

# Study on Policy System about the Collaborative Innovation

## Of Medium-Sized and Small Enterprises in Beijing

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**Abstract**—Policy implement as a kind of government behavior, affects the development of medium-sized and small enterprises and become one of the important factors for the medium-sized and small enterprises collaborative innovation. Through the analysis of policies status, innovative features, put forward the related suggestions and conclusion.

**Keywords**—Medium-sized and Small Enterprises, Collaborative Innovation, Policy

### I. INTRODUCTION

Medium-sized and small enterprises(SMEs) are an important component of the capital's economy, in ensuring the stable development of the capital's economy, increasing employment opportunities, optimizing the economic structure, promoting technological innovation, improving people's livelihood, it has an irreplaceable position and role. But as SMEs of the Beijing or the whole country, in the development process is facing human resources, capital, information resources, mechanisms and management issues, especially technological innovation has become the bottleneck of its development<sup>[1]</sup>. Since collaborative innovation theory has been proposed, it was discovered that collaborative innovation is the best way of SMEs Technology Innovation<sup>[2,3,4]</sup>, but practice and research shows that it can not ignore the impact of government action, especially influence of the policy in collaborative innovation<sup>[5,6]</sup>.

In the SMEs collaborative innovation system, government should establish collaborative innovation service system for SMEs through policies and regulations, guide and support to establish contacts with the outside world, manage, promote, innovate in the market behavior in the ways and means of the SMEs collaborative innovation, and enhance the quality and reputation of SMEs' collaborative innovation service system, and promote synergies both inside and outside the system. In recent years, study on Collaborative innovation mechanism for SMEs and modes were more<sup>[7, 8]</sup>, but many studies have ignored the impact of policies on collaborative innovation, even been mentioned, was a relatively simple description, and no depth analysis, especially for Beijing SME collaborative innovation. Therefore, analyze this current situation of collaborative innovation in SMEs, include government action

particular policies into analysis framework, profoundly study on policies on the capital impact of collaborative innovation for SMEs is important.

### II. SMEs COLLABORATIVE INNOVATION OF BEIJING

#### A. Basic Status of SMEs of Beijing

According to data of the Beijing Municipal Commission of Economy and Information Technology showed that there were 252,000 SMEs in Beijing until the end of 2012, accounting for 99.7% of the city's total number of enterprises, employing about 72.6% of the city's workforce and contribute to the city's 62.1% tax<sup>[9]</sup>.

#### B. Basic Status of SMEs Collaborative Innovation of Beijing

Currently, kinds forms and methods about SMEs collaborative innovation are diversified, based on industrial clusters, value chain<sup>[5]</sup>, "the Five Main Bodies,"<sup>[10]</sup> and an improved model and so on. Among them, Industrial Technology Innovation Alliance is a new and effective approach to development to SMEs collaborative innovation in recent years. Until the end of 2012, Industrial Technology Innovation Alliance were about more than 150 in Beijing<sup>[11]</sup>, a number of members of the unit over nine thousand, SMEs account for as much as half seats, gradually become the power source in independent innovation activities and the support forces in scientific and technological innovation in Beijing.

### III. POLICIES OF SMEs COLLABORATIVE INNOVATION OF BEIJING

#### A. Basic Status of Policies

In recent years, Beijing Municipal Government attaches great importance into the development of SMEs in the capital, carry out "SME Promotion Law" as the main line, implement the "State Council on Further Promotion of SME Development a Number of Opinions" as the focus, base on the above, study and introduce "Beijing SME Promotion Regulations," "Opinions on the implementation of the Beijing Municipal People's Government Shut to Implement the State Council to Further Promote the Development of Small and Medium-sized

Enterprises Some Opinions,” “Beijing ‘Twelve Five’ Period SME Development Plan,” and “Opinions on the Further Support the Development of Small and Micro Enterprises in Beijing City,” and a series of policies and regulations, and create a good environment for SMEs collaborative innovation. At the same time Beijing Municipal Government set up special funds, for example “Beijing City SMEs Development Fund,” “Beijing City SMEs of Science and Technology Innovation Fund,” and other special, to support the development of SMEs of Beijing through funding grants, loan interest and commission shares and other ways. In addition, in order to support and guide SMEs collaborative innovation and healthy development, and solve the outstanding problems of scientific development of SMEs, Beijing Municipal Government provides a number of measures to encourage SMEs collaborative innovation, stressed the need to mobilize capital for SMEs enthusiasm and creativity, build the freedom to develop and create a good environment, construct the atmosphere to influence SMEs to be provided with the courage to undertake innovation and social responsibility.

