1</sup> This roll out will be important in strengthening business development services across Thailand.

#### **Box 3.2. Overview of the RISMEP project in Thailand**

RISMEP was the outcome of an agreement between the Ministry of Industry and the Japan International Cooperation Agency (JICA), implemented by the Industrial Promotion Centres (IPCs) with technical assistance and funding from JICA between 2009 and 2018.

In provinces implementing the RISMEP mechanism, entrepreneurs and SMEs can approach any of the one-stop shop “consultation counters”, have their questions answered, and be referred to the most appropriate partner organisation for follow-up BDS support based on a simple diagnostic.

A core feature of the mechanism is the formation of a business development service providers' network in each province. Network members include the one-stop shops (OSS), government offices, SME support organisations, independent consultants, financial institutions, chambers of commerce and industry, the Federation of Thai Industries (FTI), SME associations, and university lecturers. The creation of these networks produces a more horizontal, integrated approach to servicing the BDS needs of start-ups and SMEs. As a connecting point between the network of BDS-providing organisations and SMEs, the one-stop shops are able to facilitate efficient matching of suitable services to the needs of specific SMEs.

The matching process is facilitated by use of the Japanese-developed Shindan “awakening tool” promoted by the RISMEP approach for use by the OSS consultation service counters in performing a preliminary diagnosis of the business needs of the SME clients.

The matching process is further aided by an organised database system that contains information on the business development service providers and their services. This facilitates referrals to the appropriate support services, or combination thereof, based on the needs of SME clients first approaching the OSS Centres and the use of local service providers.

The business development services providers in the RISMEP networks have also expanded the availability of their services to SMEs by accepting online consultations and having websites, thus improving their overall BDS practices (becoming more demand-driven).

In the future roll-out of the RISMEP approach, additional efforts may be needed to overcome some of the remaining barriers to co-ordination of providers that had not yet been addressed at the closing of the JICA project in 2018, such as improvements to the service co-ordination skills of the one-stop consultation services centres and wider application of the know-how and tools of the RISMEP model (JICA/UNICO International Cooperation, 2018). More efforts are also required to promote the merits of joint collaboration among the agencies operating one-stop consultation centres in order to provide a more integrated approach to helping SMEs solve their business and technology development problems. Increasing this level of collaboration would enable the OSS services centres to more fully deploy comprehensive support functions.

Sustainability of the RISMEP mechanism will also require ongoing efforts to expand the number of business development services provider network members, particularly private sector consultants, provide training for new members in the approach, tools (e.g. use of the Shindan diagnostic tool) and counselling skills, and continue to strengthen the capacity of network members to deliver appropriate referral and the “team consulting” approach through information sharing.

### *OSMEP one-stop shops*

The OSMEP one-stop shops and the Department of Industrial Promotion (DIP) Business Support Centres and SSRCs have a presence in all 77 provinces. They have a significant reach to SMEs, having provided 178 304 services to an estimated 63 604 SMEs in 2019.<sup>2</sup> They provide basic advice to local SMEs directly, and connect SMEs to the technology programmes of other ministries and agencies, regional science parks, university incubation centres, and networks of BDS-providing organisations and private sector consultants for technical assistance and more sophisticated BDS.

### *OSMEP SME One web portal*

In 2018, the OSMEP launched the SME One web portal ([www.smeone.info](http://www.smeone.info)) as an all-in-one web-based information service about SME support agencies and programmes in Thailand. It involves a co-operative initiative between the OSMEP and the Export-Import Bank of Thailand, including Memorandums of Understanding (MOUs) with 69 state and private organisations and financial institutions. SME One aims to support SMEs with access to useful information for the development and expansion of their businesses by providing knowledge, “tips” for starting and growing a business, and linkages with a wide range of services, as well as being a window for SMEs to search and register for services and apply to participate in activities.

There is scope to strengthen the portal. Currently the portal allows users to search for SME service centres (e.g. incubators) that might be able to address their challenges or needs. However it falls short of providing links to information on key support programmes, such as programmes of the National Science and Technology Agency (NSTDA) or the National Innovation Agency (NIA). Further, the site is not directly linked to the OSMEP website ([www.sme.go.th](http://www.sme.go.th)) nor does it integrate pertinent key OSMEP resources, such as the SME Knowledge Centre ([www.smeknowledgecenter.com](http://www.smeknowledgecenter.com)) and the new OSMEP SME Regular Level Promotion and Development Programme to support businesses in realising their potential and upgrading their business and product standards<sup>3</sup>.

To be a comprehensive one-stop SME portal, SME One should have links to all relevant sources of information. Examples of well-developed SME portals from Israel and the United States are highlighted in Box 3.3.

### Box 3.3. Comprehensive online SME information and resource portals: examples from Israel and the USA

#### Israel

In Israel, the Small and Medium Business Agency (SMBA) has established a One-Stop Shop SME Programme Information Portal ([www.sba.org.il](http://www.sba.org.il)). The portal is an integrated, comprehensive “one-stop shop” that provides nascent and existing entrepreneurs with regular updates of government schemes, events and notices; guides relevant to legal issues (e.g. incorporation, partnerships, lease agreements), marketing and sales (e.g. marketing planning), accountancy issues (e.g. compliance issues with the government), etc.; and other practical tools, such as business plan calculators. It also provides a detailed and comprehensive search engine providing information on governmental and non-governmental finance and advice schemes, an online database of consultants (and forms to apply for highly-subsidised consultancy fees), online training courses (some free and others highly subsidised), and signposts/links to local SME support centres and other support providers (e.g. the Israeli Chamber of Commerce). Backed up by a mobile phone app, its own YouTube channel and a Facebook page, the portal makes access widely and conveniently available.

#### USA

The U.S. Small Business Administration (SBA) operates a well-organised online SME information resource (<https://www.sba.gov/business-guide>). The site provides guides and “how-to” instructions under four major headings reflecting the lifecycle stages of a business: Planning your business, Launching your business, Managing your business, and Growing your business. It also provides links to funding programmes and local assistance centres. In addition, it provides access to the SBA Learning Centre, an online training service that offers free online courses on a range of business topics related to the stages of business development ([www.sba.gov/learning-centre](http://www.sba.gov/learning-centre)). Consisting of video tutorials, templates, and interactive assessments, these courses give entrepreneurs knowledge and tools to assist their business. It aims to support 300 000 clients in 2020 and 400 000 clients in 2021 (SBA, 2020). The SBA encourages its network of volunteer business mentors to also use these online learning course in their small business support efforts.

#### Sources:

Israel Small and Medium Business Agency (SMBA): <https://www.sba.org.il/hb/Pages/default.aspx>; US Small Business Administration (SBA): <https://www.sba.gov/business-guide>; [www.sba.gov/learning-center](http://www.sba.gov/learning-center); SBA (2020), “FY 2021 Congressional Justification and FY 2019 Annual Performance Report”, U.S. Small Business Administration, Washington, DC, <https://www.sba.gov/document/report--congressional-budget-justification-annual-performance-report>

#### *An online business diagnostic tool*

A widely-used digital business diagnostic tool would be a further important part of an effective business development services system in Thailand. Such tools are important both in motivating the take up of business advice among SMEs and in steering SMEs towards the most appropriate sources of advice (OECD, 2018a). Digital diagnostic tools seek to give SME managers a framework to reflect upon different aspects of their company’s performance and practices, such as their innovation strategy or human resources development, and signpost them to appropriate and tailored online or face-to-face advice.

A business diagnostic tool is included within the RISEM project, based on the Shindan enterprise diagnosis method. This has been predominantly for face-to-face use, but is now also available to be used online by SMEs. The use of the tool is linked to the assignment of the appropriate business advisors and support by the OSMEP OSS consultation service. These advisors make use of the

preliminary online diagnosis and/or of a more detailed face-to-face discussion with a OSS consultation service advisor.

With the planned roll-out of RISMEP to all Thai provinces, this online diagnostic tool can be a key part of the methodology for increasing the integration of the business development services system. However, some face-to-face interactions with an advisor may need to be retained to help the SME with interpreting the online results and considering next steps. The assessment results of a well-designed online diagnostic tool could provide linkages to training tools (such as the online SME Knowledge Centre) or SME support advice centres. In addition, an option could be made available to direct the SMEs to a private provider to discuss the self-assessment results.

In Vietnam, for example, the “business health check” diagnostic tool is a strong feature of the National SME Support Portal. SMEs can complete a self-assessment of their internal capabilities in 10 areas of their business (e.g. marketing, leadership, personnel, financial management, work productivity, etc.) and immediately receive a report indicating the areas of the business most in need of attention. The Vietnam Agency for Enterprise Development is addressing the issue of follow-up discussion of the results through a partnership with a private coaching firm whereby an SME manager completing the online assessment can request a free one-hour appointment with a “Business Coaching Expert” to discuss the results and receive advice and direction.

### ***Expanding and strengthening the network of private consultants***

As the BDS system becomes more mature in Thailand, it is appropriate to increase the share of publicly-subsidised services being delivered by private consultants as opposed to public employees. There are three main aspects to this – developing a database of private sector BDS suppliers that is unified across different government ministries and agencies, increasing quality control of third-party providers and developing a voucher system to enable users to spend credits with approved BDS providers.

