Confidants of small industry

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In Surabaja, Indonesia, the Sumber Logam foundry was wasting ten percent of its copper to oxidation, which occurred while the product was transferred from one oven to another about fifteen metres away.

On the east coast of Malaysia, in the State of Trengganu, the owner of a small cane furniture business watched helplessly as a large portion of his stock rotted away next to his shop.

In Singapore, employees of a small plastics factory had to do the same job twice in order to cut a plastic strip into 40-cm pieces as it came out of the extruder, first saving it by hand into sections of four to six metres long, then cutting it into smaller pieces with an electric saw.

In these three cases and in thousands of other similar ones, problems such as these are now things of the past. A new family of experts in Southeast Asia, industrial extension officers, have brought to such small and medium industries the information required to improve their profitability. The foundry owner, for instance, simply moved his two ovens closer together, thus cutting his losses by 80 percent; the cane furniture maker now protects his stock from humidity by boiling the canes in a tank of oil; and a movable electric saw attached to the extruder enables the plastics producer to use his labourers more efficiently.

If these things were possible, it is because they require research and access to more technical information. But these companies generally have the means to solve their own problems — or so, at least, the directors of the industrial extension network, TECHNONET, have chosen to believe. The goal of its industrial extension officers is to link the many small Asian businesses to the body of technical information already in the public domain.

Located in Singapore, the headquarters of TECHNONET — a major project funded by the Information Sciences Division of IDRC — is essentially a tool for facilitating cooperation and the exchange of information among eleven industrial extension organizations in nine countries: Bangladesh, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Hong Kong, Korea, and Sri Lanka. Participating organizations contact the manufacturers directly. The TECHNONET Centre, for its part, facilitates the exchange of information and, under an agreement with the Technical Information Service of the National Research Council of Canada (which itself has been in existence for almost thirty years) offers access to relevant technical information originating elsewhere. In addition, TECHNONET places special emphasis on training.

Consequently, between 1974 and 1977, TECHNONET trained a core of approximately a hundred industrial extension officers, who subsequently undertook the training of other experts. At the start of this year, the area could count on the services of 1200 of these “confidants of small and medium industries”, a figure comparable to that in a number of industrialized countries.

These expert troubleshooters for small-scale industry have formed a professional association and their very young profession, introduced into Asia only a few years ago, has already been officially recognized by regional governments.

In real terms, industrial extension means that rather than depend solely on experimentation, the small manufacturer in Southeast Asia can count on someone who is ready to come and explain to him, in his own language, how to overcome the problems which beset him. Moreover, the TECHNONET network enables the industrial extension officer to make available not only the information he acquires from visiting his own country’s industries, but also that acquired by industrial extension officers in the other participating countries. Because, generally speaking, only basic knowledge is involved, the industrial extension officer can make the experience acquired in each industry visited available to all.

In practice the success of the organizations in the TECHNONET network — more than 15 000 visits made and 10 000 inquiries answered yearly — is due primarily to the confidence inspired by the industrial extension officers. As they know how to win the esteem of businessmen, they can establish strong personal relationships with them, and communication by word-of-mouth is still the most effective means of transmitting information.

More recently, TECHNONET has emphasized the importance it attaches to human resources by undertaking to train young businessmen. It has access to outstanding training facilities for this purpose, because certain businessmen, having benefited from the network’s services, readily allow TECHNONET instructors to use their installations. Seminars and reviews such as the Entrepreneur’s handbook, which will be published this year, are offered as supplements to the network’s activities.

Solidly established, and possessing considerable experience, the TECHNONET network is a unique tool for implementing the policies of industrial decentralization and the promotion of small and medium industries that are being put forward by many governments.