



# USAID Linkages for Small and Medium Enterprises (LinkSME) Project



Linkages for Small and Medium Enterprises (USAID LinkSME) Project  
Quarterly Progress Report (QPR) – Year 1 (Yr1) Quarter 2 (Q2)  
Covering the Period January 1, 2019 to March 31, 2019  
Submitted April 30, 2019

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*Front cover photograph: Computer Numerical Control (CNC) operator at Hai Duong Pump Manufacturing JSC, Hai Duong City*

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## Acronym list

AmCham	American Chamber of Commerce
AMEL	Activity Monitoring, Evaluation, and Learning
APCA	Administrative Procedure Control Agency
AWP	Annual Work Plan
COR	Contracting Officer's Representative
EG <sup>2</sup>	Economic Growth and Governance
FF	Foreign Firm
FOEM	Field Office Employee Manual
GVC	Global Value Chain
GVN	Government of Vietnam
HAMEE	Ho Chi Minh Association of Machinery and Electric Enterprises
HANSIBA	Hanoi Supporting Industries Business Association
HCMC	Ho Chi Minh City
HEPZA	Ho Chi Minh City Export Processing Zone and Industrial Park
IESC	International Executive Service Corps
IMC	Innovative Marketing Consultants
INGO	International Non-Governmental Organization
LinkSME	(USAID) Linkages for Small and Medium Enterprises
LOP	Life of Project
LTTA	Long Term Technical Assistance
MEL	Monitoring, Evaluation, and Learning
MOU	Memorandum of Understanding
ODA	Official Development Assistance
OOG	Office of the Government
PACCOM	The People's Aid Coordinating Committee
PD	Project Director
PSD	Private Sector Development
Q	Quarter
QPR	Quarterly Progress Report
RFQ	Request for Quotation
SME	Small and Medium-sized Enterprise
STTA	Short-Term Technical Assistance
TA	Technical Assistance
USAID	United States Agency for International Development
VAMI	Vietnam Association of Metal Industries
VASI	Vietnam Association of Supporting Industries
VCCI	Vietnam Chamber of Commerce and Industry
VEIA	Vietnam Electronics Industry Association
ViEF	Vietnam Economic Forum

## Executive Summary

USAID LinkSME mobilized and initiated the operations and technical resources needed to commence its mandate to strengthen the supplier-buyer relationships between Vietnamese small and medium enterprises (SMEs) and foreign firms (FFs) by helping local firms participate in global value chains (GVCs). USAID LinkSME aims to improve the business environment by lowering costs for FFs located in Vietnam to source locally, while presenting a huge opportunity to grow Vietnam's SME sector and build its middle class, major consumers of American products. The project is also helping to improve Vietnam's regional competitiveness, by making it a more attractive and predictable investment climate. USAID LinkSME supports both USAID's new Private Sector Engagement Policy and the Indo Pacific Strategy's competitiveness pillar.

To highlight technical accomplishments during this quarter, the activity monitoring, evaluation, and learning (AMEL) plan was approved, the SME Advisory Group held its inaugural meeting, and SME supplier pre-evaluations got underway with 31 completed by the end of the reporting period. Extensive private sector outreach in the second quarter led to discussions with 36 additional foreign firms, bringing the total to 83, and 28 additional associations, chambers, and organizations, bringing the total to 52. These discussions resulted in the signing of nine additional memoranda of understanding (MOUs) that frame future cooperation, six with FFs and three with organizations, bringing the cumulative total to 15. The team visited and/or contacted four additional industrial parks, bringing the total to 16, and coordinated with six additional donors and implementers, bringing the total to 20. Online registrations into the USAID LinkSME database continued, with 121 additional registrations, bringing the total to 383; 67 of these firms were in the focus sectors of electronics and metals, bringing the total number of registered electronics and metals firms up to 129. Outreach activities include promotion events co-organized with the Vietnam Chamber of Commerce and Industry (VCCI) in Binh Duong and Dong Nai provinces of South Vietnam. One hundred and sixty-nine visitors attended these events and 93 firms registered into the USAID LinkSME database as a result.

Major project management accomplishments this quarter include opening the permanent office in Ho Chi Minh City (HCMC) and identifying the permanent office space in Hanoi. International Executive Service Corps (IESC) finalized and fully executed Taj Media's subcontract. IESC recruited and onboarded four new field office staff in Q2, covering both office locations.

With support from USAID and a local short-term consultant, the team advanced project approval with the Government of Vietnam (GVN), working closely with counterpart Office of Government (OOG) to prepare, review, and submit the Project Document and respond to questions related to project approval. Nevertheless, project approval remains in progress into Q3.

By the conclusion of this second quarter, USAID LinkSME made significant progress in finalizing its startup activities while reaching both private and public sector stakeholders. The private sector outreach is advancing. Discussions with multiple stakeholders noted a universal enthusiasm for USAID efforts to address Vietnamese SMEs' effective integration into global supply chains as needed, timely, and welcomed.

## I. Introduction

The purpose of USAID LinkSME is to spur systemic changes in relationships between Vietnamese SMEs and FFs and thereby achieve significant increases in the quantity and/or quality of business linkages between Vietnamese SMEs and FFs. Systemic changes include evidence-based regulatory and policy recommendations to improve the SME enabling environment. The cost-plus-award-fee contract is valued at approximately \$22.1 million, not including the award fee. The current obligation is approximately [REDACTED] with spent to date as of March 31, 2019 at [REDACTED]. As per Section F, Deliveries or Performance, F.6. Deliverables, subpart a. Quarterly Progress and Financial Reports found on page 11 to 12 of the USAID LinkSME contract, this combined quarterly progress report (QPR) and financial report was submitted thirty (30) days following the end of the first full fiscal quarter. The report is no more than 25 pages<sup>1</sup> and reflects the structure of the approved USAID LinkSME Year 1 Annual Work Plan (AWP). The text box includes a list of points the report addresses per the contract requirement. The financial report includes costs to date, including those for subcontracts, the budget estimate for the upcoming quarter, variations from previous estimates (which, if significant, are highlighted on spreadsheets and addressed in a narrative), and the estimated cost to complete the quarter. The financial report format was agreed to by the USAID LinkSME Contracting Officer's Representative (COR).

IESC is the prime implementer of USAID LinkSME, joined by KPMG Vietnam and TAJ Media. Under this Contract, IESC is supporting USAID/Vietnam's Objectives: 1) Strengthen the SME-GVC Business Linkage Framework; and, 2) Enhance Vietnamese SMEs' capacity to supply GVC firms in five sectors.

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<sup>1</sup> The Google drive is USAID/Vietnam's preferred platform. Google Docs does not allow section breaks, which help with section numbering. The QPR is 25 pages with the report's starting at the Executive Summary and ending with Annex C, even though the TOC reflects number as of the cover page.

## Contract Requirements for USAID LinkSME QPRs

- Activities completed under each planned intervention;
- Activities to be undertaken in the following quarter;
- Outputs accomplished and results realized in the quarter;
- Any challenges during the implementation period and proposed solutions.
- Private Sector Engagement: (1) Description of where private sector contributions have been sought and received, and how these contributions have contributed to the achievement of the overall objectives; (2) Report on the value of private sector contributions (by the quarter, and cumulatively -both financial and in-kind);
- Collaboration and coordination with other relevant USAID and donor activities and GVN;
- Aggregate outputs accomplished and results realized since project inception;
- Budget execution, clearly showing actual versus planned expenditures, and a forecast of the expenditures for the remainder of the project;
- Demonstration of steps taken to analyze the Contractor's own progress against desired results and to devise solutions, propose course corrections, and identify whether new stakeholders should be engaged to ensure program success;
- Electronic copies of all reports, success stories, and other relevant documents prepared during the quarter (to be submitted as attachments);
- Total funds committed by date by USAID into the Contract;
- Total funds expended by the Contractor to date, including a breakdown to the budget categories provided in the Contractor's cost proposal and between Technical and

## II. Progress Against Planned Activities

Progress against the project technical activities (TAs) are described below. More detail on the timing of each TA, responsible and assisting team members, and deliverables and milestones, can be found in the Gantt Chart referenced in Annex A and attached separately. The assigned budget figures are included at the activity level as they relate to direct costs associated with training, events, and short-term technical assistance (STTA). These activity-level costs do not include long-term IESC staff level of effort, travel and associated indirect costs. These costs are captured in the total budget spent to date against Year 1 budget planning for Year 1 included as Annex B of this QPR.

### A. TA 1: Establishing One-to-One Relationships Between FFs and SMEs

Technical Activity 1 (TA1) is encouraging one-to-one matching between FFs and Vietnamese SME suppliers.

#### TA 1.1 Identification of Foreign Firms

USAID LinkSME's Foreign Firm Linkage Component Director and Foreign Firm Linkage Manager met with 36 additional FFs sourcing from the electronics and metals sectors in Quarter 2, bringing the cumulative total to 83 FFs, both at trade events and at individually-scheduled meetings. The FFs range from firms located overseas sourcing in Vietnam, to mid-level manufacturers in Vietnam who do not have extensive local supplier development programs, to recognized global brands. The common element is that all these firms wish to deepen their local supply chain in Vietnam.

By March 31, 2019, USAID LinkSME signed MOUs with an additional six FFs who agreed to participate with the project to expand their local content and source inputs from Vietnamese SMEs, bringing the total to nine as of the end of Quarter 2:

1. Fluid Power and Controls (USA, solenoids and solenoid-controlled valves) – January 4, 2019
2. East West Industries (USA, industrial, consumer, and retail products) – January 10, 2019
3. WES LLC (USA, aluminum railing and architectural railing) – January 17, 2019
4. Wellmaster Pipe and Supply Inc. (Canada, machinery and equipment for groundwater, oil & gas and nursery/greenhouse sectors) – March 27, 2019
5. Shane Erickson, Inc. dba Innovative Marketing Consultants (IMC) (USA, advertising specialties, point of sale materials and display products) – March 27, 2019
6. Coca-Cola Beverages Vietnam Limited (USA, beverages) – March 28, 2019

To further identify potential FFs who are manufacturing in Vietnam or otherwise sourcing from Vietnam, as well as identify potential suppliers for them, in the second quarter USAID LinkSME team members met with 28 additional trade associations, chambers of commerce, foreign trade promotion organizations, and other business organizations, bringing the cumulative total to 52. USAID LinkSME approached four additional industrial parks, bringing the total to 16.

Among support organizations, the following three signed MOUs with USAID LinkSME in Y1Q2, bringing the total to date to six:

1. Hanoi Supporting Industries Business Association (HANSIBA) – January 18, 2019



2. Vietnam Chamber of Commerce & Industry, Ho Chi Minh City branch - VCCI Trade & Service One Member Co., Ltd (Hanoi City) (VCCI-TSC) – January 23, 2019
3. Vietnam Chamber of Commerce & Industry Small and Medium Enterprise Promotion Center (VCCI-SME PC) – March 6, 2019

### TA 1.2 Development of FF Requests for Proposals

USAID LinkSME staff are working with four FFs (East-West Industries, Northstar, Penflex, and Ultralox) to define product specifications as well as their customer-specific requirements including logistics, packaging, and volumes. Penflex and Northstar are developing RFQ (request for quotation) packages while the other two firms have each agreed upon a specific SME supplier and are waiting to receive samples for evaluation prior to placing a purchase order.

### TA 1.3 SME Outreach and Two-Stage Shortlisting

USAID LinkSME’s Deputy Project Director (PD)/SME Linkage Component Director and SME Linkage Managers met with 324 SMEs in the second quarter through trade events and individually-scheduled meetings, bringing the total to over 700. Interested firms can register online into the project database at <http://bit.ly/LinkSME1>. In Q2, 121 firms registered their interest, bringing total registrations to date to 383 registrants. 67 of the newly registered firms were from the project’s target sectors of electronics and metals.

*Table 1: The Winnowing Process from Initial Contact to Nomination as Supplier to Foreign Firm, as of End-Y1Q2*

Category	Percent of SMEs Approached	Percent of Previous Level
<b>SMEs approached</b>	100%	-
<b>SMEs discussed</b>	38.7% of SMEs approached discussed the project with USAID LinkSME staff	-
<b>SMEs registered</b>	21.0% of SMEs approached registered online	54.3% of SMEs who discussed the project registered online
<b>SMEs in electronics and metals sectors</b>	7.1% of SMEs approached were in the target sectors	33.7% of SMEs registered online were in target sectors
<b>SMEs evaluated for linkage</b>	1.7% of SMEs approached made products suitable for further evaluation	24.0% of SMEs in target sectors made products suitable for further evaluation
<b>SMEs nominated to FF</b>	0.2% of SMEs approached were nominated to the foreign firm	9.3% of SMEs evaluated for linkage were nominated to the foreign firm

As a demand-driven project designed to serve real FF needs, an early lesson for the team is that the project will need a large database of SMEs to identify enough potential SME suppliers as the FF portfolio grows. Targeting has improved significantly in Q2 compared to the project’s initial quarter, as 55.4 percent of firms that registered in Q2 were in the focus sectors of electronics and

metals as opposed to 23.6 percent in Q1. The approximate proportions to date are illustrated in Table 1.

#### TA 1.4 Linking SMEs to Foreign Firms

Linkage activity began in earnest in Q2. Thirty-one pre-evaluation field visits to potential SME suppliers were conducted by the SME Linkage Team in Q2. The pre-evaluation screening checks the SMEs capabilities in seven key business areas (Management, Quality Management System, Production / Technology, Research & Development, Sub-Supplier Management, Logistics, and Health, Safety & Environment) and assigns a score to each area. Twenty-two of the firms pre-evaluated in Q2 received a passing score and were eligible for matching. After receiving product requirements from East-West Industries, Northstar, Penflex, and Ultralox, 11 SMEs that passed the pre-evaluation screening and had products that met the FF needs were introduced to the FFs as potential suppliers.

#### TA 1.5 Final Selection of SME Suppliers

Two FFs made final selections of SME suppliers in Q2, both metals SMEs: FF Ultralox chose SME Ontops, and FF East-West Industries chose SME ANCL Pvt. Ltd. Both SMEs are in process of producing prototypes for evaluation. Should the prototypes be acceptable to the FFs, the next step would be placing a purchase order.

#### TA 1.6 Technical Assistance to SME Suppliers

Not applicable for Q2 as activity will commence in Q3.

### B. TA 2: Supplier Days

In Q2 LinkSME worked with the American Chamber of Commerce (AmCham) Hanoi and AmCham HCMC to organize two supplier days and support a third. During these events, FFs gain more information about potential Vietnamese SME suppliers and SMEs will ask questions and set up meetings with the FFs.

#### TA 2.1 AmCham Sponsored Supplier Days

USAID LinkSME signed an MOU in Q1 with AmCham Hanoi to co-organize the first-ever supplier day event in Hanoi, planned for April 25, 2019 (Q3). A working committee was set up with AmCham Hanoi and preparations were well underway at the end of this reporting period and US Ambassador Daniel Kritenbrink has agreed to speak at the event. The venue chosen by AmCham Hanoi is the JW Marriott, which will provide sufficient space for the target of 50 exhibitors and 200 participants. As the project has not yet received GVN approval, the sponsor of the event is officially USAID; other event partners are VCCI and the Private Sector Development Committee (Committee IV).

In Q2, USAID LinkSME also began working with AmCham HCMC to organize the first-ever supplier day in Da Nang, which is scheduled for July 10, 2019 (Q4). Meetings were held in Q2 and agreement reached with Da Nang local government.

USAID LinkSME will also support AmCham's 7<sup>th</sup> Annual Supplier Day in HCMC, planned for October 2019, with the goal of significantly expanding the roster of exhibitors.

### TA 2.2 Sector-Specific Supplier Days

The project team continued to reach out to industrial parks to discuss setting up roadshows, with USAID LinkSME visiting the industrial parks and pitching the project's benefits to FF tenants. A portable roadshow kit to be used for roadshow events and exhibitions was procured in Q2 and is currently being constructed.

USAID LinkSME shall participate in established commercial sector-specific trade fairs in Vietnam during Q4, specifically the Vietnam Manufacturing Expo in August and Nepcon, an electronics sector trade fair in September. These are both managed by Reed Tradex, a well-established global trade fair organizer. A USAID LinkSME pavilion will be set up at each trade fair and the project will cost-share the participation of a group of first-time SME exhibitors to give them direct exposure to a targeted international buyer audience.

### TA 2.3 Pre-Supplier Day Training

The project will deliver half-day training to coach Vietnamese SME exhibitors on successfully marketing their capabilities to FFs prior to the commercial trade fairs listed above.

## C. TA 3: Outreach and External Communications

Until USAID LinkSME receives project approval and is registered with the GVN, the project will refrain from engaging in high-profile outreach and external communications. As such USAID LinkSME has been working through stakeholder events with a lower profile. Press contacts have been declined until after approval. A list of materials produced during this quarter for outreach and external communications is included in Annex C.

On Thursday, March 14, USAID LinkSME collaborated with the VCCI HCMC to conduct the SME promotion event "Supporting Binh Duong Mechanical Engineering & Electronics Enterprises to Participate in Global Value Chains". The event took place at the Becamex Hotel, Thu Dau 1 City, Binh Duong Province. Seventy-nine representatives of Vietnamese SMEs, foreign firms, government entities, and business associations attended, including 20 women. As a result of introducing the project at this half-day event, 35 firms registered online, 25 in the focus sectors. HCMC Section Chief Stephen Berlinguette made opening remarks on behalf of USAID. USAID LinkSME Deputy Project Director/SME Linkage Component Director Lien Duong explained how enterprises can benefit from the project, and Foreign Firm Linkage Component Director Frank Weiland served on a panel discussion addressing how Vietnamese SMEs can become capable suppliers to foreign firms.