#### *Increasing the number of consultants in government BDS databases*

A first standard step in the process of engaging private-sector suppliers for government-sponsored BDS internationally is putting out a call to private consultants or consultancy firms to express their interest in participating. They will need to complete an application form requesting detailed information on the consultant’s expertise, areas of competency, and consultancy record. Consultants can then be selected and included in a database of approved suppliers to the publicly-supported programmes. Defining the selection criteria for inclusion in the database is important to this process, as quality is a key concern. A system for matching of SMEs to an appropriate consultant for the subsidised service must also be developed, as well as a process for approving subsidised assignments, and establishment of a quality control system for monitoring the delivery of the service and assessing the performance of the consultant in delivering the service to the SME client.

These processes have already been followed in Thailand for a number of programmes, but need to be developed more widely across programmes and agencies. In addition, there is scope to increase the sharing of information on private sector suppliers across programmes. For example, the OSMEP one-stop consultation counters have a database of private sector business advice suppliers in provinces covered by the RISMEP initiative. The NSTDA ITAP programme also has a network of over 1 500 professional technology experts<sup>4</sup> who can be called upon to assist innovative SMEs with their technology needs, and the NSTDA IDE4SME programme also makes use of external technology experts and mentors, drawn from a variety of local and overseas sources, to provide in-depth consultancy to innovation-driven SMEs.

A master database of the private BDS-providing organisations and consultants, organised by area of competence by province, should be constructed and made available to all consultation counters and network members. This will require maintaining an up-to-date mapping of the network of BDS-providing organisations and independent consultants in the region, according to their specialties and offerings,

and mobilising the network to become familiar with the range and scope of each one's focus, capability and areas of competency.

### *Strengthening the quality of BDS consultants*

Quality management is a key issue when expanding the network of private suppliers for publicly-subsidised BDS. One of the key issues is providing appropriate training for the consultants not just in the technical areas of the business, such as IT or marketing, but also in counselling and mentoring methods. Currently, private sector BDS consultants in Thailand often follow management consultancy training courses offered on a commercial basis by Thai universities, colleges and training institutions. However, these courses are not subject to the rigour, standardised curriculum, assessment, or governmental authorisation of the Japanese Shindan System introduced in Thailand in 1999<sup>5</sup> and tend to focus on individual areas of business (e.g. marketing, finance) and less on counselling intervention skills. Thus, they are not producing business consultants as experts with broad knowledge and diagnostic competencies.

Certification of business development consultants is another important element of the approach needed. The OSMEP could assume a leadership role in promoting the establishment of an organisation for certifying the qualifications of consultants offering BDS to SMEs as part of government-subsidised advice and counselling programmes.<sup>6</sup> This could possibly be developed in partnership with the Institute for SME Development (ISMED). The organisation could encompass development of standardised training programmes, supervision of training activities, and implementation of registration and certification schemes. Such a standards and certification approach is illustrated by the example from Poland (Box 3.4).

The RISMEP project also offers a model that can be used more widely in Thailand to strengthen the quality of BDS providers. It has provided guidance manuals on the delivery of consultation services<sup>7</sup>, consulting service tools, and training to consultants in business counsellor techniques. It also includes a certification system for BDS service providers/business advisors wanting to join the RISMEP BDS network. Providers must submit their competency profiles, and complete a written and an oral test to demonstrate their knowledge and performance quality. Once approved as a network member, they are added to the database of BDS service providers along with supporting documentation on their areas of expertise. They are also subjected to follow-up assessment on the quality of services provided to the client. A certification committee, comprised of DIP, the OSMEP, and experts, reviews the applications.

In addition, it could be helpful to encourage the formation of an association of business management consultants in Thailand, which would embrace members of the various business development services provider networks across the country. In Indonesia, not only does the Ministry of Cooperatives and SMEs work collaboratively with the Association of Business Development Services Indonesia (ABDSI) on developing competency standards for BDS providers so as to increase the pool of private sector BDS expertise in the country (Box 3.5), it also recruits members of the ABDSI (qualified consultants and advisors) as part of the referral network of the "Integrated Business Services Centres (PLUT-KUMKM). The formation of an association of business consultants in Thailand would serve to professionalise the market and enlarge the supply of qualified BDS providers to be integrated in the BSDP networks established under the RISMEP mechanism.



### Box 3.4. The system of ensuring quality standards of BDS providers in Poland

#### Description of approach

The Polish Agency for Enterprise Development (PARP) makes use of third-party business support organisations and external consultants to provide BDS to entrepreneurs and SMEs under the national umbrella of the National SME Services Network (KSU). The KSU gathers over 200 member organisations providing state co-financed BDS to SMEs and entrepreneurs, including non-governmental organisations, chambers of commerce and industry, employers' organisations, crafts associations, business incubators, technology centres, credit guarantee funds, and small consulting firms. The cost of the BDS may be partially covered by PARP. PARP is responsible for the functioning of the KSU network, including the accreditation of institutions and consultants, and for providing services to enterprises on the basis of uniform standards, and providing training to KSU consultants to ensure adequate quality of services.

#### Factors of success

One of the factors behind PARP's success in upgrading the quality and uniformity of standards of publicly-funded BDS in Poland is the method of accreditation of the BDS-providing institutions. All organisations belonging to the KSU network must be an accredited PARP support provider by meeting a certain level of quality standards. This includes having quality management systems compliant with the requirements of the ISO 9001-2001 norm. They must also demonstrate that they have the technical and financial capacities to adequately provide advice, training, and information on financial services to start-ups, micro-enterprises, and SMEs; ensure that services are provided by staff and consultants with the appropriate skills; have a quality assurance system for their services; and act in accordance with professional ethics standards.

Consultants providing business development advice must also be individually accredited by PARP. One of the main criteria is that they have adequate skills and experience in a given area of specialisation in order to be eligible to participate in any PARP-supported consultancy service. Over 1 400 consultants have been accredited to work in the KSU system.

The planning and development of services is supported by a co-ordinating council with representatives from the different types of service providers, including KSU representatives from the regional level, which is an essential feature of the proper functioning of the system. The council meets regularly and helps to generate synergies in the system and increase relevance to needs.

#### Obstacles and responses

A main obstacle in co-ordinating a network of external BDS providers is ensuring that there are positive evolutions in service offerings and delivery over time, responding to changes in SME needs and improvements in business advice methods. To support this evolution, PARP undertakes research on the demand for and supply of business support services to provide important insights on how to customise services to better meet SMEs' needs, and tests and introduces new services according to defined and monitored standards.

PARP also monitors the activities of business support organisations, including collecting data on the number of clients served, the percentage of start-ups versus existing SMEs supported, and the content of the service provided. This information helps in identifying imbalances in the allocation of services and making necessary adjustments. PARP also undertakes client satisfaction surveys to assess the quality of services provided by the KSU members.

### Relevance to Thailand

PARP's role in ensuring the quality of non-governmental and private sector BDS providers in Poland demonstrates the importance of leadership of the BDS system by an SME agency. It offers a potential model for the OSMEP to strengthen the foundational framework for ensuring the quality of BDS provision in Thailand, including through an organised system of accreditation, monitoring, co-ordination and capacity building for BDS provider organisations and consultants undertaken at the central level.

Sources: OECD (2010), Poland Key Issues and Policies, OECD Studies on SMEs and Entrepreneurship, OECD, Paris. Also see Polish Agency for Enterprise Development (PARP), <https://en.parp.gov.pl/>

### Box 3.5. Merits of an association of business consultants in the provision of quality BDS: the case of Indonesia

The Association of Business Development Services Indonesia (ABDSI) formed in 2002 as the outcome of a national conference on business development services. The Association conducts various workshops, seminars and training for SMEs, manages individual professionals who have capacity and competence in business consulting services (accredited “BDS Consultants” complying with competency standards), and provides policy input to the Government.

The ABDSI has become an important partner to the Ministry of Cooperatives and SMEs (MOCSME) in ensuring the delivery of quality BDS to SMEs. In co-operation with the MOCSME, the ABDSI has developed a four-level competency standard for BDS providers (i.e. beginner, intermediate, advanced and master) leading to a national qualification. The competency standard was informed by a review of experiences in other countries and benefited from collaboration with the Ministry of Manpower (responsible for occupational standards). A national curriculum has been developed to enable BDS providers to acquire the national competency standard, which is a requirement for certification as a business advisor. An essential component in the management of the certification programme is the establishment of a national certification body, driven by the ABDSI, which has certified about 1 200 SME advisors through the National Professional Certification Agency.

The ABDSI is also an important partner to the MOCSMEs in implementing the “Integrated Business Services Centres” (PLUT-KUMKM) initiative, which relies heavily on the involvement of private sector organisations with strong BDS expertise. In this regard, the ABDSI provides access to a ready pool of qualified consultants and advisors from among its membership. Branch offices of the ABDSI are also engaged by the MOCSME to provide BDS consultancy to SMEs in areas of the country without a PLUT-KUMKM centre.

