

Digital transformation of trading SMEs and corresponding support programs in Korea

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UNITED NATIONS

ECLAC

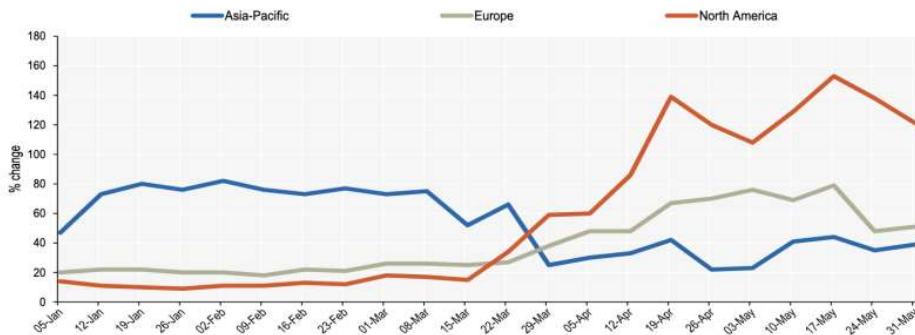


대한민국정부

The Government of
the Republic of Korea

New Opportunity : Digital Transformation

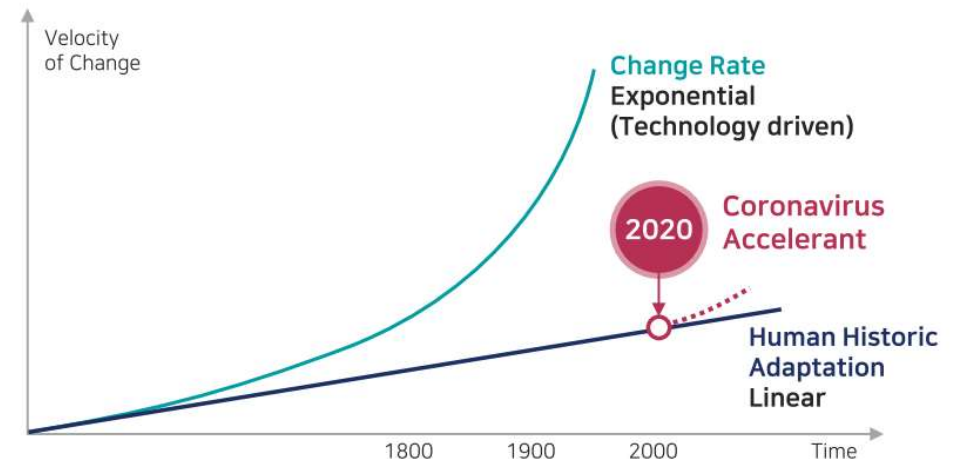
Growth in goods orders through e-commerce, May 2020



- E-commerce helps **consumers access the goods they need** in times of confinement and helps businesses, including smaller ones, maintain economic activity. By May 2020, online orders were up 50% year-on-year in Europe and 120% in North America, with part of this demand being met by cross-border trade in parcels.
- Ensuring that parcels get to where they are needed requires a range of policy actions, including logistics services liberalisation.

* Source: OECD (2020), Leveraging Digital Trade to Fight the Consequences of COVID-19

