

SME productivity measurement and analysis

SMEs play a significant role in economic growth and development everywhere. They create jobs, promote private ownership, encourage diversification of economic activities, and provide opportunities for developing entrepreneurial skills. They are also significant sources of innovations that contribute to the productivity and competitiveness of industries. SMEs operate in all sectors and subsectors, engaging in the production of raw materials, processing, manufacturing, marketing, and/or providing logistical and transport service. This wide range of activities makes it difficult to use a common yardstick for measuring, comparing, and monitoring the productivity of SMEs.

To address the difficulty in measuring firm-level SME productivity, a workshop was organized by the APO on SME Productivity Measurement and Analysis for NPOs, 26–29 November 2013, in Singapore. The main objective was to review tools and techniques for SME productivity measurement and recommend a suitable SME measurement system for NPOs in the region. Sixteen participants representing 16 NPOs of APO member countries attended the project. Three guest participants from the Republic of Turkey's Ministry of Science, Industry and Technology, Directorate General for Productivity, also participated.

The workshop was facilitated by resource persons Dr. Charles Harvie, Director of the Centre for Small Business and Regional Research and Acting Director of the International Business Research Institute, University of Wollongong, Australia, and Senior Management Consultant Masahisa Mizumoto, Central Japan Industries Association.

Participants agreed that while they shared a common understanding of labor and capital productivity, NPOs differed largely on measurements of other indicators. Due to those differences, they proposed that the APO establish a common foundation of SME productivity measurement. In addition, they proposed that the APO website include a public-access online system for SME productivity assessment, similar to the Integrated Management of Productivity Assessment Tool of SPRING Singapore and Company Manual for Productivity Assessment of the Malaysia Productivity Corporation. This would allow entrepreneurs or NPOs to measure and analyze firm-level productivity as and when needed.



Dr. Harvie facilitating group discussions.

BreadTalk, a former SME that grew into large global company, hosted a visit so that participants could investigate its productivity measurement system and learn more about its business operations. The first day and a half of the workshop was combined with a conference organized by the Asia Competitiveness Institute of the Lee Kuan Yew School of Public Policy, National University of Singapore, in which presentations covered productivity drives for SMEs. 