On Thursday, March 28, USAID LinkSME again collaborated with VCCI HCMC to conduct the SME promotion event "Supporting Dong Nai Mechanical Engineering & Electronics Enterprises to Participate in Global Value Chains". The event took place at the Dong Nai Hotel, Bien Hoa City, Dong Nai province. Ninety representatives of Vietnamese SMEs, foreign firms, government entities, and business associations attended. As a result of introducing the project at this afternoon event, 58 Vietnamese SMEs registered to participate in the project via the USAID LinkSME online database system, 44 in the focus sectors of electronics and metals. Eighty participants returned feedback forms to help improve similar events in the future. Ms. Nguyen

Thi Bich Thuy, Senior Program Manager, Office of Economic Growth and Governance (EG2), made opening remarks on behalf of USAID. Both USAID LinkSME Deputy Project Director/SME Linkage Component Director Lien Duong and Foreign Firm Linkage Component Director Frank Weiland again addressed foreign firm, SME, business association, and local government representatives.

An internal “lessons learned” session held after the initial Binh Duong event helped make modifications prior to the Dong Nai event that significantly increased the number of registrations and the number of participants who completed and returned feedback forms.

During Q2, a comprehensive events calendar and corresponding budget was established for the balance of 2019.

#### D. TA 4: SME Advisory Group

Part of USAID LinkSME's mandate from USAID included forming an SME Advisory Group comprised of relevant private and public-sector representatives. The purpose of the advisory group is to provide strategic direction to the USAID LinkSME contract. It will serve similar to a steering committee that will engage at strategic inflection points in the project. Chief among these will be advising the sector selection process at the end of Phase 1, when the project will expand from two to five sectors.

On January 24, the SME Advisory Group held its inaugural meeting to introduce Advisory Group members to each other; describe the project in detail and report progress; discuss and agree upon the group’s scope; and set the schedule and communications protocols for future meetings. The group agreed on their scope of reviewing project progress, understanding lessons learned, recommending modifications to the project as necessary, and advising sector selection at the end of the pilot phase.



The group consists of seven members and two representatives from USAID, the COR and the Director of EG2, with observers participating from time to time. Table 2 below details charter membership:

*Table 2: USAID LinkSME SME Advisory Group Membership*

No	Name	Designation	Organization	Contact Details
1	Mr. Nguyen Nguyen Dũng	Deputy Director General	Administrative Procedure Control Agency (APCA), Office of the Government	Email: <a href="mailto:nguvnnguvendung@thutuchanhchinh.vn">nguvnnguvendung@thutuchanhchinh.vn</a> Address: No. 1 Hoang Hoa Tham, Ba Dinh, Hanoi Telephone: +84 904117989

2	Mr. Le Van Khuong	Director of Center of Northern SMEs Support	Enterprise Development Agency, Ministry of Planning and Investment	Email: <a href="mailto:khuong.levan@gmail.com">khuong.levan@gmail.com</a> Address: Ton That Thuyet, Cau Giay, Hanoi Telephone: +84 904872179
3	Mr. John Rockhold	Executive Director	AmCham Ho Chi Minh Chapter	Email: <a href="mailto:john.rockhold@amchamvietnam.com">john.rockhold@amchamvietnam.com</a> Address: New World Hotel Suite 323, 76 Le Lai Street, District 1, Ho Chi Minh City Telephone: +84 2838243562
4	Ms. Nguyen Thi Hanh	Deputy Director of SME Promotion Center	VCCI	Email: <a href="mailto:hanhnt@vcci.com.vn">hanhnt@vcci.com.vn</a> Address: No. 9 Dao Duy Anh Street, Dong Da District, Hanoi Telephone: +84 904206626
5	Mr. Do Phuoc Tong	Vice Chairman  Chairman	Vietnam Association of Supporting Industries (VASI)  Ho Chi Minh Association of Machinery and Electric Enterprises (HAMEE)	Email: <a href="mailto:dophuocdong@gmail.com">dophuocdong@gmail.com</a> Address: 310A Luy Ban Bich St., Ho Thanh Ward, Tan Phu District, Ho Chi Minh City Telephone: +84 903663866
6	Mrs. Do Thi Thuy Huong	Member of Executive Board	Vietnam Electronics Industry Association (VEIA)	Email1: <a href="mailto:dthuong@veia.org.vn">dthuong@veia.org.vn</a> Email2: <a href="mailto:dothuyhuong@vietronics.vn">dothuyhuong@vietronics.vn</a> Address: 11th Floor, MIPEC tower, 229 Tay Son Street, Dong Da District, Hanoi Telephone: +84 903291771
7	Mrs. Le Thi Hong Loan	Administrative Manager	Vietnam Association of Metal Industries (VAMI)	Email: <a href="mailto:vamiphianam@gmail.com">vamiphianam@gmail.com</a> Address: 203 - 205 Nguyen Thai Binh Street, District 1, Ho Chi Minh City Telephone: +84 2838216710

### E. TA 5: Baseline Assessments

Per the contract, 180 days after the AMEL Plan has been approved, USAID LinkSME will complete baseline assessments in consultation with OOG (Committee IV) and USAID for seven selected sectors, including: Agribusiness, auto parts, electronics, furniture/wood processing, leather/footwear, metals, and textiles/apparel. The baseline assessment will additionally include a gender component. As the AMEL Plan was approved on January 30, 2019, the Baseline Assessment will be submitted to USAID on July 30, 2019. The team composition was finalized in the second quarter, scopes of work were developed, and the team will be fielded in the third quarter (currently planned for May – June 2019). The baseline assessment team will include a task leader, economist, gender specialist, and two private sector specialists.

### F. TA 6: Phase 2 Sector Selection Process

Not applicable at this time as activity will commence in late Q3 of the second year.

### G. Next Quarter Technical Activity Highlights

Activities planned for the third quarter (April 1 through June 30, 2019) include the following:

#### GVN Liaison

- Obtain final project approval from GVN; and
- Sign MOUs with GVN counterparts such as Vietrade (Ministry of Industry and Trade Export Promotion Agency).

#### SME Advisory Group

- Hold quarterly SME Advisory Group meeting on April 24.

### **Partnering with Other Organizations**

- Build partner portfolio – continue to execute MOUs with additional chambers and associations;
- Pursue MOUs with other referral sources and support organizations; and
- Continue coordination with the donor/implementer community: open house planned on May 10.

### **Advancing the Linkage Process**

- Continue building FF portfolio and execute new FF MOUs;
- Identify products for localization with Coca Cola, Fluid Power and Controls, Preformed Line Products, Hugin Cash Registers, Wellmaster, and any addition new FFs who sign MOUs in Q3; and
- Develop RFQ packages and audit potential SME suppliers for Penflex, Northstar, and others as the process advances.

### **Linking SMEs with FFs**

- Continue broad outreach, intake additional SMEs targeting as many in electronics and metals as possible, and build online database;
- Pre-evaluate SMEs in focus sectors;
- Refine SME pre-evaluation process based on visit experience;
- Identify SMEs from the database or from other sources that can serve specific FF requirements, based on identified product needs;
- Introduce SMEs who pass pre-evaluation and have products that match to FFs;
- Audit SMEs that match;
- Conduct gap analysis for participating SMEs based on customer specifications and specific requirements;
- Design and establish upgrade plans and participate in building competence of potential SME suppliers;
- Familiarize potential SME suppliers with FF contracting requirements and expectations; and,
- Learn lessons to refine matchmaking and linkage processes to be systemic, scalable, and sustainable.

### **Outreach, Communications, and Events**

- Complete USAID LinkSME introductory video clip;
- Receive finished roadshow kits;
- Hold AmCham Hanoi Supplier Day on April 25;
- HCMC Export Processing Zone and Industrial Park Authority (HEPZA) Business Association MOU Signing Ceremony, HCMC, April 26;
- National Private Sector Forum, Hanoi, May 2 – 3 (Private Sector Development (PSD) Committee/Vietnam Economic Forum (ViEF)); and,
- Project launch event upon GVN approval, Hanoi (date to be determined).

## **STTAs**

- Baseline assessment: field team and conduct research;
- Complete SME finance map; and,
- Develop comprehensive SME assessment tool looking beyond production issues.

## **III. Progress related to Monitoring, Evaluation, and Learning**

USAID LinkSME received approved for the AMEL Plan from USAID on January 30, 2019. The AMEL Plan included details for each indicator such as the indicator definition, target, frequency of reporting, and disaggregation.



## A. Table of Indicators with Baseline, Y1 Targets, Y1 Achieved to Date, LoP Target

USAID LinkSME Indicator Summary Table - Y1Q2									
Code	Indicator Name and Details	Baseline	Targets		Actuals - Year 1				
			Year 1	LOP	Q1	Q2	Q3	Q4	Cum.
G1	<b>Number of linkages created within targeted industries and sectors</b> Type of Indicator: Outcome Data Source: Transaction documents stored by FFs and assisted SMEs Frequency: Quarterly Disaggregated by: Sector; Location of SME; Age of firm; Gender of SME owner; Age of SME owner	0	0	52	0	0			0
G2	<b>Number of replicated linkages outside target firms</b> Type of Indicator: Outcome Data Source: FFs and assisted SMEs Frequency: Quarterly Disaggregated by: Sector; Location of SME; Age of firm; Gender of SME owner; Age of SME owner	0	0	12	0	0			0
O1	<b>Value of private sector contributions</b> Type of Indicator: Outcome Data Source: FFs and assisted SMEs Frequency: Quarterly Disaggregated by: Sector, FF vs SME	0	\$274,500	\$2.36 million	0	\$5,588			\$5,588
O2.1	<b>Volume of production among assisted firms</b> Type of Indicator: Outcome Data Source: FFs and assisted SMEs Frequency: Annual, as of phase 2 Disaggregated by: Sector; Location of SME; Age of firm; Gender of SME owner; Age of SME owner	0	NA	TBD (equivalence of 15% increase over baseline)					
O2.2	<b>Efficiency of production among assisted firms</b> Type of Indicator: Outcome Data Source: FFs and assisted SMEs Frequency: Annual Disaggregated by: Sector; Location of SME; Age of firm; Gender of SME owner; Age of SME owner	TBD	0	TBD (equivalence of 20% increase over baseline)					
O2.3	<b>Number of firms receiving USG-funded technical assistance to export</b> Type of Indicator: Output Data Source: LinkSME records on technical assistance provision and supplier days Frequency: Quarterly Disaggregated by: New firms; Continuing firms	0	800	5,800	0	95			95
O2.4	<b>USD sales of firms receiving USG-funded assistance</b> Type of Indicator: Outcome Data Source: FFs and assisted SMEs Frequency: Annual Disaggregated by: Domestic sales; International sales	TBD	0	TBD (equivalence of 15% increase over baseline)					
CC1	<b>Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources</b> Type of Indicator: Output Data Source: LinkSME records on technical assistance provision and supplier days Frequency: Quarterly Disaggregated by: Not applicable	TBD	At least 30% over LOP	At least 30% over LOP	0	21%			21%



## **B. Analysis of Indicators as Applicable**

At this time, no further analysis of the team's progress against indicators is relevant given it is the first half of the project's first year. Quarterly targets were requested by USAID for those indicators that are measured quarterly; these were under development as of the end of Q2 and expected to be submitted early in Q3.

## **IV. Project Management**

During this past quarter, USAID LinkSME completed the following critical project management actions:

- Mobilized the IESC Senior Program Manager for startup support;
- Revised and received approval for USAID LinkSME AMEL Plan;
- Finalized and fully executed the subcontract with consortium member Taj Media;
- Recruited and onboarded four local staff members: an SME Linkage Manager in HCMC, an SME Linkage Manager in Hanoi, a Training and Events Coordinator in Hanoi, and Receptionist in Hanoi;
- Established the project's local bank accounts;
- Established the long-term office in HCMC;
- Identified the long-term office Hanoi and underwent a competitive procurement process to identify an office build out vendor, who began the fit-out of the office at the end of Q2;
- Set up a team SurveyMonkey group to facilitate the development and distribution of Monitoring, Evaluation, and Learning (MEL) surveys and collection of data;
- Advanced project approval from the Government of Vietnam; and,
- Finalized IESC project management manuals, including the Field Office Employee Manual (FOEM), Operations Manual, and Security Manual and provided training to staff on these manuals.

### **A. Mobilization**

To complete startup administrative activities and to provide on-site backstopping support to the USAID LinkSME field team, IESC mobilized the home office Senior Program Manager Courtney McNamara for a three-week assignment during Q2. During this assignment, the Senior Program Manager developed and delivered trainings on the project management manuals; provided on-site support to the finance and administration team to implement operational, financial, and human resources processes; met with the local subcontractors KPMG Vietnam and Taj Media to review invoicing and administrative requirements of their subcontracts; and developed a project budget monitoring tool.

### **B. Project Registration, Organizational Registration, and Local Offices**

As the GVN requires that all Official Development Assistance (ODA) projects receive approval prior to operating officially, USAID LinkSME has been working closely with the OOG for project approval. The OOG is USAID LinkSME's identified governing body, with project ownership within OOG assumed jointly by the APCA and the Department for Enterprise Reform. Collaboration on technical agreement, document drafting, constituent buy-in, and approval has been ongoing since September 2018. During Q2, USAID LinkSME hired a short-

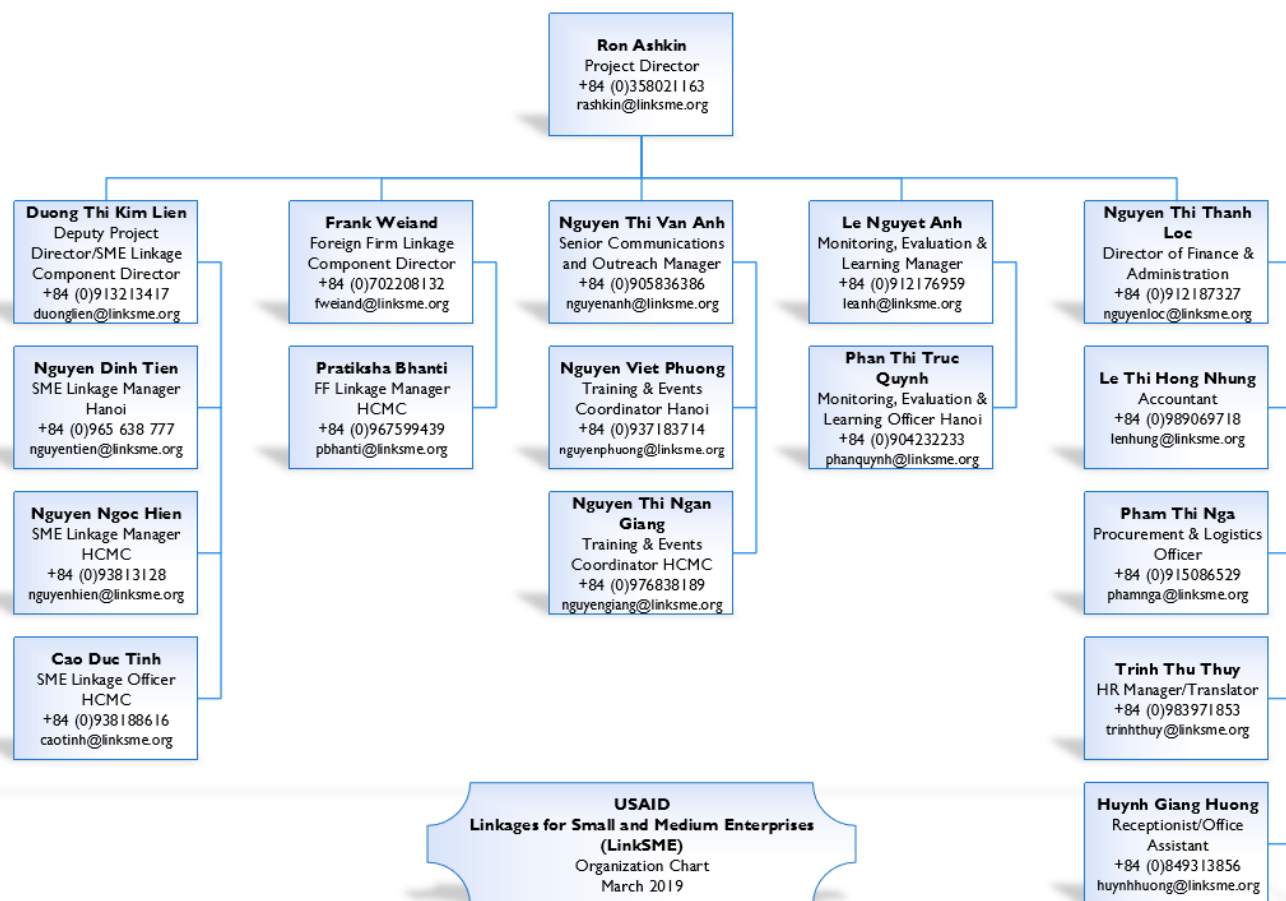
term consultant to assist in drafting the Project Document and forwarding it through the relevant authorities. As of end Q2, the document had reached the Prime Minister's office and final approval is awaited early in Q3. It is anticipated that once the Project Document is approved, changes to the USAID LinkSME work plan will be necessary. USAID LinkSME Deputy Project Director/SME Linkage Component Director Duong Lien is leading USAID LinkSME's efforts in this process.

IESC's organizational registration as an International Non-Governmental Organization (international non-governmental organization (INGO) with The People's Aid Coordinating Committee (PACCOM) was submitted during Q2. Original documents were authenticated, legalized, and are now with PACCOM for next steps. Once project registration is received, the INGO registration should be received shortly thereafter.