#### B. Policies Features

- Strengthen fiscal policies support, innovative ways of funding of SEMs collaborative innovation

Government financial incentives is one important factor to mobilize enterprises enthusiasm especially SMEs collaborative innovation. Currently Beijing Municipal Government actively achieved the integration of inter-sector co-ordination of funding, innovative input methods of funding, and bring into play the leading role of government funds by issuing and implementing related financial and tax policies about identification of high-tech enterprises, additional and deduction of research and development of enterprises, contract registration in Beijing Technology Market, the project identified about high-tech achievement transformation, so that to further mobilize capital for SMEs to increase collaborative innovation initiative. Among the various policies and documents, the managers regard the tax relief and financial support increase into a prominent position.

At the time of the tax relief policies implementation, Beijing Municipal Government is also actively promoting a variety of special support for SMEs development. Which “Beijing SME fund” is an earlier one. Since the establishment in 2005, Beijing Municipal Government invested 500 million yuan (800 million yuan in 2013 to start) annual to support the projects of SMEs innovation financing, SMEs Service system and SMEs key industry in Beijing. The data showed that only in 2012, the total of Beijing Innovative Financing reached 3.6 billion yuan, an increase of 157%, innovative the ways of financing, effectively support the start-up small and micro enterprises development.

- Innovative talent management modes, improve SMEs diverse talent incentive mechanism

The high-frequency loss of talent has become a bottleneck for SMEs rapid development. How to introduce and retain qualified personnel is not only trouble to SMEs, but also make the managers to attach great importance and have to solve. Beijing Municipal Government support SMEs to introduce overseas high-end and urgent needed talent through carrying out “The Capital of Long-term Talent Development Plan 2006-2020,” “Beijing Overseas Talented People Projects,” “Beijing One Hundred Leading Talent Training Project of Science and Technology,” and other policies. Additionally the managers help SMEs to retain talent by carrying out “Measures of Beijing City Science and Technology Award,” and the policies about equity incentive, technology market incentives, and senior personnel incentives. Simultaneously managers hold out SMEs to establish cooperation mechanisms among SMEs, universities and research institutes in Beijing, encourage high-end talent, expertise in universities and research institutes to work part-time to provide technical guidance. At the same time managers establish training mechanisms of government-funded guidance, social support and mental demands a combination, encourage management training institutions to innovative training methods, to improve training content and to improve the quality of personnel.

Through positive guidance policies, Beijing Municipal Government establish a good talent incentive mechanism on introduction and employment and keeping people for SMEs, enhance social status of capital enterprises, indicate the prospects for SMEs practitioners. Currently with the continuous advance of policies and measures, the educational background of professional and technical personnel of SMEs showed a general improvement and relatively stable. Some young scholars are willing to work for SEMs, engage in variety of special high-tech achievements into or research work with the government funds.

- Build SMEs innovation platforms, improve collaborative innovation system

Innovation environment is another important factor of the healthy development of SMEs. Beijing Municipal Government issued a lot of preferential policies a expand innovation vector, optimize and innovate environment to help SMEs to accumulate innovative strength. Which policies include “Interim Measures for Management of Public Service Platform for Small and Medium-sized Enterprises in Beijing City,” and “Interim Measures for the Management of Small Enterprises in Beijing City, Entrepreneurial Base” and so on. These policies were a entirety, it has played a good role in promoting SMEs innovation service platforms, regulating and guiding its construction, promoting cluster development and collaborative innovation. Such as Beijing SMEs Financial Services Platform market to provide convenient conditions by gathering aimed at improving the investment and financing modes, recommending and optioning

financing methods for the enterprise features. The above platform has also been facilitated to select fostering business listing and professional intermediary cooperation agencies, organize professional organization to provide incubation services listed for enterprises, supply policies support for focus on fostering business. The first batch of 19 Beijing public service platforms and 20 small business entrepreneurial bases for SMEs was a sign for Beijing service system for SMEs has been in full swing.

### C. Policies Inadequate

- Imperfect monetary policies system was the most prominent bottleneck for a few of SMEs collaborative innovation

On the one hand because of the multi-level, multi-channel funding system has not been completely perfect, it is difficult for overwhelming SMEs to take advantage of direct capital market financing, although recent data showed that SMEs financing environment has improved, demand for credit has been declining trend slow<sup>[12]</sup>, but it is difficult for SMEs alleviate some tension of funds in the short term. On the other hand the change for Beijing small micro-enterprise credit mechanism make some SMEs unable to obtain short-term credit support, which causes small micro-enterprise loan growth inhibition by stage<sup>[13]</sup>. These factors make some SMEs to consider survive not to take into account innovation.

