

Be innovative, SMEs told

> Adopting culture of innovation and boosting R&D bring positive effects: SME Corp CEO

BY **PREMALATHA JAYARAMAN**
sunbiz@thesundaily.com

KUALA LUMPUR: SME Corp Malaysia Bhd wants small and medium enterprises (SMEs) to adopt a culture of innovation and boost research and development (R&D) spending in their companies in order to be competitive.

"We want to see more Malaysian companies going into innovative culture and more funds being crafted out for R&D spending," SME Corp CEO Datuk Hafsa Hashim (*pix*) told reporters after the presentation of i-Innovative Certification for Enterprise Rating and Transformation (i-InnoCERT) certification here yesterday.

Hafsa said SMEs will be able to see the multiple effects coming through after putting in place innovative efforts in their companies.

She said SME Corp has adopted the Korean model called InnoBiz, which started in 2001, whereby over 15,000 Korean companies are InnoBiz-certified. "There has been improvement in terms of profit, business performance, employment opportunities and R&D expenditure," she said.

Currently, R&D spending in Malaysia by SMEs is about 0.06% compared with over 10% by Korean SMEs.

"Since the introduction of the i-InnoCERT, from the perspective of SMEs, they have progressed reasonably well. From the beginning, we have created awareness of companies to come forward. We have seen the emergence of innovative companies," Hafsa said.

Over the last four years, 166 companies have been i-InnoCERT-certified and these companies have gone through a stringent process of auditing and evaluation by Sirim QAS International Sdn Bhd.

SME Corp chairman Datuk Mohamed Al Amin



Abdul Majid said the i-InnoCERT programme has endeavoured to provide various types of assistance to promote the certified companies.

The benefits of the i-InnoCERT programme include the Green Lane Policy whereby SMEs certified under the programme are given priority access to government procurement, financial assistance, tax incentives and customised facilitation.

Through the Green Lane Policy, Mohamed Al Amin said, SME Corp, in collaboration with Bank Negara Malaysia and the Association of Banks Malaysia, has provided an avenue for i-InnoCERT companies to pitch their proposals to banks.

To date, RM6 million has been approved under the collaboration effort.

"We will continue to work together with the i-InnoCERT companies to further strengthen and facilitate their growth," Mohamed Al Amin said.

He added that many of them have accessed new markets, hired more employees with high-value expertise and expanded overseas.