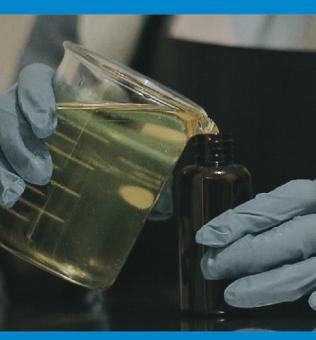




# The Path to Success:

## How Women-owned Businesses Transform in the Era of Digitalization

Lessons from Myanmar





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## About Konrad-Adenauer-Stiftung

Freedom, justice, and solidarity are the basic principles underlying the work of the Konrad-Adenauer-Stiftung (KAS). The KAS is a political foundation closely associated with the Christian Democratic Union of Germany (CDU).

As co-founder of the CDU and the first Chancellor of the Federal Republic of Germany, Konrad Adenauer (1876-1967) united Christian-social, conservative and liberal traditions. His name is synonymous with the democratic reconstruction of Germany, the firm alignment of foreign policy with the trans-Atlantic community of values, the vision of a unified Europe and an orientation towards the social market economy. His intellectual heritage continues to serve both as our aim as well as our obligation today. In our European and international cooperation efforts, we work for people to be able to live self-determined lives in freedom and dignity. We make a contribution underpinned by values to help Germany meet its growing responsibilities throughout the world.

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# Foreword from Woomentum



**Mouna Aouri**

Digital technologies are fundamentally changing the way we live, work, and innovate. Touching every sector, digitalization is not only opening new doors for business growth but transforming the foundations of the way business is run in the twenty-first century. The Covid-19 pandemic has both accelerated adoption of these digital changes and brought their potential into sharp focus.

But the endless possibilities created by digital technologies can present their own challenges for small businesses uncertain about where to begin this transformational journey. What strategy should I adopt? How do I learn about it, and who will help me implement it? Is the technology I want available to me? And if not, are there equivalent technologies in my local context and within my budget? Adopting new technology can be overwhelming as it requires knowledge, an open mindset, and suitable infrastructure. These issues are the focus of this research, which attempts to answer these questions and develop recommendations for key stakeholders to help businesses achieve success.

Why is digitalization so important? Is it a necessity or an optional extra? These are questions we often hear from our respondents and community members. The Southeast Asian digital economy is estimated to hit \$300 billion by 2025.\* We believe that women entrepreneurs should be equipped to be part of it, keeping their businesses relevant, prepared to scale, and enabled to flourish. Not only that: we firmly believe, in the long run, that this digital revolution can help women entrepreneurs overcome the gender-specific challenges they face, in turn empowering their families, communities, and society as a whole.

How will they do this? Today, in our target countries (and beyond), women entrepreneurs must juggle their business responsibilities alongside traditional family roles, often with no support from their spouses. Women entrepreneurs still cannot network the way their male counterparts can due to social and cultural stigmas. Yet today, there are tools that can help address those issues, providing women with the flexibility they need. From remote team collaboration platforms to e-commerce, digital tools can help women increase the efficiency of their business processes, increase productivity, save costs, and grow their revenues.

I am grateful for the eighty-six women entrepreneurs from Indonesia, Myanmar, Malaysia, and Cambodia, who came forward to share in-depth the successes and struggles they have experienced in running their businesses. We've been blown away by the stories of courage and determination in the face of the Covid-19 pandemic. I am also grateful for the forty-seven industry experts, policymakers, private sector, and professional association leaders who came together both online and offline to contribute to the findings.

I believe that by understanding the challenges facing women entrepreneurs, both as business owners and as women, we can recognize the inhibiting factors to their success. Only once these obstacles are identified can we create solutions. I hope this publication will provide recommendations that will help advance the ecosystems that support women-owned SMEs.

Finally, I hope this publication can reach readers around the world who are interested in the topic and keen to understand it in the context of Southeast Asia. I am also excited to share with our readers that this publication will be translated into Khmer, Burmese, and Bahasa Indonesia so that everyone can benefit from the findings in their native language.

I would like to thank my team at Woomentum and all the country researchers, report writers, editors, and designers, for their tireless work to make this publication come to life.

We are proud to partner with Konrad-Adenauer-Stiftung (KAS), who are big advocates for gender equity in the region and beyond. It has been an incredible journey producing concurrent research in four countries managed from KAS Tokyo office amid the COVID-19 crisis. We couldn't have done it without digital technologies!

Sincerely,

Mouna Aouri  
Founder & CEO of Woomentum

\*Source: Google/Temasek Holdings/Bain & Company Annual report 2020

# Foreword from Konrad-Adenauer-Stiftung



**Rabea Brauer**



**Cristita Marie Perez**

The main obstacles hindering women from being successful entrepreneurs goes beyond equal opportunities and quotas. Oftentimes, it is as simple as not being granted a bank loan because of unmet requirements. Sometimes, the inability to escape the dependencies of family obligations scales back your business. It is the lack of technical means leading to the disadvantage of digital solutions.

These are some of the main findings of our research project “The Path to Success: How Women-owned Businesses Transform in the Era of Digitalization. Case Studies from Indonesia, Cambodia, Malaysia, and Myanmar”.

The entire project is a collaboration between the Konrad-Adenauer-Stiftung (KAS) regional program, Social and Economic Governance in Asia (SOPAS), and Woomentum, a membership-based collaboration platform that connects entrepreneurs, industry experts, corporate leaders, and investors to share knowledge, solve challenges, and access opportunities to grow their businesses. This project is an important component to the SOPAS pillar, advancing women in leadership positions and an additional contribution to the (admittedly scarce) literature on the current state and experiences of digitalization among women-owned small and medium enterprises (WSMEs) in Asia.

One-on-one interviews, expert interviews, and advisory panels with WSMEs, government institutions, and business associations in four Southeast Asian countries were conducted to measure the impact of digitalization, assess its challenges, and demonstrate the new opportunities that are available to women entrepreneurs. The research looks at the effects of digitalization on WSMEs’ (1) access to financing, (2) access to mentoring, networking, and skills, (3) business process and management, as well as (4) COVID-19 crisis management.

The common WSME challenges across four countries are highlighted in the introductory chapter. The chapter also discusses a general framework, comprising both policy and practical recommendations that governments and private organizations can take on to encourage women entrepreneurs to take advantage of the opportunities that digitalization offers. The succeeding chapters include country studies on Cambodia, Indonesia, Malaysia, and Myanmar. The country case studies provide a more in-depth analysis of the general findings introduced in the first chapter.

We would like this research to contribute to the much-needed improvement of the policy framework (and, to some extent, to the cultural and social context) that governs women-owned SMEs as they play an increasingly significant role in Southeast Asian economies.

**Rabea Brauer**

Director, Social and Economic Governance Program Asia (SOPAS)  
Country Representative, KAS Japan

**Cristita Marie Perez**

Senior Program Manager, Social and Economic Governance Program Asia (SOPAS)  
KAS Japan

# Acknowledgments

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This report was prepared as a joint effort between the Konrad-Adenauer-Stiftung (KAS) and Woomentum to shed light on the challenges faced and opportunities provided by digitalization to women-owned small and medium enterprises in Southeast Asia, particularly in the backdrop of the COVID-19 global pandemic. This research idea was initiated by Mouna Aouri and Socheata Touch and fully funded by KAS. Mouna Aouri designed and directed the project with the assistance of Juliana Tyan.

Talitha Amalia managed and co-authored this multi-country report production with Anuradha Rao and Suhaila Binte Zainal Shah. The case studies are from 1) Indonesia, whose research was conducted and written by Talitha Amalia, assisted by Farah Aulia and Nenden Sekar Arum, 2) Myanmar, whose research was conducted and written by Su Mon, assisted by Su Lynn Myat, 3) Malaysia, whose research was conducted and written by Tina Leong, assisted by Lim Zhen Hui, Nadhilah Zainal Abidin, and Amani Mohamad Husaini and 4) Cambodia, whose research was conducted by Sophorn Tous, assisted by Sar Senkethya. The Cambodia case study was authored by Anuradha Rao, assisted by Talitha Amalia and Suhaila Binte Zainal Shah.

During the book's preparation, many colleagues at the KAS, Woomentum, and elsewhere made important contributions in the form of invaluable technical advice and comments. The project team would also like to recognize the valued contributions from all the experts and advisory panelists participating in the research through interviews and sharing of experiences, including government officials, investors, entrepreneurs, business associations representatives, academia, and other key stakeholders. Lastly, the team would like to apologize to anyone who may have been overlooked inadvertently in these acknowledgments.

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# Acronyms and Abbreviations

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AI	Artificial Intelligence
ASEAN	Association of Southeast Asian Nation
B2B	Business-to-Business
B2C	Business-to-Consumer
COVID-19	Coronavirus Disease 2019
DEDC	Digital Economy Development Committee
EDCF	Economic Development Cooperation Fund
FMCG	Fast-moving consumer goods
GDP	Gross Domestic Product
ILO	International Labour Organization
INGO	International Non-Governmental Organization
IT	Information Technology
JICA	Japan International Cooperation Agency
KAS	Konrad-Adenauer-Stiftung
ME	Medium Enterprise
MSMEs	Micro, Small, Medium Enterprises
NLD	National League for Democracy
NRI	Network Readiness Index
POS	Point Of Sales
RPA	Robotic Process Automation
SE	Small Enterprise
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
UMFCCI	Union of Myanmar Chambers of Commerce and Industry
UNDP	United Nation Development Program
USAID	United States Agency for International Development
WSME	Women-owned Small and Medium Enterprise





# Executive Summary

## Key Issues

Digital technologies, often referred to as computer-based products and solutions, are transforming industries everywhere, and the Southeast Asia region is no exception. In particular, Southeast Asian countries stand to benefit from digitalization embraced by its small and medium enterprises (SMEs), which includes women-owned SMEs (WSMEs).

Catalyzing women's entrepreneurial talent can bring many benefits, such as the advancement of women's economic empowerment and female labor participation, which in turn will fuel the region's socio-economic growth. However, although the rate of self-employment of women in the Southeast Asian region is high, women-owned businesses often lose out in competition, profitability, and size to male-owned enterprises, with little potential for further growth. Moreover, women entrepreneurs face many formidable challenges, especially as gender inequality and underutilization of female talent are deeply ingrained in Asian countries.

Economies and societies around the world, however, have been hit hard by the Novel Coronavirus or COVID-19 outbreak that engulfed the world from early 2020 onwards. COVID-19 has not only caused disruptions in global supply chains and border management but also severely impacted normal day-to-day social interactions, behaviors, and practices. However, the onset of COVID-19 also brought about a new appreciation for digitalization, as companies all over the world were forced to adapt and embrace new digital technologies during lockdowns. This study argues that digitalization can offer new potential for WSMEs to grow and innovate, as well as offset some of the gender-related barriers towards further leveling the playing field. By undertaking a comparative study in real-time and by considering the impacts of COVID-19 on the relationship between digitalization and WSMEs, it is hoped that this report makes a significant contribution to the emerging literature on digitalization and WSMEs in Southeast Asia.

