

SMEs outnumber MNCs in winning public tenders



SINGAPORE – Small and medium enterprises (SME) outnumber multi-national corporations in securing public tenders - worth more than S\$10 billion a year, a research study has shown.

BY ANGELA TENG - JUNE 15

SINGAPORE – Small and medium enterprises (SME) outnumber multi-national corporations in securing public tenders - worth more than S\$10 billion a year, a research study has shown.

In the first six months of last year, about 79 per cent, or more than 1,000 out of 1,279 public projects were awarded to SMEs, a study by VSC in partnership with NUS Business School showed today (June 15). VSC is an investee company of SPRING SEEDS Capital, a wholly-owned investment subsidiary of enterprise development agency SPRING Singapore.

SMEs that received public contracts were mainly from the services, technology and wholesale industries, the study showed.

Public tenders are a good source of projects and funding for SMEs, and also helps these firms build up a good track record, according to the study, which evaluated 11 ministries, 16 industries and 50 companies.

Other than the balance sheet of a company, the brand of the company, its track record, and certification of quality and standards are criteria that government boards look at when evaluating tenders, the study showed.

Companies can identify their strengths and weaknesses through self-assessment toolkits, setting up a procurement department to track tender submissions, and monitoring competitors and bidders for similar projects, the study said.

VSC chief executive M Nazri noted several procurement lapses by public agencies in recent years. Through the report, he hopes that these agencies can get a better insight on evaluating companies to maximize public value.

At the event today, VSC also launched its SMEASSIST Centre, which aims to help SMEs streamline their operations to maximise results, create financing and investment ideas, as well as venture overseas. - Angela Teng