

Barriers and opportunities for SME manufacturing operations in the Asia-Pacific rim – A case study in the Australian household consumer market

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Abstract: Small and Medium Enterprises (SMEs) are viewed as extremely important for the development and sustainability of economies worldwide. To this end, much has been done to promote and support SMEs. However, a number of issues have been identified as key barriers for the establishment and operation of SME manufacturing activities. A case study in the Australian household consumer market is used to demonstrate some of the issues: an environmentally friendly paint product. Recommendations can be made to address these issues, based on experiences in other countries. Also, it must be noted that in certain sectors initiatives are underway to support SMEs in Australia, e.g. the promotion of environmental responsible products³.

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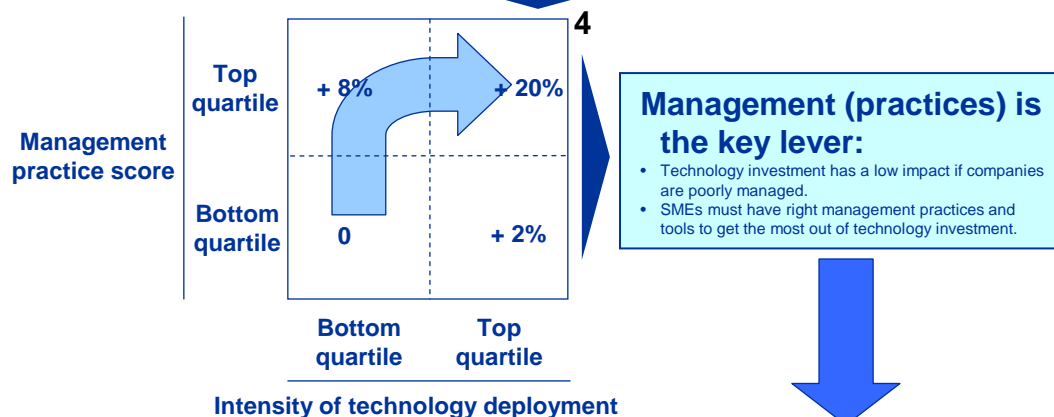


Establishment of a paint manufacturing and distribution operation in the Asia-Pacific region

Issues that lead to barriers of business establishment:

- Accessing available government and non-government organisation information;
- Non-standardised labelling of supplied materials from other countries;
- Inconsistent availability of materials from certain suppliers;
- Lack of engineering prowess for non-standardised manufacturing equipment;
- Accessing investment capital;
- Availability of existing systems to promote and aid clean manufacturing processes; and
- Training requirements.

Technology and management are key drivers towards efficiency / productivity of SMEs to overcome certain barriers



Management (practices) is the key lever:

- Technology investment has a low impact if companies are poorly managed.
- SMEs must have right management practices and tools to get the most out of technology investment.

Recommendations to support and enhance SME management:

- Sector-specific web-based portals with access to: relevant government and non-government information, networks of suppliers and product offset points, technical specification and training material for specialised equipment, funding mechanisms and investment advertisement, and service providers for training in and establishment of sustainable production practices;
- Region-specific standardisation of labelling of materials and products, with access to collaborative standardisation bodies at reasonable cost;
- SME-focussed academic initiatives at reasonable cost, and specifically basic entrepreneurial management training programmes and technical expert centres, e.g. operations and management process optimisation, and product-specific testing for labelling purposes.

3. <http://www.ecospecifier.org>
4. Dorgan S, Dowdy J, Rippin T, 2005. Management matters. Key note address, IEMC, St. Johns, Canada