A qualitative approach was adopted for this research, with data collection conducted in four Southeast Asian countries and each consisting of three main components: a series of in-depth interviews with female entrepreneurs, expert interviews with different stakeholders, and an Advisory Panel, involving women in entrepreneurship and experts brought together to formulate practical and workable recommendations and solutions. The interviews with WSMEs, experts, and the advisory panel discussion were structured to gather insights surrounding four pillars as representative of key areas in which digitalization can bring opportunities and challenges: 1) Access to Financing, 2) Access to Mentoring, Networking, and Skills, 3) Business Processes and Management, and 4) Crisis Management (COVID-19).

### **Key Findings**

#### **Pillar 1: Access to Financing**

The issues that WSMEs faced concerning access to financing in each of the four countries varied slightly. In Indonesia, the key obstacle in the utilization of digital technology to gain external financing was fear and lack of motivation, as participants mentioned that there was no urgency to do so. For WSMEs in Myanmar, access to financing was the most challenging issue. Aside from the rarity of grants targeted explicitly at WSMEs in Myanmar, there was also a lack of alternative financing options. Meanwhile, in Malaysia, the key issue to emerge was WSMEs doubts over stakeholder protection in the alternative financing sector, especially when compared to established financial institutions. This is likely due to a notable lack of awareness, as expressed through inaccurate perceptions of the mechanisms of alternative financing, as well as specific financing options from the government. In Cambodia, limited financial literacy and tax compliance were cited as key factors that hindered participants' adoption of digital technologies to finance their businesses.

Across all four countries, we found that most WSMEs interviewed utilized internal financing to run their business. Of the fewer number of participants that had gained external sources of funding, the most common type of funding was bank loans in Cambodia and private equity acquired from personal connections in Indonesia. In Malaysia, however, a strong preference for internal financing was found amongst participants, with bank loans rarely used. Utilization of alternative financing through digital financial services (DFS) was found among very few participants, possibly due to lack of awareness and understanding of external funding sources.

#### **Pillar 2: Access to Mentoring, Networking, and Skills**

A common theme discovered among the research participants was their limited professional networks, which further limited their access to mentoring and skills development. In Indonesia, many participants believed that as family responsibilities fell on their shoulders, family should come first. Therefore, they often missed opportunities to attend mentoring, networking, or skill-building programs run by the government or private sector, even if they were held online. The limiting factor for WSMEs in Myanmar was found to be more external, in that there were less informal networking opportunities available for women than for men. In Malaysia, there was an existing reluctance to seriously explore global business opportunities—partly owing to the fear of being on the losing end of business deals, particularly in foreign countries. As in the case of Indonesia, WSMEs in Cambodia also found it quite challenging to participate in mentoring events or find time for e-learning opportunities, as they were already struggling to juggle their business and family obligations. They also had limited access to information on mentoring programs both inside and outside Cambodia.

WSMEs across all four countries also generally displayed eagerness in learning, with the increased utilization of digital technology as a means to obtain new knowledge in the face of COVID-19. Digital tools were leveraged to listen to talks and webinars, attend e-learning programs or courses, watch videos on relevant topics, and to connect with mentors and peers within their industries.

#### **Pillar 3: Business Processes and Management**

While participants in Indonesia and Cambodia were observed to experience issues with regard to gender-related business processes, this was not the case in Myanmar and Malaysia. The participants in Indonesia and Cambodia mentioned they were struggling to juggle between business and family obligations. As they undertook cultural roles as mothers and daughters while also operating their enterprises, they faced time constraints that restricted them from participating in skills development, as well as social networks and association activities and events. In Myanmar, the main barriers to digital adoption into WSMEs' business processes were language, awareness, skills, and resources.

Here, language was the biggest barrier for many of them to find appropriate digital solutions and acquire new digital skills. Malaysia's main obstacle to wider digitalization of business processes was a mismatch of features in relation to WSME critical business needs, as well as the cost of existing digital tools. Tools and software that may seem affordable to large corporations were seen as a major burden by many WSMEs.

The most popular digital technology used by a large majority of the participants was to increase sales/marketing, such as social media and official websites. Several participants had also adopted digital tools for improving internal business processes, such as procurement systems, supply chain management systems, customer relationship management (CRM) systems, and data analytics. In Indonesia, Myanmar, and Malaysia, the decision to digitalize seemed to be market-driven.

#### **Pillar 4: Crisis Management (COVID-19)**

In the face of COVID-19, a majority of WSME participants said they had been negatively affected, especially those in the business of tourism and food and beverage (F&B). Most participants were able to adapt with the aid of digital technology— however, this was mostly a reactive response and not the result of anticipatory crisis management. The COVID-19 pandemic forced WSMEs in all four countries to increase digitalization of their business, or begin to adopt digitalization if they hadn't before, to maintain productivity and collaborate while working remotely.

### **Key Recommendations Specific to Government Institutions**

#### **Initiate gender-focused financing schemes, such as investing in and with women entrepreneurs, which can be accessed digitally.**

The government can regulate and increase the amount of financing flowing to WSMEs, such as loans or equity financing, through funds that invest with a gender lens. Such intervention will ideally be combined with other capacity-building programs for the WSMEs and financial intermediaries.

#### **Develop business training programs for owners and employees that specifically address the gender-equality agenda.**

This can include incentive schemes for women entrepreneurs who innovate with digital technology applications. Education and training targeted at WSMEs should take into account societal and cultural contexts, such as using local language(s), and incorporate practical tips for women to thrive in both business and personal life.

#### **Ensure the accessibility, safety, and transparency of all regulatory compliance that can support the growth of WSMEs.**

Make gender-equality policies mainstream across all major SME policy-making agencies, and ensure all regulatory compliance processes are more centralized, transparent, and efficient to reduce gender-based discrimination. E-government initiatives are necessary, but they need to be supported with regulations to protect data privacy and security of WSMEs and all ecosystem stakeholders.

### **Provide pandemic stabilization and recovery funds, employment wage subsidy schemes, loan relaxations, and tax waivers to WSMEs.**

The pandemic aid provided for WSMEs should also be time-limited, targeted, transparent, and non-discriminatory, equally accessible for both small and medium enterprises. In addition, governments can work with the private sector to proactively provide clear requests and guidelines for WSMEs to put measures in place that will prevent the spread of COVID-19 in the workplace while ensuring productivity.

### **Key Recommendations Specific to Institutions Providing Assistance to WSMEs**

#### **Increase public awareness and make the funding gap for WSMEs more visible.**

The private sector, including think-tank organizations and nonprofits, can highlight stories about how scarce woman CEOs and woman founders are. Furthermore, they can investigate if funding for WSMEs is widely accessible, e.g. how many venture capital-backed WSMEs, woman investors, and women acting as grant committees exist.

#### **Encourage non-conventional skills development and address gender stereotypes through training and talks in local languages.**

A gender stereotype is harmful when it limits women entrepreneurs' capacity to develop their personal and professional abilities. . Moreover, as technologies constantly transform economies, soft-skills education, such as a growth mindset and change management, is needed for WSMEs to thrive.

#### **Popularize success stories of digitally- enabled WSMEs.**

Institutions providing assistance to WSMEs can help increase the awareness of data privacy and security in publicly- or privately-organized events. Success stories provide tangible examples to inspire other WSMEs to adopt digitalization.

#### **Promote the benefits of joining business communities and associations so that WSMEs can learn from other experienced entrepreneurs and mentors to prepare for crises strategically.**

Business communities and associations can provide more digital networking, skills building, and mentoring opportunities. This will be an important area for the private and public sectors to innovate, given that digitalization will only increase in the post-pandemic environment. Furthermore, consultation and learning opportunities provided by qualified professionals with a proven track record in relevant fields are needed to develop business continuity plans and prepare for unprecedented changes.





# Myanmar Case Study



# 1 Country Background

## Digitalization and Economic Growth

GDP Growth Rate, 2019  
(Percentage per year)

Select Year 2019

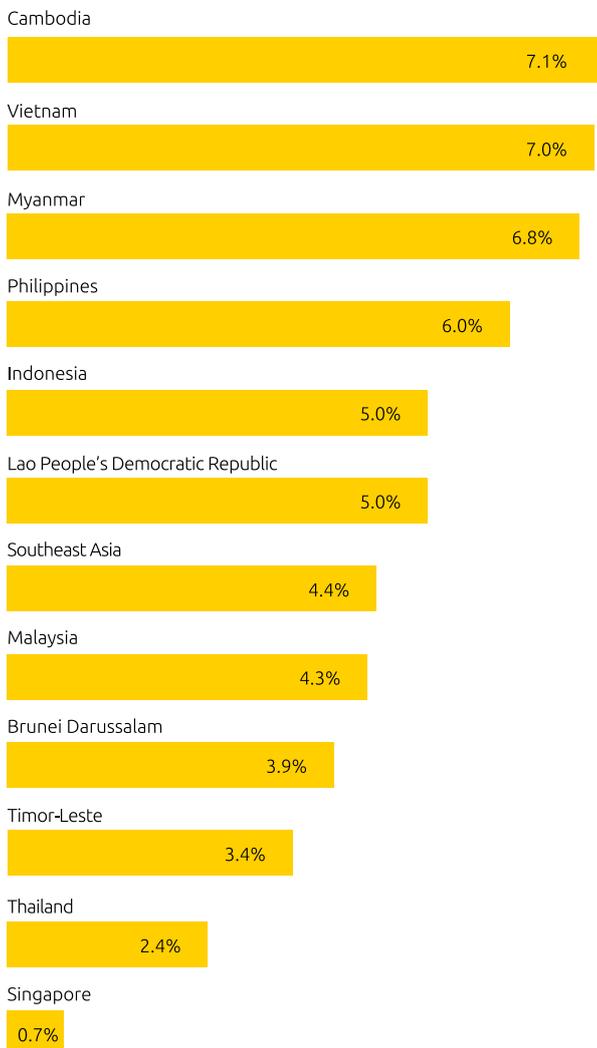


Figure 1: Myanmar's GDP Growth Rate 2019, Taken from Asian Development Bank Outlook 2020 Update<sup>1</sup>

With less than a decade of sustained political and economic transformation, Myanmar has emerged as one of the fastest-growing economies in Southeast Asia, with 6.8 percent GDP growth rate in 2019.<sup>2</sup> With the liberalization of its telecommunication sector as part of the reform, the number of mobile phone users grew exponentially from 13 percent of the population in 2013 to 108 percent in 2017.<sup>3</sup> Due to the falling SIM card prices from an exorbitant USD 350 per SIM card before Myanmar opened up in 2010 to just over a dollar, mobile connections in Myanmar stood at 68.24 million, connecting 126 percent of the total population, in January 2020.<sup>4</sup>

One of the benefits of being a latecomer to the digital age is that Myanmar could leapfrog dramatically to adopt and use mobile and digital technologies while bypassing outdated legacy technologies. For example, more than 80 percent of mobile phone users use smartphones instead of feature phones, as the Myanmar market is flooded with affordable smartphones imported from China.<sup>5</sup> While Myanmar has done well on smartphone adoption and broadband internet coverage, it is still one of the least developed countries in terms of digitalization and networked readiness.

