

## **Assessment of Creative Enterprise and Business Infrastructure in Vietnam under the Perspectives of Experts, Enterprise and School**

Pham Hong Quach<sup>1</sup>, Dr. Trần Thị Thanh Xuan<sup>2</sup> and Assoc. Prof. Dr. Pham Thi Hong Diep<sup>3</sup>

<sup>1</sup>Vietnam center for Science and Technology evaluation, Ministry of Science and Technology.

<sup>2</sup>Vietnam, University of Transport Technology, Vietnam.

<sup>3</sup>Faculty of Political Economy, University of Economics and Business, Vietnam National University.

### **ABSTRACT**

The article analyzes the current situation of several factors affecting the development of innovative start-up business incubation in Vietnam (CBICB), determining the trend of changes in characteristics, achievements and limitations. The mechanism in CBICB. At the same time, by calculating the results of the survey of enterprises on the scales of each influencing factor, the article proposes recommendations to contribute to the development of the CBICB compared to other countries of Vietnam.

**Keywords:** Business incubation, creative startups, Innovation, Vietnam

From 2018 to 2021, the development of innovative startup business incubation in Vietnam changed positively. Still, given Vietnam's conditions, potential and strengths, those results have not yet been achieved. commensurate, some factors are still evaluated as ineffective... The study was conducted to analyze the development of innovative startup business incubation in Vietnam and examine enterprises' evaluation on the measurement scales. In CBICB, to identify the advantages and disadvantages of CBICB development.

### **1. Research overview**

Regarding the development of innovative startup business incubators, one of the first studies conducted in Vietnam was by author Nguyen Van Tuong (2018); the study outlined some issues.

The topic is "Implementation of policies to support innovative startups in Vietnam today: current situation and solutions", Academy of Social Sciences, Vietnam Academy of Social Sciences. Based on assessing the actual situation of implementing policies to support CBICB in Vietnam and analyzing the impact of existing policies on the development of CBICB, the article proposes several directions and solutions to complete the CBICB's development. Improve policies to help further develop CBICBs in our country in the context of international economic integration and the strong wave of revolution 4.0. Also choosing CBICB research, author Vu Thi Minh Luan (2021) focuses on analyzing creative startup activities in Vietnam: some difficulties and conditions for development" and has generalized some of the activities of CBICB. CBICB enterprises in the startup ecosystem gave some barriers and problems in the operation process and proposed some solutions to promote the development of startup businesses for research units. Train.

Duong Hieu Phong's (2021) research on "Supporting innovative start-ups (CBs) to enter the market - current state of law and solutions", presenting concepts and signs of innovative start-ups, also mentioned legal practices to support innovative start-ups in the market entry stage to find out some limitations that need to be overcome. The article proposes solutions to improve the law to support innovative start-ups in market entry.

In Vietnam, CBICB helps organizations and individuals that own technology to set up businesses; CBICB is a place with favourable conditions in terms of technical infrastructure and provides necessary services and support to incubate. Technology creation, technology enterprises. The difference from conventional CREDIT in some points is the close connection with strategic partners in the operation, especially the strong commitment of sponsors and cooperation of universities and research institutes. Science and technology, established in technical universities, technology centres, high-tech zones eight or near where technical support resources are available. And supervised and run by experts with experience in developing technology businesses, often providing professional technical services and specialized equipment, laboratories... Technology incubation centres This helps companies grow their businesses and launch technology-based products. This CBICB incubates the creation of new technologies or technological know-how that are feasible, competitive enough in the market when manufactured and capable of commercialization.

## **2. Research method and scope**

Secondary data for the study were collected from the General Statistics Office's annual report, according to the Ministry of Science and Technology of Vietnam. Decision No. 844/QD-TTg, dated May 18, 2016, approving the project to support the national innovation startup ecosystem

up to 2025, scientific reports on previous research works on CBICB, documents published in magazines, publications ...

For primary data, the author surveyed 246 survey samples from experts, businesses and schools across the country, focusing on three factors affecting CBICB: Labor size, Produced Products and Profit Rate. The author used the 5-point Likert scale for this study with an increased rating from very dissatisfied to very satisfied. After the survey, all data was cleaned and entered into excel software to perform the analysis.

### 3. Research results

Research results show that many CBICB indicators in Vietnam are low and need to be overcome shortly.