The presence of this professional association of business advisors in Indonesia ensures that Government has access to a qualified pool of consultants, allows leveraging of existing private sector expertise for publicly-supported BDS, creates a local demand for BDS, and minimises the negative effects from the possible crowding-out of the private sector consultancy industry. The establishment of a similar association in Thailand could be triggered by co-ordination and start-up support resources by the OSMEP.

Source: OECD (2018b), SME and Entrepreneurship Policy in Indonesia 2018, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris.

### *Introducing BDS vouchers to create demand for private consultancy services*

The wider use of BDS vouchers provided to SME users can also be an important part of the approach to strengthening BDS in Thailand and increasing the use of private sector BDS suppliers. Voucher schemes are commonly used in OECD countries to provide an incentive for SMEs to make use of consultancy from universities, research institutes and private consultancy services. Vouchers are already used by some Thai programmes to incentivise SMEs to secure external consultancy services. Examples are the NSTDA Start-up Voucher and the NIA innovation coupon. The NSTDA does not make use of a list of approved consultants with which the Start-up Voucher must be used; the start-up can engage whichever marketing expert they want for the market expansion project. This could raise quality issues in the delivery of the consultancy service. In the case of the NIA “innovation coupon”,<sup>8</sup> the SME is matched with an innovation service provider (ISP) from a private/government educational or research institute that meets certain qualifications and criteria. The NSTDA is advised to follow a similar approach to the NIA by issuing a call for proposals from marketing experts wishing to deliver services under the Start-up Voucher Scheme, perform due diligence on the submitted curriculum vitae, and based on this, establish the list of consultants to be referred to the SME client.

In addition, the OSMEP could design a BDS voucher to match SMEs with appropriate private sector BDS providers. Such a voucher scheme could be enhanced by enabling online matching. For example, the Special Measures to Drive SMEs towards the 4.0 Era included provision for an “expert dispatch” programme, whereby experts would voluntarily register themselves in a designated web-based database to participate in the offer of consultancy services to SMEs. This dispatch mechanism was to encourage members of the network of BDS providers to register with the Ministry of Industry, after meeting certain requirements, and be entitled to place requests for expert dispatch to their client SMEs free of charge (JICA and UNICO International Cooperation, 2018). However, this “dispatch system” was not fully developed and has not been integrated into the SME One portal to facilitate online matching of experts with SMEs’ needs. The OSMEP could develop the concept further for implementation.

### ***Expanding online management training***

The OSMEP “SME Knowledge Centre” provides e-learning courses for SME managers and owners. Initially under the label of “eSMEs University”, the objective is to provide lifelong learning opportunities to all SMEs, many of which may not be able to attend physical training classes due to time, place, work schedules or costs. The e-learning modules are an effective, low-cost, tool for imparting knowledge to a large number of entrepreneurs and SMEs. Attention needs to be paid to disseminating information about these courses to SMEs.

In addition, management training modules formatted for e-learning access could be specifically promoted to SMEs in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai. A pilot e-learning approach, tested on SMEs in the Thai food industry cluster to improve their management skills, produced favourable results and demonstrated the potential of this approach for improving accessibility of management training to SMEs (Box 3.6).

### Box 3.6. Results from online business management training for SMEs in food clusters in Thailand have been favourable

A web-based management course for SMEs was developed by e-learning professors at the Thai-based Assumption University as a trial to test the appropriateness of an e-learning approach for SMEs in the food industry cluster. The MONARCHIST (Management Obligation and Orientation, Network and Need, Apply, Relation and Recruit, Control, How, Investigate, Satisfied and Training and Treatment) eLearning module in SME Management Skills for Thai Food Industry Clusters was developed on the basis of a learners' needs survey that included in-depth interviews with 30 SMEs in the food industry sector regarding the major problems affecting their management.

The course consisted of nine learning content lessons addressing the priority learning needs of the SMEs, along with practice components and exam testing for each lesson. Some 300 entrepreneurs from the food industry were selected to register for the MONARCHIST training, which they were expected to complete within one month.

Evaluation of the pilot initiative revealed that the post-learning knowledge scores on business management skills were significantly higher than the pre-learning scores, indicating that the SMEs had considerably improved their knowledge and understanding of management skills. The overall learners' satisfaction scores towards the eLearning model were high (4.38 out of 5.00) and shown to be directly related to the course content as well as the system of teaching, graphics and design, lesson components, and internet technical support.

On the basis of the evidence, the researchers concluded that the web-based course was effective and appropriate for implementation. They also suggested that other social media platforms could be used to deploy the e-learning course in addition to more traditional web-based learning models.

*Source:* Phisarnchananan et al. (2018), "Development of an eLearning Model in SMEs Management Skills for Thai Food Clusters", AU-GSB e-Journal, 11(1), June, Assumption University Press, Thailand,  
<https://pdfs.semanticscholar.org/d628/dde12b1df900183cfd0c7d2c0660cf5d220.pdf>

## Creating fast track business development services for the regional innovation cluster

The business development services required for innovative start-ups and scale-ups in strategic sectors for Thailand's future economy need to be more intense and specialised than the basic business advisory support currently aimed at standard SMEs and micro firms. The existing generic support needs to be complemented with an additional set of relatively intense, high-quality and tailored business advice and mentoring services targeted specifically at innovative start-ups and scale-ups, focused on supporting them in integrating innovative products and internationalising markets. Developing this additional "fast track" strand of business development services support is a key challenge and opportunity for clusters like advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai.

The fast track support should include activities for:

- improving business management capacities impacting on innovation, growth and export performance through inducing changes by managers affecting organisational structures, products and services and production processes;
- facilitating linkages between start-ups and scale-ups and universities and research institutes to assist in testing ideas for new product development and innovation-related projects;

- providing guidance and expertise on marketing strategies and approaches, including packaging and customer targeting; and
- providing technical advice on intellectual property issues, standards and certification.

Key priorities for providing this fast track support in the cluster are set out below.

### ***Including more private consultants in public sector BDS provider networks***

As one of the first provinces participating in the RISMEP project, the BDS provider referral network is substantially developed in Chiang Mai province. In addition, the government is starting to build a RISMEP BDS supplier network in Chiang Rai province, having recently signed co-operation agreements with 20 agencies to join the network, including 13 government agencies, two private sector organisations, two academic institutions and three financial institutions.<sup>9</sup>

The RISMEP approach should be continued but with additional efforts to expand the number of private BDS providers connected into the RISMEP-supported system, and its databases and quality standards. Including more private BDS providers in the RISMEP networks could be facilitated by conducting a mapping of private providers in the two provinces, or by issuing a call for private consulting firms and individual consultants to submit applications for inclusion in a common database of qualified BDS providers that could be drawn upon to provide BDS to start-ups and potential scale-ups in the regional innovation cluster.

In addition, potential start-ups and scale-ups in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai could benefit greatly from access to the ITAP consultancy services delivered through its networks of technology experts. This includes access to the subsidy to SMEs to cover 50% of the consultancy fees of an appropriate expert, the ITAP “Start-up Voucher”, and the IDE4SME Programme problem/needs diagnosis and in-depth consultancy services. At present, it is not obvious that ITAP networks and RISMEP networks are connected or that the consultant databases are integrated. Connecting the ITAP and RISMEP networks would expand the body of expertise that SMEs with innovation potential can access in the cluster, and help to identify more clients with high potential to benefit from ITAP services.

### ***Create cluster management agents to help manage BDS***

In addition to issuing a call for private sector BDS suppliers and linking the ITAP and RISMEP BDS supplier lists, the availability of high-quality support for the cluster development can be promoted by allocating resources for a formal dedicated structure to organise BDS for the cluster. The structure would involve a cluster management organisation with cluster management agents undertaking outreach work to identify and target start-ups and scale-ups with innovation and export potential in the cluster. The agents would link the firms to the offer of fast track BDS designed for start-ups and scale-ups in the cluster and provide linkages to support programmes in innovation, training and finance.

Useful guidance for Thailand in a structured approach can be drawn from the United States Small Business Administration’s (SBA) Regional Innovation Cluster initiative (see Box 3.7). This aims to supply tailored BDS support to SMEs in regional innovation clusters, packaged with complementary support from the SBA and other federal and state organisations (e.g. innovation, entrepreneurship, capital access, technical assistance, workforce training, export promotion, etc.). As part of the initiative, the SBA identified the specific BDS needs of SMEs in a regional innovation cluster and the related BDS support that should be applied to address these needs (Table 3.1).