**Digital Transformation and Digital Trade:** 133 out of 139 in the World Economic Forum's Networked Readiness Index (NRI) 2016

**Digital Government:** 157 out of 193 member states in the 2018 United Nations E-Government Development Index

**Digital Connectivity:** 135 out of 176 countries in the International Telecommunication (ITU) ICT Development Index 2017

**Digital Skills and Inclusion:** 148 out of 189 countries in the United Nations Development Programme Human Development Index 2017

**Digital Security:** 100 out of 165 in the International Telecommunication Union (ITU) Global Cybersecurity Index, 2017

**Digital Innovation:** 171 out of 190 in the World Bank Ease of Doing Business Index 2019

Box 1: Myanmar's Current Status of Digitalization

## Digitalization and SMEs

In parallel with digitalization, the Myanmar government has placed SME development at the core of its economic development initiatives. The 85 percent of Myanmar's registered businesses are SMEs<sup>6</sup> and the Department of SME Development states that there are 75,452 registered SMEs in Myanmar as of March 2020.<sup>7</sup> Understanding the challenges of these SMEs, the Thein Sein administration founded the SMEs Development Center and its more than 50 branches in States and Regions between 2012 to 2014.<sup>8</sup> As soon as the National League for Democracy (NLD) government came into power, SMEs Development Law<sup>9</sup> was enacted, and the rules following the law were approved within a year.

The strong initiative from the government in promoting SMEs received both technical and financial support from international donors and organizations. Donors like the Japan International Cooperation Agency (JICA) and the government of Denmark ensure that loans for SMEs are distributed

through state-owned banks. Technical support, such as research, policy recommendations, capacity building and business-related training, are given by international NGOs (INGOs), international development actors like the United Nations Development Program (UNDP), and the United States Agency for International Development (USAID), which has contributed significantly to bringing transparency to government processes.<sup>10</sup> Despite the reform efforts, Myanmar's SMEs are not yet ready to compete with foreign competitors and have relied more on the domestic market than the export market because of tenuous and complex government requirements and processes on export licenses.<sup>11</sup>

SMEs in Myanmar face various challenges, and women-owned SMEs face more formidable hurdles than those owned by their male counterparts. In Myanmar, 35 percent of SMEs are women-owned<sup>12</sup>, which is slightly higher than that of low-middle-income countries (34 percent) and 12 percent less than East Asia and Pacific Countries (47 percent).<sup>13</sup> The 2020 International Labor Organization (ILO) report<sup>14</sup> on women entrepreneurs pointed out that women-owned SMEs found it difficult to export their products due to language barriers and lack of access to information on foreign markets. In addition, mobile phone ownership is one of the prominent gender digital divides, revealing the difference in tech-savviness between men and women. According to the Dalberg Global Development Advisors' 2017 report<sup>15</sup>, the gap was 20 percent in 2016: only 52 percent of women in Myanmar owned mobile phones compared to 72 percent of men. The fact that women are falling behind is evident in the fact that only 19 percent of the total female population use the internet, according to 2018 data from the Central Statistical Organization.<sup>6</sup> Moreover, the large majority of respondents from Women Entrepreneurs Survey from ILO<sup>14</sup> reported that they used simple mobile internet subscription and smartphones for their business operation, only 25 percent used computers, and only 15 percent had landline broadband internet connections.

# 2

## Methodology

The objectives of the research are to shed light on the present and new future opportunities of digitalization and to provide insights to all stakeholders to address the challenges. A literature review was undertaken as a starting point, allowing the authors to become familiar with the historical, political, and economic context, and current trends around digitalization and WSMEs in Myanmar. Then, qualitative research was conducted, focusing on the WSMEs' perspectives on how they approached digitalization and why they did or did not adopt digital technologies.

After the authors conducted 20 in-depth interviews with female SME owners, the findings were complemented with insights from 5 subject matter experts. The discussion guide for the interviews was developed based on the four pillars that the authors believe are important for WSMEs:

Pillar 1: Access to Financing

Pillar 2: Access to Mentorship, Networking and Skills

Pillar 3: Business Processes and Management

Pillar 4: Crisis Management (COVID-19)

Finally, an advisory panel discussion with 6 key stakeholders was organized to review the findings and produce recommendations.

### Data Collection and Synthesis Process

Digital technologies allowed the authors to execute fieldwork amidst the COVID-19 pandemic, while the lead author was semi-quarantined at home in Yangon, and another author was stranded in Budapest, waiting for a relief flight to Yangon after completing her graduate degree at Central European University. The data collection and synthesis process were as follows:

- Step 1: Majority of interviews were conducted virtually over Zoom or Messenger.
- Step 2: Interview notes were recorded in Google Docs.
- Step 3: Mural, a cloud-based collaboration tool for researchers and designers, was used for sense-making of the qualitative findings. It is a virtual replacement of physical sticky notes and scribbling on whiteboards.
- Step 4: Data points from the interview notes were also keyed into Google Sheets and were later coded to gather quantitative insights of key themes found across the participants' answers for each pillar.
- Step 5: The 2-hour long advisory panel discussion was conducted virtually on Microsoft Teams.
- Step 6: Notes from the advisory panel were recorded into Google Docs for the research teams to summarize key points and prioritize recommendations.

## About the Respondents

The authors carefully recruited respondents based on the estimated age of owners, sector, the maturity of the business, location of the business, and use of digital technologies in order to get a diverse representation of WSMEs within the limited time, information, and resources available amid the COVID-19 crisis.

### Age & Experience

While the age of the respondents ranged from 20s to 60s, the majority were in their 30s and early 40s. With varying ages, their professional and personal backgrounds were also different. Some had strong professional experience in the corporate sector, including banking, IT, telecommunication, procurement, counselling, consulting, teaching, and venture capital. The pursuit of their passion led some of them to build business ventures around social causes.

### Size & Sector

The authors strived to balance the number of small enterprises (SEs) and medium enterprises (MEs) as well as sectors in each category. The definition of SME described in the Small and Medium Enterprise Development Law<sup>16</sup> was used as criteria to differentiate and recruit participants. (See Appendix D: SME Definition)

Out of 20 interview participants, 50 percent represented women-owned SEs while the remaining 50 percent were women-owned MEs. As the difficulty level of digitalization tends to vary across sectors, the authors ensured sectoral diversity among WSMEs owners by interviewing across manufacturing, production, services, and agriculture-related businesses.

The WSMEs interviewed were from the following sectors:

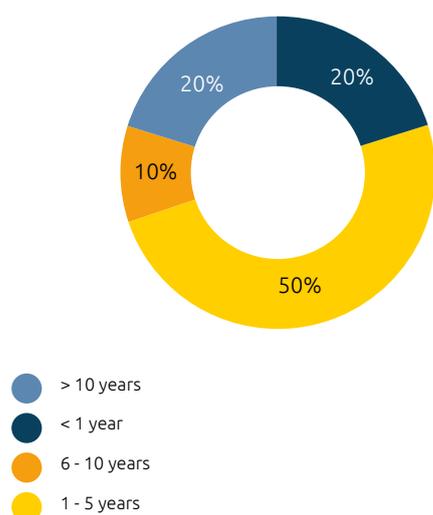
Small Enterprise Participants	Medium Enterprise Participants
<ul style="list-style-type: none"> <li>● Organic Dyed Textile</li> <li>● Bags Production</li> <li>● Online TV Channel</li> <li>● Wood Working</li> <li>● HR Consultancy</li> <li>● Up-skilling Platform for Women</li> <li>● Youth Training Services</li> <li>● Women's Clothing</li> <li>● Food Production</li> <li>● Ice Production</li> </ul>	<ul style="list-style-type: none"> <li>● Cheroot Production</li> <li>● Bird's Nest Production</li> <li>● FMCG Distribution</li> <li>● Creativity School for Kids</li> <li>● Wood Working</li> <li>● Organic Food E-Commerce</li> <li>● Boarding School</li> <li>● Silkscreen Printing</li> <li>● Private Primary School</li> <li>● Medicine Distribution</li> </ul>

Table 1: Interviewees' SME Sectors

## Maturity of Business

As the maturity of business may affect the level of digital adoption, the maturity of WSMEs in the sample varied from less than one year to over sixty-year-old businesses.

Years of Maturity for Small Enterprises



Years of Maturity for Medium Enterprises

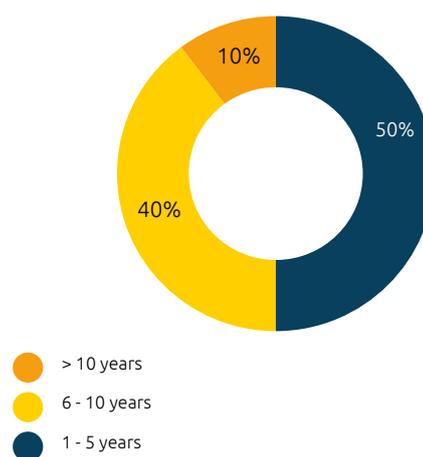


Figure 2: Years of Maturity for WSME Participants

## Location

The WSMEs in the sample operated across the country, although many of them are based in Yangon. Their production and distribution ranged from the ethnic regions like Shan and Mon States to the Burmese Regions like Dry Zone and the southern part of the country.

## Challenges and Limitation

1. As this research was executed during the COVID-19 outbreak in August 2020, the authors had to conduct most of the interviews virtually. It was a new experience for both authors and participants to conduct and participate in in-depth interviews via video conferencing applications. Although the authors were able to establish rapport with participants and gather

necessary information, virtual meetings lacked the contextual ambience, including visuals and sound, of in-person interviews, which help researchers to empathize and bond with interviewees.

2. Participants were more conscious about the interviewing time spent virtually, compared to in-person interviews. Therefore, the authors had to shorten some interviews if requested by the participants, from a typical 60 minute interview to a 30-45 minute one.

3. Electricity outages often interrupted the research's workflow and internet connectivity. However, the authors managed to plan ahead and navigate those challenges.
4. The sample selection technique was slightly biased towards those who were more likely to use technologies because the authors wanted to learn about how digital technologies were used by WSMEs and why it was important for them.
5. Due to limited time available and travel restrictions, the authors were unable to recruit small-scale industries in the agriculture value chain from suburban areas, such as rice mills, peanut oil mills, and animal feed production etc.

# 3

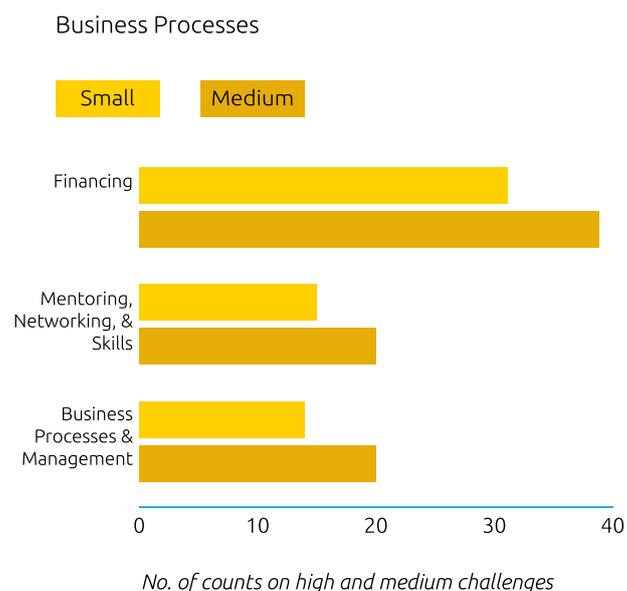
## Interview Findings

In the following sections, the authors explore the four pillars that affected WSMEs' journey toward digitalization: (1) access to financing, (2) access to mentoring, networking and skills, (3) business processes and management (4) crisis management (COVID-19).