Local offices were established in both Hanoi and HCMC. After conducting a market assessment, the Hanoi team selected a permanent office at No. 10 Chu Van Anh in the Ba Dinh District. The office fit-out is ongoing at the end of Q2 and move-in scheduled for early Q3. The HCMC office was originally planned as a sublet with KPMG; however, the space was not available. The HCMC team used a temporary space at WeWork until moving into their permanent office space in E-Town in District 4 on February 18.

### **C. Management Approach and Structure**

The project team staffing is included in the USAID LinkSME Personnel Organizational Chart below. A full-sized Personnel Organizational Chart is located in the LinkSME\_FY19\_Q2\_QPR folder titled, "USAID LinkSME\_Personnel Organizational Chart".



#### D. IESC Home-office Oversight and Support

The team conducts weekly field office/home office calls with the Director of Finance and Administration to review administrative priorities and provide guidance and support. The home office Senior Program Manager traveled to Hanoi and HCMC during Q2 to work directly with the finance and administration team on implementing relevant policies, as described above in section III.A.

On March 26, 2019 the IESC home office team and USAID conducted their bimonthly check in call to discuss project management and IESC home office support.

#### E. Communications and Outreach

##### E1. Branding Implementation Plan and Marking Plan

A Branding Implementation Plan and Marking Plan for USAID LinkSME was approved by USAID on October 4, 2018. The document describes in detail how USAID LinkSME will be positioned and communicated to beneficiaries, partners, stakeholders and Vietnamese public.

## E2. Communications Materials Production

In Q2, USAID LinkSME developed a two-minute introductory video produced by Taj Media. The final version of the video will be ready in Q3 of 2019.

Weekly bullets and events calendars were submitted regularly to USAID during Q2.

## E3. Outreach Activities

Because USAID LinkSME has not yet received official project approval from the Vietnamese Government partners, IESC cannot yet promote USAID LinkSME through social or mass media. Alternatively, USAID LinkSME has utilized outreach to communicate with the project's private sector stakeholders and beneficiaries, including FFs and SMEs. In Q2 USAID LinkSME presented at the following events to introduce the USAID LinkSME project:

- VCCI HCMC SME promotion event “Supporting Binh Duong Mechanical Engineering & Electronics Enterprises to Participate in Global Value Chains”, Binh Duong province, March 14, 2019; and
- VCCI HCMC SME promotion event “Supporting Dong Nai Mechanical Engineering & Electronics Enterprises to Participate in Global Value Chains”, Dong Nai province, March 28, 2019.

On February 4, 2019, USAID LinkSME was cited in *Nhân Dân Online*, in the business section article entitled "Handshakes Needed to Boost Supporting Industry in Vietnam":

<http://en.nhandan.org.vn/business/item/7124102-handshakes-needed-to-boost-supporting-industry-in-vietnam.html>

(Please note that this article was independently placed, perhaps by one of our GVN-related stakeholders; USAID LinkSME was not interviewed by the journalist).

## F. Reporting

During this reporting quarter, the following contract deliverables were submitted:

1. Quarterly Accrual Report submitted on March 15, 2019
2. Host Government/Foreign Tax (VAT) Report submitted on April 15, 2019

## G. Next Quarter Project Management Support

The next bimonthly check in will occur in May 2019 between IESC and USAID/Vietnam. IESC and USAID are also discussing home office support trips to Vietnam during Q3, including a trip by the IESC home office Associate Vice President, Mr. Chad Ford.

The formal, public project launch will be held after project approval from the GVN is completed. Presently, USAID LinkSME is planning for an early Q3 launch.

## V. Challenges and Proposed Solutions

The primary challenge faced by USAID LinkSME in Y1Q2 relates to the ongoing project approval and registration process. USAID and the project are engaged with OOG in negotiations, with the objective of having the project officially approved by the GVN early in 2019. The process has been moving forward positively; however, it is a challenge that USAID LinkSME is

not in control of the time frame to ultimate approval, as that constrains the project's ability to engage with GVN technical partners or promote itself through public channels.

The solution is to work closely with the GVN to complete the process in as short a time frame as possible and obtain approval. As of the end of Y1Q2, the Project Technical Proposal had reached the Prime Minister's office.

A second ongoing challenge is that demand from FFs could exceed our initial capacity to serve them, and we also need a large database of screened SMEs to choose from. There has been robust demand from FFs from the outset of the project as well as accelerating interest from SMEs. Our initial technical team was concentrated in HCMC, to the detriment of industrial areas in the North.

The solution is to add more linkage managers by converting contemplated STTA to LTTA (long-term technical assistance). At the end of Q2 we are recruiting an additional SME Linkage Manager in the Hanoi office and looking to advance the second KPMG Vietnam Foreign Firm Linkage Manager from Phase 2 to Phase 1 through an internal budget realignment, also to be placed in Hanoi.

A third challenge is that SMEs often need assistance in areas beyond production operations in order to become substantial players in global value chains. Management areas such as financial management (particularly working capital management and recordkeeping) and marketing (particularly customer acquisition and customer service) have been identified. The solution is to develop analytical tools that will allow USAID LinkSME to address these areas for participating SMEs effectively, efficiently, and at scale.

# Annex A – Updated Implementation Plan



	Pre-Award	Month												Responsible Team Member Lead	Others	Benchmark(s), Milestone(s), or Deliverable(s)	Status	Notes	
		S	O	N	D	Ja	F	M	A	M	Ju	Jl	Au						S
1.1 Complete and submit draft MEL Plan		*													MELM	HO MEL	MEL Plan draft	Complete	
1.2 Finalize MEL plan with USAID feedback; Initiate MEL system		*													MELM	HO MEL	Approved MEL Plan	Complete	MEL Plan approved January 30
<b>2. Learning from Transactions</b>																			
2.1 Hold learning-focused staff meetings weekly															Ron	Lien, MELM/O	Information sharing: minutes	On track	Ongoing
2.2 Hold internal "pause and reflect" sessions quarterly			*		*			*		*					Ron	Lien, MELM/O	Successes and challenges	On track	
2.3 Extract "critical success factors" from FF/SME quarterly surveys			*		*			*		*					Ron	Lien, MELM/O	Adapted interventions	In process	Done internally
<b>D. Administrative Activities</b>																			
<b>1. Year Two Annual Work Plan</b>																			
1.1 Prepare year 2 budget and activity planning forms													*		Ron	HO	Year 2 budget, activity plans	Not applicable	Future
1.2 Field HO AVP or manager to support year 2 work plan													*		HO		SOW, Trip report	Not applicable	Future
1.3 Meet with other donors, partners, client firms												*	*		Ron	Chad	Meeting notes, follow-up items	Not applicable	Future
1.4 Respond to USAID feedback w/in 15 days. Submit Final Yr2 WP													*		Ron	Chad	Year 2 Work Plan	Not applicable	Future
<b>2. Reporting</b>																			
2.1 Initiate & submit combined Quarterly Progress and Financial Report			*		*		*		*						Ron		Quarterly report	On track	
2.2 Submit all reports, analyses, policy recs., comparative studies.			*		*		*		*						Ron		All technical reports/materials	Not applicable	None in Q2
2.3 Submit summaries of all reports in Vietnamese, including key findings			*		*		*		*						Ron		All technical reports/materials	Not applicable	None in Q2
2.4 Initiate & submit Annual Progress report													*		Ron		Annual Report	Not applicable	Future
<b>3. Implementation of Monitoring, Evaluation, and Learning</b>																			
3.1 Work w/ HO MEL director to create database and data collection tools based on approved MEL Plan		*	*												Anh	HO MEL	MEL database and data collection tools	Complete	
3.2 Test and fine-tune data collection tools and methods			*	*											Anh	MEL Officers	Tested and finalized data collection tools	On track	Continuous improvement
3.3 Meet with PD ahead of all staff quarterly reflection meetings to review trends and progress towards targets															Anh	Ron	Meeting notes, follow-up items	On track	
3.4 Collect data for quarterly/annual reports															Anh		Data, Quarterly/Annual Report	On track	
3.5 Submit updated performance reporting table to PD and HO for inclusion in quarterly and annual reports				*		*		*							Anh			In process	
<b>4. Communications Plan</b>																			
4.1 Draft, finalize, submit Branding Implementation & Marking Plan		*													COM	HO	Approved B&M Plan	Complete	
4.2 Develop Communications Plan and establish social media accounts		*	*												COM	HO	Comms plan, Online accounts	In process	Social media through USAID
<b>5. Project Management</b>																			
5.1 Hold regular all staff administration and technical meetings															Ron		Agenda & follow-up items	On track	
5.2 Conduct weekly teleconference with home office															Ron	Lien, IESC HO	Agenda & follow-up items	On track	As required
5.3 Produce HO to FO weekly communique															Beth		Weekly communique	Complete	Online
5.4 Conduct regular senior leadership meetings with COR															Ron	Lien, COR	Agenda and meeting notes	On track	
5.5 Hold regular administrative meeting with KPMG & TAJ Media															Ron	Lien	Agenda and meeting notes	In process	Monthly
5.6 Hold bi-annual knowledge sharing meetings with USAID projects															Ron	TBD	Agenda and meeting notes	In process	Regular meetings with TFP held
<b>6. Finance and Operations Assessment</b>																			
6.1 Complete finance and operations assessment													*		Ron	STTA, Lien	Finance & Ops Assessment	Not applicable	Future
6.2 Respond to the assessment														*	Ron	Lien	Action plan matrix	Not applicable	Future



## **Annex C – Summary of Electronic Attachments**

The following list includes names of reports, success stories, and other relevant documents prepared during the quarter, which are submitted separately electronically:

1. USAID LinkSME FF-SME Linkage Update to USAID, English, March 2019
2. LinkSME Project Introduction, Vietnamese, January 2019
3. USAID LinkSME Project Introduction, English, January 2019
4. USAID LinkSME Project Update to USAID, English, January 2019

For ease of reference, IESC has included the final versions in the google shared folder for USAID.



**USAID**  
FROM THE AMERICAN PEOPLE

# USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES (LinkSME)

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HOW TO CONNECT TO  
GLOBAL VALUE CHAINS

Introduction to the LinkSME  
Project

January, 2019

# Vietnam's Challenge – Connecting SMEs to the Global Value Chain

1



## *Small and Medium Enterprise (SME) Landscape*

- 98 percent of total enterprises
- 63 percent of employment
- 45 percent of GDP

2



## *Foreign Firms (FFs) in Vietnam*

- Foreign direct investment (FDI) in 2018: \$35 billion
- FDI firms represent 70 percent of Vietnam's exports
- Key investors: South Korea, Japan, Singapore, Taiwan, U.S.
- Most FFs co-locate with their foreign suppliers

3



## *SME Linkages to Foreign Firms*

- Only 21 percent of SMEs engage in FF supply chains
- Why? Low technology adoption, low productivity, lack of experience with FFs, insufficient standardization, inadequate skilled staff...

# A New USAID Project Addresses This Challenge

- USAID Linkages for Small and Medium Enterprises (LinkSME)
  - \$22.1 million over five years (2018 – 2023)
  - Implemented by IESC with partners KPMG and Taj Media
  - Purpose:
    - Systemic changes in business relationships between Vietnamese small and medium-sized enterprises (SMEs) and foreign firms (FF)
    - Significant increases in the quantity and quality of linkages between Vietnamese SMEs and FFs
  - Objectives:
    1. Strengthen the SME-foreign firm business linkage framework
    2. Enhance Vietnamese SMEs' capacity to participate in the global value chain in five sectors

# Benefits for Participants

- Foreign Firms
  - Reduced cost of locating potential Vietnamese suppliers
  - Get connected with Vietnamese SMEs interested in joining global value chains and receive related supplier development support
  - Better information about suppliers' product lines, capabilities, capacities and efficiency
  - Well prepared SME vendors understanding FF needs
- SMEs
  - Connecting with foreign firms (FFs) interested in deepening their local supply chains
  - Access to FF procurements
  - Implementation support of FF specific requirements and specifications
  - Upgrading in some key areas





# Connecting to Global Value Chains: The First Step for SMEs

## Understand buyer requirements

(Both global trends and  
specific company needs)

- Quality
- Quantity
- Timeliness
- Cost
- Data
- Customer service
- Standardization

# Connecting to Global Value Chains: Next Steps

Consider your capabilities

- Compare them to buyer requirements

Identify, investigate and prioritize gaps

- What are the differences between your capabilities and what buyers need?

Upgrade within resource availability

- Financial
- Technology
- Human

Move quickly, one step at a time

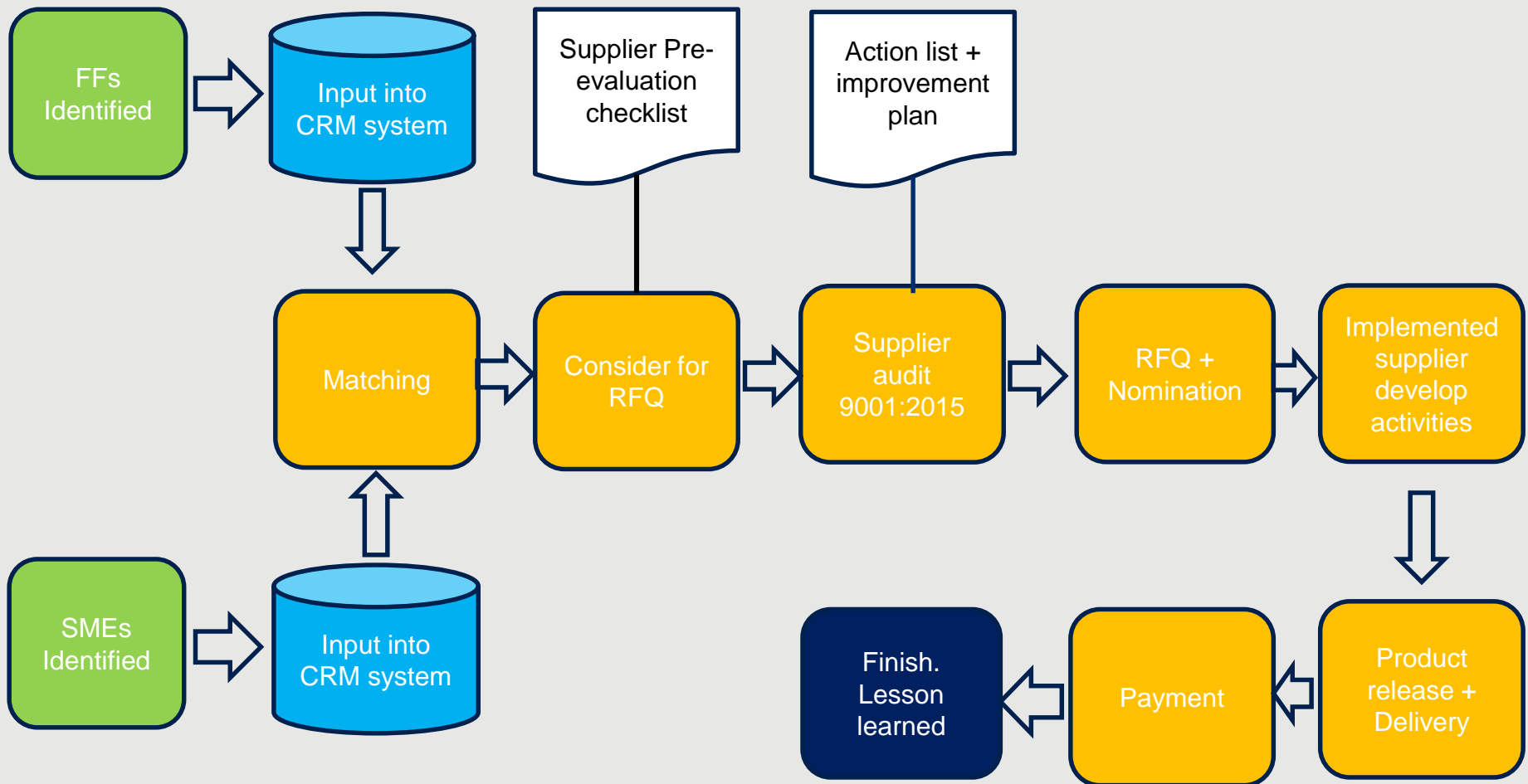
- Deal with high impact, easy to implement issues first, while addressing longer-term challenges

Every SME has different needs

- Get assistance from LinkSME to connect with buyers and upgrade your capabilities



# FFs-SMEs Linkage process flow



# LinkSME Quality & Manufacturing Excellence Trainings

## ISO 9001:2015

Providing a comprehensive overview about the actual modification of ISO 9001:2015 & practical information for the implementation.

The focus is on the introduction of the concept of “high level structure” which is building the framework for all new requirements and norms inside ISO 9001:2015 (1 Day)

- Revision process 9001-2008 to 9001-2015 why?
- The meaning of the new “High Level Structure”
- The news compared to ISO 9001-2008
- What needs to be changed in the future ?
- What do you have to do now ? Practical need for action
- What will change in your auditing process ?
- Impact on your existing certification ?
- Sample cases

## QA/ QC Tools

Enabling participants to use 7 QA/ QC Tools in their daily job to identify quality related problems and “troubleshooting” in production.

