Enhance SMEs Digital Competitiveness & Resilience: The Keys to Win the Future

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Why APEC Matters

The Rise of Asia Pacific
Taking a Bigger Role in the World Economy

APEC at a Glance

Population | Trade | GDP
--- | --- | ---
40% | 50% | 60%

Creating New Dynamism, Fostering a Shared Future

Source: APEC

70% of our Trade is within APEC
## Why Digital Economy Matters

Our lives have been transformed

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Opportunities of Digital Economy

- 50% of the World Population is connected to the Internet.
- Asia Pacific is the Largest Digital Market (33%) in the world.
- SMEs that take advantage of the internet are more productive, grow faster, and have higher export revenue than those that don’t.

Source: eMarketer (2015)
Challenges of Digital Economy

- Only few SMEs in APEC are taking full advantages
- SMEs fail to get connected will be excluded from the global market
- 70% of SMEs experienced cyber-attacks, disrupt GVC, 3 trillion loss

Source: Mckinsey & PwC (2015)
Cybersecurity is a Key Challenge in Digitalization

- 60% of SMEs will close within 6 months following a cyber-attack
- 70% cyber-attacks occurred in Business less than 100 employees
- Cyber-attack, causing over 5 billion USD losses in global economy

Source: House Small Business Committee (2017)
WannaCrypt made SMEs WannaCry

- **WannaCry**: Infected 400,000 Computers across 198 Countries
- Encrypt files and software, Ransom by Bitcoin (USD 300 – 600)
- SMEs vulnerable in ransomware attacks, damage goes beyond costs

Source: Trend Micro & Microsoft (2017)
DATA AND CYBER SECURITY FOR SMEs

74% of small organisations reported a security breach in 2015, up 60% from 2014.

66% of SMEs don't consider their business to be vulnerable.

Only 29% of all businesses have formal written cyber security policies in place.

The worst security breaches can cost SME's between £75,000 and £310,000.
SMEs “Sweet-Spot” for Cyber Attackers

Lacking the awareness and capability of digital resilience will make SMEs the “sweet-spot” for cyber attackers.

Disrupt the GVCs, reducing the value by 3 trillion USD in 2020 (McKinsey, 2015)

Digital Resilience is the next step of BCPs for SMEs
How we support APEC SMEs to enhance Digital Competitiveness will be Key to Innovative Growth

Launch APEC O2O Initiative in 2015
Chinese Taipei

The Philippines

Malaysia

How we support APEC SMEs to well prepare for Digital Challenges will be Key to future Inclusive Growth

Propose 2nd Phase of APEC O2O Initiative in Lima, 2016
- **Mainstreaming** SMEs in the Global Economy (Philippines 2015)
- **Modernization** of SMEs in the Asia-Pacific (Peru 2016)
- **Strengthening** SMEs *Competitiveness and Innovation* in the Digital Age (Viet Nam 2017)
Mandate of O2O Initiative

- Optimize the Digital Innovation Ecosystem for innovation and entrepreneurship through Smart Regulation
- Enhance Competitiveness & Resilience of Start-ups and SMEs for challenges in digital economy
- Capitalize on O2O Opportunities & Prepare for Challenges through PPP to further access the regional and global market
O2O Initiative: 4 year Framework

2016 (1st year) Research and Enhance SME Digital Competitiveness

2017 (2nd year) Enhance SME Digital Resilience

2018 (3rd year) Digital Transformation Capacity Building & Train-the-Trainers for SMEs

2019 (4th year) Conclusion & Impact Dissemination

4 Solid Pillars

Public-Private Partnership APEC+ Collaboration Cross-Fora SMEWG
What are we doing in APEC?

Summary of our 4 Year Action Plan

- **Actions 2016-2019**
  - **1** Establish Expert Network
  - **2** Study Demands of APEC SMEs
  - **3** Publish the APEC SME Monitor
  - **4** SME Best Practices
  - **5** SME Digital Resilience Guidebook
  - **6** Train the Trainer Workshop
  - **7** High-Level Policy Dialogue
Accelerate Capacity Building for SMEs

A Platform for O2O Training, Networking and Showcasing

Mentoring
Funding
Co-working
Networking
Marketing
Media Exposure

Empower SMEs to make a difference in the world
2016 APEC O2O Roadmap for SMEs

Kickoff in Taipei

Forum I in Viet Nam

Training Workshop in Taipei

APEC O2O Summit in Taipei

Forum II in Peru

Forum III in the Philippines
Enhance SME Digital Competitiveness in 2016

- 6 O2O Fora, Workshop & Summit in APEC region
- 70+ APEC SME O2O Best Practices in 4 Areas
- 700+ Stakeholders and Collaborate with Leading Global Enterprises
Enhance SME Digital Resilience in 2017

PPP: EPWG, ADPC, EPCC, SEMI, Trend Micro, Microsoft
Best Practice Strategies for SMEs

Raise Digital SECURITY Awareness

APEC Guidebook on SME Digital Resilience

PEOPLE - First Line of Defense – Employee

POLICY and PROCEDURE – Browsing, Sharing, PDR, Test

TECHNOLOGY – Understand the Threat actors (e-mail+ APP) and Share Files in the Cloud

Source: Trend Micro & Microsoft (2017)
APEC Guidebook on SME Digital Resilience

11 Key Steps

Step 1: Understand your ISMS Requirements and form your Team

Step 2: Determine ISMS Policies and objectives

Step 3: List and categorize Information Assets

Step 4: Identify and evaluate information asset Risk

Step 5: Assess information asset risk

Step 6: Produce a risk Treatment Plan

Step 7: Select ISMS Controls

Step 8: Establish SME Business Continuity Plan

Step 9: Respond to and report information security Incidents

Step 10: How to determine the Effectiveness of your ISMS

Step 11: Continuous ISMS Improvement and problem follow-up

11 steps of Information Security Management System Based on ISO 27001/27005
Follow APEC Guidebook on SME Digital Resilience

- 11 Steps to build Capacities of SMEs to respond to and recover from digital crises such as cyber-attacks

- Plan Do Check Action Cycle
APEC SME Digital Resilience Training Workshop

✓ Learning by Doing
✓ Effective Communication

Trust
Teamwork
Cross-fora Collaboration

✓ TPTWG
✓ EPWG

Promote APEC Guidebook on SME BCP and Digital Resilience to enhance Emergency Preparedness and Supply Chain Resilience
Key Takeaways-SMEs (1/2)

- **People Centered Approach:** Winning at Team Building
- **Winning in the digital world:** from technology to **Psychology** focus
- **Delight your Customers in those micro moments**

Source: Google (2016)
Key Takeaways - APEC Economies (2/2)

- APEC is a Great Platform to Enhance SME Digital Resilience
- Teamwork Makes their Dream Work
- Do it together through APEC SME Partnership
We **invite more member economies**

- **✓ Adopt**
  - APEC Guidebook on SME Digital Resilience

- **✓ Implement**
  - SME train-the-trainer Workshops

- **✓ Disseminate**
  - SME Digital Resilience
Be Ready for the Digital Challenges

Resilient Supply Chain
Preparing for the Unthinkable

“Bad companies are destroyed by crises; good companies survive them; great companies are improved by them.”
- Andy Grove
Conclusion

Let’s Team up within APEC to Create New Dynamism for our Shared Future

The road ahead is not always easy
Only the brave take those first steps
Thank you for your attention!

For more information, please contact us at APEC SME Monitor

On Facebook