### Access to Financing

During the interviews, the authors uncovered financing issues faced by women entrepreneurs when they started their businesses, how they grew, and fundraised for business expansion.

Access to financing emerged as the most challenging issue for WSMEs. Out of 20 women-led SMEs interviewed, only 2 MEs had received bank loans, 2 MEs applied but failed, and 1 SE attempted unsuccessfully to apply. When the authors interpreted the findings by ranking participants' responses as "high, medium, low"<sup>17</sup> challenges in terms of pillar-wise barriers, access to financing appeared as the most challenging one for both SEs and MEs. (See Figure 3.3). Although the sample size was too small to be statistically significant for the whole population, this finding on credit shortage is in line with the World Bank's ease of doing business ranking 2020, which indicates that Myanmar ranks the worst in terms of getting credit among East Asia and Pacific Economies.<sup>18</sup>



Comparison of total counts on high and medium challenges for awareness, skills, languages, regulations, gender-bias, and leadership on each pillar.

Figure 3: Comparison of Challenges for Financing, Mentoring/Networking/Skills and Business Processes and Management<sup>19</sup>

Myanmar ranks 165 out of 190 world economies according to the World Bank. Out of the ten metrics being measured, Myanmar ranks one of the bottom five among East Asia & Pacific economies in six areas:

- Getting credit: worst in all 25 East Asia & Pacific Economies
- Trading across borders: worst in all 25 East Asia & Pacific Economies
- Enforcing contracts: 2nd worst
- Getting electricity: 4th worst
- Paying taxes: 4th worst
- Resolving insolvency: 5th worst

Source: <https://www.doingbusiness.org/en/rankings?region=east-asia-and-pacific>

Box 2: World Bank's Ease of Doing Business Ranking 2020

### Key Insights on Access to Financing

There are seven key insights on how the WSMEs were tackled financing challenges and the reasons for doing so:

#### (1) Personal saving is a key source of financing for WSMEs

All interviewees used the personal saving to start their businesses and continued to grow slowly, using sales revenues or income from secondary sources of income. When they faced cash-flow shortage, they relied on family and friends or informal money lenders with a high-interest rate (typically around 3 percent per month) to obtain the loans. Although the informal loans are more costly, they can be accessed quickly and conveniently without paperwork requirements. All interviewees were aware that bank loans have more preferable terms but cited key barriers to access bank loans, such as information requirements about taxes, profit and loss statements, business plans, and collateral, in addition to the time-consuming application process.

#### (2) Grants targeted at women-owned SMEs are rare in Myanmar

The authors observed that grants are instrumental in helping women entrepreneurs grow and make positive contributions to their communities. Among the 20 WSME participants, four received grants for their businesses from various international donor organizations, and the grants helped them to

significantly expand their teams or grow their reach.

Some interviewees were aware of grant opportunities yet lacked know-how on grant proposal writing, while a few of them, especially non-Yangon based ones, did not have information about those grant opportunities. The professional and personal network, fluency in English, and proposal writing skill of the owner determined the likelihood of winning the grants. Nonetheless, the limited availability of such grants was insufficient for the financial needs of the vast SME sector across Myanmar. From the interviews and desk research, the authors also learned that gender-focused grants for WSMEs are almost non-existent. All 20 interviewees confirmed that they were not aware of the grants specifically targeted at WSMEs.

#### (3) Alternative financing options are limited and not well-known among SMEs

In Myanmar, alternative financing options such as peer-to-peer lending and crowdfunding do not exist, while the private equity, venture capital, angel investing markets are quite nascent.<sup>20</sup> In recent years, there has been innovation around digital financing by both banks and non-bank financial institutions such as Yoma Bank's smart credit<sup>21</sup>, KBZ Pay loans<sup>22</sup>, Mother Finance SME loans<sup>23</sup> and KyoPay Invoice Financing<sup>24</sup> for SMEs. Of the 20 interviewees, less than half were aware of the alternative financing options in Myanmar, but none of them had used those services.

## WSME Highlight 1: MYEO



Htet Thiri Shwe, Founder of MYEO

### About the Company:

MYEO is a youth development social enterprise based in Yangon using digital technology to reach out to youth, create a social learning community, and provide employability skills training. Out of all the WSMEs participants interviewed, MYEO was the most tech-advanced business. As a believer of big data, Htet diligently gathers customer data and utilizes it to create customized training content.

### The Struggle:

Htet's path toward current success was not always smooth. In the beginning, she bootstrapped<sup>25</sup> to lay the foundation for MYEO. While working full-time, she collaborated with like-minded volunteers to launch and run it. It was a struggle, as many people were quick to judge and question her credibility based on her youthful looks and small stature, but she did not give up. She talked to countless advisors, potential mentors, and peers to come up with a

strong business model, better training content, and more funding sources. She participated actively in start-up challenges to receive feedback on her venture.

### The Growth:

Her diligence, perseverance and passion eventually paid off. After five years of struggling and hustling, she received USD50,000 seed investment from Facebook, which enabled her to hire full-time team members. Her business is now thriving with subscription fees from over 1000 subscribers. With additional grants from other donors, MYEO has trained over 15,000 youth.

**(4) Financing needs in the near future are enormous**

While Myanmar has seen significant improvement in its financial sectors in recent years, the financing needs of many SMEs are still unmet. Ten women-owned SEs did not have any bank loans, and 50 percent of them wished to get financing for their businesses in the near future. Of the 10 women-led MEs, 90 percent needed financing for their business expansion while 20 percent currently had bank loans.

While both small and medium enterprises needed financing, the type of financing is quite different. SEs needed smaller sized short-term loans (approximately USD1,500 to USD12,000) to smooth out cash flow, especially when there was a sudden change in customer demand or market condition, as they did not have large cash reserves like medium and large enterprises. MEs preferred larger sized longer-term loans for business expansion, in addition to access to a credit line at banks.

**(5) Small enterprises are the missing middle**

The authors found that while micro-enterprises could get loans from micro-finance institutions, MEs were also more likely to get bank loans than SEs. The reason is that the loan amounts offered by most micro-finance are too small for SEs while their informal and fragile nature is not ideal for banks’ risk appetite, unlike MEs.

**(6) COVID-19 Stimulus Loans attract SMEs to register formally**

When COVID-19 hit, the Myanmar government stepped up and provided stimulus packages and loans for SMEs nationwide.<sup>26</sup> This was the first time that the government intervened to provide an economic stimulus due to a natural disaster or emergency. However, it was a wake-up call for SMEs who hadn’t registered and were thus ineligible to apply for loans. The COVID-19 loans thus provided an incentive for SMEs to register legally. Yet, this also created opportunities for bribery to expedite

the registration procedures; three participants said they heard about other SME owners who used bribes to get SME cards for expedited issuance so that they could apply for the loans.

**(4) Regulation, awareness, and skills are the highest-ranked barriers to access to financing**

Regulation, awareness, and skills are the highest-ranked barriers for access to financing among the WSME participants interviewed.

Barriers for Access to Financing

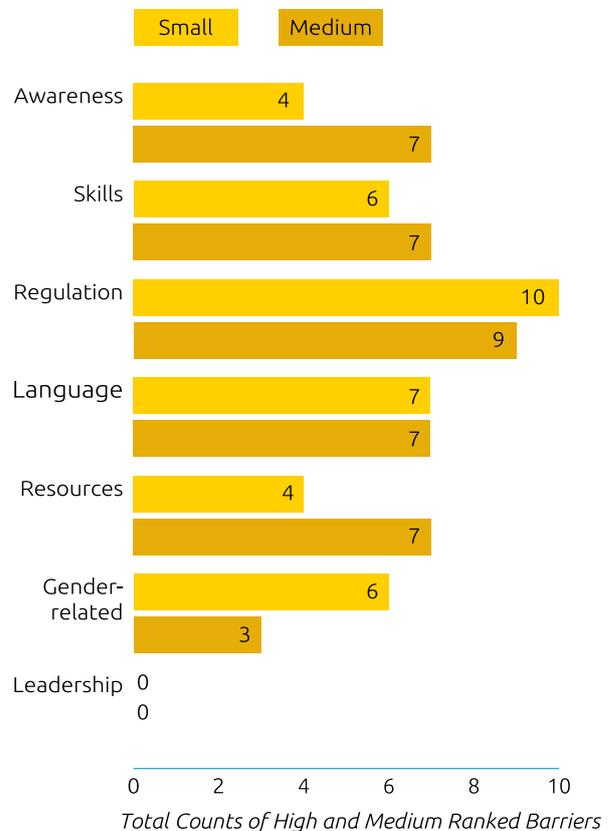


Figure 4: Comparison of Barriers for Access to Financing Between Small and Medium Enterprises

As the Myanmar Credit Bureau was set up recently<sup>27</sup>, the lack of credit scores made it harder for financial institutions to assess creditworthiness of borrowers, especially if they were in the informal sector.

Thus, most loans are collateral-based. In recent years, financial institutions have begun to offer unsecured loans to businesses without requiring collateral, but borrowers need to submit documentation of their business ownership, licenses, operations, and financial statements. About half of our interviewees mentioned that they needed help with preparing business plans, financial statements, and documenting transactions correctly and properly to apply for loans.

In terms of awareness and skills, WMEs ranked them as higher challenges than that of their SE counterparts. The data might be skewed because many participants selected for SEs tended to be younger, more educated (some with foreign degrees), and active networkers for grant opportunities. In contrast, ME participants were older, more experienced in their businesses, and more interested in larger financing options rather than small grants.

Myanmar Credit Bureau, the first of its kind in Myanmar, is expected to commence operations in 2020. It received the license from the Central Bank of Myanmar in May, 2018. MB Investment, a consortium of local banks, owns 60% of the credit bureau while Singapore-based Asia Credit Bureau Holding Company holds the remaining. Data from the credit bureau will strengthen risk management of financial institutions and make the banking and financing ecosystem more robust.

*Source: Myanmar Credit Bureau to commence operations in April, <https://consult-myanmar.com/2020/02/25/myanmar-credit-bureau-to-commence-operations-in-april/>*

Box 3: Myanmar Credit Bureau to Commence Operations in 2020

### Access to Mentorship, Networking & Skills

Out of 20 WSMEs, 11 had advisors/mentors to help with the challenges they faced in their businesses. Two out of those 11 were extremely active networkers who attended networking events and had a database of potential local and international mentors to track areas of their expertise and seek advice systematically. The other five used their former professional networks to seek mentorship, while the rest found mentors through networking at associations and innovation hubs such as Myanmar Women Entrepreneurs Association<sup>28</sup>, Myanmar Young Entrepreneurs Association<sup>29</sup>, Phandeeeyar Innovation Hub<sup>30</sup>, and Impact Hub.<sup>31</sup> Those who did not have mentors turned to their family members for help.

### Areas of Expertise Where WSMEs Need Help

Digital marketing, social media strategy, business development and expansion strategy were highlighted as areas of expertise that about half of the WSME participants wanted mentorship on. More SE owners (6 out of 10 SEs), indicated business management as an area that they needed mentorship in, compared to MEs (2 out of 10 MEs).

The interview findings indicated that while industry-specific technical mentorship was desired by WSMEs, it lacked in Myanmar. Nine out of 20 women entrepreneurs interviewed stated that mentorship on technical expertise would be really valuable for them, yet it had been challenging to find.