The 7 basic tools are general tools for planning and controlling project Quality (2 Days)

- Pareto Chart
- Fishbone Diagram
- Check Sheet
- Control Chart
- Histogram
- Scatter Diagram
- Flow Chart



## Problem Solving

This training program aims to provide the participants with the following: (2 days)

- Approach and solving the problem by using 8D format to report the issue
- Be familiar with tools for investigation/ root cause analysis
- Select and be able to use the right tools for root cause analysis to drive continuous improvement



## Six Sigma

Providing organizations tools to improve the capability of their business processes. This increase in performance and decrease in process variation lead to defect reduction and improvement in profits, employee morale, and quality of products or services. (5 days)

- Six Sigma mind set
- Six Sigma methodology (DMAIC)

## IATF 16949 5 Core Tools

Improving the development & product launch process and the supplier management system by implementing global standard procedures (5 Days)

- FMEA (Failure Mode and Effect Analysis)
- PPAP (Production Part Approval Process)
- APQP (Advanced Product Quality Planning)
- SPC (Statistical Process Control)
- MSA (Measurement System Analysis)

## Manufacturing Excellence

Operational Excellence and sustainability is the focus of our Manufacturing Excellence program which aims to boost the efficiency across the business.

- Fundamentals of Manufacturing Excellence
- Lean Manufacturing Training
- Value Stream Analysis

# LinkSME other Trainings

## IT

- General Technology Training
- ERP
- Cybersecurity

## Risk

- Internal control framework for SMEs
- Process standardization for SMEs with key process roadshow.
- specific risk management (governance, fraud, operational, compliance) that may concern the SMEs

## Financial Management

- Planning Budgeting Forecasting
- Profitability Analysis
- Managing investor relations
- Lean Finance process & Automation (RPA)
- Treasury & Working capital optimization
- Quality close & reporting

## Supply Chain and Operations

- Strategic planning
- Supply chain management foundations
- Enterprise Risk Management
- Process management
- Procurement
- Sales & Operations planning

# Project Methodology



## TRANSACTION ORIENTATION

- ▼ Facilitate transactions between SMEs and FFs in two initial sectors
- ▼ Focus on learning, developing evidence, and strengthening relationships
- ▼ Select three additional sectors for expansion
- ▼ Replicate pilot transactions into the three additional sectors

Initial Sectors:

**Electronics and Metals** (components, parts, input supplies)

# Project Methodology



## COLLABORATING, LEARNING, AND ADAPTING

- ▼ Refine lessons learned
  - Why were some transactions successful while others failed?
  - What were the barriers faced by SMEs?
- ▼ Apply lessons learned to reduce barriers to SME growth across Vietnam
- ▼ Develop policy recommendations to improve the SME business environment

Institutionalize key reforms



# Introducing the Project Director

- LinkSME Project Director Ron Ashkin: [rashkin@linksme.org](mailto:rashkin@linksme.org)
- Responsible for overall project performance
- Based in Hanoi
- International development economist
- Educated at Harvard University and The Wharton School
- 35 years experience in global exporting and private sector development consulting
- Professional experience in more than 60 countries worldwide





# How Can Foreign Firms Participate?

- Contact LinkSME Foreign Firm Linkage Component Director Frank Weiland: [fweiland@linksme.org](mailto:fweiland@linksme.org)
  1. Discuss your Vietnam supply chain needs
  2. Sign an MOU with LinkSME
  3. Elaborate your requirements and specs
  4. Develop requests for quotations (RFQs)
  5. LinkSME will refer potential Vietnamese SME suppliers
  6. Your firm will negotiate commercially with these potential suppliers
  7. LinkSME will assist supplier development until start of production



# How Can SMEs Participate?

- Contact LinkSME Deputy Project Director / SME Linkage Component Director Lien Duong: [duonglien@linksme.org](mailto:duonglien@linksme.org)
  1. Discuss your products and capabilities
  2. Register your interest online at <http://bit.ly/LinkSME1>
  3. If in our focus sectors, a LinkSME Linkage Manager will visit your facility to assess your linkage readiness
  4. LinkSME will match you to appropriate foreign firm RFQs and help you prepare
  5. Your firm will negotiate commercially with these potential buyers
  6. After nomination, a supplier development plan will take place



Register your interest online at <http://bit.ly/LinkSME1>



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**USAID Linkages for Small and Medium Enterprises Contact Information:**

USAID: Thuy Nguyen, Contracting Officer's Representative (COR) [thuynguyen@usaid.gov](mailto:thuynguyen@usaid.gov)

Michael Trueblood, Director, Office of Economic Growth and Governance [mtrueblood@usaid.gov](mailto:mtrueblood@usaid.gov)

LinkSME: Ron Ashkin, Project Director [rashkin@linksme.org](mailto:rashkin@linksme.org)

Lien Duong, Deputy Project Director/SME Linkages Component Director [duonglien@linksme.org](mailto:duonglien@linksme.org)

Frank Weiland, Foreign Firm Linkages Component Director [fweiland@linksme.org](mailto:fweiland@linksme.org)





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# DỰ ÁN KẾT NỐI DOANH NGHIỆP NHỎ VÀ VỪA (LinkSME)

Làm thế nào để kết nối doanh nghiệp  
nhỏ và vừa vào chuỗi giá trị toàn cầu

Giới thiệu về Dự án USAID LinkSME

Tháng 3/2019

# Thách thức đối với Việt Nam – Kết nối DNNVV vào chuỗi giá trị toàn cầu

1



**Bối cảnh của Doanh nghiệp nhỏ và vừa (DNNVV)**

- 98% trên tổng số các doanh nghiệp cả nước
- 63% tổng số lao động trong cả nước
- 45% GDP cả nước

2



**Các Doanh nghiệp nước ngoài (DNNN) tại Việt Nam**

- Đầu tư trực tiếp nước ngoài (FDI) năm 2018: 35 tỷ đô la Mỹ.
- Doanh nghiệp FDI chiếm 70% kim ngạch xuất khẩu
- Nhà đầu tư chính: Hàn Quốc, Nhật bản, Singapore, Đài Loan, Mỹ
- Hầu hết DNNN có xu hướng tiếp tục hợp tác với nhà cung cấp nước ngoài.

3



**Kết nối DNNVV với DNNN**

- Chỉ 21% DNNVV tham gia vào chuỗi cung ứng cho DNNN
- Vì sao? Sử dụng công nghệ lạc hậu, năng suất thấp, thiếu kinh nghiệm làm việc với DNNN, chưa chuẩn hóa đầy đủ, thiếu nhân viên có tay nghề ...

# Dự án của USAID giải quyết thách thức này

- **Dự án Kết nối DNNVV của USAID (LinkSME)**
  - Ngân sách: 22,1 triệu đô la Mỹ trong 5 năm (2018 – 2023)
  - Thực hiện bởi IESC và các đối tác: KPMG và TAJ Media
  - Mục đích:
    - Tạo ra sự thay đổi mang tính hệ thống trong mối quan hệ giữa các DNNVV của Việt Nam với các DNNN.
    - Tăng đáng kể về số lượng và chất lượng các kết nối kinh doanh giữa DNNVV và DNNN.
  - Mục tiêu:
    1. Tăng cường khung kết nối kinh doanh giữa DNNVV và DNNN
    2. Tăng cường năng lực của DNNVV Việt Nam để tham gia vào chuỗi giá trị toàn cầu trong 5 lĩnh vực ưu tiên của dự án.

# Lợi ích của các bên tham gia kết nối

- **DNNN**

- Giảm chi phí khi xác định các nhà cung cấp tiềm năng trong nước
- Kết nối với các DNNVV của Việt Nam muốn tham gia vào các chuỗi giá trị toàn cầu và nhận sự hỗ trợ trong việc phát triển nhà cung cấp.
- Được cung cấp thông tin chi tiết hơn về dòng sản phẩm, khả năng, năng lực, năng suất của nhà cung cấp.
- Kết nối với các nhà cung cấp DNNVV đã được chuẩn bị tốt và hiểu về các nhu cầu của DNNN

- **DNNVV**

- Kết nối với DNNN quan tâm tìm kiếm chuỗi cung ứng trong nước
- Tiếp cận với quy trình, thủ tục đấu thầu mua sắm của DNNN.
- Hỗ trợ để đáp ứng yêu cầu riêng và kỹ thuật của DNNN.
- Hỗ trợ nâng cao năng lực cho DN trong một số lĩnh vực chính.





# Kết nối với chuỗi giá trị toàn cầu: Bước đầu kết nối DNNVV

## Hiểu yêu cầu của bên mua

(Cả xu hướng toàn  
cầu và nhu cầu cụ thể  
của DNNN)

- Chất lượng
- Số lượng
- Thời gian
- Chi phí
- Dữ liệu
- Dịch vụ khách hàng
- Các tiêu chuẩn

# Kết nối với chuỗi giá trị toàn cầu: Các bước tiếp theo

Cân nhắc khả năng tham gia cung ứng

- So sánh năng lực của doanh nghiệp với yêu cầu của bên mua (DNNN)

Xác định, xem xét và ưu tiên bổ sung thiếu hụt của DNVV

- Sự khác biệt giữa khả năng của doanh nghiệp và nhu cầu của bên mua là gì

Tăng cường năng lực cung cấp từ nguồn lực sẵn có

- Tài chính
- Công nghệ
- Con người

Phát triển nhanh từng bước

- Giải quyết các vấn đề để thực hiện, có ảnh hưởng lớn, đồng thời chỉ ra các thách thức dài hạn.

Mỗi DNNVV đều có các nhu cầu khác nhau

- Nhận sự hỗ trợ từ Dự án USAID LinkSME để kết nối với bên mua và tăng cường năng lực cung cấp



# Tập huấn về tối ưu hóa sản xuất và chất lượng kết nối DNNVV

## ISO 9001:2015

Cung cấp tổng quan toàn diện về những điểm thay đổi của tiêu chuẩn ISO 9001:2015 và thông tin áp dụng tiêu chuẩn này trong thực tế

Tập trung giới thiệu khái niệm “Cấu trúc Bạc cao” định khung cho tất cả các yêu cầu và tiêu chuẩn mới cho ISO 9001:2015 (1 ngày)

- Quá trình thay đổi từ 9001-2008 sang 9001-2015, tại sao?

- Nghĩa của “Cấu trúc Bạc cao” mới

- Những điểm mới so với tiêu chuẩn ISO 9001-2008

- Điều gì cần phải thay đổi trong tương lai?

- Quý doanh nghiệp cần phải làm gì lúc này? Cần hành động thực tế

- Quy trình đánh giá của quý doanh nghiệp sẽ có thay đổi gì?

- Ảnh hưởng đến chứng nhận hiện tại của quý doanh nghiệp như thế nào?

- Các trường hợp ví dụ đơn giản

## Các công cụ quản lý chất lượng

Cho phép người tham gia sử dụng 7 công cụ quản lý/đảm bảo chất lượng trong công việc hàng ngày để nhận diện các vấn đề liên quan đến chất lượng và “xử lý sự cố” (“troubleshooting”) trong sản xuất

7 Công cụ là các công cụ cơ bản cho việc hoạch định và kiểm soát chất lượng dự án (2 ngày)

- Biểu đồ Pareto
- Biểu đồ xương cá
- Phiếu kiểm tra
- Biểu đồ kiểm soát
- Biểu đồ Histogram
- Biểu đồ phân tán
- Đồ thị



## Kỹ năng giải quyết vấn đề

Chương trình tập huấn này nhằm mục đích cung cấp cho người học những kỹ năng sau: (2 ngày)

- Tiếp cận và giải quyết vấn đề bằng cách sử dụng mẫu 8D để báo cáo vấn đề
- Quen với các công cụ điều tra/phân tích nguyên nhân gốc
- Lựa chọn và có thể sử dụng đúng công cụ để phân tích nguyên nhân gốc nhằm liên tục cải tiến



## Six Sigma

Cung cấp cho quý doanh nghiệp các công cụ cải tiến khả năng kinh doanh. Tăng hiệu suất công việc, giảm sai sót trong quá trình quản lý sẽ dẫn đến việc giảm lỗi và tăng lợi nhuận, tinh thần làm việc của nhân viên và chất lượng sản phẩm hay dịch vụ (5 ngày)

- Quan niệm về hệ phương pháp Six Sigma
- Hệ phương pháp Six Sigma (DMAIC)

## IATF 16949 5 công cụ chính

Cải tiến quy trình phát triển & quảng bá sản phẩm và hệ thống quản lý nhà cung cấp bằng cách thực hiện các quy trình tiêu chuẩn toàn cầu (5 ngày)

- Mô hình sai lỗi và phân tích các tác động (FMEA)
- Quá trình phê chuẩn chi tiết (PPAP)
- Hoạch định chất lượng sản phẩm nâng cao (APQP)
- Kiểm soát quá trình bằng kỹ thuật thống kê (SPC)
- Phân tích các hệ thống đo lường (MSA)

## Tối ưu hóa sản xuất

Chương trình tối ưu hóa sản xuất là nhằm thúc đẩy tính hiệu quả trong kinh doanh, tập trung vào việc tối ưu hóa cấu trúc vận hành doanh nghiệp và tính bền vững

- Các quy tắc cơ bản của việc tối ưu hóa sản xuất
- Tập huấn về sản xuất tinh gọn
- Phân tích chuỗi giá trị

# Các tập huấn khác về kết nối DNNVV

## CNTT

- Tập huấn về công nghệ tổng hợp
- Phần mềm hệ thống hoạch định tài nguyên doanh nghiệp (ERP)
- An ninh mạng

## Rủi ro

- Cơ cấu kiểm soát nội bộ cho DNNVV
- Chuẩn hóa quy trình cho DNNVV qua các buổi giới thiệu doanh nghiệp và sản phẩm chính
- Quản lý rủi ro cụ thể (quản trị, lỗi, vận hành, tuân thủ) liên quan đến DNNVV

## Quản lý Tài chính

- Lập dự báo ngân sách
- Phân tích lợi nhuận
- Quản lý các quan hệ với nhà đầu tư
- Tinh gọn kế toán và tự động hóa quy trình (RPA)
- Tối ưu hóa tài sản và vốn lưu động
- Đảm bảo chất lượng dữ liệu, giảm thời gian chuẩn bị báo cáo tài chính và đơn giản hóa quy trình và phương pháp đánh giá

## Chuỗi cung ứng và Vận hành

- Lập kế hoạch chiến lược
- Quỹ quản lý chuỗi cung ứng
- Quản lý rủi ro doanh nghiệp
- Quản lý quy trình
- Mua sắm đấu thầu
- Lập kế hoạch bán hàng và vận hành



# Phương pháp thực hiện dự án



## Hướng đến các giao dịch

- Hỗ trợ thúc đẩy các giao dịch giữa DNNVV và DNNN ở hai lĩnh vực thí điểm đầu tiên
- Tập trung vào nghiên cứu, phát triển minh chứng và tăng cường mối quan hệ giữa DNNVV và DNNN
- Chọn thêm 3 lĩnh vực ưu tiên để mở rộng
- Nhân rộng các giao dịch thử nghiệm ở 3 lĩnh vực đó

Các lĩnh vực được lựa chọn ưu tiên ban đầu:

**Điện tử và Kim khí** (linh kiện, phụ tùng, nguồn cung đầu vào)



# Phương pháp thực hiện dự án



## HỢP TÁC, HỌC TẬP VÀ THÍCH ỨNG

- **Chắt lọc các bài học kinh nghiệm**
  - Tại sao một vài giao dịch thành công trong khi giao dịch khác lại không?
  - Đâu là rào cản mà DNNVV gặp phải?
- **Áp dụng bài học kinh nghiệm để giảm thiểu khó khăn để DNNVV phát triển**
- **Đề xuất xây dựng chính sách để cải thiện môi trường kinh doanh cho các DNNVV**

Thể chế hóa các cải cách chính



# Giới thiệu về Giám đốc Dự án

- Giám đốc Dự án LinkSME, Ông Ron Ashkin:  
[rashkin@linksme.org](mailto:rashkin@linksme.org)
- Chịu trách nhiệm chung cho các hoạt động của dự án
- Làm việc tại văn phòng tại Hà Nội
- Là nhà phát triển kinh tế quốc tế
- Tốt nghiệp trường Đại học Harvard và trường Wharton
- Có 35 năm kinh nghiệm về xuất khẩu toàn cầu và tư vấn về phát triển khu vực tư nhân.
- Kinh nghiệm làm việc tại hơn 60 quốc gia trên thế giới



# Công ty nước ngoài tham gia kết nối như thế nào

- Liên hệ với Giám đốc Hợp phần Kết nối Doanh nghiệp nước ngoài Frank Weiland: [fweiland@linksme.org](mailto:fweiland@linksme.org)
- 1. Thảo luận về nhu cầu chuỗi cung ứng trong nước của quý công ty
- 2. Ký Biên bản Ghi nhớ với Dự án USAID LinkSME
- 3. Làm rõ các yêu cầu và tính năng kỹ thuật của quý công ty
- 4. Xây dựng yêu cầu báo giá (RFQs)
- 5. Dự án USAID LinkSME sẽ giới thiệu nhà cung cấp DNNVV tiềm năng
- 6. Quý công ty sẽ đàm phán trực tiếp với các nhà cung cấp tiềm năng này
- 7. Dự án sẽ hỗ trợ nâng cao năng lực của nhà cung cấp cho đến khi đủ năng lực sản xuất cho DNNN.