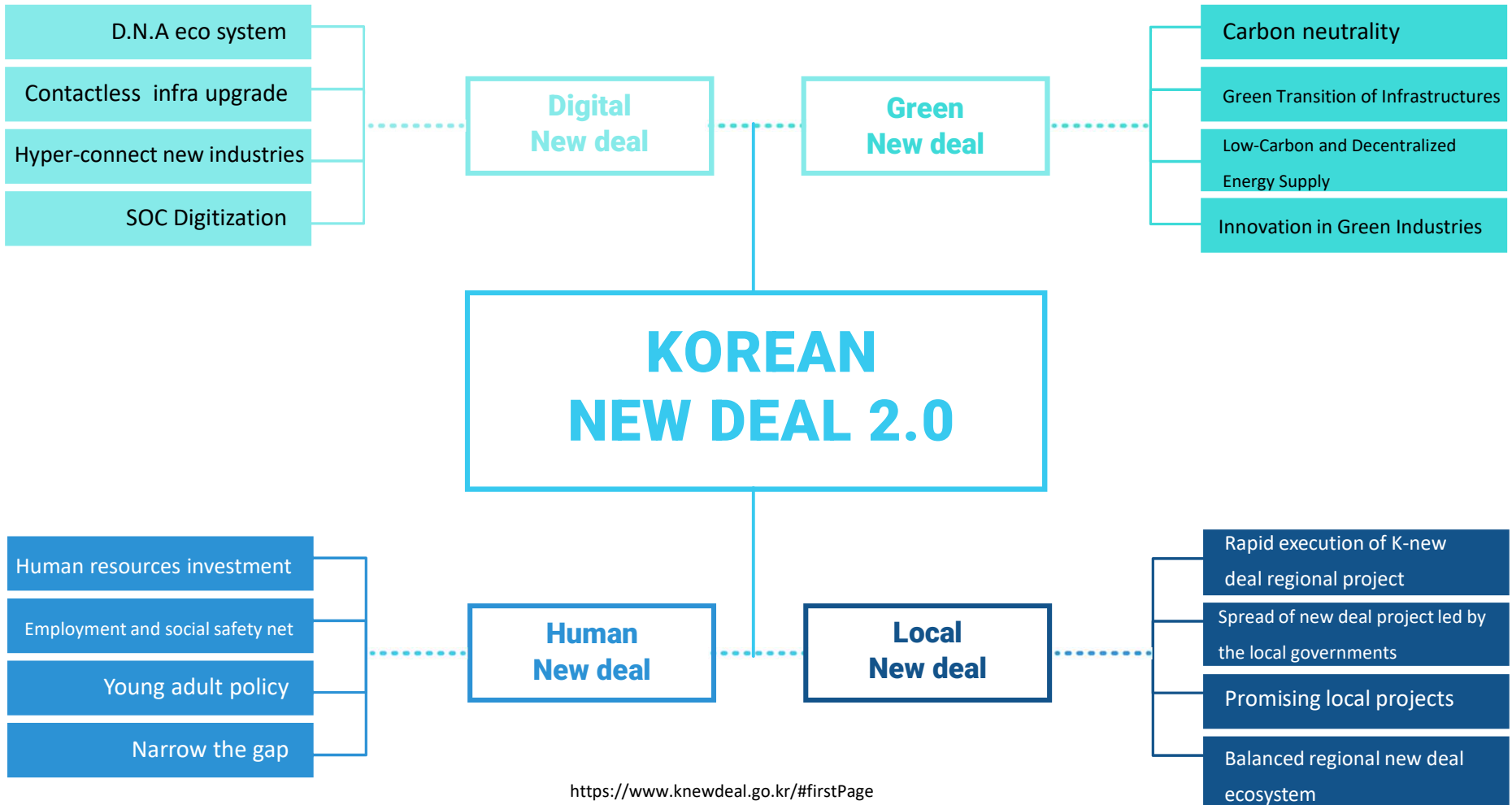
Digital Transformation and Change Management



- Technology acceptance is relatively low compared to development
- COVID-19 has increased technology acceptance.

* https://www.liquidtelecom.com/insights/innovation-blog/Did_Coronavirus_just_kick_start_the_digital_economy

KOREAN POLICY



Challenge 1: market information



BIG DATA PLATFORM

Solution

kotra

Korea Trade-Investment
Promotion Agency

- | | | |
|----|--|---|
| 01 | Recommendation export promising market by items | Country information, market information, news, import regulations etc. |
| 02 | Global trade & investment statistical data by item (HS Code) | Providing most selling / slow-moving items, statistical information by market |
| 03 | Recommendation potential buyers | Tailored partner recommendation by foreign company DB-based |

