

INNOVATION
ECOSYSTEM
SNAPSHOT



Yangon



Berlin



with special
focus on
Shan State

Innovation is not limited to solely the digitization of IT-related fields, but instead can occur in various sectors and verticals without necessarily having the support of digital technologies.

There are various takeaways from this snapshot, depending on your interests in the Myanmar entrepreneurial and innovation ecosystem you may use this snapshot:

- To identify different types of innovations and significant stakeholders within the innovation ecosystem in Myanmar.
- To distinguish between Shan-based vs. Yangon-based start-ups and enterprises which are seeking either to launch or to scale-up within the Shan State with particular sector focus in tourism, agriculture, and agro-processing.
- As a tool to gather information about existing innovation ecosystem actors in Myanmar, particularly in Yangon and Mandalay, that could support such start-ups, enterprises or innovations.
- As a platform to connect important players in innovation ecosystem to each other to create synergies.

The data for this snapshot was gathered by Emilie Röell and Frank Waeltring through extensive surveys and desk research. That work is primarily intended for GIZ Myanmar's Private Sector Development Phase 3. Impact Hub Yangon curated the necessary information from the original report to make it publicly available.

Key Takeaways and aims of this snapshot

Understanding the entire innovation ecosystem in Myanmar, including its active actors, is vital to promote innovation strategically and effectively.

Collaboration between stakeholder groups, mainly start-ups and other facilitators/intermediaries, will foster more innovation to occur within existing businesses in Myanmar

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| | | |
|-----|--------------------------------------|----|
| 1. | Overview of Myanmar | 4 |
| 2. | Overview of the Shan State | 5 |
| 3. | Innovation Ecosystem | 6 |
| 4. | Types of Innovation | 7 |
| 5. | Start-ups & Enterprises | 8 |
| 6. | Incubators & Accelerators | 10 |
| 7. | Finance Providers | 12 |
| 8. | Market Facilitators & Intermediaries | 14 |
| 9. | Academic Institutions | 16 |
| 10. | Stakeholder Mapping | 17 |
| 11. | Conclusion & Recommendations | 18 |
| 12. | Organization Index | 20 |



Since 2011, Myanmar has become an attractive place for international businesses, donor organisations as well as private and public enterprises. The capital city of Myanmar shifted to Naypyidaw in 2005, however, Yangon remains the largest city and is comprised of the country's main industrial, financial, and service sectors. Yangon is a dynamic city where local private sector innovation is starting to emerge as larger national and international enterprises enter the market. Most of the leading donor organisations, international NGOs and business support organisations that are active in promoting innovation are based in Yangon and more continue to enter the market.

TOTAL
POPULATION IN
MYANMAR

54

million

NUMBER OF
SUPPORT
ORGANIZATIONS
IN MYANMAR

139

organizations

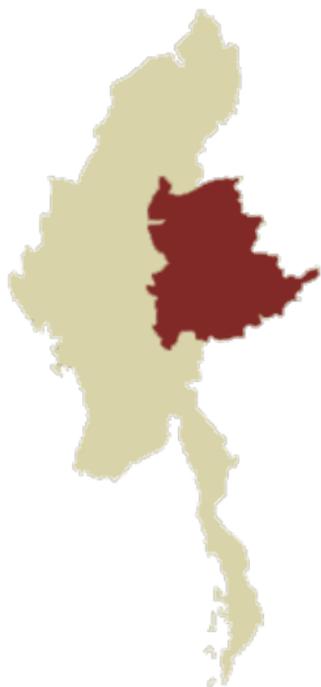
INNOVATION
RELATED
ACTIVITIES
IN MYANMAR

145*

programs

As of December 2018, there are 139 organisations and 145 programs currently running in Myanmar. Agriculture emerged as a key target sector for organizations active in entrepreneurship with 53 of the organisations or 37% operating in this area. In contrast, the tourism sector is comprised of 26 organisations or 19%.

* numbers of programs delivered in Myanmar during 2018



The Shan State is Myanmar's largest state and its most important economic sector is agriculture. However, agriculture in the Shan State remains relatively rudimentary and remains limited in its total production capacity potential. Taunggyi is an important commercial and trading hub, as it's located relatively close to China and Thailand borders. The Shan State is also one of the most famous tourism destinations and for these reasons the tourism sector in Shan quickly developing. Community-based tourism and eco-tourism are gaining popularity among travelers and tour operators.