# Các DNNVV có thể tham gia như thế nào?

- Phó Giám đốc Dự án/ Giám đốc Hợp phần Kết nối DNNVV:  
Dương Liên: [duonglien@linksme.org](mailto:duonglien@linksme.org)
- 1. Thảo luận về sản phẩm và năng lực của quý doanh nghiệp
- 2. Đăng ký trực tuyến tại <http://bit.ly/LinkSME1>
- 3. Nếu quý doanh nghiệp thuộc phạm vi dự án, chuyên gia quản lý kết nối DNNVV sẽ tới tham quan cơ sở và đánh giá về khả năng sẵn sàng kết nối của quý doanh nghiệp
- 4. Dự án sẽ căn cứ trên các yêu cầu kỹ thuật riêng của từng DNNN kết nối các DNNVV phù hợp.
- 5. Quý doanh nghiệp sẽ đàm phán thương thảo trực tiếp với các bên mua tiềm năng này.
- 6. Sau khi lựa chọn, kế hoạch hỗ trợ nâng cao năng lực nhà cung ứng sẽ được triển khai thực hiện.





Đăng ký trực tuyến tại <http://bit.ly/LinkSME1>



**USAID**  
FROM THE AMERICAN PEOPLE

Thông tin liên hệ Dự án Kết nối Doanh nghiệp nhỏ và vừa của USAID:

Bà Nguyễn Thị Bích Thủy, Quản lý Chương trình Cao cấp, Phòng Phát triển Kinh tế và Quản trị Nhà nước [thuynguyen@usaid.gov](mailto:thuynguyen@usaid.gov)

Ông Michael Trueblood, Giám đốc, Phòng Phát triển Kinh tế và Quản trị Nhà nước [mtrueblood@usaid.gov](mailto:mtrueblood@usaid.gov)

Ông Ron Ashkin, Giám đốc Dự án Kết nối DNNVV [rashkin@linksme.org](mailto:rashkin@linksme.org)

Bà Dương Thị Kim Liên, Phó Giám đốc Dự án, Giám đốc Hợp phần Kết nối DNNVV [duonglien@linksme.org](mailto:duonglien@linksme.org)

Ông Frank Weiland, Giám đốc Hợp phần Kết nối DNNN [fweiland@linksme.org](mailto:fweiland@linksme.org)





**USAID**  
FROM THE AMERICAN PEOPLE

# USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES (LinkSME)

Update on FF-SME  
Linkage Progress

March 25, 2019



# Outreach Activities

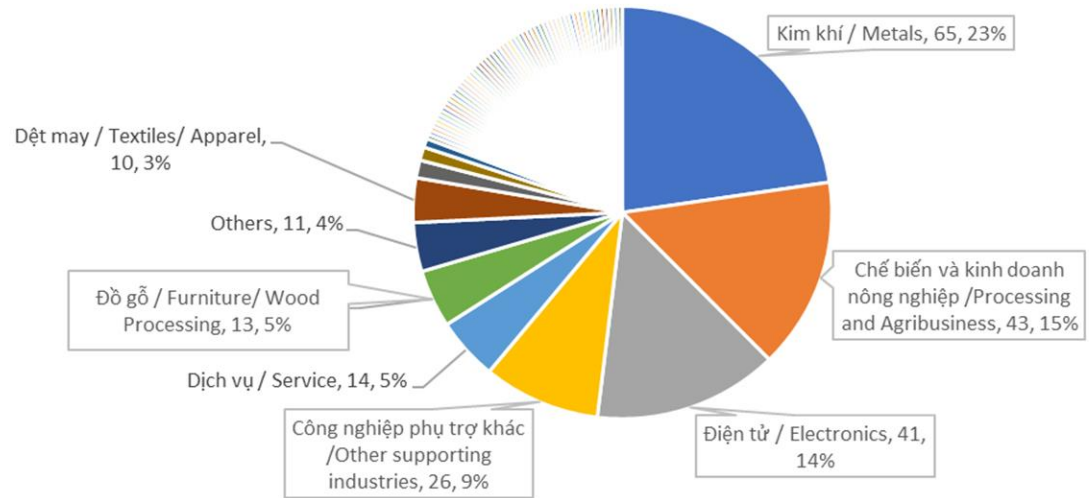
## Primary outreach

- FFs: Signed 6 MOUs to date:
  - Penflex, RCH, Northstar, Fluid Power and Control, East-West Industries, and Ultralox
  - Coca Cola, Wellmaster pending signature
- SMEs:
  - 331 SMEs registered online with LinkSME
    - 65 Metals
    - 41 Electronics
  - Conducted 26 SME on-site pre-evaluations (supply potential)

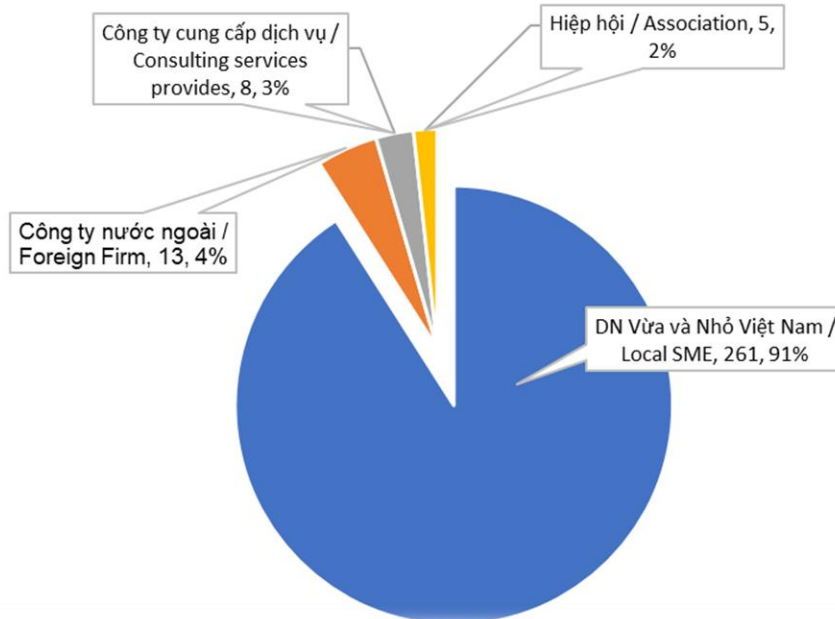
## Secondary outreach

- Signed 6 MOUs with chambers and business associations
  - HAMEE, AmCham Hanoi, AmCham HCMC, HANSIBA, VCCI TSC, VCCI SME

SME Registration Profile



Registration by Business Type



# LinkSME Registration Profile

# SME Pre-Evaluation

## 19/26 SMEs Qualified

Registered Entity Name	SME Sector	Certifications if any
Nhuan Tien Co.,Ltd	Kim khí / Metals	NA
Vinavit Corp	Kim khí / Metals	ISO 9001:2015
Viet Nhat Precision Co., Ltd	Kim khí / Metals	ISO 9001:2015
CNCPS JOINT STOCK COMPANY	Điện tử / Electronics	ISO 9001:2015
Bach Tung Travel Contruction Mechanical Co., Ltd	Kim khí / Metals	ISO 9001:2015
Tung Lam Manufacturing & Trading Co., Ltd	Kim khí / Metals	ISO 9001:2015
Chimasa Co., Ltd	Kim khí / Metals	NA
Hong Ky Corporation	Kim khí / Metals	CE Marking, ISO 9001:2008
TIENTHINH CO.,LTD	Điện tử / Electronics	UL,RoHS II, ISO 9001:2015, ISO 14001: 2015
Duy Khanh Engineering Co.,Ltd	Kim khí / Metals	ISO 9001:2015
MKTP Company Limited	Kim khí / Metals	ISO 9001:2015; ISO 14001:2015; BS OHSAS 18001:2007
Hai Duong Pump Manufacturing Joint Stock Company	Kim khí / Metals	ISO 14001:2015, ISO 9001:2015
ONTOPS	Kim khí / Metals	ISO9001:2015; IATF16949
OptoElectronics International Joint Stock Company	Điện tử / Electronics	RoHS, IPC Certification, ISO Compliant (to be certified in 2019)
CÔNG TY CỔ PHẦN SẢN XUẤT ĐIỆN TỬ THÀNH LONG	Điện tử / Electronics	ISO 14001:2015, ISO 9001:2015, UL, SMETA
CÔNG TY TNHH ANH NGHĨA ANCL	Kim khí / Metals	ISO 9001:2015
Công ty TNHH sản xuất và thương mại cơ khí Hồng Kỳ	Điện tử / Electronics	CE Marking
TC ELECTROINCS SOLUTION VIET NAM (TCE)	Điện tử / Electronics	ISO 14001:2015, ISO 9001:2015, RoHS, IPC 610
ANT Industries	Kim khí / Metals	ISO 9001:2015

- **Strengths:** Nearly 90% of them were qualified in least one international standard, especially ISO 9001:2015. Good production management in place (5S, data traceability, improvement-mindset of management). They also have experience in supplying well-known customers, export markets
- **Weaknesses:** No real-time updated documents/checksheets on the shopfloor, quality management is very basic (use monthly checksheet), preventive maintenance rarely used, lack of data-driven management decisionmaking, lack of material traceability (supplier management)
- **Potential training:** Lean basics, preventive maintenance, statistical quality control, risk management in production and quality

# SME Pre-Evaluation

## 7/26 SMEs Not Qualified

Registered Entity Name	SME Sector	Certifications if any
Araimichi Viet Nam Co., Ltd	Kim khí / Metals	NA
CNC 3S Co.,Ltd	Kim khí / Metals	NA
Vinametal Co.,Ltd	Kim khí / Metals	NA
NHAT LONG MECHANICAL TRADING CO.,LTD	Kim khí / Metals	NA
HTP SAI GON CO.,LTD	Kim khí / Metals	SCORE (VCCI)
HUYNHDUC TRADING SERVICE & MANUFACTURING CO.,LTD	Kim khí / Metals	NA
Cong Ty TNHH SX - TM Thiết Bị Điện Tử Kim Sang	Điện tử / Electronics	ISO 9001:2008

- **Strengths:** Some of them have invested in test laboratory and equipment (including Araimichi, and Nhat Long)
- **Weaknesses:** Nearly all lack of process documentation, poor 5S (shop floor organization) and process flow management, lack of skills training, lack of data for traceability of quality and production performance
- **Potential training:** Lean basics, ISO 9001:2015 awareness, 5S

# Proposed Linkages and Early Lessons Learnt

FF	Proposed SME Suppliers
<b>Penflex Vietnam Co. Ltd</b>	Viet Nhat Precision Co., Ltd
	Bach Tung Travel Contruction Mechanical Co., Ltd
	Nhuan Tien Co.,Ltd
	Anh Nghia
	Duy Khanh Engineering Co.,Ltd
<b>RCH</b>	Chimasa Co., Ltd
	Hong Ky Corporation
	Ant Industry
<b>Northstar Precision (Vietnam) LLC (Polaris)</b>	Vinavit
	Tung Lam
<b>Ultralox Interlocking (WES, LLC)</b>	Ontops
	MKTP
<b>East West Industries Vietnam</b>	Anh Nghia
<b>Wellmaster Pipe and Supply Inc.</b>	Ant Industry

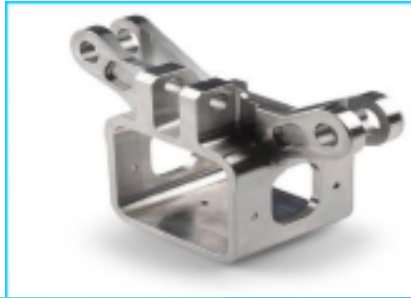
- **Characteristics that Strengthen Linkage:** Well maintained international standards (especially ISO9001:2015), well managed production and quality processes
- **Characteristics that Weaken Linkage:** poor data management, lack of traceability of quality and production performance, lack of maintenance planning
- **Potential Training:** Lean basics, preventive maintenance, statistical quality controls, risk management in production and quality



# SME Analysis Example - Meet Threshold and Willing to Link with FFs

## ANH NGHIA COMPANY

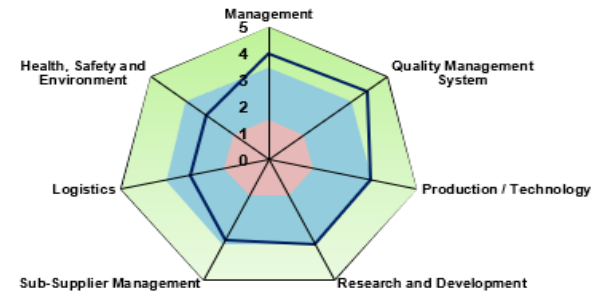
35, 4 Neighbors, Nation Route 1, Thai Hoa village, Ho Nai 3, Dongnai



Module Evaluation	Score	Weighting
Management	4.00	10%
Quality Management System	4.14	30%
Production / Technology	3.44	30%
Research and Development	3.50	5%
Sub-Supplier Management	3.33	10%
Logistics	2.67	10%
Health, Safety and Environment	2.67	5%
<b>Performance</b>	<b>3.64</b>	
<b>Evaluation</b>	<b>Good</b>	

5 Point: The supplier is excellent; expectations have been exceeded.  
 4 Point: The supplier is very good and satisfactory; expectations are met in full.  
 3 Point: The supplier only partially meets expectations and is only satisfactory.

2 Point: The supplier only partially meets expectations and is only adequate.  
 1 Point: The supplier is unsatisfactory and expectations are not met.



### LinkSME PRE-EVALUATION RESULT

LinkSME-SML-F08-01 21-Jan-2019

Supplier Name: **Anh Nghia Co., LTD** Observation date: 7-Mar-19

Report No. LinkSME-SML-F08-01-03052019

**Summary**

- Anh Nghia company still maintain effectively quality system. Having ISO 9001:2015. Total permanent employee is 130. Turnover in 2018 is about 5 million USD. Current capacity is around 70%. Anh Nghia company has export experience in Japan, US, Canada Regarding machine capacity, there are 42 CNC lathe machines and 18 milling machines as well as sufficient measuring equipments such as: 3D measuring machine, hardness measuring machine, digital measuring tools...



**Recommendation**

- Need to improve about safety issue because of working area, for instance: need to ensure safety distance between machines
- Need to improve sub-supplier such as: incoming materials and plating process.
- Planning system need to be improved.




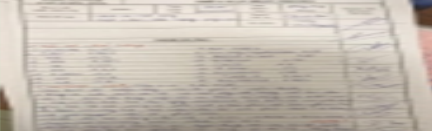


# SME Analysis Example

## ANH NGHIA COMPANY

35, 4 Neighbors, Nation Route 1, Thai Hoa Village, Ho Nai 3, Dongnai

- **Strengths:** Effectively maintain QMS 9001:2015 certificate; 5S, process quality control; skilled laborer; machine control; familiar with working with big customers and OEMs
- **Weaknesses:** 5S; need to closely control sub-suppliers (surface treatment); planning
- **Potential Training:** Lean Six Sigma, root cause analysis, supply chain operations, planning

Module	Sub-No	Anh Nghia Co., LTD	feedback s? Phản hồi?	Đính kèm bằng chứng *nếu có, cung cấp:	observers Mức độ phù hợp
Management Quản trị		<b>Understanding the company and its context</b> Hiểu Công ty và bối cảnh của Công ty	<i>Note: Please choose "NA" in case Yes or No cannot be chosen</i> <i>Chú thích: NA là không đủ thông tin để trả lời Yes hoặc No</i>		
	1.1	<b>Has the company mapped its organizational structure?</b> Công ty đã lưu đồ hóa Sơ đồ tổ chức công ty hay không?	Yes		5
	1.2	<b>Has the company mapped the main business processes that show their interactions with customer, supplier and external parties?</b> Công ty đã lưu đồ hóa quy trình kinh doanh thể hiện sự tương tác với khách hàng, nhà cung cấp và các bên quan tâm hay không?	Yes		5
	1.3	<b>Does the company establish a KPI system for its monthly performance management?</b> Công ty có thiết lập hệ thống KPIs cho việc quản lý hiệu quả công việc hay không?	NA		1
	1.4	<b>Does the company have a meeting landscape in place for daily, weekly, monthly meetings?</b> Công ty có lịch họp định kỳ hàng ngày, hàng tuần, hàng tháng giữa các bộ phận hay không?	Yes		5





# SME Analysis Example – Do Not Meet Threshold (Not Acceptable)

NHAT LONG COMPANY

Street #5, Long Thanh My Ward, District 9, HCMC



Result		
Module Evaluation	Score	Weighting
Management	2.75	10%
Quality Management System	1.29	30%
Production / Technology	1.22	30%
Research and Development	2.83	5%
Sub-Supplier Management	2.00	10%
Logistics	2.33	10%
Health, Safety and Environment	1.00	5%
<b>Performance</b>	<b>1.67</b>	
<b>Evaluation</b>	<b>Not Acceptable</b>	

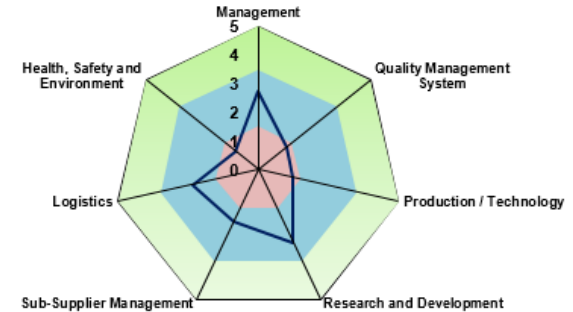
**5 Point:**  
The supplier is excellent; expectations have been exceeded.

**4 Point:**  
The supplier is very good and satisfactory; expectations are met in full.

**3 Point:**  
The supplier only partially meets expectations and is only satisfactory.

**2 Point:**  
The supplier only partially meets expectations and is only adequate.

**1 Point:**  
The supplier is unsatisfactory and expectations are not met.



LinkSME

PRE-EVALUATION RESULT

LinkSME-SML-F08-01

21-Jan-2018

Supplier Name:

Nhat Long Co., Ltd

Observation date: 6-Mar-19

Report No. LinkSME-SML-F08-01-02052019

### Summary

- No quality system and quality control. Current capacity is about 65% with about 23 direct operators.
- No control 5S, machine maintenance as well as sub-supplier.



