

*The Thai-German  
Programme for Enterprise Competitiveness*

# Impact measurement

# The Thai-German Programme for Enterprise Competitiveness

- **Goal:**

*“To improve the competitiveness and eco-efficiency of SMEs in selected sectors”*

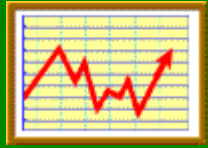
# How do we measure Competitiveness?

- Productivity (comparing input to output)

*Less Input*



*More Output*



# How do we measure Competitiveness?

- Business Performance
  - Market share,
  - Turnover,
  - Investment,
  - profit margin)



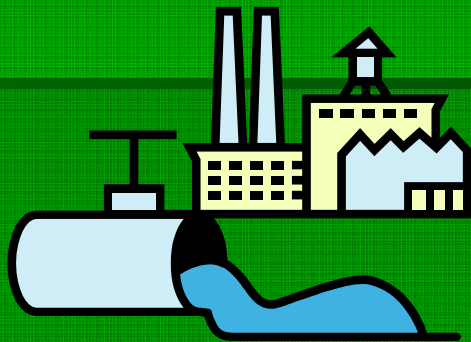
# How do we measure Competitiveness?

- Innovation (new technologies or new products)



# How do we measure Competitiveness?

- Environmentally Sustainable Production (reduced energy, lower waste output, cleaner systems)



# How do we impact on Competitiveness?

- Through improving the access of SMEs to:
  - Business
  - Financial
  - Eco-efficiency services

# What are Services?

- ***Stand-alone services (private benefit)***
  - Consultancy and advisory (business/engineering)
  - Advertising
  - Standards, testing and certification
  - Packaging
  - Logistics
  - Communications
  - Legal
  - Technical advice

# What are Services?

- ***Embedded*** *In Value Chains (private benefit)*
  - Know how or knowledge (trends, standards)
  - Information (what's hot and what's not)
  - Advice (how to set standards and grow your business)
  - Payment terms (advances, 60 days of credit)
  - Extension services (how to use inputs)

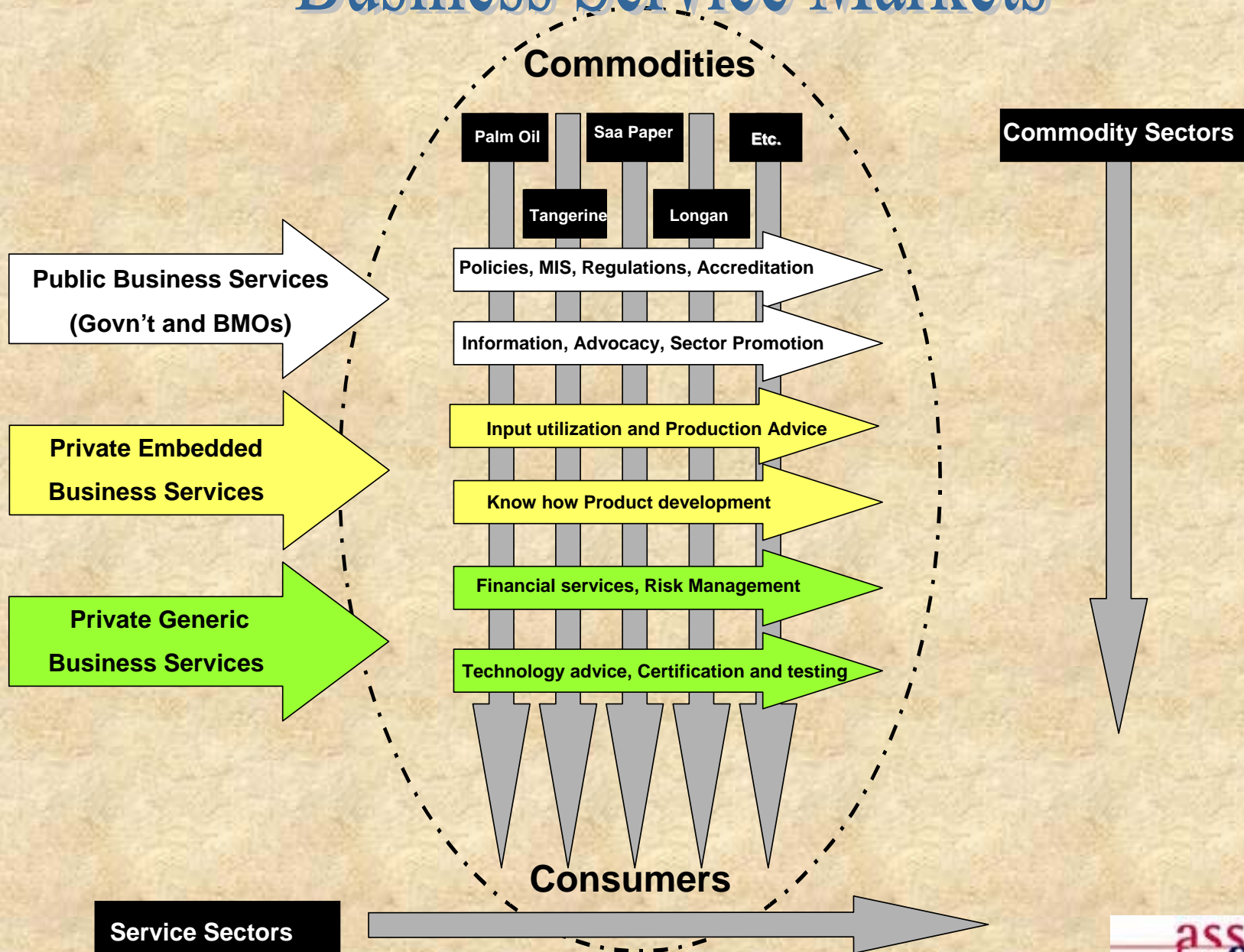
# What are Services?