TOTAL
POPULATION IN
THE SHAN STATE

5.8

million

NUMBER OF
SUPPORT
ORGANIZATIONS
IN THE SHAN
STATE

17

organizations

INNOVATION-
RELATED
ACTIVITIES
IN THE SHAN
STATE

37*

programs

The number of organisations providing support to small and growing businesses in the Shan State is significant. After Yangon and Mandalay, it is ranked third in the country, for most active organisations supporting small and growing businesses.

* numbers of programs delivered in Shan State during 2018

Innovation is a process in which the creation, diffusion, and transformation of concepts, knowledge and ideas produces new or improved products, services, processes or business models.



Fig. Typical actors in an innovation ecosystem

For innovation to occur, generally an “ecosystem” is required consisting of the following actors or elements reinforcing and supporting each other.

1. A vibrant and diverse enterprise base searching for knowledge and innovation opportunities.
2. Presence of a variety of business service organisations such as incubators and accelerators as well as training providers, associations and networks, which provide services and support that foster MSMEs and start-ups to realise new ideas and products.
3. Access to grants, credit, venture capital and other sources of funding, opening doors for further investments in technology, people, and idea realisation.
4. Talented and skillful people who have a specific background and drive to realize new ideas.
5. Committed policy makers and regulators who provide a thriving business and social environment, and who support and enable the emergence of a vibrant, innovative ecosystem.

Note this snapshot only covers actors in items 1–4.

| | | |
|--|--|---|
|  <p>PRODUCT INNOVATION</p> | <p>The development and market introduction of a new, redesigned or substantially improved good or service.</p> | <ul style="list-style-type: none"> • Value-added food processing • Community based tourism |
|  <p>PROCESS INNOVATION</p> | <p>The implementation of a new or significantly improved production or delivery method.</p> | <ul style="list-style-type: none"> • Smart farming technologies • Online tourism booking platform |
|  <p>BUSINESS MODEL INNOVATION</p> | <p>The conscious change of an existing business model or the creation of a new business model that better satisfies the needs of the customer than existing business models.</p> | <ul style="list-style-type: none"> • Farm-to-door delivery • Homestay booking platform |
|  <p>SOCIAL INNOVATION</p> | <p>A novel solution to a social problem that is more effective, efficient, sustainable than present solutions and for which the value created primarily to society, rather than private individuals.</p> | <ul style="list-style-type: none"> • Capacity building program • Community vocational training center |
|  <p>NETWORK INNOVATION</p> | <p>A process in which multiple players (within and outside an organization) contribute towards creating and developing new products, services, policies, processes, or business solutions.</p> | <ul style="list-style-type: none"> • Networking event • Business matching opportunity |
|  <p>ORGANIZATIONAL INNOVATION</p> | <p>The implementation of a new organisational method to undertake business practices.</p> | <ul style="list-style-type: none"> • Productive business tech platform • Corporate innovation program |

Reference:

1. www.businessdictionary.com
2. www.lead-innovation.com
3. www.wikipedia.org
4. www.global-innovation.net
5. www.researchgate.net
6. www.innovision.com

This is an overview of key start-ups & enterprises based in the Shan State, Yangon or Mandalay, who are currently operating, wanting to, or able to work in the agriculture or tourism sectors in the Shan State. While these start-ups and enterprises mentioned below are diverse, they represent various types of business facing different innovation challenges and opportunities.

| BUSINESS NAME | SECTOR | AREA OF INNOVATION |
|-----------------------------------|-------------|--------------------|
| S Bamboo Bicycle Tour | Tourism | |
| S Inle Heritage Foundation | Tourism | |
| S Inle Horse Club | Tourism | |
| S In Devi Boat Service | Tourism | |
| M Marter Solutions | Tourism | |
| S Ride Behind Kalaw | Tourism | |
| S Whispering Seeds | Tourism | |
| S Fresco | Agriculture | |
| Y Greenovator | Agriculture | |
| Y Htwet Toe | Agriculture | |

TYPES OF INNOVATION
 PRODUCT PROCESS BUSINESS MODEL SOCIAL NETWORK ORGANIZATIONAL

HEADQUARTER LOCATION
 YANGON MANDALAY SHAN STATE

| BUSINESS NAME | SECTOR | AREA OF INNOVATION |
|-------------------------------|-------------|--------------------|
| Impact Terra | Agriculture | |
| Koe Koe Tech | Agriculture | |
| Natural Farm Fresh Myanmar | Agriculture | |
| NEED Myanmar | Agriculture | |
| Proximity Design | Agriculture | |
| Sunflower Organic Dye & Craft | Agriculture | |
| Tun Yat | Agriculture | |