- SMEs information construction policies need to be improved

In recent years, it has made remarkable achievements in building of information public service platforms for SMEs, especially SMEs website construction in Beijing. But there are some undeniable problems, specifically because the company has not attached importance to information to lead to greatly reduce efficiency of information technology. Government information management policies for SMEs lack to not meet the actual needs of SMEs. For additional information construction or operation of preferential policies was relatively small, this resulted in the construction or operation of information was more difficult.

## IV. SUGGESTIONS OF COLLABORATIVE INNOVATION AND DEVELOPMENT OF SMEs IN BEIJING

### A. *Improve the Government's Financing Policies, Guarantee the Government Smooth Channels of Capital Financing for SMEs*

Currently according to the specific needs of SMEs development, the Beijing Municipal Government and the various bureaus developed a number of policies related to SMEs development and capital projects. But it is easy to see these policies were formulated by different bureaus, were often contradiction, not systematization. Although the government can not entirely support, it should adopt administrative

measures to draft and implement a systematic policy measures to establish a good financing channels for SMEs, ensure the channels smooth and legitimate. Simultaneously they reinforce policies on evaluation, supervision and management. On the one hand it will promote the implementation of policies and improve the effect of policies implementation, on the other hand it will display the Beijing Municipal Government emphasis on development of SMEs, enhance confidence on innovation development of SMEs.

### B. *Establish a Government Policies Financing Guarantee System, Reduce the Capital Threshold for SME Financing*

Although it is a pilot SMEs credit guarantee system to facilitate SMEs financing in Beijing, but there are many problems in fact. Firstly because of the high dependence of SMEs to the guarantee agency, it was liable to influence of guarantee agency. Secondly although the bank changed dependence on the guarantee company for SMEs by way of combination of a variety of collateral, achieve bank credit risk mitigation while in lowering the financing cost. But these ways improved requirements of policy's guarantee agency, be enable the SMEs facing greater challenges on guarantee financing. Therefore, the proposed of the government further improve mechanism for the financing guarantee institutions replenishment mechanisms and risk compensation, reduce pressure on profitability assessment of policy's financing guarantee institutions, tolerate them to bear an appropriate proportion of compensatory risk. In order to guide them supporting more guarantee services for SMEs, and promote the healthy development of cooperation between SMEs and banks.

### C. *Promote Information Technology Policies, Ensure the Beijing Information Platform Construction of SMEs for the Healthy Development*

The Beijing SMEs Network is an information services platform established by Beijing Municipal Commission of Economic and Information Technology for SMEs. It played a certain role for improving information services platforms, solving asymmetric problem of the non-public economy and the SMEs, integrating social resources, elevating services capabilities for SMEs. But we can see similar information services for SMEs is less, it can not meet the capital needs of SMEs, needs to increase. Firstly information construction needs the support of government policies to play the guiding role of government funds, conduct enterprises and social capital investment, and protect the latter part operations. Secondly to study and formulate "The Information Services Evaluation Standard for SMEs of Beijing," carry out subsidies and incentives and other support measures, lead to incentive subsidies, enhance services capabilities, improve services quality, what will realize sustainable development. Thirdly to establish information services platforms to meet requirement of the different sizes, different industries, different stages of development, what will provide truly effective valuable services. Fourthly to major publicize the importance of information services in the enterprise, urge the manager of SMEs to transform ideas and emphasis on information, what will add to enthusiasm. At the same time to arouse the

enthusiasm of staff to add to the information services in the ranks, what will be favor information construction for SMEs.

## V. CONCLUSION

In summary, the domestic and foreign scholars gained a series of achievements through a lot of researches on the enterprises collaborative innovation models, but it was less for policies factors for collaborative innovation. How to understand and recognize the role and limitations of policies support, and how to draft policies when meet to problems and how to adopt measures has become a difficulty.

This article is an attempt to study on SMEs collaborative innovation. The SMEs Collaborative Innovation is one important way of SMEs collaborative innovation technology innovation in Beijing. Analysis of the current situation of SMEs and status of policies of collaborative innovation, generalize effective policies to identify policies, found out the measures and advises some proposals.

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