Challenge 2: marketing

Korea B2B platform



Comprehensive Cooperation Measures



Solution

NEXT buyKOREA

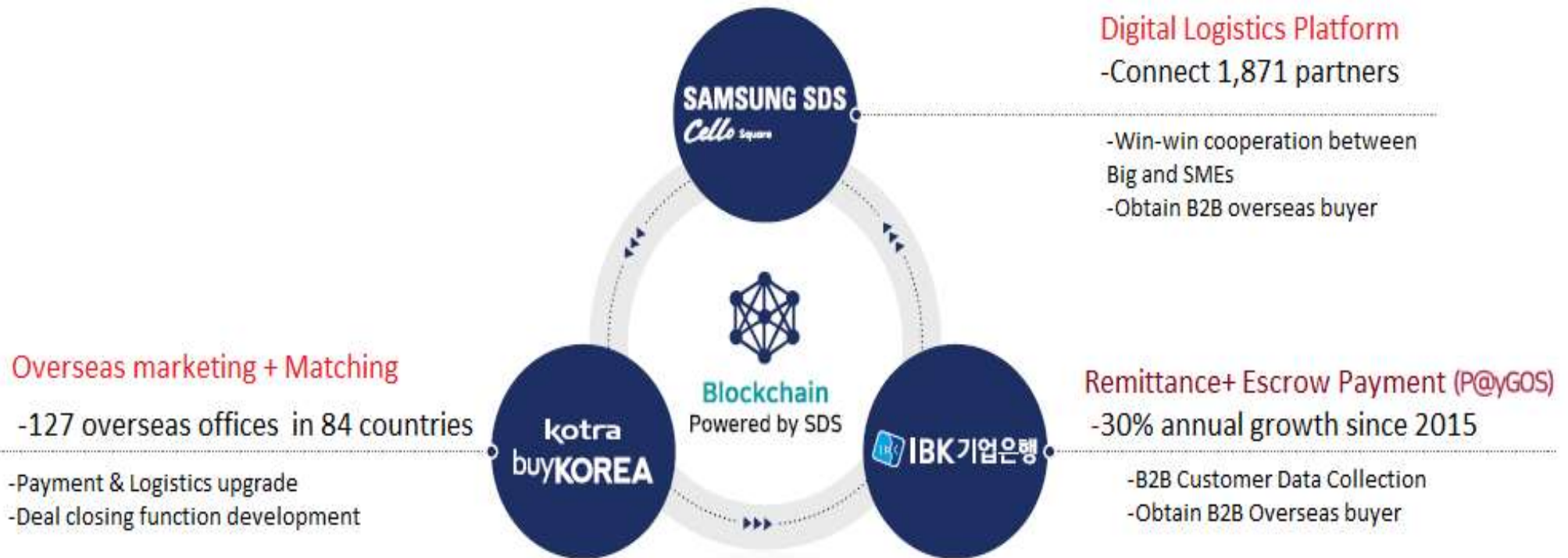


Image source: SAMSUNG SDS, the 8th cello conference 2021.5.13.

Challenge 2: marketing

Branch agent service

Solution

kotra

KOSME

World-**Okta**

Stages	Program	Duration	Corporate Charges	Supporting agency
Entry	[Basic marketing support] Market research, potential buyer, networking. Base translation of the corporate promotion materials, test sales(only consumer goods)	6M	KRW 500,000. USD 420.	OKTA
Growth	[Marketing & Export support] Deal closing support, Exhibitions- conventions participation support, consultation, brand promotion, global partnering, acquiring license to enter global distribution channels in a country, project participation, create local incorporation support and other services	1Y	KRW 2.5~3million USD2,100~2,530. (differ by country)	KOSME KOTRA OKTA
Expansion	[export & localization support] Tech export(alliance), GVC support, accelerating service, data science consulting, entering global procurement, target market access by item, incubating service, O2O service, local investment service, and so on.	1Y	KRW 6.65~10.15million USD5,600~8,600. (differ by country)	KOSME OKTA

Consulting

Rapid Support for SMEs

Daily Counseling

Online, Visit, Customer support center
(U-Counseling system)

On-site Clinic

1~7 days on-site problem solving by experts
(differ MD by subject)

Support project linkage

Finance, Consulting, R&D linkage
Law-System-Policy improvement

1,357 Customer Center →

SMEs Business Support Group (13)

← **Bizlink Homepage**

Total Counseling	Startups·Environment	Finance·Management	Technology·Information	Export·Channel
<ul style="list-style-type: none"> Total operation Call receive, distribution 	<ul style="list-style-type: none"> Startup counseling Law/regulations 	Finance/currency risk management Accounting/Tax HRD/HRM, Management etc.	Technology-IP Information Production technology	Export matters Channels/Public procurement Fair Trade

SME Support Council 11 (joining local provinces, support organizations, associations etc.)