TYPES OF INNOVATION



PRODUCT



PROCESS



BUSINESS MODEL



SOCIAL



NETWORK



ORGANIZATIONAL

HEADQUARTER LOCATION



YANGON



MANDALAY



SHAN STATE

Incubators & accelerators play an important role in an innovation ecosystem as they provide support to start-ups and growing enterprises. Some of the offered support includes providing a physical working space, access to networks of mentors/business advisors or professional soft skills training. These incubators and accelerators accept different numbers of start-ups & enterprises (generally between 5-20 per program) and each has a varying area of sector focus and growth stage of their participating enterprises.

| STAGE OF SUPPORT | SECTOR FOCUS: TECH TOURISM ALL | | | |
|---------------------------------------|-----------------------------------|-------|--------|--------|
| IDEA | STARTUP | EARLY | GROWTH | MATURE |
| Impact Hub Yangon | | | | |
| Kanaung Hub | | | | |
| Micro Empire | | | | |
| Mekong Innovative Startups in Tourism | | | | |
| One to Watch | | | | |
| Opportunities Now | | | | |
| Phandeeyar | | | | |

STAGE OF SUPPORT

SECTOR FOCUS:



TECH



TOURISM

∞ ALL



IDEA



STARTUP



EARLY



GROWTH



MATURE

Rockstart Impact



Seedspace Yangon



UMG Idea Lab



Finance providers are also an important stakeholder in the innovation ecosystem as they provide financial capital to start-ups and enterprises which enables them to implement and scale their innovative business ideas. There are two main types of finance providers in the start-up ecosystem. First, is private equity and venture capitalists who provide funding in return for a certain percentage of ownership in the company, or equity. Another type of finance provider is international donor organizations. These provide funding as a grant to start-ups and enterprises which are actively shaping the development of community and economy through their socially sustainable business models. Each finance provider has different stages of support depending on the growth stage of the start-up or enterprise.

| STAGE OF SUPPORT | | INVESTMENT TYPES: EQUITY GRANT | | | |
|---|---------|----------------------------------|--------|--------|--|
| IDEA | STARTUP | EARLY | GROWTH | MATURE | |
| Anthem Asia \$25K - \$1M | | | | | |
| Ascent Capital \$5M - \$10M | | | | | |
| Business Innovation Facility Unknown | | | | | |
| Dana Facility Unknown | | | | | |
| Delta Capital \$5M - \$15M | | | | | |
| Emerging Market Entrepreneurs \$50K - \$200K | | | | | |

STAGE OF SUPPORT

INVESTMENT TYPES:



EQUITY



GRANT



IDEA



STARTUP



EARLY



GROWTH



MATURE

Insitor \$250K & Above



Myanmar Investments \$5M - \$25M



Responsible Business Funds Unknown



Seeds Myanmar \$50K - \$250K



Winrock International Unknown



Market facilitators and intermediaries play a vital role in both the national-level and regional-level innovation ecosystems, especially in regards to innovation policy and advocacy. Their main role is to connect organisations within an innovation ecosystem and facilitate the transfer of ideas, technology, and other resources to foster the eventual commercialisation of those innovations and encourage scalability.

| ORGANIZATION NAME | ORGANIZATION TYPE | AREA OF INNOVATION |
|--|----------------------|---|
| Agri Pro Focus  | Capacity Builder |  |
| Agriterra  | Capacity Builder |  |
| ALiSEA  <small>Agro-ecological Learning Alliance in South East Asia</small> | Capacity Builder |  |
| ANDE  <small>Aspen Network of Development Entrepreneurs</small> | Capacity Builder |  |
| AVPN  <small>Asian Venture Philanthropy Network</small> | Network Organization |  |
| BoP Innovation Centre  | Research Institution |  |
| British Council  | Capacity Builder |  |
| Building Markets  | Capacity Builder |  |
| EDNA Myanmar  <small>Entrepreneurship Development Network Asia Myanmar</small> | Capacity Builder |  |
| GIZ 4 BUSINESS     | Capacity Builder |  |