The areas they mentioned included: latest know-how on organic farming, woodworking, food processing, printing, bird’s nest production, designing bags, designing print patterns, weaving techniques and patterns, chemical-free textiles, and manufacturing and expansion into the export market.

The authors also observed from the interviews that MEs were more concerned with obtaining advice on financial management and financing to stabilize and expand their businesses, whereas SEs were more interested in seeking mentorship for grant opportunities.

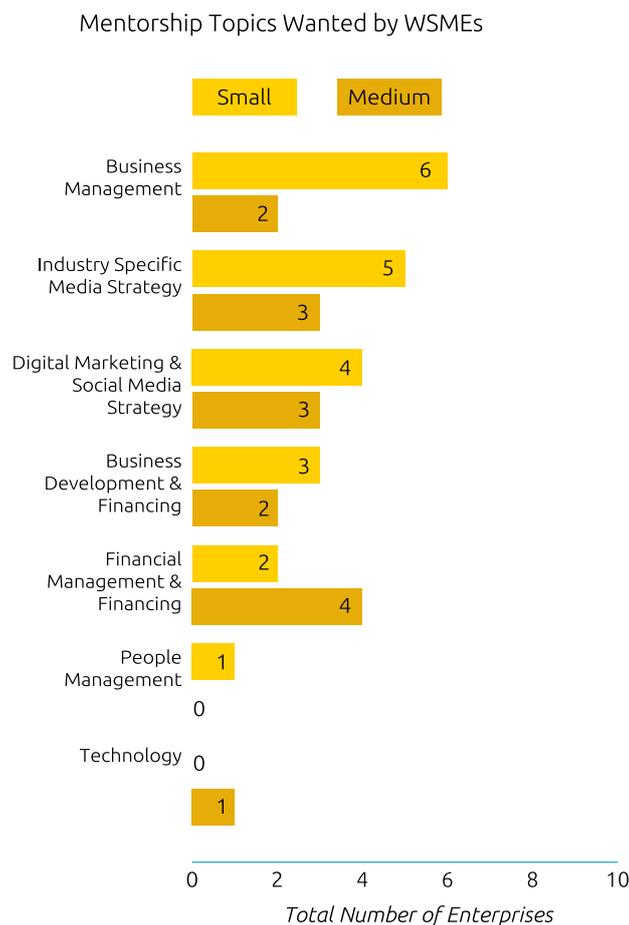


Figure 5: Comparison of Mentorship Topics Wanted by WSMEs

### Key Insights on Mentorship, Networking and Skills

Three key insights on mentorship, networking and skills emerged from the interviews:

#### (1) Trust and aspiration determine who WSMEs seek advice from

While all interview participants wanted advisors with relevant experience and skills, the majority of them preferred to open up and seek advice from those with whom they trusted, respected, and were familiar with. Networking events sponsored by business associations and donors were attractive for younger and socially outgoing startup founders, whereas older interviewees mentioned that they preferred one-on-one opportunities to interact with people they admired and aspired to build long-lasting relationships with.

#### (2) Less informal networking opportunities are available for women than men

A few of the interview participants mentioned that women have fewer opportunities for informal networking than men for a variety of reasons. The first reason participants mentioned was that men could go out for drinks in the evening to network with potential clients, government officials, and colleagues, whereas it is considered culturally inappropriate for women to join such occasions, especially in small towns or traditional families. In addition, some interviewees with small children noted that they missed out on evening networking receptions as they needed to be home after work and take care of their children. They opined that for women entrepreneurs with small children, networking events during the daytime were more suitable.

### (3) Online forums and Facebook groups offer opportunities for women to network, acquire knowledge and learn new skills

All participants used Facebook for acquiring information, while only five used online forums to learn new skills. For local networking and knowledge sharing, Facebook was a go-to platform for all because the information is localized and in Myanmar language. Many government departments have official Facebook Pages to communicate policy updates and announcements. For example, the SME Development Department communicates with SME owners very actively on its Facebook Page, comprising more than 71,000 followers, about policy changes, procedures updates and training opportunities.<sup>32</sup> The Union of Myanmar Chambers of Commerce and Industry (UMFCCI)’s Facebook Page, with more than 160,000 followers, offers daily updates about business news, webinars and event information.<sup>33</sup> Other business community groups organized by private sector players are active on Facebook as well. One of the interviewees said she enjoyed learning from social influencers who share their business and personal development knowledge, such as Martin (over 1 million followers)<sup>34</sup>, Pyay Khaing (over 1 million followers)<sup>35</sup>, and Phyo Phyo Aung (over 1.6 million followers)<sup>36</sup>, to name a few.

## Digitalization for Business Processes and Management

### How Digital are WSMEs in Myanmar?

When the authors asked whether any digital technologies are used, all 20 WSMEs said “yes” enthusiastically. It was obvious that the women entrepreneurs believed in the potential of digital technologies to enhance their business outcomes. However, most of them were only at the beginning stage of digital maturity: the digital solutions they adopted were only transactional and piecemeal (See Figure 3.7 and 3.8).

Only 3 SEs and 3 MEs were “digitally engaged”: using digital solutions in organization-wide processes such as supply chain management or inventory control. The majority of WSME participants interviewed, 13 out of 20 were only at the first stage of digital maturity<sup>37</sup> while one SE had not undertaken any digital adoption for her business. (See Figure 3.6)

Mentorship Topics Wanted by WSMEs

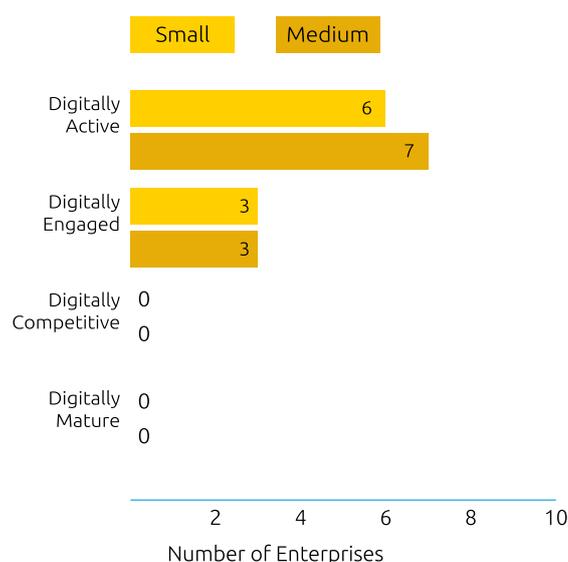


Figure 6: Comparison of Digital Maturity of WSMEs in Myanmar

### What Digital Tools are WSMEs using?

The following two tables (Figure 3.7 and 3.8) describe the types of digital tools used by the participants arranged in descending order from most active users to the least active users. All respondents, except two, were active on social media and in using digital communicative and collaborative tools. Regarding the financial segment of the business, the WSMEs were very familiar with digital banking, with 19 out of 20 using the tools. In addition, WSMEs used the cloud-based accounting tool and inventory/POS tools relatively more than digital HR and supply chain management tools.

The authors found that 8 WSMEs (40 percent) and 6 WSEs (30 percent) were using digital accounting and POS/inventory tools respectively, while only 4 WSMEs (20 percent) used HR management tools, while not a single SE could afford to use the digital supply chain management tools.

As a consequence of active social media use and increasing digital awareness, half of the respondents produced digital content and used

e-commerce as their digital marketplace. Among SEs in production, the authors found that those utilizing digital tools more actively earned a higher income than those who did not; average USD 71,000 in revenue compared to only USD 28,000 annual revenue of less digital-savvy small enterprises. One caveat is that the authors did not find such a pattern in MEs, and this finding applied only to the production sector.

	Small Enterprise	Communication /Collaboration	Social Media	Digital Banking	Digital Financing	Accounting	POS / Inventory	Supply Chain (Vendors/Suppliers)ERP	HR	E-Commerce	Digital Content Production
PRODUCTION	INT-SE-01	●	●	●		●	●			●	
	INT-SE-08	●	●	●		●				●	●
	INT-SE-09	●	●	●					●	●	
SERVICE	INT-SE-06	●	●	●		●	●		●		
	INT-SE-02	●	●	●							●
	INT-SE-04	●	●	●							●
	INT-SE-05	●	●	●							●
	INT-SE-03	●	●	●							
PRODUCTION	INT-SE-07	●		●							
	INT-SE-10	●	●								

Figure 7: Types of Digital Tools Used by SE Participants

Medium Enterprise	Communication /Collaboration	Social Media	Digital Banking	Digital Financing	Accounting	POS / Inventory	Supply Chain (Vendors/Suppliers)ERP	HR	E-Commerce	Digital Content Production
INT-SE-01	●	●	●		●	●	●		●	●
INT-SE-01	●	●	●		●	●	●			●
INT-SE-01	●	●	●		●	●			●	
INT-SE-01	●	●	●		●			●	●	
INT-SE-01	●	●	●			●		●		
INT-SE-01	●	●	●						●	●
INT-SE-01	●	●	●						●	●
INT-SE-01	●	●	●							●
INT-SE-01	●	●	●						●	
INT-SE-01	●	●	●							

Figure 8: Types of Digital Tools Used by ME Participants

### Key Insights on Digitalization for Business Processes and Management

There are 10 key insights on WSME business processes that the authors identified from the interview findings:

#### 1. Social Media, communication, and digital banking are the most common types of digital tools adopted by WSMEs

The most common types of digital tools adopted by WSMEs were social media such as Facebook, Instagram, YouTube communication tools such as Messenger, WeChat, WhatsApp, Zoom and Viber; and digital banking applications from local banks. Nineteen out of twenty WSMEs used Facebook and digital banking, while all interviewees used digital communication tools actively.

#### 2. Customers' demand is the most important decision-making factor for digitalization

Being pragmatic businesswomen, the interviewees considered customer demand as the most important decision-making factor for digitalization. Most would not adopt new technology just for the sake of being 'modern'. For example, a professional clothing line owner believed that although Messenger Chatbot is increasingly popular in Myanmar, building a chatbot for auto-reply may not be an appropriate solution for her business because her customers preferred interacting with a human: they ask not only questions about product and place orders but also send her photos of them wearing her products to get compliments.

She was convinced that the chatbot technology would neither increase her sales nor customer satisfaction until the customers in Myanmar get accustomed to receiving automated customer service. Likewise, her financial transactions with most B2B clients were not digital because company bank accounts cannot do digital transactions, unlike personal accounts. Therefore, most B2B payments are in check, which has to be collected and deposited in person.

### **3. Workforce digital readiness determines the speed and extent of digitalization**

Another important consideration for WSMEs was whether their workforce could readily adopt digital technology. For example, one WSME participant mentioned that digitalization could bring efficiency and transparency in recording the attendance and working hours of security guards, for a security service firm that her family-owned. However, she decided not to pursue it because most of the guards were not tech-savvy and would have a hard time using the mobile application. While it was possible to train them, it would take a tremendous amount of time and patience to bring them up to speed. The authors heard similar stories from other women entrepreneurs with blue-collar workers in their workforce. Four WSME participants interviewed were able to quickly switch to digital tools because they mostly worked with younger and educated team members.

### **4. Mobile-first applications/software are more suitable for small enterprises**

While the majority of the workforce have smartphones, laptops and desktop computers are too expensive to be used widely and are often not necessary, especially for small enterprises in non-service industries, such as small-scale manufacturing and production. A wooden accessories producer interviewed said that while she worked in the Yangon office with a computer for marketing and customer service, the rest of the team worked at their production facility in Mon State, where it was noisy, dusty and had no place for a laptop, as the workers do not know how to use computers.

