The Singapore Chinese Chamber of Commerce and Industry (SCCCI), in collaboration with Nanyang Technopreneurship Center (NTC) of Nanyang Technological University (NTU), conducted the 2012 Joint Survey on Increasing Productivity & Innovation Capabilities to gain feedback from members on their current productivity and innovation capabilities, the needs of local businesses, and the effectiveness of government assistance schemes for SMEs.

The Survey was conducted over a 3-month period from May to July 2012, supported by SPRING and IE Singapore.

Key Findings

Innovation Capabilities

- 93% of the SMEs acknowledge innovation as an effective method to raise productivity;
- However, less than 50% of the respondents actually applied innovative measures in their business operations;
- Technology and Marketing innovation were the two most popular measures, with awareness level around 73%, adoption level between 47% and 50%;
- The awareness level of Business Model Innovation, Enterprise Management Innovation, and Organisational Innovation was considerably lower, compared to Technology Innovation and Marketing Innovation;
- Less than 30% of the respondents solicit advice from external consultants to leverage on innovation as a way of increasing productivity.

Productivity Growth

- 78% of the companies recognised that training could improve the capability of the employees and are planning to send employees for training.
- Training is also one of the most popular measures (59%) adopted in the productivity drive, second to adoption of Infocomm Technology (68%)
- Companies prefer to send employees to attend training courses which could improve job-related skills (e.g. technical, sales and customer service related courses, etc)
- The main reasons for not sending employees for training:
Appendix 1

- Inability to find suitable training courses (34%)
- Manpower shortage, insufficient staff to cover duties (28%)

Corporate restructuring
- It is encouraging to know that 60% of the companies are ready or in the process of restructuring;
- Those who are not ready cited manpower crunch as the stumbling block of restructuring (69%), which is double those who are facing a shortage of capital (32.8%);
- Companies are more keen to relocate their business to neighbouring countries and destinations which they are more familiar with. Most popular destinations are: Malaysia (57%), China (48%), Indonesia (21%), Vietnam (19%)

Government Assistance Schemes
- 50.1% of the companies had applied for government assistance schemes before. Among these companies:
  - Training-related schemes and the Productivity & Innovation Credit scheme (PIC) were high on the list; more than 50% of respondents had applied for each;
  - 77% found the schemes to be very effective / effective.
  - 44% encountered difficulties when applying for the schemes. Among them, 78% cited that excessive documentation during application was the major hurdle
- Lack of awareness and inability to find a suitable scheme (62%) is the main reason for not applying;
- About one-third (32%) of the respondents experienced problems in dealing with many government agencies at the same time;
- 44% found it necessary to have a single coordinating body to liaise with different government agencies on their behalf.