TYPES OF INNOVATION



PRODUCT



PROCESS



BUSINESS MODEL



SOCIAL



NETWORK



ORGANIZATIONAL

SECTOR FOCUS



AGRICULTURE



HOSPITALITY



TECH



TOURISM



ALL

| ORGANIZATION NAME | ORGANIZATION TYPE | AREA OF INNOVATION |
|---|----------------------|---|
| Grow Asia  | Capacity Builder |  |
| MCEA  Myanmar Computer Enthusiast Association | Network Organization |  |
| MCIA  Myanmar Computer Industrial Association | Network Organization |  |
| MEDA  Mennonite Economic Development Associates | Capacity Builder |  |
| UMFCCI  Union of Myanmar Federation of Chamber of Commerce & Industry | Network Organization |  |
| MYEA  Myanmar Young Entrepreneurs Association | Network Organization |  |
| Pact  | Capacity Builder |  |
| Partnership for Change  | Capacity Builder |  |
| Tag International  | Capacity Builder |  |
| Thura Swiss  | Research Institution |  |

TYPES OF INNOVATION

 PRODUCT
  PROCESS
  BUSINESS MODEL
  SOCIAL
  NETWORK
  ORGANIZATIONAL

SECTOR FOCUS

 AGRICULTURE
  HOSPITALITY
  TECH
  TOURISM
  ALL

Academic institutions are crucial for innovation due to their role in providing knowledge, building capacity and supplying technical skills for the next generation of entrepreneurs who will become the future innovators and inventors of Myanmar.

| ACADEMIA NAME | ORGANIZATION TYPE | LEARNING FOCUS |
|---|--------------------------|---|
|  Crescendo | Training Institution |   |
|  Government Universities | Educational Institution |  |
|  MESI Taunggyi | Training Institution |   |
|  Millenium Centre | Youth Development Centre |   |
|  Shin Saw Pu Business School | Training Institution |  |
|  Thitsa Institute | Training Institution |  |

LEARNING FOCUS



AGRICULTURE



BUSINESS



ENVIRONMENT



LEADERSHIP



TECH

HEADQUARTER LOCATION



YANGON

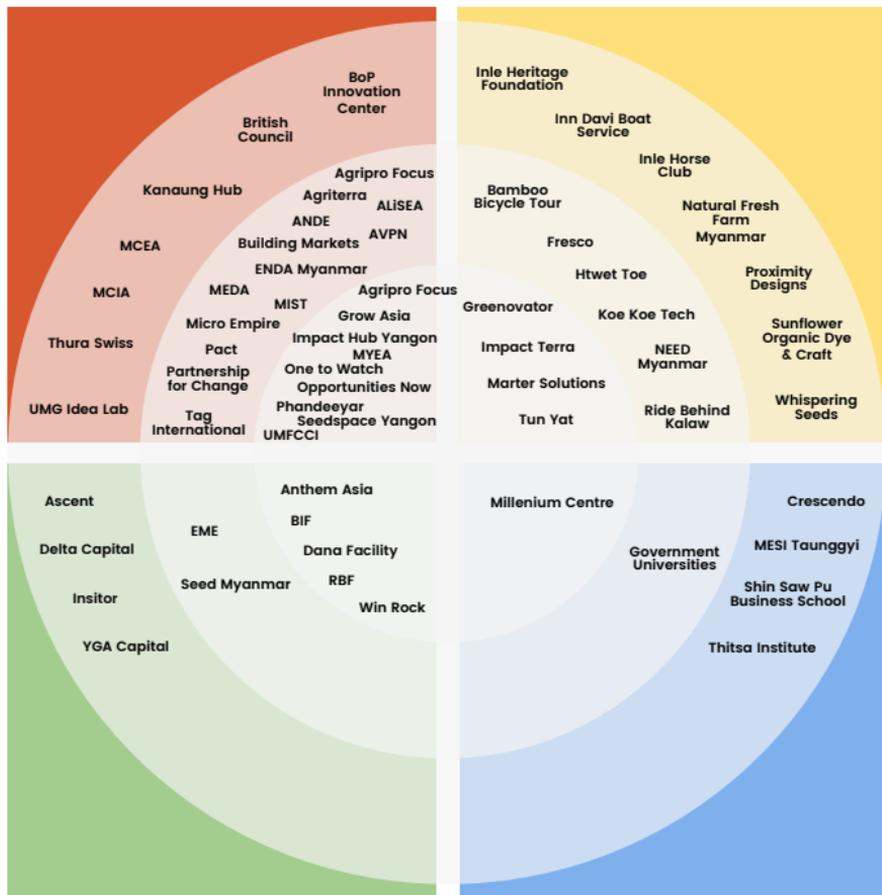


MANDALAY



SHAN STATE

This mapping summarises the key innovation ecosystem actors in Yangon, Mandalay and the Shan State that concentrate on, or include the agricultural and tourism sectors.