- ***Governmental*** (*public benefit*)
  - Policies
  - Laws
  - Regulations
  - Information
  - General promotion

# What are Services?

- **BMOs** (FTI, TCCI etc.) (*public benefit*)
  - Advocacy
  - Area or sector promotion strategies
  - Information
  - Business Linkages
    - Referrals
    - Trade fairs
    - Etc.

# Business Service Markets



# The Programme Sequence

Choose Sub-Sectors/Clusters  
with many  
SMEs

Analyze their  
Constraints & Opportunities to  
Competitiveness

Identify Missing Services and  
Develop Sub-Sector Strategies

Design Sub-Sector-based  
Interventions to Impact  
SME Competitiveness and the  
Service Market

Identify indicators to  
measure competitiveness

Identify indicators to  
measure changes in the  
service market

# How can we help SMEs to access more and better services?

- By stimulating the “market” for business, financial and eco-efficiency services. This means....
  - Increasing demand from SMEs
    - Increasing awareness and understanding
    - Advertising services
    - Repackaging and changing the costs of services

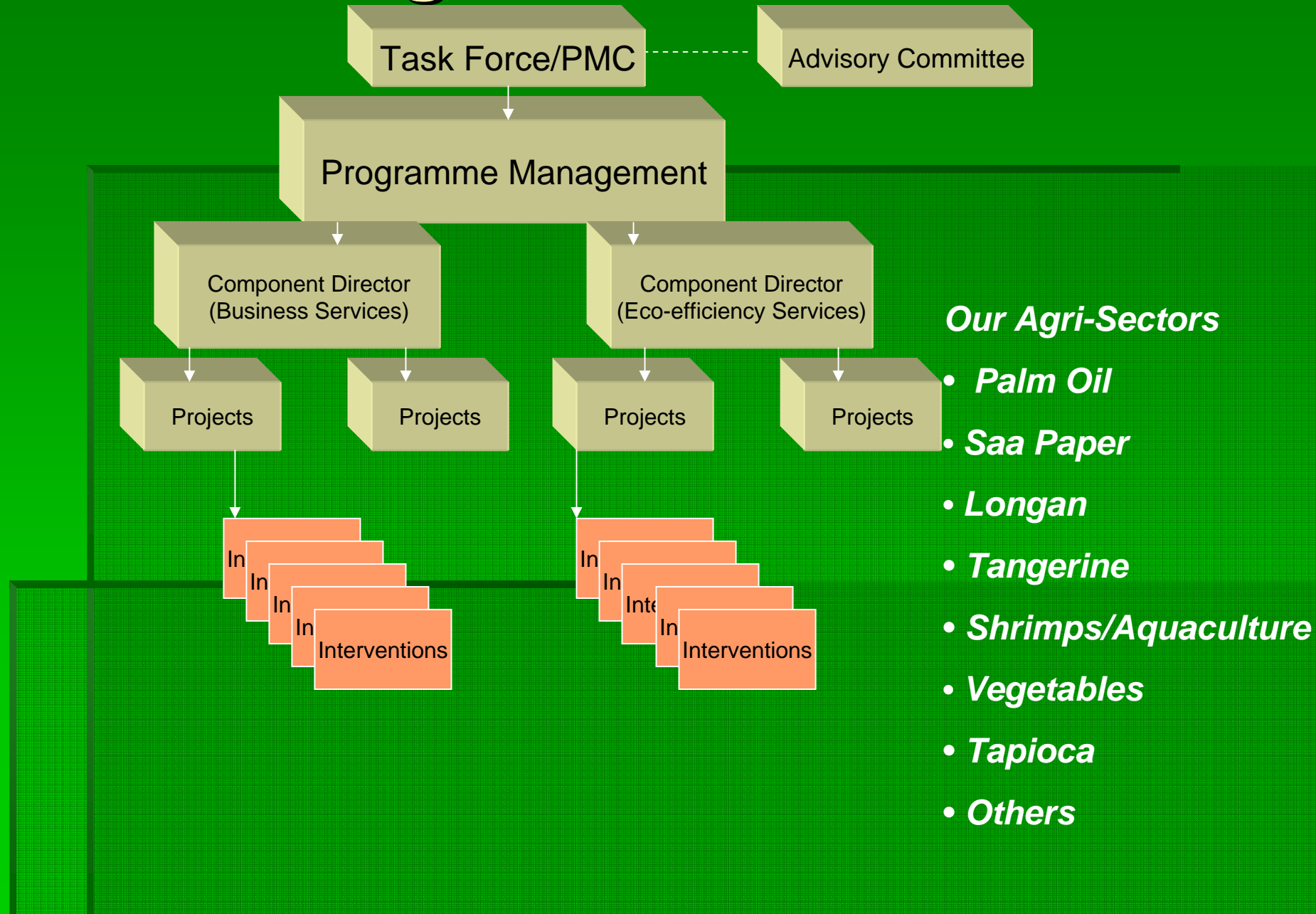
# How can we help SMEs to access more and better services?