**Table 3.1. Parameters of business development services in the Small Business Administration Regional Innovation Cluster Initiative, United States of America**

Needs of the clusters' small businesses to be addressed in cluster activities*	Six categories of BDS services to be provided in the clusters**
1. Facilitate alliances and collaborations among the cluster participants (targeted networking events, referrals of small businesses to large firms or external network resources, such as universities and research institutes).	1. One-on-one counselling on starting or growing a business: general business consulting, technical assistance, mentoring, business development, international marketing, financing, problem-solving, assisting with the preparation of grant applications for innovation support programmes (e.g. small business R&D or technology transfer programmes).
2. Increase access to capital (e.g. information on financing options, mentoring and assistance in writing applications for various funding opportunities, brokering relationships with financial institutions and venture capitalists).	2. Information dissemination: sharing of relevant information on topics such as supply chain opportunities, industry-relevant reports, location of specialised resources (e.g. prototyping facilities, legal assistance), federal grant and funding programmes, and collaboration opportunities, using a variety of methods (e.g. newsletters, cluster databases/websites, virtual social platforms).
3. Enhance development or commercialisation of new technology (e.g. workshops on technology transfer and commercialisation of new technology, assisting with the various steps involved in developing or commercialising a new product, one-on-one counselling to help in the revision of business strategies to deal with the potential challenges of technology transfer, creating key linkages with universities/research institutes to help in the transfer of new technology or concepts into the marketplace).	3. Training events: group sessions or workshops on topics of interest to the small business cluster participants, such as technology transfer, financing, etc.
4. Improve marketing strategies (e.g. one-on-one counselling and workshops on marketing strategies, facilitating connections with larger organisations to act as mentors, making referrals to other regional resources).	4. Networking events: enabling the small businesses to meet with large businesses, potential contractors, end users of the small businesses' products or services, venture capitalists and investors.
5. Increase exports (e.g. seminars, workshops, individual counselling, referrals to other regional resources specialised in exporting).	5. Matchmaking events: bringing the small businesses together with potential venture partners in particular technology areas.
6. Assist with intellectual property (IP) issues and patent applications (e.g. workshops on IP and how to incorporate IP considerations into business plans and strategies, guidance through the patent application process, facilitating connections with IP specialists to assist with patent applications).	6. Showcasing events: creating opportunities for the small businesses to showcase their technology products or services to potential customers, including demonstrating their prototypes to third parties, pitching competitions, etc.

Source: \* Monnard et al. (2014), "The Evaluation of the U.S. Small Business Administration's Regional Innovation Cluster Initiative", Year Three Report. \*\* Demiralp et al. (2012), "The Evaluation of the U.S. Small Business Administration's Regional Cluster Initiative Year One Report".

### Box 3.7. Adapting and co-ordinating BDS for SMEs: the Small Business Administration (SBA) Regional Innovation Clusters initiative, United States of America

#### Description of the approach

Since 2011, the SBA has supported 14 Regional Innovation Clusters (two related to agricultural technology) to offer co-ordinated and adapted business training, counselling, mentoring, commercialisation and technology transfer services, and other SBA services for the development and growth of small businesses in the clusters. This includes linkages to other federal and state programmes, and notably the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programmes. Each cluster received SBA-funding of USD 500 000 for the BDS provision, with a total average annual appropriation since 2014 of about USD 5 million.

Members of these SBA-supported clusters include large firms and small businesses and are firmly embedded in networks of universities/research institutions, business associations, public sector agencies, and non-profit organisations, all crucial participants in an innovation cluster. The SBA-supported clusters could deploy assistance to the small businesses by either providing in-house services, utilising services provided by SBA-affiliated resource partners, such as the Small Business Development Centres (SBDCs), Women's Business Centres (WBCs) and the SCORE programme (consultancy and mentoring services), or leveraging the expertise of third-party resources, such as technical assistance programmes, university business schools and technological institutes. The majority of the clusters selected a mix of these options depending on their local and regional resources and the needs of their small businesses.

Basically, the services and activities provided to small businesses by the clusters can be divided into two broad categories: business services aiming to enhance small businesses' internal capabilities, and events to enhance their external networks. The provision of BDS takes the form of workshops/training sessions involving multiple businesses and one-on-one counselling sessions with individual small businesses. The BDS focuses on a variety of topics, such as business development, intellectual property, exporting/importing, financing, marketing, commercialisation of new technology, partnerships and alliances, and contracting opportunities. The choice of topics depends on the needs and demands of each cluster's small businesses. The networking services materialise through events that provide a platform for small businesses to network with large businesses, other small businesses, and other organisations, including financing entities.

#### Factors of success

In the first three years of the SBA support, the number of small businesses participating in the clusters increased by 500%; employment in the cluster-supported small businesses grew an average 6.9%, more than four times faster than the regional benchmark; and the revenues of these small businesses also increased by an average 6.9%, almost two times faster than comparable firms (Monnard et al., 2014). During year 3, more than 13 000 hours of one-on-one counselling had been delivered to the small businesses, and 108 training, networking, showcasing and matchmaking events. Sixty percent of the small businesses reported that cluster activity led to the development of new products or services, and one third that it facilitated the commercialisation of new technology. About 75% of the small businesses in the SBA clusters were satisfied with cluster services and activities and 56% reported that the services provided by their clusters were unique and could not have been accessed from other providers outside of the cluster (Monnard et al., 2014). This is a strong indication of the value proposition experienced by the small businesses.

Critical to the success of the SBA RICs was assignment of Cluster Administrators with responsibility for ensuring effective communication between the cluster management team and the small businesses (e.g. monthly networking receptions, bi-monthly update calls on progress, feedback on cluster services, suggestions for events). Close contact with the small businesses and cluster stakeholders improved the capabilities of the cluster team to make referrals, provide tailored assistance, and facilitate the right connections (e.g. collaboration partners, external BDS providers, supply chain linkages).

### **Obstacles and responses**

An initial challenge for the clusters was developing effective outreach strategies to recruit small businesses. The cluster administrators underestimated the importance of cluster promotion and devising a compelling value proposition to attract small businesses. This was overcome by developing formal relationships with chambers of commerce, business associations and other organisations in the innovation and business support ecosystem, developing marketing materials to improve visibility of the cluster, making use of social media, publishing a website (with an open and streamlined online application process), and expanding the number of recruitment channels by leveraging the network of SBA Small Business Offices, and bringing state-based organisations into a formalised governance structure to achieve a stronger cluster identity.

The SBA grant to the cluster could be used for cluster management activity (set-up, strategic planning, co-ordination with regional service providers and partners, cluster promotion, information dissemination) and for service provision (counselling, training, network building). Cluster managers initially underestimated the share of time needed for the small business counselling and mentoring component. To respond to the greater demand for time spent on providing services to the small businesses, the cluster administrators adjusted the percentage of resource allocation between the two activities. In the first year of the SBA initiative, the clusters averaged 39% of their time on cluster management and 61% on providing services to the small businesses (Demiralp et al., 2012). In the third year of the initiative, the clusters were averaging 24% of their time on cluster management, and 76% on providing services to the small businesses (Monnard et al., 2014).

With an increasing number of small businesses attracted as cluster members, cluster administrators were forced to recognise their unique and compelling needs. This required an adjustment in the regular service offerings of the cluster to meet the needs of the small businesses. For example, the cluster managers, used to introducing cluster members to venture capital, realised many small businesses needed a greater understanding of equity capital financing and also linkages to loan options. In response, the cluster administrators provided expert guidance to the small businesses on the advantages of venture capital and how it worked and expanded connections with other financing options, including federal funding programmes. Clusters also hired specialised consultants to offer one-on-one assistance to the small businesses in order to identify federal SBA grants and training and help in identifying and brokering market opportunities with regional supply chain anchor firms.

### **Relevance for Chiang Mai and Chiang Rai**

This initiative provides an example of how a national SME agency can support regional clusters to integrate BDS services into their regular cluster activities. Using this type of approach, the OSMEP could improve the access of existing and potential start-ups and scale-ups with innovation and export potential to BDS and other business support in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai. The key feature of the approach is to assign Business Development Advisors to each sub-cluster. They would be responsible for connecting selected start-ups and potential scale-ups to a prescribed menu of counselling, training, networking support and making connections with the range of technology and funding supports available through state and provincial programmes and partner organisations.



Sources of further information: SBA website: “Innovative Economy Clusters”, <https://www.sba.gov/content/innovative-economy-clusters>; “Regional Clusters Initiative”, [https://www.sba.gov/sites/default/files/oed\\_files/Clusters.pdf](https://www.sba.gov/sites/default/files/oed_files/Clusters.pdf). Demiralp et al. (2012), “The Evaluation of the U.S. Small Business Administration’s Regional Cluster Initiative Year One Report”, Optimal Solutions, Washington, DC. Monnard et al. (2014), “The Evaluation of the U.S. Small Business Administration’s Regional Innovation Cluster Initiative Year Three Report”, Optimal Solutions Group, Washington, DC.

Essentially the approach proposed is to adopt a collaborative client-centric service model to BDS provision to start-ups and scale-ups in the cluster based on the cluster management agents identifying and working with individual start-ups and scale-ups with innovation and export potential. The cluster management agent would scout for client firms and assist them in identifying what is needed to strengthen their innovation, growth and export capabilities and develop a plan for moving forward. This would include facilitating linkages with the appropriate public agencies or programmes (e.g. ITAP, NIA, TMC) or resources to provide solutions to those needs, helping the SME implement the plan, and providing ongoing advice and assistance as the SME grows. This would fit within the integrated BDS structure created for the cluster.