INCUBATOR, ACCELERATORS & BUSINESS SERVICE ORGANIZATIONS

START-UPS & ENTERPRISES

FINANCE PROVIDERS

ACADEMIC INSTITUTIONS

STAKEHOLDER TYPE

CORE

DIRECT

INDIRECT

In summary, the existence and growth of an innovation ecosystem in Myanmar has been identified and we have the following overall impressions:

In Yangon, an innovation and entrepreneurship ecosystem has emerged. There is a young, but growing start-up scene and a network of supporting organisations and donors that are partly working already in a cooperative and network-driven way. Although the ecosystem is in its infancy, joint discussions between various stakeholder groups are already occurring. Additionally, lessons learned are being drawn from effective instruments and services such as training, consulting services, and acceleration, as well as linkages to finance providers within the ecosystem in Yangon. It also became apparent that regionally speaking, the Yangon innovation ecosystem does not stretch far beyond the city.

The innovation ecosystem is noticeably different in the Shan State. While there are several stakeholders including start-ups and enterprises in this region, there is not a developed network and ecosystem of facilitators and supporters to ignite true innovation. Therefore, cross-regional exchange and support would greatly improve the Shan State innovation ecosystem.

There are three key ways in which stakeholders in Yangon could facilitate and support with innovation activities in the Shan State:

There are several innovation stakeholders (businesses, hubs, service and knowledge providers, support organisations) that are interested to start or undertake more activities in the Shan State. They are interested in cooperating with other stakeholders to initiate concrete pilot activities. Their expertise and experiences can greatly strengthen innovation orientation within the Shan State.

There are several general business training service providers that could tailor specific programs around agriculture, tourism, and innovation-related sectors to aid in capacity building in the Shan State.

Donor organisations with a strong agricultural or tourism focus should pivot towards more innovation specialized activities. Some are already doing this, however the activities are primarily focused on the improvement of basic farming procedures or on standing process training. Since some donor organisations already operate in the Shan State and have existing relationships with local businesses, they could easily promote innovation for those particular groups in the near future.

Overall recommendations for Innovation Ecosystem Actors

- ✓ Engage local start-ups & enterprises to promote innovation activities in the Shan State.
- ✓ Incubators, accelerators, and other business service organisations should host events and workshops with training activities focused on innovation ideally inviting external stakeholders from outside the Shan State to participate.
- ✓ Training institutions should focus on teaching basic business skills such as business strategy and financial management to support the scale-up of the Shan State-based businesses and to prepare others for incubation and accelerator programs.
- ✓ Implement digital solutions in agriculture and tourism sectors to promote process innovation and provide necessary capacity training.
- ✓ Strengthen national and international activities by engaging businesses from regional countries to present their best practices, goods/services, and business models as part of an innovation exchange program.

| ACTOR NAME | ACTOR TYPE | WEB ADDRESS |
|-------------------------------|---------------------------|--|
| Bamboo Bicycle Tour | Start-up & Enterprise | www.bamboobikemyanmar.com |
| Fresco | Start-up & Enterprise | www.frescomyanmar.com |
| Greenovator | Start-up & Enterprise | www.mmgreenovator.com |
| Htwet Toe | Start-up & Enterprise | www.htwettoe.com |
| Impact Terra | Start-up & Enterprise | www.impactterra.com |
| Inle Heritage Foundation | Start-up & Enterprise | www.inleheritage.org |
| Inle Horse Club | Start-up & Enterprise | www.inlehorseclub.com |
| In Devi Boat Service | Start-up & Enterprise | www.inlelakeboats.com |
| Koe Koe Tech | Start-up & Enterprise | www.koekoetech.com |
| Marter Solutions | Start-up & Enterprise | www.martersolutions.com |
| Natural Farm Fresh Myanmar Co | Start-up & Enterprise | www.naturalfarmfreshmyanmar.com |
| NEED Myanmar | Start-up & Enterprise | www.need-myanmar.org |
| Proximity | Start-up & Enterprise | www.proximitydesigns.org |
| Ride Behind Kalaw | Start-up & Enterprise | www.ridebehindkalaw.com |
| Sunflower Organic Dye & Craft | Start-up & Enterprise | www.sunflowersgroup.org |
| Tunyat | Start-up & Enterprise | www.tunyat.com |
| Whispering Seed | Start-up & Enterprise | www.whisperingseed.org |
| Impact Hub Yangon | Incubators & Accelerators | www.impacthubyangon.net |
| Kanaung Hub | Incubators & Accelerators | www.kanaunghub.com |
| Micro Empire | Incubators & Accelerators | www.myanmarbusinessanswers.com |
| MIST | Incubators & Accelerators | www.mist.asia |
| One To Watch | Incubators & Accelerators | www.onetowatch.nl |
| Opportunities Now | Incubators & Accelerators | www.onow.org |