### Recommendation

- Nhat Long need to improve so much if this company want to be potential supplier for FFs such as:
- + Production: need improve 5S, label production identification, control machine matenance as well as need work instruction.
- + Quality control: need to control more effectively during production, incoming material and calibration control
- + Employee: need to record about training to operators and increase competence of operator.
- + Need to build quality system to ensure that company can satisfy customer requirement.

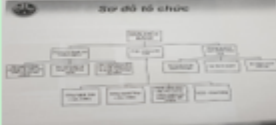
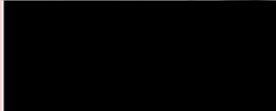



# SME Analysis Example

## NHAT LONG COMPANY

Street #5, Long Thanh My Ward, District 9, HCMC

- **Strengths:** Have good measuring equipment such as: 3D measuring machine, CNC lathe and milling machines
- **Weaknesses:** 5S; weak control of process, machine maintenance, planning; no incoming material inspection; poor employee training
- **Potential Training:** ISO 9001:2015, root cause analysis, supply chain operations, 7 QC tools

Report No.	SME-SHL-F03-01-0305			Nhat Long Co., Ltd	Evaluation feedbacks?	Attached/Hyperlink Evidence * if yes, please provide: Đính kèm bằng chứng *nếu có, cung cấp:	Evaluation by observers
Module	Sub-No	Action for Auditors	Ask whom		Phản hồi?		Mức độ phù hợp (NA   1   2   3   4)
Management Quản trị				<b>Understand the company and its context</b> Hiểu Công ty và bối cảnh của Công ty			
	1.1	Ask Evidence	Director Site mgr Quality mgr	<b>Has the company mapped its organizational structure?</b> Công ty đã lưu hồ Sơ đồ tổ chức công ty hay không?	Yes		3
	1.2	Ask Evidence	Director Site mgr Quality mgr	<b>Has the company mapped the main business processes that show their interactions with customer, supplier and external parties?</b> Công ty đã lưu hồ quy trình kinh doanh thể hiện tương tác với khách hàng, nhà cung cấp và các bên quan tâm hay không?	No		1
	1.3	Ask Evidence	Director Site mgr	<b>Does the company establish a KPI system for its monthly performance management?</b> Công ty có thiết lập hệ thống KPI cho việc quản lý hiệu quả công việc hay không?	Yes	Insert PDF or Picture in here /Đính kèm file PDF hoặc ảnh tương tự	4
	1.4	Observe	Director Site mgr Quality mgr	<b>Does the company have a meeting landscape in place for daily, weekly, monthly meetings?</b> Công ty có lịch họp định kỳ hàng ngày, hàng tuần, hàng tháng giữa các bộ phận hay không?	Yes		3





<http://bit.ly/LinkSME1>



**USAID**  
FROM THE AMERICAN PEOPLE

**USAID Linkages for Small and Medium Enterprises Contact Information:**

USAID: Thuy Nguyen, Contracting Officer's Representative (COR) [thuynguyen@usaid.gov](mailto:thuynguyen@usaid.gov)

Michael Trueblood, Director, Office of Economic Growth and Governance [mtrueblood@usaid.gov](mailto:mtrueblood@usaid.gov)

LinkSME: Ron Ashkin, Project Director [rashkin@linksme.org](mailto:rashkin@linksme.org)

Lien Duong, Deputy Project Director/SME Linkages Component Director [duonglien@linksme.org](mailto:duonglien@linksme.org)

Frank Weiand, Foreign Firm Linkages Component Director [fweiand@linksme.org](mailto:fweiand@linksme.org)





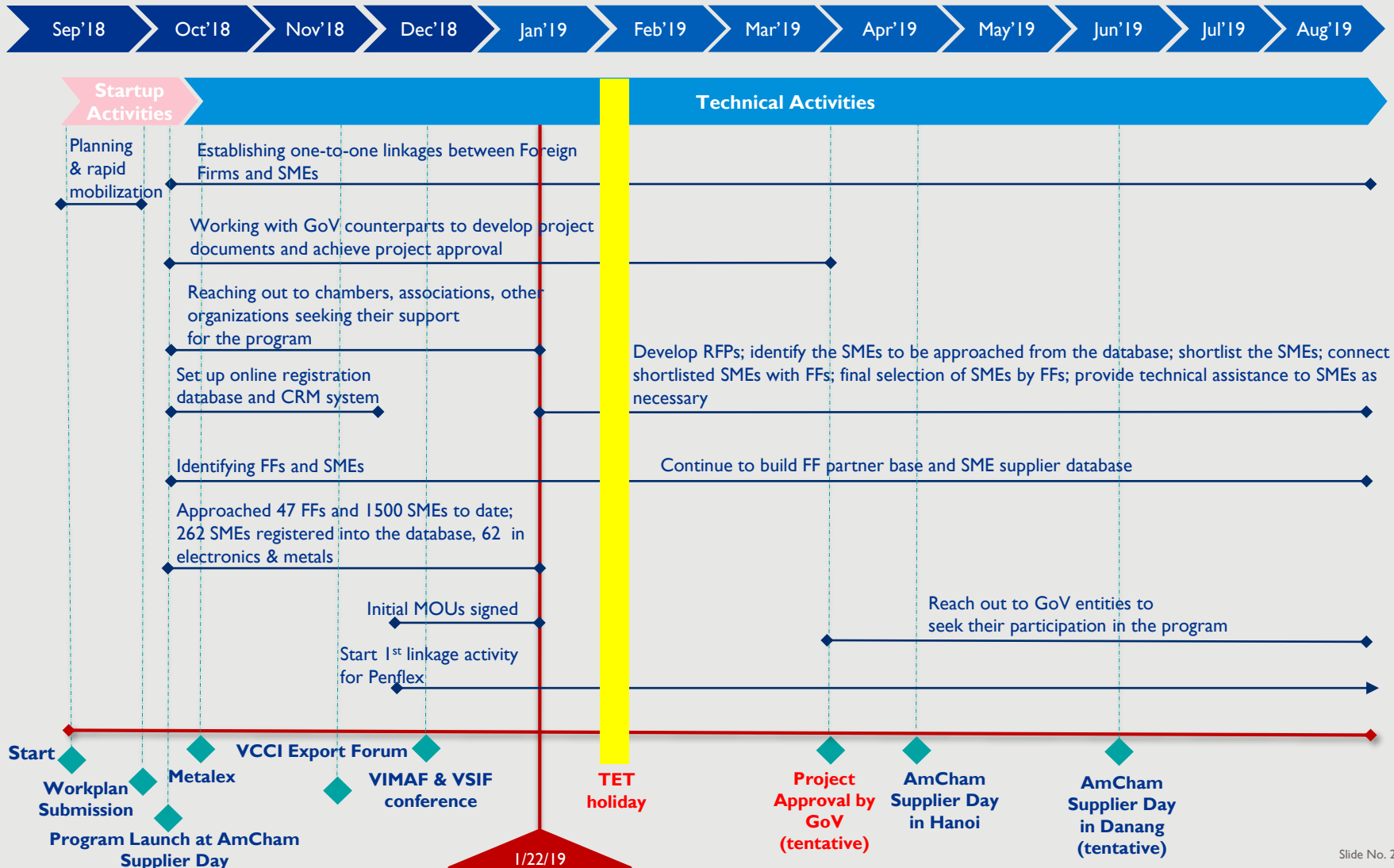
**USAID**  
FROM THE AMERICAN PEOPLE

# USAID LINKAGES FOR SMALL AND MEDIUM ENTERPRISES (LinkSME)

Project Status Update to  
USAID/Vietnam

January 22, 2019

# Program Timeline – Year I



# Project Startup

## Activities completed – general highlights

- Work plan approved, MEL submitted, SME Advisory Group members approved
- Negotiated with OOG to prepare project approval document
- Onboarded new staff in Hanoi and HCMC
- Moving to permanent office in HCMC, finalizing space in Hanoi
- Soft-launched program at HCMC AmCham Supplier Day - Oct. 4
- Set up online SME registration system and customer relationship management (CRM) database
- Developed program factsheet and brochures (EN and VN)
- Organized roundtable on Theories of Change for SME Development in coordination with USAID's global Trade and Competitiveness Activity



# Outreach Activities

## Primary outreach

- FFs: Met/spoke with 47 FFs, signed 6 MOUs, 4 more in process
  - MOUs: Penflex, RCH, Northstar, Fluid Power and Control, East-West Industries, and Ultralox
- SMEs:
  - Contacted ~1,500, met with 381 SMEs
  - 262 SMEs registered online, of which 62 are in electronics and metals sectors; recently conducted first SME on-site evaluations

## Secondary outreach

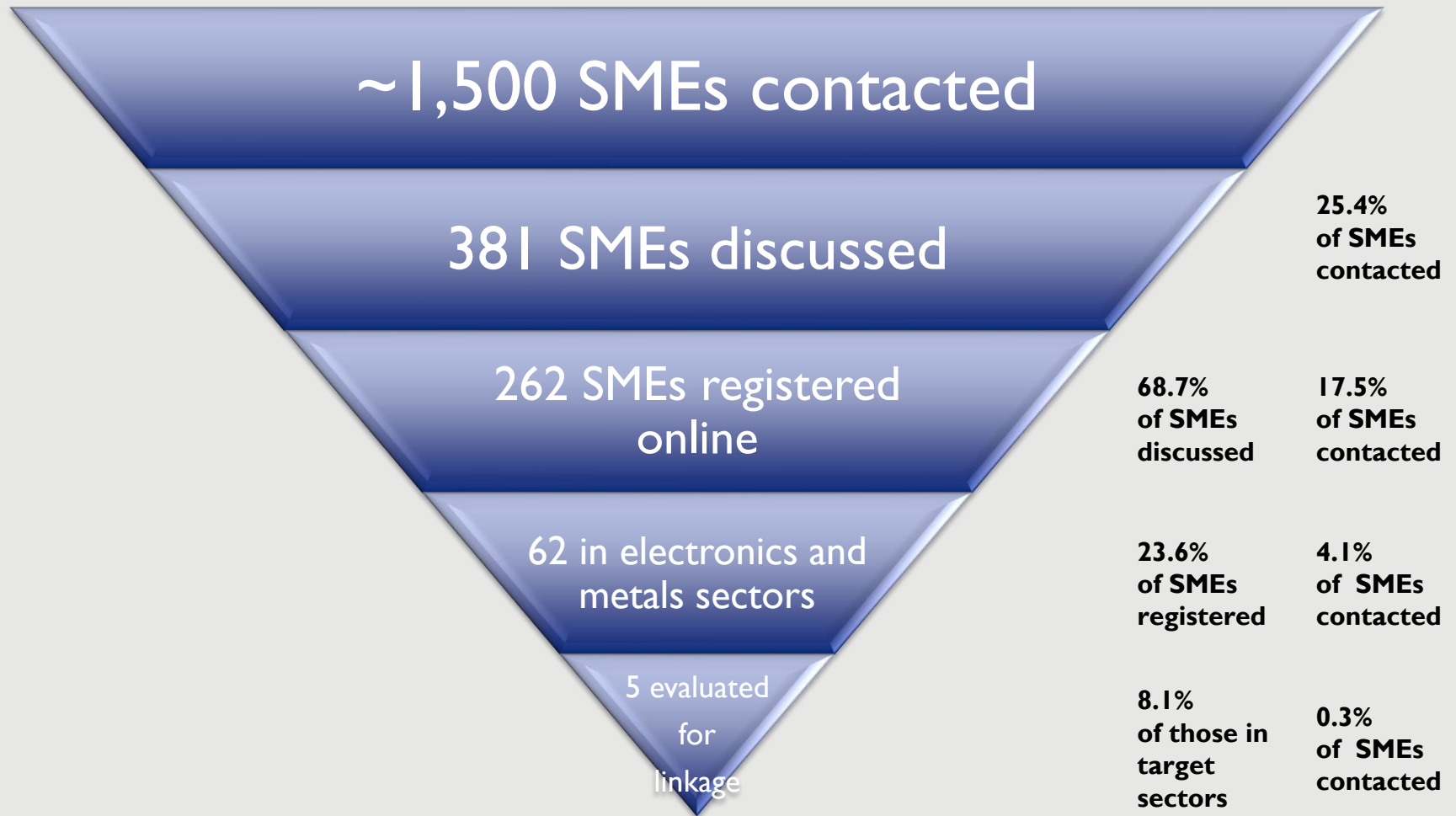
- Met/spoke with 7 business chambers
- Approached 17 associations and organizations
- Consulted with 14 donors and implementers
- Contacted 12 industrial parks
- Signed 4 MOUs with chambers and business associations

# Linking SMEs with FFs

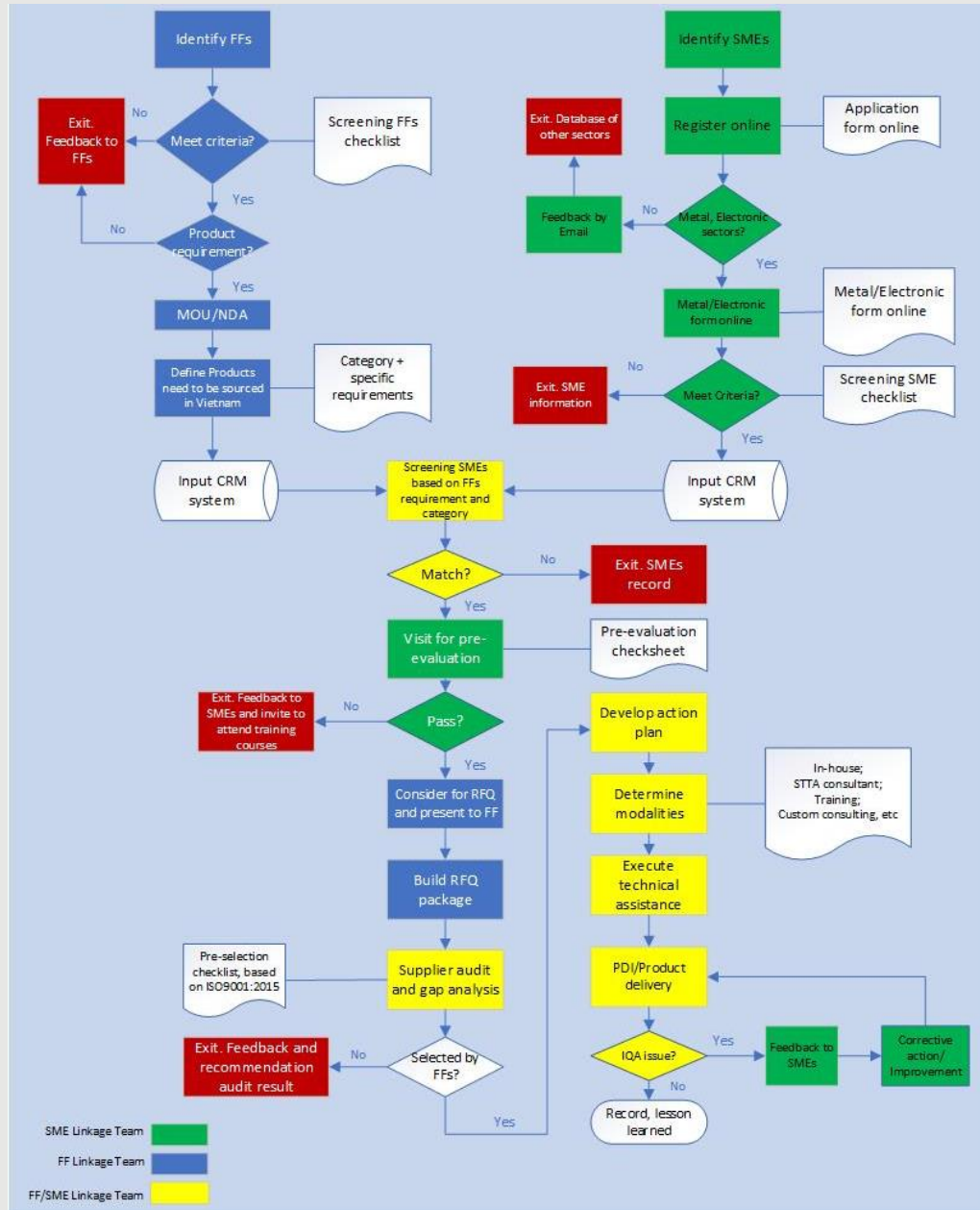
## Approach

- Continue broad outreach, intake additional SMEs, and build database
- Refine SME screening process based on first visits and audits
- Identify SMEs that can serve specific FF requirements
- Execute service agreements with SMEs qualified to serve FFs
- Screen and audit SMEs that match
- Conduct gap analysis for participating SMEs based on customer specifications and requirements
- Establish upgrade plans and participate in building competence of potential SME suppliers
- Support contracting between FFs and SMEs
- Learn lessons, improve matchmaking and linkage processes to be systemic and scalable