- By stimulating the “market” for business, financial and eco-efficiency services. This means....
  - Improving supply
    - Capacity building of suppliers
    - Developing new service packages
    - Improving the impact of services

# How can we help SMEs to access more and better services?

- By stimulating the “market” for business, financial and eco-efficiency services. This means....
  - Improving the policy, legal and regulatory environment
    - Better sector based policies
    - Improving the ability of associations and chambers to offer better services
    - Improving laws and their enforcement

# The Programme Structure



# What is an Intervention?

*Any significant allocation of programme resources (manpower or money) invested in a well-defined “project/sub-project” of a partner which is aimed at enhancing the competitiveness of SMEs through either :*

- *stimulating the demand for services from SMEs*
- *improving the ability of the partner to provide better services (public or private) to SMEs*
- *Improving the policy, legal or regulatory framework conditions for SMEs*

# Key Elements of Interventions

- A recognized competitiveness issue
- A way to measure impact on the issue
- Identifying the service solutions (alternatives)
- An implementation strategy
- An implementation partner
- A cost-sharing budget
- An exit strategy

# Example 1: Palm Oil

- Competitiveness Issues
  - Increased productivity of 15 crushing mills
- The Service Solution
  - Advisory services on benchmarking
- How will it work
  - Through the crushers association

# Example 1: Palm Oil

Impact to be measured at the goal level?