| ACTOR NAME | ACTOR TYPE | WEB ADDRESS |
|-------------------------------|-----------------------------------|--|
| Phandeeяр | Incubator & Accelerator | www.phandeeяр.org |
| Rockstart Impact | Incubator & Accelerator | www.rockstart.com |
| Seed Space | Incubator & Accelerator | www.seedspace.co |
| UMG Idea Lab | Incubator & Accelerator | www.umgidealab.com |
| Anthem Asia | Financial Provider | www.anthemasia.com |
| Ascent Capital | Financial Provider | www.ascentcapital.in |
| Business Innovation Facility | Financial Provider | www.bifprogramme.org |
| Dana Facility | Financial Provider | www.danafacility.com |
| Delta Capital | Financial Provider | www.detalcapital.com |
| Emerging Market Entrepreneurs | Financial Provider | www.eme.asia |
| Insitor | Financial Provider | www.insitorpartners.com |
| Myanmar Investments | Financial Provider | www.myanmarinvestments.com |
| Responsible Business Fund | Financial Provider | www.rbfmyanmar.com |
| Seed Myanmar | Financial Provider | www.seedmyanmar.com |
| Win Rock | Financial Provider | www.winrock.org |
| Agri Pro Focus | Market Facilitator & Intermediary | www.agriprofocus.com |
| Agriterra | Market Facilitator & Intermediary | www.agriterra.org |
| ALISEA | Market Facilitator & Intermediary | www.ali-sea.org |
| ANDE | Market Facilitator & Intermediary | www.andeglobal.org |
| AVPN | Market Facilitator & Intermediary | www.avpn.asia |
| BoP Innovation Center | Market Facilitator & Intermediary | www.bopinc.org |
| British Council | Market Facilitator & Intermediary | www.britishcouncil.org.mm |
| Building Markets | Market Facilitator & Intermediary | www.buildingmarkets.org |

| ACTOR NAME | ACTOR TYPE | WEB ADDRESS |
|-----------------------------|-----------------------------------|--|
| EDNA Myanmar | Market Facilitator & Intermediary | www.ednamyanmar.com |
| GIZ 4 Business | Market Facilitator & Intermediary | www.giz.de |
| Grow Asia | Market Facilitator & Intermediary | www.growasia.org |
| MCEA | Market Facilitator & Intermediary | www.mcea.org.mm |
| MCIA | Market Facilitator & Intermediary | www.mcia.org.mm |
| MEDA | Market Facilitator & Intermediary | www.meda.org |
| UMFCCI | Market Facilitator & Intermediary | www.umfcci.com.mm |
| MYEA | Market Facilitator & Intermediary | www.myea.org.mm |
| PACT | Market Facilitator & Intermediary | www.pactworld.org |
| Partnership for Change | Market Facilitator & Intermediary | www.pfchange.org |
| Tag International | Market Facilitator & Intermediary | www.tagdevelopment.org |
| Thura Swiss | Market Facilitator & Intermediary | www.thuraswiss.com |
| Crescendo | Academic Institution | ----- |
| Government Universities | Academic Institution | ----- |
| MESI Taunggyi | Academic Institution | www.mesi-edu.com |
| Millenium Centre | Academic Institution | www.britishcouncil.org.mm |
| Shin Saw Pu Business School | Academic Institution | www.shinsawpubusinessschool.com |
| Thitsa Institute | Academic Institution | www.thitsauc.com |



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