# Early Lessons Learned – Penflex Example

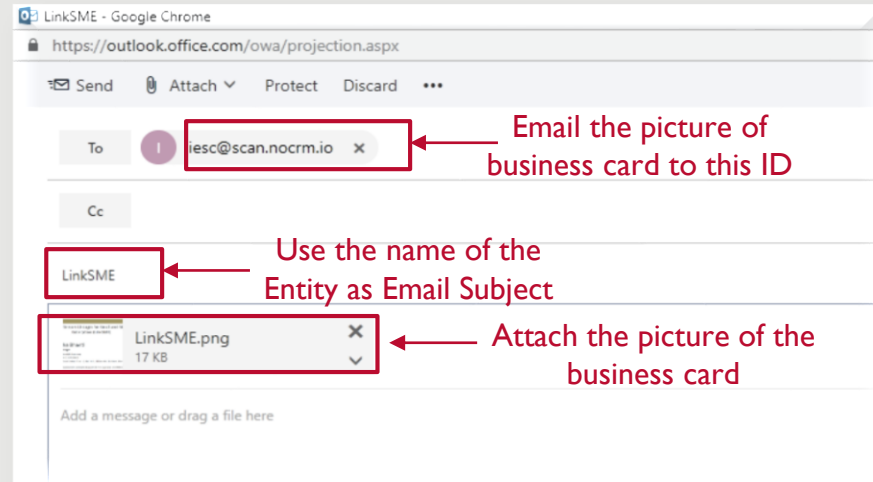


# FF – SME Linkage Process Flow



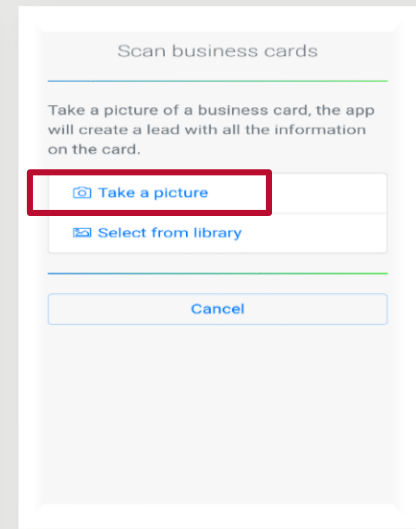
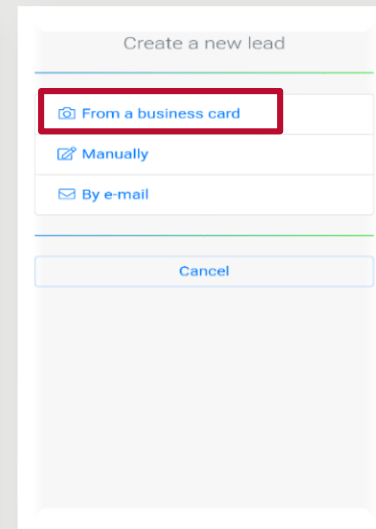
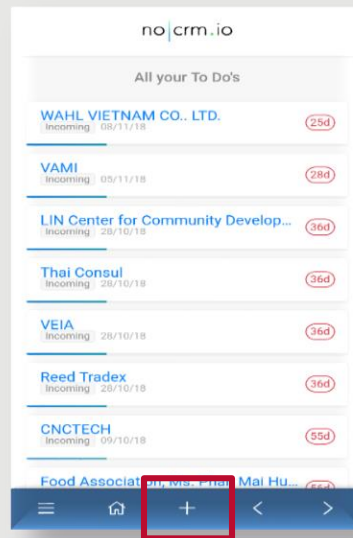
# Sample Screenshots - Adding an Entity Contact on CRM

**Method I : Email Business card to nocrm ID**



**OR**

**Method II : Use nocrm app**



# Sample Screenshots – Entity Information on CRM and Tagging

New lead

Title:  Step:

**B I U S A A** [Rich Text Editor Icons]

Name of the business owner:  
Age of Business Owner:  
Phone Number of Business Owner:  
Email ID of Business Owner:  
Nationality:  
Province:  
Entity Registration Year:  
Number of Employees:  
Entity Registration Number:  
Registered Entity Address:  
Name the certification:  
Contact Person:  
Designation:  
Phone Number:  
Email ID:  
Main Products:  
Main export markets for products:  
Local Partner (if any):  
Reference Clients:  
Objective to join LinkSME:  
Web:  
--- Enter description below ---

Typical fields in the CRM which need to be filled based on the information available for an entity

Select the tags applicable to the entity

<input type="checkbox"/> Association <input type="checkbox"/> Chamber <input type="checkbox"/> Foreign Firm <input type="checkbox"/> Government Body <input type="button" value="More"/>	1. Entity Type
<input type="checkbox"/> A. Electronics <input type="checkbox"/> B. Metals	2. Sector
<input type="checkbox"/> A1. Electronic Component Production <input type="checkbox"/> A2. Electronic - Electrical Assembling <input type="checkbox"/> B1. Steel <input type="checkbox"/> B2. Aluminium <input type="checkbox"/> B3. Other Non Ferrous Metals	3. Group
<input type="checkbox"/> A1.1 Household Appliances <input type="checkbox"/> A1.2 Communication <input type="checkbox"/> A1.3 Lighting <input type="checkbox"/> A1.4 Others <input type="button" value="More"/>	4. Category
<input type="checkbox"/> A1.A. PCB / Flexboard <input type="checkbox"/> A1.B. Circuits <input type="checkbox"/> A1.C. Wires / Cables <input type="checkbox"/> A1.D. Displays <input type="button" value="More"/>	5. Subcategory
<input type="checkbox"/> Female <input type="checkbox"/> Male	6. Registered Business Owner
<input type="checkbox"/> No <input type="checkbox"/> Yes	7. Relevant certifications, if any
<input type="text" value="SME, Partnership, UK"/>	Other tags

- A1.E. Others
- B.i.1. Metal Profiles / Beams
- B.i.2. Doors / Windows
- B.i.3. Facades
- B.i.4. Others
- B.ii.1. Extrusion
- B.ii.10. Powder Coating
- B.ii.2. Machining



# Sample Screenshots – 1<sup>st</sup> level of Matching Foreign Firms and SMEs

Entities can be filtered based on tags to filter out the SMEs for Foreign Firm requirements

The screenshot shows the no|crm.io CRM interface. The top navigation bar includes 'Cold prospects', 'Leads', and 'Clients'. A search bar and user profile 'Pratiksha' are also visible. Below the navigation, there are tabs for 'All leads' and 'Only active', along with an 'Export' button and a 'Filters' button highlighted with a red box. The main area displays a table of 62 leads with columns for 'Lead's name', 'Status', 'Amount', 'Proba', 'Step', and 'Last update'. The table lists various companies such as ON Semiconductor Binh Duong Co., Ltd., Doosan Infracore, Fujikura Electronics Vietnam Ltd., ULTRALOX INTERLOCKING, PEOPLES COMMITTEE OF HO CHI MINH CITY SAIGON HI-TECH PARK MA..., AmCham Vietnam - HCM City, ICHAM, TOSHIBA INDUSTRIAL PRODUCTS ASIA CO., LTD., AIPHONE COMMUNICATIONS (VIETNAM) CO. LTD., KAISE VIETNAM CO., LTD, and RCR Infrastructure Vietnam.

Lead's name	Status	Amount	Proba	Step	Last update
ON Semiconductor Binh Duong Co., Ltd.	Bd	0.00	-	Incoming	14/01/2019 16:06
Doosan Infracore	Bd	0.00	-	Incoming	14/01/2019 16:07
Fujikura Electronics Vietnam Ltd.	Bd	0.00	-	Incoming	14/01/2019 16:10
ULTRALOX INTERLOCKING	7d	0.00	-	Incoming	14/01/2019 16:12
PEOPLES COMMITTEE OF HO CHI MINH CITY SAIGON HI-TECH PARK MA...	4d	0.00	-	Incoming	14/01/2019 16:22
AmCham Vietnam - HCM City	4d	0.00	-	Incoming	15/01/2019 15:55
ICHAM	4d	0.00	-	Incoming	14/01/2019 16:34
TOSHIBA INDUSTRIAL PRODUCTS ASIA CO., LTD.	4d	0.00	-	Incoming	14/01/2019 16:42
AIPHONE COMMUNICATIONS (VIETNAM) CO. LTD.	4d	0.00	-	Incoming	14/01/2019 14:51
KAISE VIETNAM CO., LTD	4d	0.00	-	Incoming	14/01/2019 14:51
RCR Infrastructure Vietnam	4d	0.00	-	Incoming	15/01/2019 15:22

This close-up shows the filter options. It includes a 'Filter by tags' section with a dropdown menu currently set to 'Having this tag'. To the right, there is a toggle switch for 'Leads with no tags' which is currently turned off. Below the dropdown, there is another option 'Not having this tag' with a dropdown arrow.

# SME Analysis

## 1<sup>st</sup> Stage: SME pre-evaluation screening

- General capabilities, prior to entry into CRM system



Supplier  
Pre-Evaluation Form

## 2<sup>nd</sup> Stage: SME pre-selection screening

- Detailed capabilities, prior to selection by FF

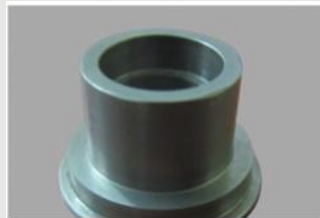
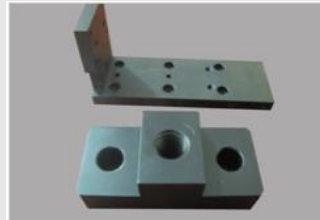


Pre-Selection  
form



# SME Analysis Example

**VIET NHAT PRECISION COMPANY**  
**Hiep Phuoc Industrial Park, Ho Chi Minh City**



## Result

	Score	Weighting
Management	6.0	20%
Development / Design	4.0	10%
Innovation	n/a	10%
Sub-Supplier Management	6.0	10%
Production / Technology	6.0	20%
Quality	6.0	20%
Logistic	6.0	10%

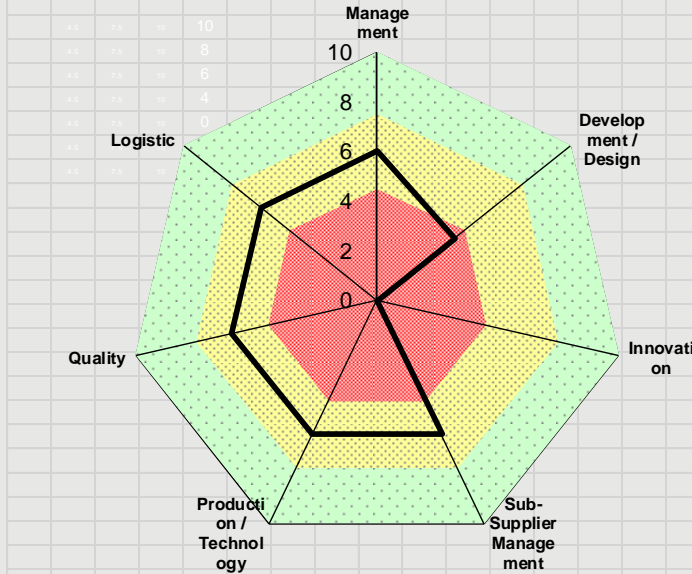
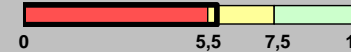
0.9

**Performance SPE**

**5.8**

Evaluation scale

Target = 8 (100%)



**10 Point:** >100%

The supplier is excellent; expectations have been exceeded.

**8 Point:** 100%

The supplier is very good and satisfactory; expectations are met in full.

**6 Point:**

The supplier only partially meets expectations and is only satisfactory.

**4 Point:**

The supplier only partially meets expectations and is only adequate.

**0 Point:**

The supplier is unsatisfactory and expectations are not met.

**n/a:**

cannot be evaluated

## Potential supplier for

Low Volume Supplier

High Volume Supplier

All Product Lines Supplier

## Conclusion

- VietNhat precision company already have ISO 9001:2015.
- Factory area is about 500 m2 with 30 employees in total.
- Have experience when supplying to Japan customer and have quality management system.
- current capacity is about 60-70%. Turnover in 2017: 2 million USD
- 6 Milling CNC machine + 2 Lathe CNC machine, 3 Grinding machine
- > VietNhat precision company can be potential supplier for Penflex.



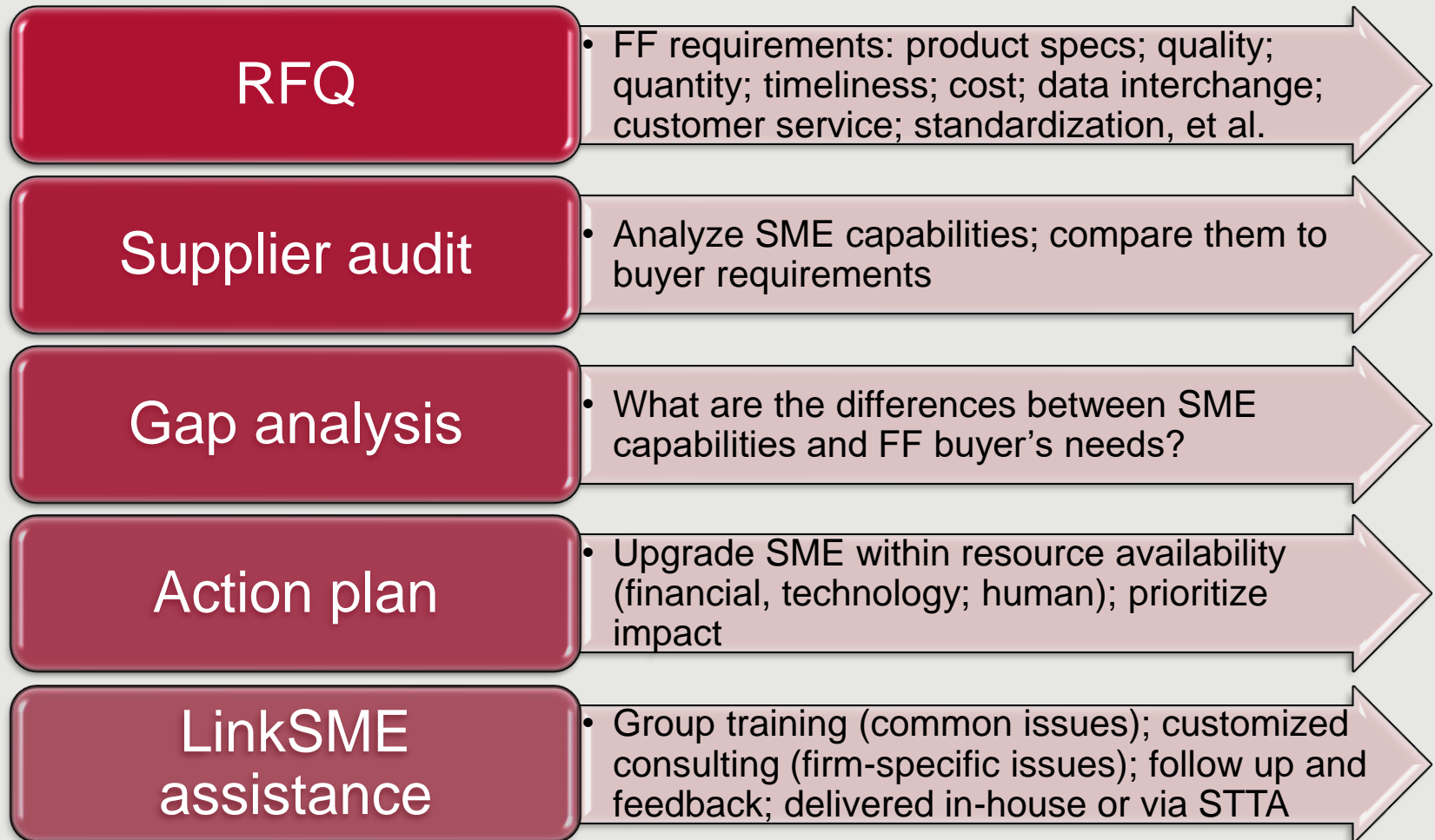
# SME Analysis Example

**VIET NHAT PRECISION COMPANY**  
**Hiep Phuoc Industrial Park, Ho Chi Minh City**

- **Strengths:** Effectively maintain QMS 9001:2015 certificate; new CNC machines; process quality control
- **Weaknesses:** 5S; cost management; need to closely control sub-supplier (surface treatment)
- **Potential training:** 7QC tools, Lean Six Sigma, Root Cause Analysis

Quality Management	6	
<ul style="list-style-type: none"> <li>-Quality system described and covers all areas, levels, employees</li> <li>-Quality control plan (methods, tools, instructions, reports,...)</li> <li>-Process of analysis, control and release of corrective actions</li> <li>-Quality cost management (cost of failures, cost of quality, records, actions)</li> <li>-Periodical internal / external (product-, process-, system-) audits</li> <li>-Organisation of rework process (instructions, rework area, records,...)</li> <li>-Document-management-system (expiry date, updating, tracing, numbering,...)</li> <li>-Release process (PPAP, APQP, ISIR, material release, tooling release,...)</li> <li>-Change management (part history, procedure, process update,...)</li> <li>-Equipment (3D-measurement, laboratory, measuring equipment,...)</li> <li>-Calibration of measuring equipment (labelling, records, traceability)</li> <li>-Preventive maintenance</li> </ul>		<ul style="list-style-type: none"> <li>- Quality system is described and communicated to all employees.</li> <li>- Have WI, Standards and drawings in place.</li> <li>- Have procedure to analysis, control and release corrective actions for non-conformity products.</li> <li>- conduct internal audit.</li> <li>- Already control NG product and separately area with production line.</li> <li>- Have rework process (instruction rework area, record) with approval from production manager.</li> <li>- be not familiar with PPAP, APQP, ISIR.</li> <li>- Have good measuring equipment (3D-measurement, lab,...)</li> <li>- Some measuring equipment's calibrations expired.</li> <li>- Already apply preventive maintenance with checklist to check.</li> </ul>