- Reduction of energy costs
- Oil extraction rates of mills

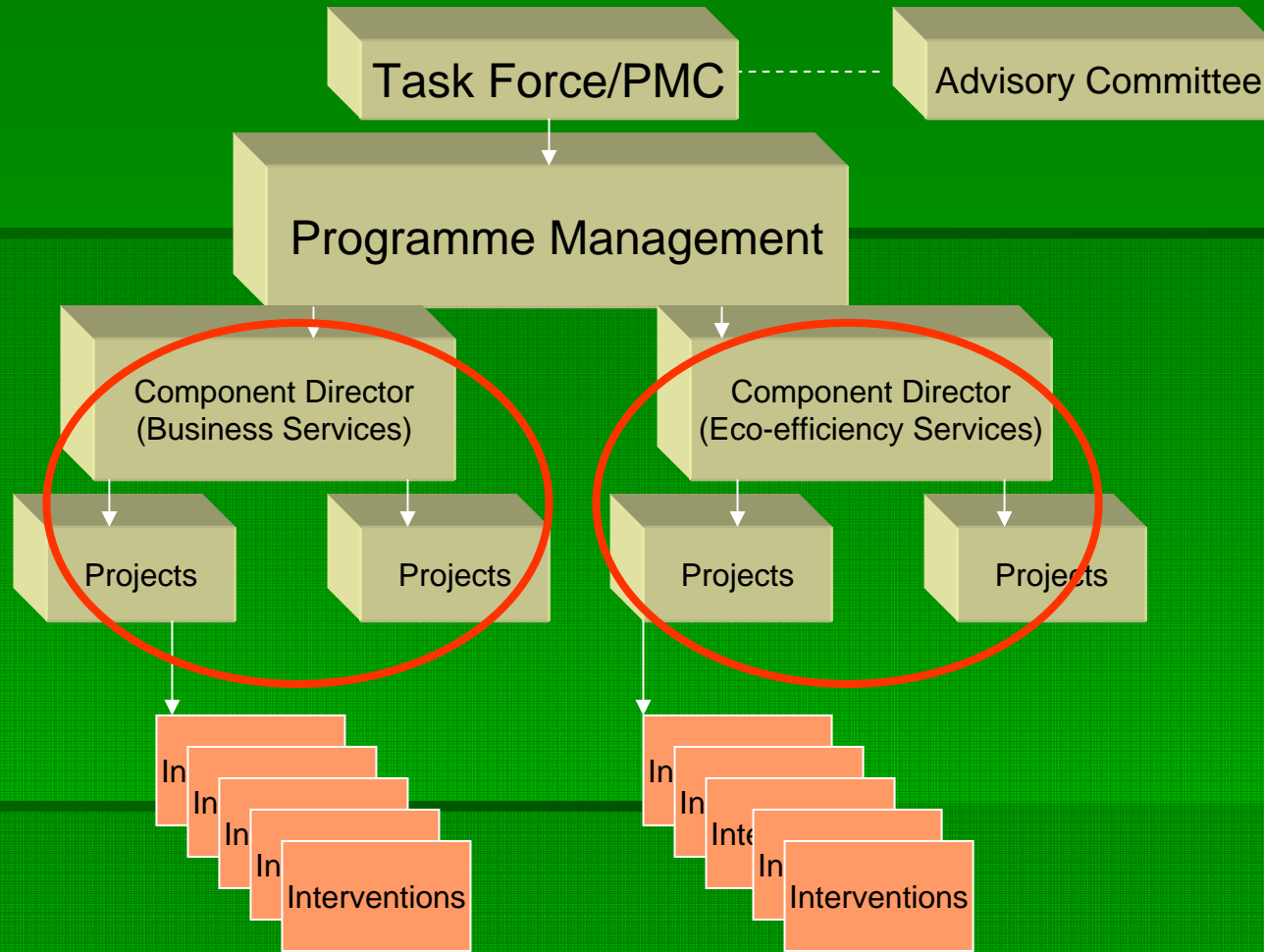
Impact to be measured at the service level?

- Customer satisfaction rates
- Repeat purchases from the suppliers in ThB

# Measuring Quantity and Quality

- Approximately 5 on-going interventions in each chosen sub-sector (business, financial or eco-efficiency services) each with a competitiveness goal and service solution
- Approximately 2-3 new interventions per sector per year.
- Approximately 2-3 completed interventions evaluated for their impact

# The Planning of Interventions



## *Our Agri-Sectors*

- *Palm Oil*
- *Saa Paper*
- *Longan*
- *Tangerine*
- *Shrimps*
- *Vegetables*
- *Tapioca*

# Checklist for a good intervention

- We need to think about the solution in a positive way:
  - What would be an improved and feasible solution
  - What best practices exist in other situations to solve this kind of problem
  - What kind of stakeholders were involved in these solutions
  - What roles did they play
  - What groups, institutions or individual businesses stand to gain from improving the current situation

# Checklist for a good intervention

- We need to “frame” the solution as a “service” to SMEs either:
  - Stand alone
    - Certification
    - Advertising
  - Embedded
    - Knowledge
    - Advice
  - A new policy
    - Regulation or no regulation
  - Collective action
    - Advocacy
    - Business linkages

# Checklist for a good intervention

- Who are the relevant service providers?
  - Individual and large businesses
  - Retailers
  - Business Membership Organisations
  - Government departments or agencies
  - Stand alone providers

# Format Intervention

- Explanation of the competitiveness issue with numbers (how important is it?)
- What is the desired improved situation?
- How can this be realistically achieved
  - Without relying too much on funds from outside
  - In a sustainable way (using market players)
- Who are the players and what services and resources will they contribute?
- How will it fit together?
- How will success be measured?