It would not be dissimilar to the client-driven approach used in the RISMEP model, whereby:

- RISMEP Facilitators promote and lead the process of developing a co-ordinated services delivery system in the province;
- Co-ordinators plan, arrange and implement support services according to the needs of the individual SME clients; and
- Assistants conduct preliminary interviews with the SMEs before referring them to a counsellor, making use of the Shindan enterprise diagnostic tool to diagnose business needs and determine the most appropriate BDS-provider.

The Innovacorp example from Canada (see Box 3.8 on the provision of BDS to SMEs in an agricultural bioenterprise cluster illustrates how BDS provision can be incorporated in innovation cluster development support through the use of dedicated account managers and access to a network of external consultants and mentors.

### Box 3.8. Providing BDS to SMEs in biotechnology clusters, Innovacorp, Nova Scotia, Canada

#### Description of the approach

Innovacorp is a provincial government body with the mission to foster innovative start-ups in the Nova Scotia region of Canada. In 2014, Innovacorp became the provincial partner in the federal government-supported and funded national Bioenterprise Corporation agri-tech commercialisation accelerator. The Bioenterprise Corporation model consists of assigning a team of analysts and mentors to provide one-on-one mentoring and coaching, business plan support, management team development, technology assessments, marketing strategy direction and other supports to advance innovative agri-food and agri-product technologies. The aim of Innovacorp in this project is helping commercialise Nova Scotia agricultural technologies by providing value added advisory services to high-potential agricultural start-ups and scale-ups, particularly in rural areas.

SMEs in the Nova Scotia bioenterprise cluster include those working on functional foods for human markets, biostimulant fertilizers, use of lipids in biofuels, etc. The Innovacorp model helps client SMEs in the agri-tech cluster find good venture opportunities through the provision of business advisory services and linking them to university researchers to help work on new product development and solutions. Each SME in the cluster is assigned an Innovacorp account manager who helps them innovate with new products and solutions, including setting and meeting growth milestones, and connecting them to a network of external experts to support the firm's advisory and technical needs. Mentoring is facilitated through peer-to-peer opportunities and more formal mentoring engagements with seasoned advisors.

To form the cluster, Innovacorp mapped and categorised all relevant organisations in the ecosystem, including SMEs active in the sector, support entities, research organisations and researchers, and their areas of expertise and scientific competence. It also develops linkages between the cluster members and large companies in the province, and encourages SMEs and new start-ups in the cluster to work with the research community on innovative solutions in response to the needs of the large companies. In effect, the large companies provide a market-pull for innovation in the sector. In 2019, there were 13 agri-tech SMEs in the cluster, geographically located in various parts of the province.

#### Factors of success

Since the partnership with Bioenterprise Canada began in 2014, Innovacorp has supported more than 63 companies, most of which were start-ups, resulting in 342 jobs and more than CAD 53 million of investment in the sector (Innovacorp, 2019). While the task of identifying the SMEs to participate in the cluster is critical, Innovacorp found it is equally important to integrate researchers early on in the cluster development process as well as to select advisors equipped to work with the SMEs on business models and milestones and to help them to navigate the research milieu.

Assigning an account manager to work with the cluster firms to identify their major problems, answer their compelling questions and plot a path to how these might be addressed is essential, including inviting the research community to develop and test solutions. Also key is the role of the account manager in tapping into the Innovacorp network of (domestic and international) external experts, mentors, specialists and investors to support the cluster SMEs. One of the mentoring strengths is applying the Massachusetts Institute of Technology Venture Mentoring Service model, an approach that uses mentor teams with diverse expertise tailored to the specific needs of each cluster firm (<https://vms.mit.edu/mit-venture-mentoring-service>).

### Obstacles and responses

SMEs in the cluster network require considerable time and attention. Consequently, the account manager for the agri-tech sector spends a considerable amount of time on the telephone with client firms to answer their questions, provide advice, and monitor their progress in meeting set milestones.

Finding competent “lead” account managers to work with the clients can be challenging. Innovacorp seeks to hire people with experience and specialist knowledge and then to invest heavily in training and professional development by, for example, sending the account managers to professional conferences to stay on the leading-edge of cluster support approaches.

### Relevance for Chiang Mai and Chiang Rai

The agri-tech bioenterprise cluster example from Canada is akin to the advanced agriculture and biotechnology and food-for-the-future regional innovation cluster in Chiang Mai and Chiang Rai. It illustrates the importance of organising BDS services to SMEs in the cluster by making use of an account manager to serve the needs of individual companies and providing linkages to research institutions, external experts and mentors, and investors to help them access the resources they need to innovate and set and reach established milestones for scaling-up.

Sources of further information: Innovacorp, Halifax, Nova Scotia (<https://innovacorp.ca/about>); Innovacorp (2019), “Accountability Report 2018-2019”, [https://innovacorp.ca/sites/default/files/publications/innovacorp\\_accountability\\_report\\_2018\\_2019.pdf](https://innovacorp.ca/sites/default/files/publications/innovacorp_accountability_report_2018_2019.pdf); About Bioenterprise Corporation – Canada (<http://www.bioenterprise.ca>).

The OSMEP can take a leadership role in creating these cluster management agents tasked with promoting access to appropriate BDS to promising start-ups and scale-ups in the cluster. The OSMEP has already demonstrated direct experience in support for SMEs participating in local clusters, working in co-ordination with other government ministries and agencies and the non-governmental and private sectors. Some of its activities have focused on what are effectively sub-clusters of a broader regional innovation cluster, including the nascent herb and medical cluster and food and drink cluster in Chiang Rai.

The OSMEP has co-ordinated a number of efforts to boost the capabilities of local SME clusters in traditional sectors. This includes training to cluster SMEs on trade practices and product development, in co-operation with the Federation of Thai Industries (FTI) and the chambers of commerce. The OSMEP has also worked with DIP, the Department of Agriculture Promotion, the Science and Technology Institute of Thailand, and the FTI to develop a SME cluster roadmap and capacity building activities for the clusters in market development, value-added products/packaging, innovation, and marketing techniques.

In 2017, the OSMEP also supported the establishment of five clusters of SMEs, including the Herbal Cluster, where the objective was to promote connectivity among operators, raise their awareness of market demands and boost their capacity to compete at the national and international levels (Box 3.9). By early-2018, the Herbal Cluster included 940 members, composed of growers, herbalists, distributors, and researchers, across nine provinces, including in Chiang Mai. The OSMEP’s involvement in this cluster is an excellent example of BDS support to SMEs within a cluster context.

### Box 3.9. Example of BDS intervention in the Herbal Cluster

In the Herbal Cluster activity, the OSMEP partnered with the Rajamangala University of Technology, which has a Faculty of Business Administration, a Traditional Medicine College, a Faculty of Science and Technology, academic researchers and eight campuses, to establish and provide the clusters with research knowledge and a range of BDS supports. This included training courses in business planning, marketing strategies, brand building, product development, product packaging, establishing online and offline marketing channels, and enhanced processing techniques. The SMEs were also provided with domestic and international business matching, support in exhibiting their products at trade fairs, and opportunities to develop supply chain linkages with cluster members across the nine provinces.

*Source:* “The Office of Small and Medium Enterprises Promotion (OSMEP) has Joined Hands with RMUTT to Establish a Network of Herb Clusters in Nine Provinces in Thailand’s Four Regions to Boost Economic Growth by at Least 21 Million Baht”, Rajamangala University of Technology (RMUTT), 28 February 2018, <http://www.eng.rmutt.ac.th/the-office-of-small-and-medium-enterprises-promotion-osmep-has-joined-hands-with-mutt-to-establish-a-network-of-herb-clusters-in-nine-provinces-in-thailands-four-regions-to-boost-economic/>

Building on the RISMEP approach, the OSMEP could also play a leadership role in promoting a collaborative “team-based” approach to improve the elements of BDS delivery to SMEs in advanced agriculture and biotechnology and food-for-the-future. An example of how the integrated approach was applied in the case of a Chiang Mai start-up entrepreneur in the food processing sector is highlighted in Box 3.10.

### Box 3.10. An example of the application of the co-ordinated and integrated RISMEP approach to “team consulting”

An entrepreneur in Chiang Mai consulted the IPC RISMEP consultation service counter about starting a business in food processing. After reviewing the needs of the start-up, the entrepreneur was referred to the Chiang Mai Rajabhat University Business Incubator for assistance with sales planning, logo design, and new business registration. In parallel, two independent consultants in the BDS provider network specialised in industrial engineering and production management were referred to help with factory design and registration to the Thai Food and Drug Administration. Specialty expertise from the Mae Jo (agricultural) University Business Incubator in Chiang Mai was brought in to provide assistance with food processing issues, packaging and extension of shelf life. Finally, the Provincial Community Development Office of the Ministry of Interior was able to provide an opportunity for the client to present its products at the exhibition of local specialties. This approach provided “360-support” to the entrepreneur with the various aspects of the start-up process requiring consultancy services.

*Source:* JICA/UNICO International (2016), “Project for Enhancing Regional Integrated SME Promotion (RISMEP) Mechanism in the Kingdom of Thailand”, Project Completion Report (Second phase)”, p. 35.

These approaches can be scaled up to the level of the regional advanced agriculture and biotechnology and food-for-the-future cluster as a whole through the development of cluster management agents focused on BDS supply.

