

SMEs – the way forward

While we are marching towards the end of the year, to many people in the stressful world of business & finance, it feels like we are near the end of the world.

True, SMEs at large have encountered financial difficulties of varying degrees. Thanks to the Government-Bank joint rescue, a fraction of the troubled SMEs will at least stay above water for a while. But what after another 100 days when the borrowed money is about to vanish, and sales/profit are heading nowhere but down.

We cannot help but to ask: is the Government doing things right or doing the right things to save bleeding SMEs from falling? What's wrong with the business fundamentals of SMEs & the HK economy?

The biggest problem facing SMEs in the post-tsunami world is - we are short of business orders or don't have enough sales to keep our companies going. HK exporters & their factory counterparts in China are suffering diminishing orders. Retail shops and restaurants are hurt by weakening sales and declining purchasing power of people.

At this toughest moment of our lifetime, we must stand up for the new challenges and step up our effort to open up new markets. We need to win new customers all over the global marketplace spanning Asia, Russia, Middle East, Latin America, and the developing counties; while getting ongoing support from old friends in US, Europe.

And we need to upgrade our product/ service to a higher statue in the world arena; bearing in mind good quality and low pricing are not enough assurance for getting a winning ticket. In today's world, one magic that make sales happen is branding, which is about creating and delivering value to customers.

Some SMEs had been lured into speculative activities like property & shares sharing. The financial tsunami has spoken for the costly lesson people learnt. The best hedge for enterprises: back to the basics - focusing on core business, revising strategies, training up people, planning for resources - to prepare for a long hard battle.

At this critical moment, it is the Government's call to help SMEs to crack on new markets. And take a pro-active role in beefing up the intelligence of SMEs, say coaching on brand-building, value adding via technology & design elements.

Yes we can, and we will - bring positive changes to make HK a stronger place than ever.

Let's say good-bye to a heavy 2008 and turn a new page in 2009.

(Alex Ku, 29 Dec. 2008)