#### The situation of development and incubation of innovative start-ups

*For the cause of the Labor Size index*

**Table 1: Evaluation of the causes of the Labor Size index**

*Unit: point*

<i>Causes</i>		<i>Total sample( n = 246)</i>	<i>Experts(n=29)</i>	<i>Enterprise (n =79)</i>	<i>Schools(n=138)</i>
QM1	Does the employee meet the health requirements of the enterprise;	<b>4,19</b>	4,49	4,12	3,95
QM2	Does the labourer meet the needs of skills and working qualifications of the enterprise	<b>3,39</b>	3,22	3,63	3,33
QM3	Does the training institution satisfy the needs of the enterprise	<b>2,66</b>	2,98	2,26	2,74
QM4	Is the quality of the labour profession suitable for the enterprise;	<b>2,86</b>	2,32	3,24	3,03
QM5	Enterprises have difficulties when recruiting workers	<b>3,00</b>	2,68	3,13	3,18
QM6	The labour market at the grassroots is abundant	<b>3,15</b>	2,68	3,25	3,51
QM7	The government can promptly intervene when there is a dispute between employees and enterprises.	<b>3,14</b>	2,68	3,25	3,49
<b>Medium score</b>		<b>3,20</b>	<b>3,01</b>	<b>3,27</b>	<b>3,32</b>

*Source: Survey data processing results, 2021*

*Notes: 1.00-1.80: significant cause; 1.81-2.60: important cause; 2.61-3.40: there is a cause; 3.41-4.20: cause is not important; 4.21-5.00: not a cause.*

The difference in evaluation between the groups of people surveyed was confirmed when using the analysis of variance (ANOVA) tool at the significance level of 5%, showing that at this indicator, the affected cause lies in the fact that Most experts and schools think that these reasons are "important" such as enterprises have difficulty in recruiting workers; The local labour market is abundant. But entrepreneurs believe it is only "cause" that most current labourers can meet the needs of enterprises operating in Vietnam. However, there are two factors that all three groups consider as the cause: Does the training institution satisfy the enterprise's requirements, and is the quality of the labour profession suitable to the enterprise? This is part of why in the management of establishments, when they have not met successfully and adequately in direction to satisfy the needs of enterprises in the long run, enterprises need high-quality labour resources.

*For the causes affecting the index of manufactured products:*

The results of the survey of experts, businesses and schools in the country working and operating in the country on the causes affecting the products of business incubation and start-up are shown in Table 2, showing the average score. Overall, 3.04 points, the conclusion is "There are causes", which means that the criteria the author gives to ask about the reason for the low rating of this index are that there is an agreement with the questioner and the respondents agree. Believe that these are the causes leading to the influence of the development of business incubators and innovative start-ups in Vietnam in 2018-2021. 4/8 indicators are rated as "non-important causes", namely the following criteria: Products attract orders (2.67 points); Product quality (3.16 points); Product sales channel (3.19 points); There are product links with other products (3.35 points).

It can be said that it is challenging to reach organizations that need to research products and plans of businesses as well as schools that also affect the operation of companies, such as: For businesses Tax notices or conclusions of environmental inspections...It is the student's exam, study plan, and other activities for schools.

**Table 2: Assessment of causes and effects on manufactured products**

*Unit: point*

<i>Causes</i>	<i>Total sample (n = 246)</i>	<i>Experts (n=29)</i>	<i>Enterprise (n =79)</i>	<i>Schools (n=138)</i>
SP1: Products with high applicability;	<b>3,95</b>	4,32	3.01	4.52
SP2: Products that attract orders;	<b>2,76</b>	2,82	2,59	2,86
SP3: Product quality;	<b>3,16</b>	3,31	2,99	3,19
SP4: Price of the product;	<b>3,63</b>	4.30	3,26	3,35
SP5: Guaranteed product input	<b>3,45</b>	3.48	3.12	3.75
SP6: Product is registered;	<b>3,50</b>	3,41	3,44	3,64
SP7: Product sales channel;	<b>3,19</b>	3,03	3,08	3,46
SP8: There is a product associated with another product.	<b>3,35</b>	3,60	3,25	3,21
<b>Điểm trung bình</b>	<b>3,35</b>	<b>3,58</b>	<b>3,04</b>	<b>3,43</b>

*Source: Survey data processing results, 2021*

*Notes: 1.00-1.80: significant cause; 1.81-2.60: important cause; 2.61-3.40: there is a cause; 3.41-4.20: cause is not important; 4.21-5.00: not a cause.*

Đối với nguyên nhân ảnh hưởng đến chỉ số tỷ suất lợi nhuận

There are 11 criteria the author gave to ask about the reasons for assessing the affected profit ratio index, which agrees with the questioner, and the respondents think that these are the reasons leading to the assessment. This index is low at present. Specifically, businesses and schools in the evaluation of affected causes showed that none of the indicators had an assessment score of "Unimportant cause" or "Not a cause"; the average score of the profitability index is meagre (2.68 points - there is a cause and can be considered as an important cause), no factor is given a score of 3.40 points or more. 02 indicators are evaluated as very low and are "Very important cause" and "Important", which are:

- + Material rotation cycle, Material circulation cycle in work-in-progress (TN9, TN10 with scores of 2.18 and 2.25 points)
- + Production capacity of a fixed capital; Labor productivity; (TN5; TNT2: 2.60 points)

The average score of only 2.68 points of profit. It can be said that this is the reason why the innovation startup incubator has been slow to develop during the past five years. Specifically, it is described in Table 3 as follows:

**Table 3: Evaluation of causes affecting profit margin**

*Unit: point*

<i>Causes</i>	<i>Total sample (n = 246)</i>	<i>Experts (n=29)</i>	<i>Enterprise (n =79)</i>	<i>Schools (n=138)</i>
TN1: Average profitability of an employee;	<b>2,82</b>	2,38	3,12	2,96
TN2: Labor productivity;	<b>2,63</b>	2,39	2,72	2,79
TN3: Salary performance;	<b>2,91</b>	2,78	3,20	2,74
TN4: Return rate of 1 VND of fixed capital;	<b>2,82</b>	3,24	2,57	2,65
TN5: Production capacity of fixed capital;	<b>2,60</b>	2,39	2,72	2,70
TN6: Factor of the utilization of machinery and equipment capacity;	<b>2,86</b>	2,84	2,89	2,86
TN7: Return on 1 VND of working capital;	<b>2,81</b>	2,62	3,09	2,72
TN8: Working capital turnover;	<b>2,83</b>	2,84	2,80	2,86
TN9: NVL rotation;	<b>2,18</b>	2,37	1,98	2,18
TN10: NVL cycle in work-in-progress;	<b>2,25</b>	2,57	2,08	2,10
TN11: Rate of return on invested capital.	<b>2,79</b>	2,84	2,80	2,73
<b>Điểm trung bình</b>	<b>2,68</b>	<b>2,66</b>	<b>2,72</b>	<b>2,66</b>

*Source: Survey data processing results, 2021*

*Notes: 1.00-1.80: significant cause; 1.81-2.60: important cause; 2.61-3.40: there is a cause; 3.41-4.20: cause is not important; 4.21-5.00: not a cause.*

Why is it so low? Most businesses and schools assess that they need stable and quality raw materials input. Still, they need a connection channel to study together in the chain from production to consumption. Letting fixed assets be used without being wasted, thus increasing the efficiency of using fixed assets. When asked about businesses and schools, the machines and equipment can only use 52% of their capacity; The lack of working capital has no source to research and buy fixed assets for research. Thus affecting the products and profitability of workers. This is the cause for the lack of enthusiasm for scientific analysis of enterprises and students studying at universities. Therefore, it is necessary to immediately overcome those shortcomings so that businesses and schools have confidence and are the driving force for developing innovative start-up business incubators.

#### **4. Some suggestions and recommendations**

*For Labor Size*

+ Does the training institution satisfy the requirements of enterprises: Within the framework of Project 844 and Project 1665, the Ministry of Science and Technology has coordinated with the Ministry of Education and Training to launch the training program on startups. Innovation into core or extracurricular subjects in Universities and Colleges. Currently, more than 40 educational and training institutions have formed a model of clubs and innovation support centres. The proportion of schools with subjects on entrepreneurship and innovation accounts for about 7-8%. In addition, the Ministry of Science and Technology has assigned several schools (High-Tech Vocational College, Hue Industrial College, Central College of Industry and Trade) to complete textbooks and documents and provide some activities to support startups and innovation in the system of vocational education institutions.

The training task is specific and assigned to 26 implementing units. The number of new units participating in the study increases each year, with 14 implementing units being universities concentrated in Ha Noi, Noi, Ho Chi Minh City and some central provinces/cities; 06 state-owned units (Vietnam Youth Union, Center for Training and Support for Technology Market Development, General Service Center – Management Board of Hoa Lac Industrial Zone, Center for Application science and technology information and applications - Phu Tho Department of Science and Technology,...); the remaining units are incubators, business promotion organizations, and other support organizations for innovative start-ups.

+ Labor quality, Labor market... in 2022, support to organize training courses on innovation startups for more than 23,000 people in the startup ecosystem. Which group of individuals and startups accounted for 36% of the total training courses; the force of local managers, socio-political organizations, educational institutions, and incubators accounted for 30% of the full training courses; The rest is a team of coaches and mentors for innovative startups. These activities have contributed to capacity building, connecting expert networks with organizations supporting innovation startups, and supporting local officials in advising and promulgating supporting mechanisms and policies. Timely innovation startups.