There is also scope to co-ordinate the individual level advice for start-ups and scale-ups into support for networks of SMEs, both increasing opportunities for efficiency and for peer learning. Currently, both SMEs requesting assistance and BDS providers register in the online RISMEP system and matches

between providers and SMEs are made on an individual basis. This may not be the most appropriate way to meet the more collective needs of SMEs participating in the cluster initiatives. The cluster management agent could be tasked with identifying common BDS needs across potential start-ups and scale-ups in the cluster that could be met by working with groups of SMEs, as opposed to on an individualised basis.

### ***Using vouchers to increase demand for BDS from cluster SMEs***

One of the major constraints to developing the innovation capabilities of start-ups and scale-ups through BDS is the reluctance of many SMEs to use these services due to limited awareness of the benefits they can offer, as well as limited knowledge of potential BDS suppliers. Internationally, an increasingly common approach to addressing this problem involves offering SMEs BDS vouchers to be used to obtain subsidised services from accredited BDS suppliers. A BDS voucher for innovative start-ups and scale-ups should be seen as an important part of an effort to integrate BDS into support for advanced agriculture and biotechnology and food-for-the-future development in Chiang Mai and Chiang Rai.

This could complement the generalised BDS voucher scheme recommended above for Thailand as a whole, but offer higher value BDS vouchers for innovation support for SMEs in advanced agriculture and biotechnology and food-for-the-future specifically in Chiang Mai and Chiang Rai. The vouchers would channel these SMEs to high-quality specialised support for the sector in Chiang Mai and Chiang Rai, implemented in concert with a database of approved consultants. In addition, the existing voucher schemes of the NSTDA (Start-up Voucher) and the NIA (Innovation Coupon) could be specifically promoted to start-ups and scale-ups in the regional innovation cluster.

As a potential model, the example in Box 3.11 illustrates the use of a BDS-related voucher scheme by the Danish government to incentivise cluster SMEs to reach out to specialist expertise for help with product development, market development and internationalisation.

### Box 3.11. Use of voucher schemes to support SMEs in the BioPeople cluster organisation, Denmark

#### Description of the approach

BioPeople, the Danish Life Sciences Cluster hosted by the University of Copenhagen, targets companies in the medical industry that are developing equipment, products and services related to biotechnology, biomedicine and pharmaceuticals, as well as companies that research, develop and/or market food ingredients, products and services that have an interface to drugs. The cluster organisation makes use of various voucher schemes to support the knowledge and market access needs of participating SMEs.

BioPeople has been successfully working with innovation vouchers for many years. Small financial incentives between EUR 500 and EUR 7 000 for diverse purposes, such as finding new innovative product or service providers, have helped SMEs generate further growth. Supported by an online database of service providers, the innovation voucher schemes are an important instrument for the cluster organisation to facilitate innovation across industrial sectors.

Diverse vouchers are used as a vehicle to provide practical and financial support to the SMEs involved in its cluster. The BioPeople Boost4Health Voucher programme targets SMEs wishing to explore their international growth potential. It provides for four different-use vouchers, ranging from EUR 500 to EUR 15 000, that can be used for travel to visit experts or attend events abroad (Travel Voucher); to pay for marketing expertise to explore a new international market (Market Expertise Voucher); to cover technical advice, prototyping, demonstration, usability validation or scaling-up (Product Validation Voucher); or obtain advanced consultancy expertise to support internationalisation activity (Impact Voucher).

#### Factors of success

The voucher schemes have addressed the range of innovation bottlenecks within SMEs, whether these are technological, financial or related to marketing a new product or service in a foreign market. The success of the Boost4Health voucher is further boosted by the offer of tailored coaching to help SMEs meet their immediate business needs and develop future growth plans. The coach guides the SME in defining potential strategies and prioritising actions. Access to a coach means the SME has a regular contact to assist the company. As the strategy develops, the SME is provided with the support needed to ensure its progress, benefiting from the tools and techniques offered by the coach. A key factor in the success of the BioPeople coaching programme is the partnership it has built with Væksthuset (the social enterprise “Greenhouse”) to provide the business coaching and arrange workshops on relevant issues (i.e. IP), as well as pitching sessions for the SMEs, which may be tailor-made events or part of a workshop.

#### Obstacles and responses

Securing funding for voucher schemes can be one of the biggest challenges. The BioPeople cluster had the advantage of being part of an EU-funded initiative to cover costs of the scheme in Denmark. Another challenge can be identifying the list of professional organisations and consultants equipped to provide the services covered by the voucher scheme. Again, BioPeople had the advantage of a ready-made network of service providers/organisations as part of the Northern Europe network of life sciences/biotechnology clusters supported by the EU project. However, making coaches available required identifying a Danish organisation and developing a partnership agreement to provide the coaching services to the cluster’s SMEs.

### **Relevance to Chiang Mai and Chiang Rai**

Voucher schemes targeting start-ups and innovative SMEs are already in use in Thailand. However, they tend to be quite tailored in their focus, small in funding scale and not aligned with the cluster initiatives. The OSMEP could broaden the possibilities for integrating BDS services into advanced agriculture and biotechnology and food-for-the-future support in Northern Thailand by designing a voucher scheme to incentivise the SMEs with innovation, growth and export potential to reach out to the business service provider network for counselling, coaching and/or training related to their business development needs. The availability of the BDS voucher scheme would be promoted among the cluster organisations and supported by access to a database of participating BDS providers.

Sources of further information: The BioPeople website: <http://www.biopeople.dk>; Information on Boost4Health vouchers, <https://biopeople.eu/news/show/boost4health-website-is-open-apply-for-vouchers-and-coaching>.

### ***Expanding mentoring services***

Mentoring is now integrated as a feature of various government programmes in Thailand (e.g. ITAP, Thailand Centre of Excellence for Life Sciences/TCELS, incubators) and its role could be expanded further for start-ups and scale-ups in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai.

In expanding the mentoring system, it is important to invest in training of the mentors with the objective of elevating the degree of professionalisation of mentoring practice, with an eventual path towards mentor certification. Support is needed to provide potential mentors with a mentor orientation, covering the role of a mentor, how to be an effective mentor, how to establish a beneficial mentor relationship with the client entrepreneur, what to expect in the mentoring experience, etc. For example, new volunteer mentors in the United States SBA SCORE programme must complete the Mentoring Methodology Training Programme during a 3-month probationary period. During this time, the mentor completes 2-3 online training modules based on five key components to be applied in mentoring sessions, reads and agrees to the standard operating manual and code of ethics, shadows an experienced mentor, and takes part in team mentoring.<sup>10</sup>

Similarly, Enterprise Ireland has taken several steps to ensure the quality of mentoring services by issuing a Conduct and Best Practice Guide (Terms and Conditions) for business mentors. The Guide, provided to new mentors when they join the Enterprise Ireland Mentor Network Panel, sets out the minimum standards for relationship management, intervention approaches, reporting on mentor sessions, and providing feedback on service performance. Mentors can participate in regularly-run mentoring Best Practice Masterclass training events and attend the bi-annual Enterprise Ireland-organised Mentor Networking events to share experiences and knowledge with other mentors on the Mentor Panel.

One step in this direction is the Train the Coach project launched by the OSMEP in partnership with the Institute for SME Development (ISMED) in 2018.<sup>11</sup> The scheme provides potential coaches with access to an online course and will develop a database of coaches with the knowledge, skills and competencies to help SMEs solve their problems. To become certified as a “coach”, the applicant must have at least three years of experience in providing advisory services or at least five years of related work experience; complete the online training programme; and have provided advisory services to at least 25 businesses or for at least 100 person-days. The “smecoach.com” website allows SMEs to request a “consultation” and access the database of “coaches”. This initiative is well-founded and in line with international practices.

Systematic monitoring should also be instituted during the mentoring assignment. For example, the standard of quality of mentoring services provided through Enterprise Ireland and the LEOs is monitored by requiring mentors to submit reports on the mentoring sessions. The mentored clients are also asked for their feedback on the mentor, the value of the mentoring and level of satisfaction with the mentor service.

Greater use can also be made of virtual mentoring, in line with various successful models internationally. For example, the SBA-supported Service Corps of Retired Executives (SCORE) mentor service in the United States<sup>12</sup> provides mentoring access to start-ups and SMEs through in-person face-to-face sessions or through virtual media (e.g. email, video chat, Google Hangouts, Skype, Facetime).<sup>13</sup> In the case of Ireland, the Enterprise Ireland Mentor Network allows a limited number of Skype interactions per assignment, normally, one or two interactions for a standard 10-visit assignment. While it may be easier to assign a mentor that is geographically closer to the company, a greater emphasis is placed on ensuring the assignment of a mentor with the most relevant industry experience to meet the company's request. In the case of Thailand, a mentoring programme should also consider developing a roster of diaspora mentors who can be called upon to mentor Thai start-ups/growth SMEs using web-based platforms.

Ireland provides an example of how mentoring is integrated in public programmes as a key business development service (Box 3.12).