A small ice-factory owner had used Viber<sup>38</sup> for daily reporting, which kept her up-to-date while she was away. However, the first challenge she faced was teaching the factory workers how to take clear photos, because initially, they kept sending her crooked and blurry photos of written sales and expenses records.

### **5. Facebook is used for e-commerce, customer engagement and as a source of information**

There are about 22 million Facebook users in Myanmar. Facebook reported that 50 percent of the total population aged 13+ in Myanmar could be reached via Facebook ads.<sup>39</sup> Consequently, it has become a primary tool for shopping and searching for information in the country.<sup>40</sup> Due to the vast number of Facebook users, digital content in Myanmar language has concentrated on Facebook, which consequently attracts the users to search for information on the platform, rather than looking elsewhere on the internet using search engines.

Out of 20 WSME participants, 19 of them actively used Facebook to promote their business and engage with customers. The platform provides an effective digital communication channel for women entrepreneurs who want to start a new business venture with minimal startup capital, or engage with their existing customers directly and frequently. There have been several stories about how women entrepreneurs created and launched successful small businesses via Facebook in recent years. However, the majority of businesses on Facebook do not focus on value-added activities; instead, the emphasis is on importing and reselling Chinese products, exploiting the proximity with vast Chinese e-commerce markets via Alibaba and Taobao. WSMEs got more sales orders from their Facebook pages than local e-commerce platforms.

Three SEs and 5 MEs had used e-commerce platforms such as Shop.com.mm<sup>41</sup> and Spree<sup>42</sup> to sell their products. However, they received more sales orders through Facebook because Myanmar consumers prefer to engage directly with sellers, ask questions and expect to receive answers right away,

while it is difficult for large e-commerce platforms to provide such high-touch customer service. In addition, most consumers are familiar with Facebook's interface and reluctant to switch to a new application, especially if they are less tech-savvy.

### **6. Over-reliance on Facebook and low digital literacy pose a unique challenge for Myanmar**

The rapid exposure to digitalization did not give enough time for the people to properly develop their digital knowledge. Digital skill development training is neither sufficiently provided by private institutions nor properly embedded in the public education system, despite government efforts to introduce digital literacy training in 2015-2016.<sup>43</sup> As a result, 78 percent of the internet users have poor digital literacy.<sup>34</sup> There were incidents of false information being spread purposefully via Facebook to incite violence between ethnic and religious communities in 2019. The lower the digital literacy levels, the easier it is for people to be manipulated and cheated.<sup>44</sup> The number of frauds using Facebook fake accounts to solicit money transfer through mobile money services has increased significantly in recent years, which has negatively affected the speed of mobile wallets adoption, as it raised security concerns among potential users.<sup>44</sup>

### **7. Few WSMEs have a proactive long term digital strategy**

All WSME participants have adopted digital technologies on a need-basis, depending on the changing trends in Myanmar. COVID-19 had been the latest pressure for such digital trends. While they were adapting to change reactively, few have a long term digital vision and strategy that would help them future-proof in the digital economy.

### **8. WSMEs have self-confidence in adopting digital tools and do not see gender as a limitation**

Regardless of age, digital savviness and experience, the 20 women entrepreneurs exhibited self-confidence about their abilities to adopt new digital tools. Being self-made women, they had a strong belief that anything can be learnt and done if necessary. When the authors asked if there were any gender barriers for them to pursue digitalization, 18 out of 20 said they did not see gender as a limitation.



Technology is a painkiller for businesses. Be confident in using it.

(Participant IND-ME-01)



Figure 9: Self-confidence Level of WSMEs on Digital Technologies Adoption

**9. Language, awareness, skills and resources are indicated as key barriers for digitalization**

Language, awareness, skills and resources appeared as the highest barriers for digitalization among WSMEs. As there is limited digital content on digital technologies and tools in local languages, many WSMEs found it challenging to look for trustworthy and appropriate information. Many of them relied on friends, family and Facebook. Also, there are only a handful of SME consultants giving impartial third-party points of view.

The language barrier and awareness problems go hand-in-hand. Nine participants with good English proficiency used search engines, such as Google, and social media platforms, like YouTube and LinkedIn, to gather information and knowledge for their business and to observe global trends. YouTube is described as a Just-In-Time learning tool when they wish to learn a specific skill quickly, such as Excel shortcuts and Photoshop tips. When acquiring knowledge and skills for new digital tools, this group of WSMEs was overwhelmed with information overload. Those without English proficiency had the opposite issue - they had to rely on limited local content sources in Myanmar language.

In terms of skills and resources, both SEs and MEs needed support if they were to go beyond basic digital tools to more advanced organization-wide processes.

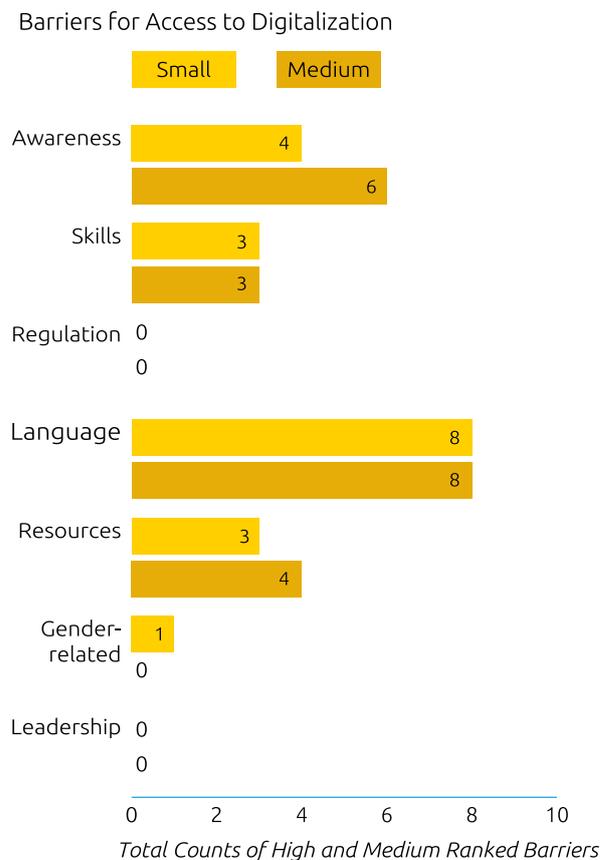


Figure 10: Barriers for Access to Digitalization by WSMEs

## 10. Electricity and internet connectivity coverage remains a challenge

On the one hand, Myanmar has the lowest electrification rate in Southeast Asia, with only 50 percent of households connected to the public grid. The country needs to double its current installed power generation capacity over the next five to seven years to achieve universal electricity access by 2030. The Government adopted the National Electrification Plan in 2014 to achieve that goal.<sup>45</sup>

On the other hand, broadband access has risen from one percent in 2010 to 56 percent in 2017, while fiber optic lines have grown at least 440 percent in the same period.<sup>46</sup> Although the number of internet users has increased by 1 million (+4.8 percent) between 2019 and 2020, internet penetration in Myanmar stood at 41 percent, which is 25 percent lower than the regional average of Southeast Asian countries.<sup>46</sup> Despite the progress made, 4G internet service is still limited to only 20 percent of Myanmar's population, which is concentrated in urban areas. Myanmar ranks 133rd out of 139 countries in the World Economic Forum's Network Readiness Index (NRI) and it is the lowest in terms of businesses, government and individual usage under the NRI.

### Crisis Management (COVID-19)

The World Bank's Myanmar Economic Monitor report<sup>47</sup> revised Myanmar's GDP growth forecast for FY 2019/20 downwards from 6.4 percent to just 0.5 percent. The report stated that all sectors experienced adverse effects of varying intensity, while tourism-related services and the transportation industry were hit the most. The ICT sector, however, saw a surge in telecommuting and e-commerce. For the WSME participants, the effects of COVID-19 varied depending on their types of business.<sup>48</sup> A small ice-factory owner in Ayeyarwaddy suffered 75 percent decrease in sales volume as fish exports had been interrupted. An FMCG distributor in Mandalay had not been impacted much as her

products are basic household necessities. WSMEs in the production sector faced temporary interruption in their production, and sales were reported to be back to pre-COVID level shortly after the first wave of transmission.

On the bright side, COVID 19 forced businesses to adopt digital technologies to maintain productivity and collaborate while working remotely. Telecom operator Telenor reported that usage of video conference tool Zoom increased by 1373 percent between March 1 and April 19, 2020, and internet traffic surged by 27 percent.<sup>49</sup> WSMEs with physical retail shops created their online presence on Facebook. Those in training and education industries pivoted from in-person classroom to online learning quickly. Overall, digital-based businesses experienced growth in sales and customer demand.

Regardless of these challenging circumstances, the women entrepreneurs that were interviewed displayed admirable mental fortitude, resourcefulness and grit to survive. Majority of them changed the types of product offerings based on consumer behavior change and industry trends. For example, a wooden accessories business switched from corporate gifts to kitchen wares for cafes and restaurants. A women-clothing business owner quickly manufactured fashionable reusable masks with adjustable straps and optional PM 2.5 filter and pivoted her business from B2C to B2B.

A primary school founder said, "When I wanted to cry, I cried. Then, I wiped my tears and tried even harder." Another participant said, "We, women, are in fact stronger than men. We can endure stress and hardship well. All of us have abilities; we just need to use them for our advantage." We repeatedly heard similar strong statements from other WSMEs as well.

## WSME Highlight 2: MYEO



Kye Mon Lwin, Founder of Organic Valley

### **About the Company:**

Kye Mon's Organic Valley, an online platform for locally and ethically sourced chemical-free fresh produce was established in 2018 with an ambition to bring high-quality local food for local people. While creating market demand for chemical-free producing farmers, she makes sure their livelihoods are well taken care of with reasonable and fair prices. She also educates consumers about choosing healthier food options and reducing plastic waste. Organic Valley has used a new way of packaging that reduces plastic waste up to 90 percent.

### **Before Digitalization:**

Running a platform business, she has to monitor and manage transactions on both sides: suppliers and consumers. In the beginning, she kept track of the records with only a ledger book, a typical way of bookkeeping for SMEs in Myanmar. It was extremely time-consuming, labor-intensive and tiring as the business grew. She said that they struggled just to

fulfil orders and to know whether the business was running at a loss or profit.

### **After Digitalization:**

To overcome this hurdle, she searched for a suitable digital solution, and eventually found a free cloud-based POS (Point Of Sales) software and cloud-based accounting software for her business. The new tools allow her to speed up order-fulfilling time, manage inventory more effectively, monitor credit terms, and formalize her business transactions with proper invoices and records. The productivity at Organic Valley increased more than twofold.

### **Weathering COVID-19:**

When the business was picking up, with more and more people interested in organic food and eco-friendly business practices, COVID-19 hit hard. Demand plunged as a large percentage of regular customers were foreigners, who had to go back to their home countries.

On the other hand, her supplier farmers faced the risk of throwing away their produce as market demand got stunted. Driven by her passion and perseverance, Kye invested her energy into attracting a new target customer base through digital marketing, while she looked for ways to turn perishable farm produce into more durable value-added products such as jams, pickles and noodles. Organic Valley now has over 100 new product varieties. As she can take orders online and use door-to-door delivery services, her business revived and thrived while traditional shops for fresh agricultural produce suffered from decreased sales revenues due to market closures or less customer traffic.