# Connecting to Global Value Chains: TA for SMEs



# Quality and Manufacturing Excellence Trainings - Examples

## TRAINING OVERVIEW

### DIN ISO 9001:2015

Providing a comprehensive overview about the actual modification of ISO 9001:2015 & practical information for the implementation. The focus is on the introduction of the concept of “high level structure” which is building the framework for all new requirements and norms inside ISO 9001:2015

- Revision process 9001-2008 to 9001-2015 why?
- The meaning of the new “High Level Structure”
- The news compared to ISO 9001-2008
- What needs to be changed in the future ?
- What do you have to do now ? Practical need for action
- What will change in your auditing process ?
- Impact on your existing certification ?
- Sample cases

### IATF 16949 5 Core Tools

Improving the development & product launch process and the supplier management system by implementing global standard procedures

- FMEA (Failure Mode and Effect Analysis)
- PPAP (Production Part Approval Process)
- APQP (Advanced Product Quality Planning)
- SPC (Statistical Process Control)
- MSA (Measurement System Analysis)



### Six Sigma

Providing organizations tools to improve the capability of their business processes. This increase in performance and decrease in process variation lead to defect reduction and improvement in profits, employee morale, and quality of products or services

- Six Sigma mind set
- Six Sigma methodology (DMAIC)



### QA/ QC Tools

Enabling participants to use 7 QA/ QC Tools in their daily job to identify quality related problems and “troubleshooting” in production. The 7 basic tools are general tools for planning and controlling project quality

- Pareto Chart
- Fishbone Diagram
- Check Sheet
- Control Chart
- Histogram
- Scatter Diagram
- Flow Chart



### Problem Solving

This training program aims to provide the participants with the following:

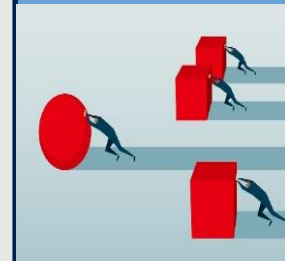
- Approach and solving the problem by using 8D format to report the issue
- Be familiar with tools for investigation/ root cause analysis
- Select and be able to use the right tools for root cause analysis to drive continuous improvement



### Manufacturing Excellence

Operational Excellence and sustainability is the focus of the Manufacturing Excellence program which aims to boost the efficiency across the business

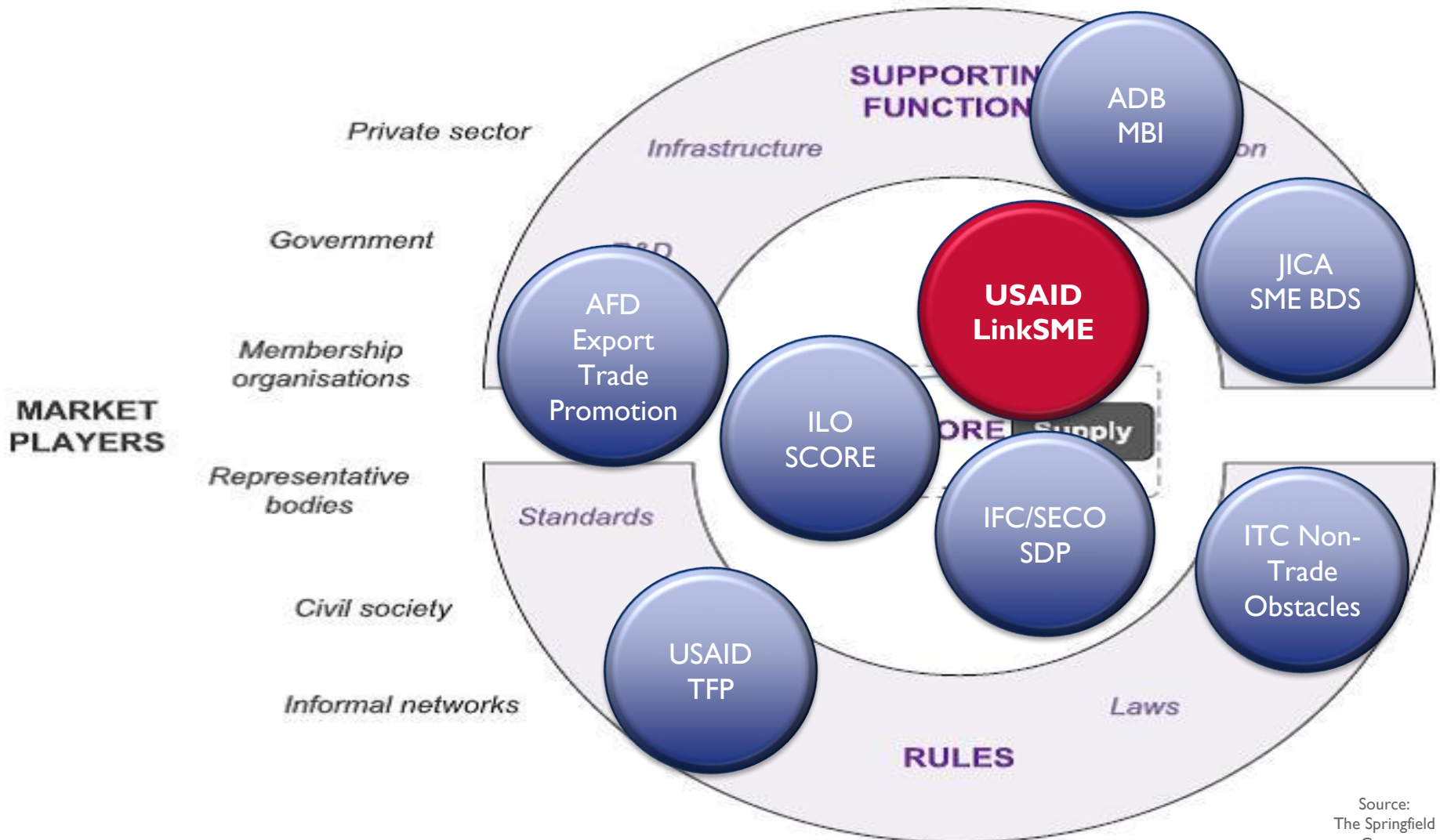
- Fundamentals of Manufacturing Excellence
- Lean Manufacturing Training
- Value Stream Analysis





# Donor SME Program Landscape in Vietnam

## Market system



# Comparing LinkSME with IFC's SDP

Attribute	IFC Supplier Development Program (SDP)	USAID LinkSME
Objective	Aims to help domestic suppliers meet the requirements of MNEs; subsequently, they can be linked for future supply opportunities	Aims to fostering systemic improvement in Vietnam's FF-SME market linkage ecosystem, learning lessons while creating value
Duration	2 years (may be follow-on programming)	5 years
Budget	\$3.0 – \$3.5 million	\$22.1 million
Sectors	Automotive, electronics, energy, household appliances	Phase 1: Electronics, metals; 3 additional sectors to be added in Phase 2
Intake process	45 SMEs chosen by FFs for general capability upgrade (top-down)	SMEs register in database and participate based on specific FF requirements (bottom-up)
Upgrade process	Business analysis, gap analysis, upgrade action plan (“roadmap”), training, shortlisting	Industrial analysis, gap analysis, upgrade action plan, training, individualized consulting
Matchmaking	At end of upgrade process (15 expected)	At beginning, prior to upgrade, to provide commercial incentive (target 10 in Phase 1))
FFs	Large, recognized FFs (MNCs)	Demand-driven; first tranche primarily middle-sized firms, 1 <sup>st</sup> tier suppliers
SMEs	Limited to 45 at first stage	Unlimited, driven by FF supply requirements
Scaling	Through MOIT adding sectors and SMEs	Through adding sectors in Phases 2-3, market replication both inside and outside portfolio

# SME Advisory Group

## Members

- Administrative Procedure Control Agency (APCA), Office of the Government
- Enterprise Development Agency, Ministry of Planning and Investment
- American Chamber of Commerce Vietnam (AmCham) Ho Chi Minh Chapter
- Vietnam Chamber of Commerce and Industry (VCCI)
- Vietnam Association for Supporting Industries (VASI)
- Ho Chi Minh Association of Machinery and Electric Enterprises (HAMEE)
- Vietnam Electronic Industries Association (VEIA)
- Vietnam Association of Mechanical Industry (VAMI)

## General approach

- Quarterly meetings
- Review progress, understand lessons learned, recommend modifications to the project
- Advise the sector selection process at the end of Phase I

# Opportunities and Challenges

## A. Opportunities

- We are in the right space at the right time
- Huge opportunity to expand SME supplier base as many FFs wish to relocate production from China to Vietnam
- Scalable, systemic, replicable process can be developed
- Process can accelerate as lessons are learned
- SMEs can be trained even if they do not immediately qualify as suppliers

## B. Challenges and Risks

- Time line of project approval from GVN is out of our direct control
  - Responding with hands-on approach
- Demand from FFs could exceed our capacity to serve them
  - Consider queueing/prioritization system
  - Restructure LTTA/STTA mix
- SMEs are largely starting from a low capability base
- Life cycle problem – SMEs need to invest in capability upgrades far in advance of receiving any revenues from FF orders



# Foreign Firm Profiles: USAID LinkSME Partner Firms





# Penflex Vietnam Co. Ltd

## Sector: Metal



### Overview

Penflex Corporation is a leading U.S. manufacturer of corrugated metal hose and braid products. Founded in 1902, Penflex has been a pioneer from the very beginning and continues today to be a leader in the design and manufacture of flexible metal hose. Penflex products are used by hundreds of companies worldwide.

### Location and Contacts

**Address:** Lot X2, Road 14, Ho Nai Industrial Zone, Trang Bom District, Dong Nai Province  
**Phone:** +84 61.887.7006  
**Website:** <http://www.penflex.com>

Mr. Nathaniel Barker  
General Director



### About Penflex Vietnam

- Year of establishment in Vietnam: 2010
- Total registered invested capital: \$3.6 million
- Annual revenue: ~ \$10 million
- Number of permanent employees: 120
- Standards: ISO 9001:2015
- Main products: Flexible metal hose products – corrugated metal hose, interlocked hose, braided hose, instrumentation tubing and braid
- Parent company nationality: USA
- Headquarters: Gilbertsville, Pennsylvania



### MOU

Penflex Vietnam Co., Ltd. signed a Memorandum of Understanding with USAID LinkSME on December 4, 2018.



# RCH Vietnam LLC

## Sector: Electronics

**RCH**

### Overview

RCH Vietnam LLC is a subsidiary of the Italian RCH Group Spa, founded in 1969. RCH designs, produces, and sells fiscal printers, cash registers, point-of-sale (POS) devices, hardware, and software: all turnkey solutions for the overall management of a store. RCH Vietnam produces high-tech electronics for RCH's POS products and supports the global expansion of the Group's POS business.

### Location and Contacts

**Address:** Long Hau Industrial Park, Long Hau Ward, Can Giuoc District, Long An Province

**Phone:** +84 2871099700

**Website:** [www.rch-group.com](http://www.rch-group.com)

Mr. Paolo Andretta  
General Director



### About RCH Vietnam

- Year of establishment in Vietnam: 2017
- Total registered invested capital: \$260,000
- Annual revenue: Private
- Number of permanent employees: 45
- Standards: N/A
- Main products: Point-of-sale equipment like cash registers, displays, printers, and accessories
- Parent company nationality: Italy
- Regional headquarters: Hong Kong



### MOU

RCH Vietnam LLC signed a Memorandum of Understanding with USAID LinkSME on December 12, 2018.

# Northstar Precision (Vietnam) LLC



## Sector: Metal

### Overview

Northstar Precision (Vietnam) LLC is a joint venture between Polaris (USA) and Vietnam Precision (Taiwan), with the majority of shares held by Polaris. Polaris is an American manufacturer of snowmobiles, all-terrain vehicles (ATVs) and neighborhood electric vehicles. Polaris was founded in 1955 and was originally a manufacturer of snowmobiles. Since adding ATVs to their portfolio in 1984, Polaris became a global leader in powersports vehicles.

### Location and Contacts

**Address:** Khai Quang Industrial Zone, Khai Quang Ward, Vinh Yen City, Vinh Phuc Province

**Phone:** +84 1647441703

**Website:** <https://www.polaris.com>

Mr. Eric Brumm  
Head of Global Supply Chain



### About Northstar Precision (Vietnam)

- Year of establishment in Vietnam: 2018
- Total registered invested capital: \$1.4 million
- Polaris group's 2017 global revenue: \$5.4 billion
- Number of permanent employees: 25
- Standards: N/A
- Main products: Snowmobiles, ATVs and neighborhood electric vehicles
- Parent company nationality: USA
- Headquarters: Medina, Minnesota



### MOU

Northstar Precision signed a Memorandum of Understanding with USAID LinkSME on December 18, 2018.

# Fluid Power & Controls Co., Ltd.

## Sector: Metal



### Overview

Fluid Power & Controls Co., Ltd. (FPC) is a manufacturer of solenoids and solenoid-controlled valves which are used in emergency door locking systems, liquid dispensing industries, hospital and medical industries and many types of hydraulic and pneumatic systems. FPC is a business unit of US-based Deltrol Corp., a world leader in the development and manufacture of electromechanical controls and hydraulic systems and components.

### Location and Contacts

**Address:** No.29, Street no. 2, Vietnam Singapore Industrial Park (VSIP), Thuan An Town, Binh Duong Province

**Phone:** +8427 43767860

**Website:** <https://deltrol.com/>

Mr. Milton D. Hagler  
General Director



### About Fluid Power & Controls

- Year of establishment in Vietnam: 2006
- Total registered invested capital: \$3.95 million
- Annual revenue: \$9 million
- Number of permanent employees: 87
- Standards: ISO 9001:2015
- Main products: conductors and valves
- Parent company nationality: USA
- Headquarters: Milwaukee, Wisconsin



### MOU

Fluid Power & Controls signed a Memorandum of Understanding with USAID LinkSME on January 4, 2019.



# East West Industries Vietnam

## Sector: Electronics, Metal



East West  
design • manufacturing • distribution

### Overview

Owned by US-based East West Manufacturing and located just north of Ho Chi Minh City, East West Industries (EWI) manufactures custom industrial, consumer, and retail products. EWI manufactures UL/CSA, ETL, and CE recognized products for all industries and is ISO 9001:2015 and I3485:2003 certified.

### Location and Contacts

**Address:** No. 27 Street No. 2, VSIP 2, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province

**Phone:** +84274 3635106

**Website:** <https://www.ewmfg.com>

Mr. Matt Greenfield  
General Director



### About East West Industries Vietnam

- Year of establishment in Vietnam: 2008
- Total registered invested capital: \$7.0 million
- EWM global annual revenue 2018: \$193 million
- Number of permanent employees: 750
- Standards: ISO 9001:2015 & I3485:2003
- Main capabilities: Electronic manufacturing services, injection molding, medical device manufacturing, tooling, packaging and assembly
- Parent company nationality: USA
- Headquarters: Atlanta, Georgia



### MOU

EWI Vietnam signed a Memorandum of Understanding with USAID LinkSME on January 10, 2019.

# Ultralox Interlocking (WES, LLC)

## Sector: Metal



### Overview

Ultralox Interlocking is a trademark of WES, LLC, an American company owned by conglomerate AZEK Building Products. Ultralox Interlocking offers a multifaceted line of aluminum railing for both commercial and residential projects using a patented interlocking machine. All their aluminum railing products meet the highest safety and durability standards in the industry.

### Location and Contacts

**Address:** 2955 Lone Oak Dr #180,  
Eagan, MN 55121, USA

**Phone:** +1-612-414-4338

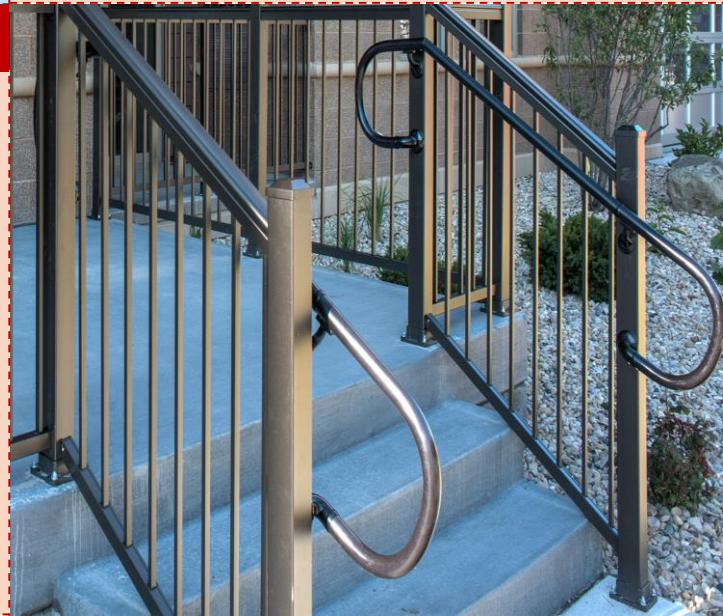
**Website:** <https://ultralox.com>

Mr. Edward Peterson  
V.P. Sales and Marketing



### About Ultralox Interlocking

- Total registered invested capital: \$1.0 million
- Annual revenue (2018): \$18.5 million
- AZEK global annual revenue 2018: \$600 million
- Number of permanent employees: 38
- Standards: ICC-ES ESR (3485)
- Main products: aluminum railing for commercial and residential building projects
- Parent company nationality: USA
- Headquarters: Eagan, Minnesota



### MOU

WES, LLC signed a Memorandum of Understanding with USAID LinkSME on January 17, 2019.



Register your interest online at <http://bit.ly/LinkSME1>



**USAID**  
FROM THE AMERICAN PEOPLE

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