### Box 3.12. Integrating mentoring as a core business development service, Ireland

The Irish Government integrates mentoring services (engaging external mentors) as a key business advisory service and a component of its key public SME and entrepreneurship support programmes, including incubator and growth programmes. The micro and small enterprise clients of the network of Local Enterprise Offices (LEOs) across the regions of Ireland can request a mentor, through an application form, and be approved for 2-3 hours of subsidised mentoring related to a particular issue and up to five mentor assignments in a calendar year. The LEOs may also offer free group mentoring sessions on a scheduled basis for which a number of micro and small enterprises can register.

In addition, Enterprise Ireland (the main public SME agency in Ireland with close hierarchical connections to the LEOs) maintains the Mentor Network Panel, which extends to larger SMEs and those with more growth and export potential that interact directly with the agency, as well as the micro and small enterprise clients of the LEOs. The network consists of more than 400 highly-experienced business people who can be called on to offer practical one-to-one guidance and advice to start-ups and existing SMEs based on their own business experience and relevant to the business needs and goals of the client. Mentors are usually entrepreneurs, company founders, senior executives with international commercial business development experience, etc. The make-up of the mentor panel provides a high degree of diversity of backgrounds and expertise, which is necessary to ensure the differing demands of start-ups, micro-enterprises, and growth-oriented SMEs can be met.

New mentors are recruited into the Mentor Network throughout the year by way of an application and assessment review process. When an Enterprise Ireland client firm applies for specific guidance from a mentor, the Mentor Network team matches the client with a shortlist of mentors who are experienced in the sector or issue. Depending on the client's needs, the client and mentor agree to meet 3, 5, or 10 times (in 1-3-hour sessions) over a period of 3, 6 or 12 months. To cover the costs of the mentorship, the client is offered an Enterprise Ireland grant for up to 10 sessions which Enterprise Ireland pays directly to the mentor; although in some cases, mentors volunteer to advise an Enterprise Ireland client.

A similar mentor network could be set up by the OSMEP in Thailand, focused particularly on start-ups and scale-ups with innovation and export potential.

Source: OECD (2019), SME and Entrepreneurship Policy Ireland, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris.

Greater emphasis should be placed on entrepreneurs as mentors in Thailand. Currently, the mentors are often university professors and lecturers, as opposed to successful business leaders and entrepreneurs. Insights from mentoring programmes in OECD countries reveal that entrepreneurs “who have been there and done that” can be excellent mentors for start-up and growth-potential SMEs if given appropriate training and support.

### ***Monitoring and evaluation of the BDS activities***

It is also important to monitor the performance of the proposed BDS structure for the cluster against key objectives (KPIs), including engaging start-ups and scale-ups with innovation and export potential, providing BDS and linking business advice with financial, innovation and other support for SMEs in a cluster.

The USA SBA example outlined in Box 3.7, requires each SBA-supported Regional Innovation Cluster initiative to submit quarterly reports to the SBA on activities and to conduct annual evaluations that consist of surveys of the cluster administrators, the small businesses, and large businesses. The progress monitoring reports present quantitative data on the number of small businesses in the cluster,

the types of BDS provided to the small businesses (by percentage), instances of small business collaboration, supply chain integration, commercialisation of a new technology, new products or services, patents, and grants and contracts awarded to small businesses within the cluster. Evaluations of the impact of the BDS activity are based on collecting data on the economic performance of the small businesses in the cluster activities, such as growth in employment, payroll, revenue and sales from exports. This enables the SBA to compare the economic contribution of cluster-supported small businesses relative to regional benchmarks for non-cluster-supported small businesses.

## Business incubators

Business incubators can play an important role in regional innovation clusters by increasing the pool of successful start-ups with the capacity to participate in cluster activity (European Commission, 2019). In the case of Chiang Mai and Chiang Rai, incubator programmes can become a feeder system of innovative enterprises in advanced agriculture and biotechnology and food-for-the-future by providing entrepreneurship training, access to research facilities and expertise, linkages with seed capital, and a range of BDS, such as technical assistance and mentoring.

The NSTDA, the Office of Higher Education Commission (OHEC) and the OSMEP all support incubator development in Thailand. One of the main locations for this incubation support is in the universities. Mae Jo University in Chiang Mai, Mae Fah Luang University in Chiang Rai and the branches of the Rajabhat University in Chiang Mai and Chiang Rai all have university incubator programmes supported and subsidised through the Thai University Business Incubators (UBI) programme. In line with international best practices, they offer various forms of BDS as part of their support offer to hosted start-ups. The services include training (including in basic business operation, marketing, accounting and finance, and product/service R&D); coaching and mentoring; and networking with other entrepreneurs and businesses within and outside the incubators (Yamockul et al., 2019). The university business incubators encourage their incubated start-ups to apply university-based research and technologies to develop and/or improve their products and/or services, and have for some time made use of the mentor approach to assist with training and advice.

In addition, the Northern Science Park (NSP) houses a business incubator on the Chiang Mai University campus focused on start-ups in advanced agriculture and biotechnology and food-for-the-future. It offers a well-organised package of BDS-related support including a business diagnostic to evaluate business capability; joint creation of an incubation plan; an Advanced Training Service to enhance business skills, including negotiation, selling, presentation, product positioning, etc.; consulting services from marketing specialists to study product feasibility, financial, tax and legal, costing, and management skills; and business networking to promote public-private partnerships in joint marketing activities, such as exhibitions and trade shows. Each incubating company benefits from four (six-hour) meeting sessions with consultants based on the needs identified in the business diagnosis report, plus access to domestic and international mentors that are identified and selected by the incubator using its own protocol.

The NSP also hosts Northern Innovative Start-up Thailand (NIST), a start-up ecosystem initiative to encourage and support start-up growth led by the Ministry of Science and Technology (MOST), which includes agri-tech and food as one of nine targeted sectors. The selected high-potential start-ups are supported through a six-week Bootcamp, followed by a six-week coaching programme given by leading Thai-based and international experts and entrepreneurs<sup>14</sup> who provide guidance on developing a marketing plan and strategy, accounting and management skills, market research, basic legal concepts, technology matching, and financial and venture analysis.

In addition, the Thai Business Incubator and Science Park Association (THAI-BISPA) operates a national incubator network. This adds value by providing capacity building support and training for

business incubator managers and service providers, service standard guidelines, accreditation for business incubator managers, and experience sharing.<sup>15</sup>

Despite these good practices, there is scope to strengthen the delivery of BDS in the university incubators by adopting a more systematised and client-centric approach. This could establish a set schedule of BDS interventions for each incubated start-up. For example, when an enterprise is accepted into an incubator programme, an agreement could be reached to provide a standard and scheduled block of BDS, e.g. a specified number of days of business-related training, workshops, consulting and coaching, and monthly monitoring meetings. In addition, the incubators in Chiang Mai and Chiang Rai should be linked to the BDS-provider networks supported by the RISMEP mechanism, therefore making use of the external consultants and mentors in a government-validated database.

## Conclusions and policy recommendations

There is a strong network of public BDS-providing organisations in Chiang Mai and Chiang Rai, as well as networks of external consultants, experts and mentors, and significant BDS provision within a range of innovation, SME support and business incubation programmes. Public entities need to continue to support these information and advisory services to SMEs in general. This overall support framework to SMEs can be strengthened in three main directions – creating an integrated system for referring SMEs to BDS supply, expanding and strengthening the network of private consultants, and expanding on-line management training services for SMEs.

In terms of referring of SMEs to BDS suppliers, the one-stop shops (OSS) system should be maintained. In addition, the public authorities should further develop an integrated SME web portal, thus expanding the reach of physical one-stop shops to a larger number of SMEs, regardless of their location. An online portal can offer “how-to” resources, information on government assistance programmes and suppliers, e-learning courses, and linkages to databases of external BDS providers. The OSMEP has made progress in designing the SME One Portal, however, improvements could be made by linking it to more of the online tools of the OSMEP website, such as the SME Knowledge Centre. In addition, the site could include the shindan enterprise diagnostic tool, which would enable SMEs to self-assess their strengths and weaknesses, identify the key areas they need to work on to improve their performance, and be directed to further support.

A complementary approach would be the provision and promotion of online business management training and resource materials. These would offer SMEs a flexible and online learning environment, taking into consideration the operational and management demands on their time and schedules. This could be within the purview of the OSMEP since it has already supported the development of SME e-University business training modules. The take-up of these modules could be increased through awareness-creating activities by business development advisors.

However, this generic support system, available to all SMEs, is not sufficiently intense, high-quality and specialised to support potential start-ups and scale-ups in advanced agriculture and biotechnology and food-for-the-future in integrating innovation in their products and exporting them. A new fast track strand of BDS support should therefore be developed for the regional innovation cluster, and other regional innovation clusters in Thailand. In developing the fast track, policy should pay attention to making greater use of private sector consultants, developing a cluster management organisation and agents to broker BDS support between suppliers and user firms, delivering BDS support to groups of SMEs, using vouchers to build demand, and expanding mentoring services.