**Next Step:**

According to Kye, COVID-19 also pushed her to launch an e-commerce website sooner than later because taking orders and settling payment manually limited her potential to grow. Although she always knew it was something to get done, she did not have enough time and reason to prioritize it as sales through Facebook were good. Using her past experience and expertise as an IT professional, she is building the website on her own, and exploring ways to embed digital payment options.

**Challenges and Opportunities for WSMEs**

Based on the above WSME interview findings, the research team summarized nine most prominent challenges faced by WSMEs in their digitalization journey, and identified opportunities associated with them.

Access to Financing	
Challenges	Opportunities
Women-led SMEs need a way to borrow quickly and easily to bridge the cash flow gap because they often face cash shortage (low cash reserve to withstand sudden shocks), but there is a shortage of such quick and easy loans (20 lakh - 200 lakh) provided digitally without requiring too much paperwork	<ul style="list-style-type: none"> <li>Short-term cash flow loans for SMEs with the quick digital application process</li> <li>Customized loan products that differentiate the financing needs of SEs from medium and large enterprises and vice versa</li> </ul>
Even though banks increasingly provide unsecured loans backed by credit assurance schemes without requiring collaterals, many SMEs are not eligible to apply for those loans because many of them are running informally without proper licenses, documents, business plan, P&L statements etc. as the processes at various government agencies are complex and time-consuming	<ul style="list-style-type: none"> <li>Loan assessment processes that use digital transaction records as part of the due diligence</li> <li>Customer education campaign by financial institutions targeted at SMEs about how to use digital technologies to keep track of their Profit and Loss and why it is important for their creditworthiness</li> </ul>
Myanmar SMEs need more alternative financing options (e.g., peer-to-peer lending, crowdfunding, angel investing, impact investing, equity investing etc.) like in more developed nations because, currently, the only way for WSMEs to launch new ventures, sustain in the first few years, and expand is by using personal savings and loans from families - which limits their potential and risk appetite	<ul style="list-style-type: none"> <li>Financing and regulatory ecosystem that encourages entrepreneurship</li> <li>Alternative financing products and services</li> <li>Gender-focused grants and loans for women-led SMEs</li> <li>SME lending platform</li> </ul>

Access to Mentorship, Networking, and Skills	
Challenges	Opportunities
<p>Women entrepreneurs need advisors whom they can trust and admire to discuss business-related challenges. This is because they do not have time to acquire those skills formally through trainings, and prefer to have a sounding board with a person with relevant experience through dialogues. In this regard, they often turn to people who are close to them rather than reaching out to strangers</p>	<p>More informal and formal networking opportunities for women entrepreneurs so that they can build meaningful relationships with potential advisors</p>
<p>SME ecosystem in Myanmar needs mentorship programs for women entrepreneurs so that they can acquire necessary knowledge and skills to be competitive and adopt appropriate digital strategies. However, women have less opportunities for informal networking than men (especially if they are from traditional families and small towns). Also, formal mentorship programs for entrepreneurs tend to be project-based and disappear shortly afterwards</p>	<p>Mentoring programs that are sustainable and convenient for both mentors and mentees for the long run</p> <p>Value-chain-based technical mentorship programs</p>

Digitalization for Business Processes and Management	
Challenges	Opportunities
<p>Choosing the right digital tools is often a challenge. Women entrepreneurs are either overwhelmed or deprived of the necessary information to make decisions, depending on their language proficiency and digital knowledge. There exists a lack of easily searchable and trustworthy sources for comparing software, local vendors and service providers that are appropriate for their business size, budget, and unique situations in Myanmar</p>	<p>Digital solutions appropriate for SMEs and the Myanmar context</p> <p>Knowledge platform for helping women entrepreneurs make informed decisions to choose appropriate digital tools for their businesses</p>
<p>Many WSMEs are unaware of the potential benefits and challenges of adopting digital technologies beyond common tools like Facebook, Messenger, Viber, Zoom and Mobile Banking. Without seeing the big picture, they are unable to make a comprehensive digital strategy with short, medium and long term goals that will help serve their customers better, increase revenues, and improve productivity</p>	<p>Consultation and training programs by qualified professionals with a proven track record in digital transformation. This is important to raise awareness about stages of digital maturity, how to plan an effective digital strategy, and how to implement it with appropriate digital tools</p>
<p>Women-led SMEs need to adopt digitalization to stay competitive, but language is the biggest barrier for many of them to find appropriate digital solutions and acquire new digital skills</p>	<p>More digital content on technologies and digital skills in local languages, easily accessible for WSMEs</p>

Crisis Management (COVID-19)	
Challenges	Opportunities
<p>Women-led SMEs need business continuity plans to cope with the effects of COVID-19. Many did not have prior experience and sufficient knowledge to deal with such a shock. However, all business owners interviewed were able to quickly adjust their operations with short-term fixes to survive</p>	<p>Consultation and learning opportunities from qualified professionals with a proven track record in relevant fields, to develop business continuity plans and to future-proof. The latter is important for women-owned businesses to thrive in the new normal era and in the age of unprecedented digital revolution</p>

Table 2: Challenges and Opportunities for WSMEs

# 4

## The Future of Digital Transformation for WSMEs

### Expert Interview Findings

The authors interviewed a policy reform implementer, an experienced SME consultant, a fintech entrepreneur, a senior-level bank executive, and a digitalization expert.

While in-depth interviews with WSMEs revealed challenges and opportunities they faced on a daily basis, subject-matter experts helped the authors understand macro-level issues causing those challenges.

The following sections cover overarching insights that the experts shared on policy issues centered around the three pillars: financing, mentoring/networking/skills, and business processes.

### Policy Issues for Digitalisation and SMEs

#### Laws being passed hastily to fulfil ASEAN

**obligations:** Since transitioning from military dictatorship to civilian government, Myanmar has made significant progress in economic policy reforms. On the other hand, the government and lawmakers are overwhelmed with trying to catch up with the rest of the world, because several existing laws, dating back to the British colonial era, are outdated. The pressure to meet ASEAN obligations has caused some laws to be passed hastily, affecting the quality of the legislation.

#### Digital economy development roadmap & lack

**of a legal framework for key issues:** The Digital Economy Development Committee was established (DEDC) in June 2017, patroned by Vice President, U

Henry Van Thio and chaired by the Union Minister of Planning and Finance.<sup>50</sup> According to the digital economy roadmap, there are nine priority sectors: (1) education, (2) healthcare, (3) agriculture, (4) fishery and livestock, (5) tourism and hospitality, (6) manufacturing and SME, (7) financial services, (8) technology sector and startup ecosystem, (9) digital trade, and (10) transportation and logistics. The roadmap is ambitious with concrete, measurable milestones. The key challenge in implementing it is the lack of a legal framework for key issues, such as data privacy and protection, cybersecurity, online consumer protection, open data and data sharing. The government has a tremendous challenge ahead of it to build strong legal frameworks quickly because digitalization is happening worldwide whether Myanmar is ready or not.

#### Limited coordination among donor-led digitalization efforts:

In order to improve transparency and efficiency, the government has undertaken digitalization and implemented e-government initiatives funded by various donor agencies. For example, Online Registration for Companies<sup>51</sup> (ADB: Japan Fund for Poverty Reduction), Online Registration for SMEs (ADB: Japan Fund for Poverty Reduction)<sup>52</sup>, National Trade Portal (USAID)<sup>53</sup>, Project Bank of Myanmar (German Federal Ministry for Economic Cooperation and Development, BMZ)<sup>54</sup>, and e-Government Integrated Data Center (Republic of Korea's Economic Development Cooperation Fund, EDCF).

While progress has been made in terms of converting manual processes to online ones, better coordination among donors, and between donors and the government, is needed for future system integration and streamlining data sharing and processes across various ministries.

**Budget allocation often lagged behind the government commitment to help SMEs:** The policy expert noted that appropriate budget allocations often lagged behind the government's commitment to promoting certain reforms, which made it difficult for bureaucrats and civil servants to do any meaningful execution of such announced commitments.

**Cross-cutting policies and procedures among government ministries are not aligned to promote SMEs:** While the SME Agency is promoting SMEs, cross-cutting policies and procedures among different ministries should be aligned. Otherwise, the agency's effort will be futile. Questions must be raised about whether trade policies are favorable for SMEs to participate, whether Central Bank regulations take the needs of SMEs into consideration, whether the tax system favors SMEs' growth, and whether import policies enable SMEs to access technology and advanced machinery easily.

**Lack of differentiation between small and medium enterprises:** According to the 2015 Small and Medium Enterprise Development Law, the characteristics of SEs and MEs is clearly defined and differentiated (see Appendix D). In practice, little effort has been made to differentiate them according to the size, needs and nature of the operations. For example, a well-known large business competed in a government-sponsored competition for micro and small enterprises and won the award. Such lack of differentiation can also be found in loan terms to restrict the use of funds to only procure machinery upgrade, which might not be appropriate for SEs with limited market potential.

## Access to Financing

**Lack of reliable credit score makes it difficult for banks to do due diligence:** Banks want to lend money to make a profit while SMEs want to obtain loans to finance their business operations. If that is the case, why is financing the most challenging problem for WSMEs? Myanmar financial institutions do not have a reliable credit score database they can access to determine the creditworthiness of borrowers, because the newly established Myanmar Credit Bureau is not yet ready to provide reliable credit data. Consequently, banks need formal documentation of business transactions, business licenses, tax receipts and financial statements from SMEs to do due diligence for the loan approval process. On the other hand, the majority of small enterprises lack proper record keeping and formal documentation and have limited collateral ownership, which makes them ineligible to apply for bank loans automatically.

**Banks' preference for medium and large enterprises for loans:** For the above reasons, banks prefer to work with medium and large enterprises as the loan process is too time-consuming and troublesome for making such small loan sizes.

**Credit guarantee schemes are necessary for banks and microfinance institutions to provide unsecured loans:** The credit guarantee schemes help increase the risk appetite of banks to provide non-collateral based unsecured loans for SMEs. Continuation of such schemes will help improve access to financing for SMEs.

**Banks are experimenting with new digital credit product offerings:** Several local banks are rolling out new digital credit products to test the market opportunities and observe digital behaviors of the users. KBZ Bank provides digital credit through their mobile wallet, KBZ PAY, and Yoma Bank offers "smart credit" via an online application process.

**Online fraud cases reduce the credibility of digital financial service providers:** There has been an increase in online fraud cases in Myanmar as a large percentage of the population does not have enough digital literacy and cyber-security knowledge. The government's ability to regulate, monitor and punish cybercriminals is lagging behind the rapidly changing digital landscape. As a result, more and more potential users are cautious about the credibility of digital financial service providers.

### **Access to Mentorship, Networking and Skills**

**Increase in the number of donor-funded digital skills training for SMEs in 2020:** There has been an increase in donor-funded digital skills training in Myanmar in 2020. The two most recent ones are (1) Digital Readiness Program for MSMEs, funded by Friedrich Naumann Stiftung (FNS) and implemented by Impact Hub Yangon in collaboration with the SME Development Department. This was inaugurated in September 2020 to provide training on email and website usage, cloud services, digital analytic tools, digital sales and marketing and digital payment system<sup>55</sup>, and (2) Go Digital ASEAN Initiative<sup>56</sup>, supported by Google.org across 10 ASEAN countries and recently launched in Myanmar in September 2020. The initiative aims to minimize the negative impacts of the COVID-19 crisis by expanding economic opportunity in the region through customized training and tools, to improve digital literacy and cultivate online safety awareness for 8,000 job seeking youths and small and micro-enterprises.