SMEs apply to solve various difficulties

Source: www.sems.go.kr/bizlink

Challenge 3: financial support

Export voucher

Solution

13 service menu categories, 6,000 support programs

Exhibition/Event/Overseas
Operation Support

Patent/Intellectual Property
Protection/ Examination

Brand Development·
Management

Document Agency/
Local Registration/
Exchange Insurance

Research/General
Consulting

Overseas standard certification

Design Development

Empowerment Education

International Shipment

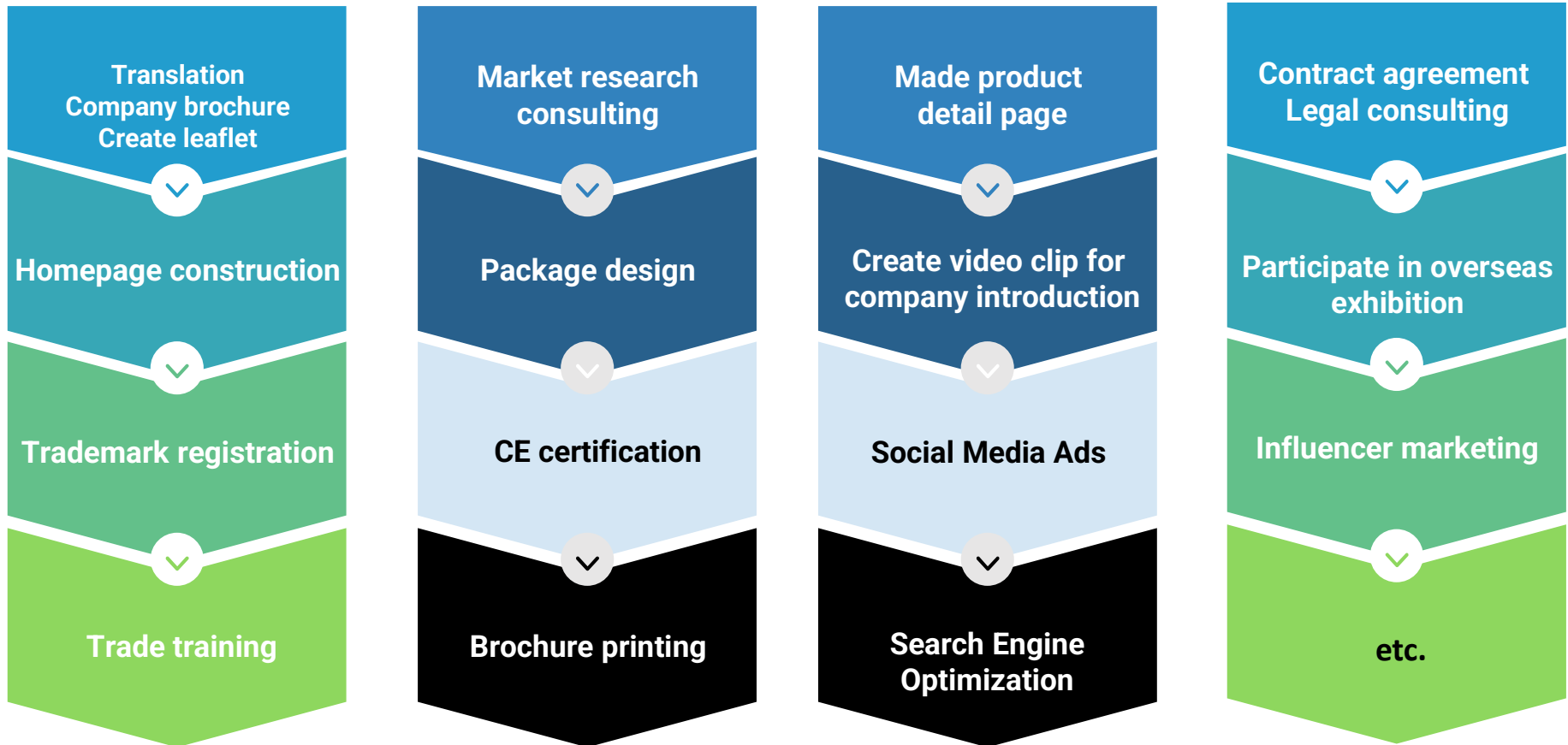
Legal· Taxation· Accounting
Consulting

Promotion/Advertisement

Promotion Videos

Translation

Examples



Result

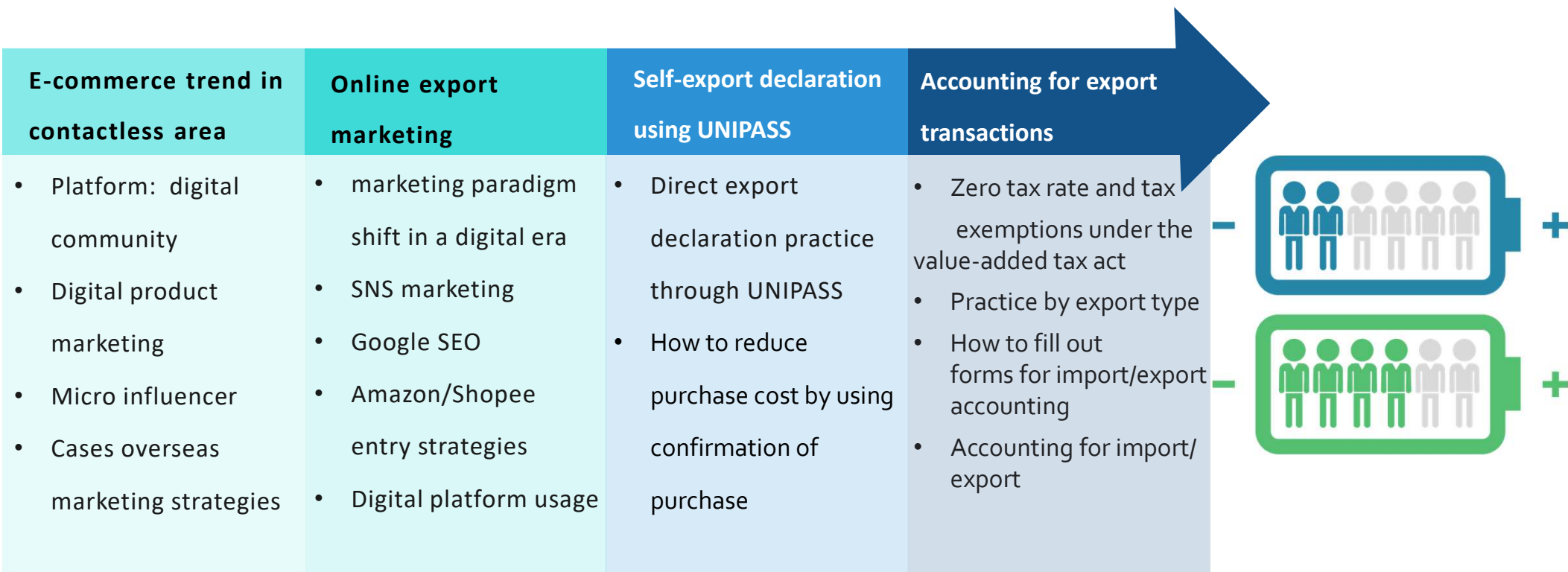
Performance of export voucher program, 2020

Supported enterprises (no.)	Supported amount (US\$)	Export performance (million \$, %)		Employment performance(no, %)		Non-exporting company to exporting company(no, %)	
		performance	YoY	Performance	YoY	Performance	YoY
3,268	\$99,024,183. 116.7billion won	2,286	376	68,306	8.6	477	50.7

Source: KOSME, annual report 2020

Challenge 4: human resources

Upskill talent support



Recommendations for Latin America and the Caribbean

1

Changes need SPEED

-Digital initiative, Infrastructure, Investment, and skills

2

Create practical support program for SMEs

- Example: Export voucher program

3

Provide 100% reliable information to SMEs

-Plenty of information on internet. But data trust and accuracy are crucial to be useful to SMEs.

4

Develop and upskill talent

-Need digital based training programs & qualified instructors
-Investment in human resources



Thank you

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