Shifting more BDS from direct public provision to publicly-subsidised private sector provision is in line with the OSMEP’s current plans. The public sector would then play more of a brokerage role, rather than direct provision, for the more advanced BDS support for firms in the cluster. The public role would

then focus on identifying firms for fast-track support, diagnosing their support needs, linking firms to sources of business development services, incentivising use of business development services with vouchers, and managing performance and quality standards in publicly-subsidised suppliers. A cluster management organisation and cluster development agents could play an important part in such brokerage.

In building this system, it is important to ensure an adequate supply of private consultants/advisors/experts for the fast track system. This requires a mapping exercise of available BDS providers and development of a database of qualified consultants. Actions are also needed to stimulate the demand for private BDS among SMEs. The offer of a subsidised BDS voucher scheme could play this role, incentivising both the demand and the supply of private BDS provision. The RISMEP network could be instrumental in making a database of consultants and mentors available for the purpose of recognising the vouchers in exchange for the service. The business advisors would also follow-up with a schedule of regular meetings to assess the SMEs' progress in meeting milestones.

Mechanisms must also be put in place to monitor and control the quality of BDS provision to SMEs by providers, especially external advisors and consultants who are contracted or subsidised by the government to provide the BDS (e.g. feedback forms from the SME clients; reports from the BDS providers). This is not currently routinely done across agencies and institutions in Thailand. In addition, there may be a need to revert to a more standardised approach to the training, professional development and certification of BDS providers (as in the RISMEP model) that focuses on counselling intervention skills, diagnostic techniques, and practical advice-giving, in addition to knowledge in the functional areas of business.

Actions should be taken in these areas to ensure that BDS is offered alongside of financial and technology support to start-ups and scale-ups in the regional innovation cluster and that oversight responsibility is assigned to a lead organisation. A potential approach would be to assign the roles to an overarching cluster management organisation for advanced agriculture and biotechnology and food-for-the-future in the Chiang Mai and Chiang Rai regions. The cluster management organisation would have cluster management agents with a mandate to ensure that each potential start-up and scale-up in the cluster is referred to the appropriate BDS provider (external advisor, consultant, mentor/coach, or specific technical expert) to address their specific needs

BDS is offered as a component of business incubator programmes in Chiang Mai and Chiang Rai. However, the specifics of the BDS provision is not standardised across the incubator network. This could be enhanced by stating the type of BDS (e.g. individual consulting, mentoring, business management training, etc.) and the number of days of each to be offered as part of the package of incubation services.

Based on this analysis, key recommendations are offered below.

### Box 3.13. Recommendations on business development services

#### Upgrade generic business development services in Thailand

- Maintain the OSMEP One Stop Shops as an entry point for SMEs and entrepreneurs to basic business development information and referral to appropriate BDS providers.
- Enhance the SME One web portal by providing linkages to all relevant government programmes, online business training modules, etc.
- Include the online Shindan diagnostic tool in the SME One web portal and encourage SMEs to use the checklist as a self-assessment of the strengths and weaknesses of their business. Direct SMEs to the SME Knowledge Centre for remedial training and subsidised BDS support, as appropriate.
- Develop and maintain an integrated database of qualified BDS providers, advisors, consultants and mentors available to SMEs according to a standard quality system applying across government entities. The OSMEP, possibly in partnership with the Institute for SME Development (ISMED), should be responsible for registering and certifying publicly-subsidised consultants and developing and supervising standardised training programmes for consultants.
- Actively promote the online business management course models (SME Knowledge Centre) to SMEs, including developing specific modules for advanced agriculture and biotechnology and food-for-the-future firms.

#### Create a new fast track of business development services in the Chiang Mai and Chiang Rai regional innovation cluster

- Ensure that the networks of BDS-providing organisations and independent consultants are integrated in initiatives that support innovative start-ups and scale-ups in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai.
- Connect the Northern Thailand ITAP networks to the RISMEP networks in Chiang Mai and Chiang Rai and ensure that innovative start-ups and scale-ups in advanced agriculture and biotechnology and food-for-the-future have access to the ITAP and IDEA4SME diagnostic and consultancy services, consulting fee subsidies and voucher schemes.
- OSMEP should implement a funding programme to support a strategic offering of high quality and intensive BDS services to existing and potential start-ups and scale-ups with innovation and export potential in advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai.
- Assign the role of brokering BDS supply and demand to a cluster management organisation for advanced agriculture and biotechnology and food-for-the-future in Chiang Mai and Chiang Rai. The organisation would operate cluster management agents who would identify promising firms to work with and refer them to appropriate suppliers, including through working with existing, smaller cluster organisations.
- Implement a BDS voucher scheme as an incentive for start-ups and scale-ups with potential in advanced agriculture and biotechnology and food-for-the-future activities to seek services from a private BDS provider (following a business diagnostic to identify major areas for improvement of the business).
- Ensure the voucher schemes of the NSTDA and NIA are made available to start-ups and scale-ups with innovation potential in advanced agriculture and biotechnology and food-for-the-future.

- Expand the use of mentor services and broaden the scope of mentors engaged in delivering mentoring to clients by including experienced business leaders and entrepreneurs with a successful track record.
- Monitor and evaluate the performance of the fast-track system against key performance indicators.

Enhance the provision of BDS to incubator clients by specifying the type of BDS (e.g. individual consulting, mentoring, business management training, etc.) and the number of days of each to be offered as part of the standardised packages of incubation services.

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## Notes

<sup>1</sup> “The Ministry of Public Health aims to build a RISMEP mechanism throughout the year 2023”, *AEC10News*, 1 October 2019, <https://aec10news.com/contents/business/business-movement/37567/>. Funding for the expansion and sustainability of RISMEP was sourced from the SME Development Fund under the national Pracha Rat Initiative.

<sup>2</sup> <https://oss.sme.go.th/oss/>

<sup>3</sup> Described in the OSMEP website at: <https://www.sme.go.th/th/cms-detail.php?modulekey=118&id=1384>. The programme includes training workshops, in-depth consulting by an on-site consultant, and product and standards analysis, etc. The OSMEP has invited a number of organisations to join the project, such as the Federation of Thai Industries (FTI), the Food Institute, the Institute for Small and Medium Enterprises Development (ISMED), the National Productivity Institute, the Textile Industry Development Institute, the Thai SME Federation Association, and universities, among others.

<sup>4</sup> <https://itap.nstda.or.th/th/#what/>

<sup>5</sup> The initial Shindan programme, based on the Japanese SME Management Consultants System was introduced in Thailand in 1999 with the objective of developing broad-based diagnostic and counselling skills of Thai business management consultants, leading to certification as “Shindan-Shi”. This programme was designed to take 1 044 hours. Over time, it became shortened to 300 hours, and more recently, some organisations hold short “Shindan” courses that take 60 to 70 hours of learners’ time to complete, with each course focusing on only one subject area, such as marketing, finance or production, etc. (Dong and Huyen, 2010).

<sup>6</sup> At one point, the OSMEP had considered the establishment of the “Shindan House”, an organisation with the responsibility for managing and controlling all activities of the shindan system in Thailand and ensuring the institutionalisation of a standardised approach training and certifying business management consultants (Dong and Huyen, 2010); however, this has not materialised.

<sup>7</sup> RISMEP produced a Compendium of Collaborative Support Models to be used by counsellors at the one-stop service centre consultation counters. This guidance manual also described team formation and roles of team members in responding to the SME client’s needs according to their area of specialisation and expertise, and included more than 20 modules dealing with various kinds of counselling and BDS issues.

<sup>8</sup> The NIA concentrates on three core areas of business: Bio-Business, which includes functional foods, food safety solutions, and medical tourism; Eco-Industry, which includes clean industry and eco-products; and Design and Solutions, which includes agri-solutions, logistics, and the biomedical industry.

<sup>9</sup> “Ministry of Agriculture and Agricultural Cooperatives, Chiang Rai Province Organize the MOU of Network of SMEs Support Agencies under the name of ‘RISMEP Chiang Rai Province’, joining forces with 20 agencies to link various services for entrepreneurs in Chiang Rai province to be able to access”, RISMEP news, 23 July 2020, [https://rismep.dip.go.th/news/news\\_detail/73/](https://rismep.dip.go.th/news/news_detail/73/)

<sup>10</sup> <https://www.score.org/frequently-asked-questions-about-score/>

<sup>11</sup> <https://www.thesmecoach.com/>

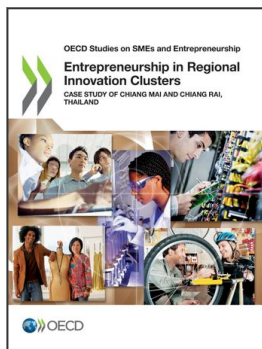
<sup>12</sup> The SCORE Programme of the US-based SBA is an external volunteer network of more than 11 000 business professionals that provides free or low-cost mentoring and training to entrepreneurs in a wide range of settings; donating more than one million hours of online and in-person mentoring, counselling and training time to small businesses nationwide each year (SBA, 2020).

<sup>13</sup> <https://www.score.org/find-mentor/>

<sup>14</sup> <https://nist-nsp.com/project/>

<sup>15</sup> <https://www.thaibispa.or.th/en/about-us/>





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