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Innovation & Capability Voucher Expanded to Support SMEs in Business and Productivity Improvements and Solutions

Additional S\$10 million set aside to fund the enhanced scheme

1. From 1 March 2014, small and medium enterprises (SMEs) can look forward to more support in putting their business improvement plans into action with the enhanced Innovation and Capability Voucher (ICV) scheme. The government will be expanding the scope of ICV beyond consultancy services to support implementation of solutions in the four capability areas of innovation, productivity, human resources development, and financial management. The enhanced ICV was announced today by the Minister of State for Trade and Industry Teo Ser Luck after a walkabout session at the Alexandra Village. This is part of the outreach efforts under the SME Workgroup.
2. The enhancement results from feedback to the Government through the SME Workgroup that SMEs may not necessarily require consultancy services to diagnose a problem or propose solutions. The enhanced ICV would allow SMEs who want to implement solutions to meet their business challenges but face resource constraints, to take their first step towards capability upgrading.
3. Minister of State for Trade and Industry Teo Ser Luck said, "We have been actively engaging the SMEs through different platforms, including the SME Workgroup outreach sessions. Expanding the scope of the ICV is a response to their feedback and will help SMEs, especially heartland businesses, further their productivity improvements. SMEs are encouraged to leverage this enhanced ICV to continue to enhance and transform their businesses."
4. To encourage more SMEs to take their first step to upgrade, the enhanced ICV will cover the implementation of recommendations from business

consultations, as well as direct procurement of solutions in the four capability areas. This way, they can better manage costs, raise productivity and efficiency, and strengthen their business operations to achieve sustainable growth.

5. Under the existing ICV, SMEs can apply for vouchers each valued at \$5,000 for redemption of consultancy services provided by pre-approved service providers under the four capability areas. With the enhanced ICV, SMEs can implement solutions from the categories of (i) equipment & hardware; (ii) technical solutions; (iii) professional services and (iv) design & renovation. Each SME may apply for a maximum of two vouchers to implement solutions out of the eight vouchers which it is currently eligible for under the existing ICV. The maximum cap of two vouchers per capability areas for consultancy services remains the same.
6. Skylace Language School is a SME which has taken its first step towards improving its business productivity by utilising ICV. The school employs 14 teachers and operates five enrichment centres which offer Chinese enrichment classes for children. It also provides training service for teachers. Through an ICV (Productivity) project, Skylace conducted an overall business diagnosis on its management and key business operations and identified areas for improvement. These areas include improving its retention strategy, streamlining its processes and better management of data for greater competitiveness in the market. With the enhanced ICV, Skylace may implement solutions like software programmes for streamlining its existing processes and creating a centralised database for ease of information management and marketing purposes.
7. To support the enhancement and encourage more SMEs to upgrade, the government will be setting aside an additional S\$10 million to fund ICV. This

will bring the total amount set aside for ICV to S\$42 million. To date, about 3,000 vouchers have been issued since the ICV was launched in June 2012.

8. More information on the ICV can be found at www.spring.gov.sg/icv. For enquiries on ICV, SMEs can call EnterpriseOne at 6898 1800.

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About SPRING Singapore

SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognised standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore.

About SME Workgroup

The SME Workgroup was formed in September 2013 as part of the government's proactive efforts to build a strong and competitive SME sector in Singapore. Led by the Minister of State for Trade and Industry, Teo Ser Luck, the workgroup brings together Grassroots Advisors, government agencies and business representatives for the first time. It will not only act as a sounding board for the government, but will also oversee the implementation of various government programmes and schemes related to SMEs. Gaps will be identified and recommendations will be made to improve existing policies related to SMEs. Grassroots Advisors have started actively engaging SMEs through various outreach efforts from October 2013. As of January 2014, there were 17 outreach sessions in various constituencies that were attended by SMEs from different sectors.