### **Business Processes and Management**

**Incomplete data and lack of formal documentation:** Out of 60 SMEs an expert worked with, only 20 percent of them could provide required data and documentation readily, and 40 percent willingly cooperated to gather required documents although they did not have them readily available in the beginning. The remaining 40 percent

of SMEs could not provide complete data and documentation. According to the SME consultant, many SMEs, even large ones, do not want to deal with documentation processes.

**Digital literacy of SMEs:** A fintech entrepreneur, who has provided personal and SME digital loans to over 5,000 active customers via a mobile application, noted that a large number of her customers have limited digital literacy, and struggled initially to use the mobile application to apply for loans. Some customers do not know the basics, such as how to find and download applications on Google Playstore or other applications marketplace. Her team needs to provide step-by-step guidance to onboard customers, although simple instructional How-to videos are readily available on the Facebook Page. She observed that while digital loan application processes may be unfamiliar to many customers in the beginning, 70 percent to 80 percent of them became recurring customers because the loan application process is fast, payment can be made digitally, and they are incentivized with eligibility for increasing loan amounts based on their repayment history.

**Awareness of opportunities from formalization:** Only a small percentage of SMEs realize that formalizing their businesses with proper licenses and good record-keeping can bring opportunities for them to apply for grants and loans. Majority of the SMEs, especially from non-urban areas, felt reluctant to put efforts into formalization, which they see as a complicated and unnecessary process.

**The capacity gap between urban and rural SMEs:** The fintech entrepreneur noted that there was a significant capacity gap between urban and rural SMEs she worked with. While urban SMEs tend to be more connected and have more capable employees, the enterprises in rural areas are more likely to have less capacity in business process management, human capital, technology and digitalization.

## Advisory Panel Discussion

### Advisory Panel Design

The two-hour-long virtual advisory panel discussion was designed to prioritize challenges and opportunities faced by WSMEs and generate as many solutions as possible within the time limit. By design, the panelists did not spend time dwelling over problems, instead, they focused on discussing the root causes of the problems and exploring possible ways to fix them. After the authors presented a summary of problem statements from interview findings (See details in Challenges and Opportunities section), the panelists were asked: “How might we solve this problem?”.

Due to time constraint, the authors decided to focus on access to financing and digitalization issues. Furthermore, these two are the most important issues that arose from the findings. Hence, the topics discussed include opportunities offered by digitalization, synchronizing across the regulatory landscape, the need to upgrade the tax system, incentivizing SMEs etc.

### Recommendations

The panelists and research team were able to identify fourteen recommendations.

#### Access to Financing

1. Differentiate the needs of small enterprises from medium and large enterprises when designing and localizing financial services for Myanmar market.
2. Provide gender-focused grants and loans for WSMEs.
3. Build an SME digital lending platform, combining financial know-how with technology backed by credit assurance schemes, to give more SMEs access to the funds they need to sustain, grow and expand.

#### Access to Mentorship, Networking, and Skills

1. Provide digitalization training targeted at women entrepreneurs with practical tools for both business and personal life, as the two are inseparable in reality.
2. Include a mindset change module in the digital readiness training programs for MSMEs, as educating them about digital tools is insufficient for them to seriously invest in technology adoption.
3. Promote digital content creation in local languages, especially on digitalization and technology for WSMEs.

#### Business Processes and Management

1. Continue e-government initiatives because digitalization of government processes not only creates transparency but also makes it gender-neutral as less in-person interaction means less opportunity for gender discrimination.
2. Align cross-cutting regulations and policy initiatives between the SME Department and related government agencies. For example, coordinate with the Central Bank to improve access to financing for WSMEs.
3. Move forward with economic policy reforms. When laying out the legal foundation for the digital economy, Myanmar should consider not just what is possible today but should pave pathways ambitiously with an aim to leapfrog cutting-edge technology like robotic process automation (RPA), artificial intelligence (AI), blockchain technology, geospatial technology, 3D optical sensing technology etc.
4. Develop the Standard Operating Procedure (SOP) to streamline registering, applying for licenses, obtaining paperwork for MSMEs across related government agencies to make it easier for MSMEs to enter the formal economy.

5. Incentivize SMEs to register officially to comply with government regulations by providing an endorsement, protection, tax credits and other benefits by the government.
6. Modernize the tax system to reduce opportunities for bribery, be business-friendly, and streamline cross-ministries transactions digitally so that taxpayers can enjoy tax benefits and social security benefits more easily.
7. Put user education and awareness campaigns at the heart of user onboarding strategy for digital products and services.

### **Crisis Management (COVID-19)**

1. Offer consultation and learning opportunities for WSMEs by qualified professionals with a proven track record in relevant fields to develop business continuity plans, and to future-proof their businesses to thrive in the new normal and in the age of unprecedented digital transformation.

# 5

## Conclusion

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In an attempt to provide pragmatic insights for key stakeholders to address the digitalization challenges facing WSMEs in Myanmar, this report has identified the present and future opportunities of digitalization across the four pillars: access to financing, access to mentorship, business processes and management and crisis management. WSME participants in Myanmar indicated that access to financing was the most challenging issue for them, compared to the other pillars. The authors also learnt that the WSMEs adopted digital tools reactively on a need basis. Social media, communication, and digital banking were the most common types of digital tools adopted by WSMEs. In addition, the analysis showed that while customer demand and workforce digital readiness are the key decision factors for digitalization, gender was not seen as a barrier. Finally, the expert interviews and advisory panel helped to crystalize overarching issues on digitalization for WSMEs and identify fourteen recommendations for key stakeholders. Though the journey ahead is daunting, the research team believes that WSMEs and the key stakeholders will manage to overcome these challenges and uplift digital capabilities of women-owned enterprises in Myanmar.

# 6

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# Appendices

## Appendix D: Definition of Small and Medium Enterprises in Myanmar

Definition of Small and Medium Enterprise		
Category	Small	Medium
<b>Enterprise Employee</b>		
	$\leq 50$	$> 50 \leq 300$
	$\leq 300$	$> 300 \leq 600$
(a) Manufacturing	$\leq 30$	$> 30 \leq 60$
(b) CMP Manufacturing	$\leq 30$	$> 30 \leq 60$
(c) Wholesale	$\leq 30$	$> 30 \leq 100$
(d) Retail	$\leq 30$	$> 30 \leq 60$
(e) Service		
(f) Other		
<b>Capital Investment (Kyats in Million)</b>		
	$\leq 500$	$> 500 \leq 1000$
	$\leq 500$	$> 500 \leq 1000$
(a) Manufacturing		
(b) CMP Manufacturing	Up to USD 370,370 <sup>199</sup> approx.	USD 370,370 to USD 740,740 approx.
<b>Last Annual Income (Kyats in Million)</b>		
	$\leq 100$	$> 100 \leq 300$
	$\leq 50$	$> 50 \leq 100$
(a) Wholesale	$\leq 100$	$> 100 \leq 200$
(b) Retail	$\leq 50$	$> 50 \leq 100$
(c) Service		
(d) Other		
	Up to USD 74,000 approx. for wholesale and service	USD 74,000 to USD 222,000 approx. for wholesale
	Up to USD 37,000 approx. for retail and other	USD 74,000 to USD 148,000 approx. for service
		Approx. USD 37,000 to 74,000 for retail and other

Source: Small and Medium Enterprise Development Law (2015)  
 Calculated at 1 USD = 1350 MMK exchange rate.

## Appendix E: Myanmar's Advisory Panelists

The advisory panel was made up of the following participants:

**(1) Naw Show Ei Ei Tun** is currently a Deputy Chief of Party for Yangon-based USAID's Transparency and Inclusive Growth Activity, a four-year USD 19 million project (2020-2023) implemented by Nathan Associates. She manages a range of technical assistance activities to government ministries, private sector and civil society organizations for the purposes of improving economic governance and reducing economic drivers of conflict and inequality in Myanmar. Previously, she served as a Deputy Chief of Party for USAID's Private Sector Development Activity, a five-year USD 23.3 million project, driving various economic reform efforts to improve the regulatory environment for businesses and to promote entrepreneurship. Prior to this, she was a senior consultant at APCO Worldwide - Singapore, specializing in market entry research, policy analysis and public/media relations for multinational clients operating in Southeast Asia. Earlier in her career, she has worked in the fields of policy research, international development and broadcast journalism in Washington D.C. She has an M.A. in economics and international relations with a focus on Southeast Asia from School of Advanced International Studies (SAIS), Johns Hopkins University, and B.A. in economics from Eastern University in the U.S.

**(2) Samantha Htoon** is an accomplished banking and finance professional, with extensive experience of retail, SME, corporate banking, microfinance and Organizational development. She currently serves as Head of Lending at Yoma Bank, a leading bank in Myanmar with innovative digital banking products. Previously, she was Head of Strategic Planning and Business Operations at Proximity Finance. She holds a Master's Degree in Strategic Management from The City University of New York and a Bachelor's Degree in Finance and Investment from Baruch College Zicklin School of Business.

**(3) Seinn Witt Yee** is a seasoned Startup Consultant and Trainer at the Ministry of Industry who has worked with MSMEs across Myanmar. As National

Adviser of CEFE International, Regional SE Adviser of British Council East Asia and Mentor to ASEAN AbiNet Project, she passionately promotes entrepreneurship and social innovation ecosystem in Myanmar. Seinn is also Director of PS Business School, educating youth with business skills training programs since 2007. She holds an MBA Degree from Yangon Institute of Economics.

**(4) Okka Myo** is Co-Founder of Impact Hub Yangon that aims to strengthen local social entrepreneurship and social innovation ecosystem since 2015. Impact Hub also provides a modernized co-working space to Startups and SMEs while it hosts incubator programs, VC Meetups, and other tech-related social events. He has partnered with GIZ, Friedrich Naumann Foundation, Ministry of Industry, Grab, and Ooredoo to run programs that support local entrepreneurs. He is currently implementing Digital Readiness Program for Myanmar MSME in partnership with SME Development Agency under MOPFI, and FNF. He holds a Bachelor's Degree in Computer Systems, Networking and Telecom from Curtin University of Technology.

**(5) Wit Yee Chan** is a successful serial entrepreneur who is running two digital ventures: GroupBuyy, a local discount e-commerce business, and Any Rev Channel, an online TV channel that uses unorthodox ways of exploring and covering trends and issues in Myanmar. She is also a very active mentor who regularly participates in startup challenges, such as Founder Institute Yangon. She holds an MBA Degree from Victoria University of Wellington and MPA from Yangon University of Economics.

**(6) Jenna Phu** is a talented young entrepreneur who successfully launched mMD Collections, a Yangon-based clothing line targeting career women amidst COVID 19 havoc through her business acumen, resilience, and ability to pivot the strategy quickly. Previously, she was Head of Securities Trading and Sales Department at KBZSC Securities. Jenna received her B.A., in Business/Management Economics from the College of Wooster, USA.