#### *For product manufacturing*

Research results show that the product is not high due to the lack of investment capital for research and production, which needs more support and attention from the government, specifically:

Resolution 05 - NQ/TW dated November 1, 2016, on several significant undertakings and policies to continue renewing the growth model, improving growth quality, labour productivity and competitiveness of the economy. The economy has set a view of restoring the growth model

in the direction of focusing and increasingly relying on factors promoting labour productivity and effective use of resources, especially promoting patriotism, pride, national pride, the creativity of Vietnamese people and scientific and technological achievements of humanity, all potentials and advantages of industries, fields, localities and the whole country. They are exploiting and maximizing internal resources combined with attracting and effectively using external forces. At the same time, the growth model innovation is closely linked with implementing three strategic breakthroughs. One of the priorities focuses on improving an attractive and favourable business investment environment for startups and innovation and creating, researching and applying science and technology, improving the quality of human resources, and using talents.

Resolution 27/NQ-CP is promulgating the Government's action plan to implement Resolution No. 05-NQ/TW dated November 1, 2016, assigning the Ministry of Science and Technology to develop an innovative startup ecosystem, promoting the image To become a force of innovative startups with high growth potential, products and services aimed at exporting to international markets.

Activities are generally carried out in high quantity and quality, thereby helping innovative startups and components in the innovative startup ecosystem to be more closely connected, specifically including includes several operational features such as knowledge and skills training for founders of innovative startups, organization of mentoring activities, organization of events to connect the domestic market and international, organize fundraising sessions and connect with investors, join 1-to-1 consultants to perfect products and technologies. In addition to activities in the business promotion program, the above organizations are also the focal points to support the provision of services for quality innovation startups in the regions concerning legal, intellectual property, intelligence, finance, accounting, etc.

Some outstanding results can be mentioned as BSSC successfully organized the Startup Day event and put into operation the Exchange and Startup Investment Exchange, gathering more than 200 startup models with the same investment amount; transactions and support are converted to more than 37 billion VND. The Center for Business Research and Start-up Support (BSA) has supported startups calling for investment capital of about 8 billion VND. In the Song Han Incubator incubation program, Liberty enterprise successfully raised 110,000 USD from Shark Nguyen Manh Dung on the agenda of Billionaire Trade season 3 (Shark Tank). In addition, Vietnam Silicon Valley Accelerator has also invested US\$1 million in CoXplore and successfully incubated an innovative startup business in the food sector, Lozi, to help this business raise capital successfully. With a deal of up to 8 figures, equivalent to a minimum of 10 million USD. It can be seen that through the support activities of Project 844, incubation



programs and business promotion organizations have gradually improved and expanded their operating models, becoming a reliable address for supporting businesses. Supporting innovative startups to have significant progress, successfully raise capital and aim to expand the market to the region and the world.

In addition, Circular 45/2019/BTC was issued, creating a financial mechanism for localities to use their budget to spend on science and technology development investment to build startup support service centres. Innovate, and use the funding for science and technology to carry out the first repair and installation of information technology infrastructure in case the premises and infrastructure for the centres are already available. Center, service area to support innovation and startup. In addition, the Circular also stipulates financial support for consulting the establishment of science and technology business incubators and setting up facilities and focal points for incubating technology and science and technology enterprises. Thereby helping localities that still have difficulties in supporting innovative startups to form and develop intermediary organizations to support innovative startups, which is an essential driving force to promote innovation. Local innovation startup ecosystem.

*For increasing profit margins and corporate profits*

To develop the innovative startup business incubator, it is necessary to create and complete mechanisms and policies to support the incubation of innovative startups:

Resolution No. 10-NQ/TW, dated June 3, 2017, on developing the private economy to become an essential driving force of the socialist-oriented market economy, which directs the removal of all barriers. , prejudice, create all favourable conditions for healthy and right-directed private economic development, and focus on promoting the startup and innovation movement, improving the operational efficiency of small businesses. and medium, which sets out the task of completing and ensuring transparent and effective implementation of policies to support the development of the startup and innovation movement.

Resolution No. 11-NQ-TW, dated June 3, 2017, on perfecting the institution of a socialist-oriented market economy, directing the completion of relevant regulations to encourage and create the most favourable conditions for business activities. Startup startup.

Directive 16/CT-TTG, dated May 4, 2017, of the Prime Minister on strengthening the capacity to access the 4th industrial revolution, which sets out solutions to focus on promoting the innovative startup ecosystem. Country towards building specific and appropriate mechanisms and policies to develop innovative startups vigorously.

Resolution 23-NQ/TW dated March 22, 2019, on orientations for building national industrial development policies to 2030, with a vision to 2045, directing the development of breakthrough policies to create a startup environment in the country. The industrial sector synchronously and drastically implements national innovation and startup support programs, especially innovative startups.

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