Software Park and CMM Activities in Thailand

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(Introduction: This article was prepared to present at the SEPG Conference in Bangalore, India, in February 2000. Information related to Software Park and CMM is no longer up-to-date. However, the article might demonstrate a historical view of Software Park and its vision at the time of the writing.)

Software Park Thailand began as part of the National IT Policy for national development proposed by the National Electronics and Computer Technology Center (NECTEC) under the National Science and Technology Development Agency (NSTDA) which received the cabinet approval in May 1997. The economic downturn in the country caused the project to be delayed and changed from its initial proposal with the budget for starting the project granted in August 1998.

Software Park Thailand is geared toward promoting software developers and software business entrepreneurs in the activities of business development, technology transfer, human resource development in terms of professional technical/business training, and most importantly, the establishment of quality spirit among software companies. Examples of software park activities include business matchmaking, linking between venture capital investors and software businesses, business promotion overseas at various software related conferences and exhibitions, virtual software park website (www.swpark.or.th), professional training in various international certification programs, software process improvement activities toward higher level of CMM, etc.

Objectives of Software Park Thailand

Software development activities in Thailand started around 1970 when many computers were purchased for use in the public and private sectors. The official language in the country is Thai which has specific scripts developed about 700 years ago. It is required that all official documents including reports printed by the computers are in Thai. This requirement forces Thai computer professionals to do research on the implementation of Thai script in the computers. Besides, several computer vendors must set up software teams to study techniques of localization as well as development of Thai language implementation in

all software packages. Such necessity results in establishment of many small software companies that produce Thai software packages.

Although there are many software companies in Thailand, these companies suffer much difficulty in conducting business. They either do not have adequate investment for marketing or for recruiting competent staff. Their development knowledge is also limited to techniques practised during the college years. Therefore, to enable these software companies to solve these problems, the National Electronics and Computing Center realizes that it is necessary to start the software park project. It is expected that the software park will be able to help these companies to develop more reliable and quality software. This will result in increasing confidence in Thai software and to eventually reduce the amount of software import.

Objectives of Software Park Thailand as approved by the cabinet are to:

- Become the national cluster for activities related to software production and marketing of software products and services.
- Become a center of excellence for software engineering/ software technical support/ technical consulting/ professional training.
- Raise Thailand's potential as a competitive software producer in the world market.

Collaboration with Private Sectors

From the beginning this project attracts attention of IT firms which see this as a good opportunity to broaden their market base.   Starting with Intel who donated a web server with other equipment for Intel Architecture Laboratory in Software Park IBM, Informix, Microsoft, Novell, Oracle, and Sun Microsystems are some of the larger partners that are now collaborating with Software Park Thailand in various support project including the technology transfer for Thai software personnel. These activities cover software business incubation, training of instructors from local learning institutions, technical/professional seminars such as JavaTech Seminars, programming contests, as well as other efforts to support local software developers.

Software Park Thailand collaborate closely with two major IT associations in Thailand namely, Association of Computer Industry (ATCI) and Association of Thai Software Industry (ATSI) to direct the activities of Software Park to be responsive to the needs of software businesses.

On the intellectual property side, the work with Business Software Alliance (BSA) over the past few years has promoted greater public awareness. The cabinet order requiring all government agencies to use

legal software has prompted greater recognition of IP issue as a major requirement for software industry growth locally.

CMM Initiation

Realizing that software quality is very important for the success of Thai software companies, Software Park Thailand has discussed with CISE to transfer knowledge on CMM implementation to Thailand. An Introduction to CMM seminar was organized and Mr. George Winters came to conduct this first CMM seminar. Later a SPIN group was established to train and find out ways to achieve CMM Level 2 for a group of volunteer companies. Altogether 16 companies join the SPIN group and are in the process of developing processes to comply with all KPA's of Level 2. Software Park Thailand is also in the process of organizing several more introduction seminars for software companies in the country.

It can be said that these companies are eager to improve their performance following the CMM approach. We really see much enthusiasm within several companies joining the SPIN group. And, we hope that CMM will finally raise the quality of software development process in our country. The schedule that we set up to have the first few companies achieve CMM Level 2 is the end of 2000.

Business Promotions

Apart from organizing several business promotion programmes locally, Software Park Thailand also participates and represents Thai software companies at overseas conferences/exhibitions/seminars such as Comdex in USA, SoftWorld in Canada and CeBIT in Germany. Software Park Thailand works closely with the Department of Export Promotions (DEP) and the Board of Investment (BOI) to create a more comprehensive support for software businesses wanting to export as well as those who want to come into the country. Software Park Thailand also collaborate with its counterparts in other countries to promote cross-border business linkages.

BOI privileges are not only for software businesses but also for software park businesses. These rights and benefits apply to companies registered in Thailand with no limit of foreign ownership. Some of the common benefits are: exemption from import duties on machinery and equipment, exemption of corporate income tax for 8 years (extendable at 50% discount for another 5 years), permission to bring in foreign technicians and experts to work, permission to remit foreign currency abroad, etc.

Public Relations

Software Park Thailand continues to distribute information and promotion of its activities via various forms of media coverage. One important product is the "Thailand Official Software Directory 1999-2000" which lists all major software producers and software related companies in Thailand. The information in the virtual software park website (www.swpark.or.th) is also making known the fast growing software activities in Thailand.

Physical Facility

The project is designed to take up to 30,000 sqm. of floor space within 3 years in a modern high-tech building called "Software Park Building" on Jaengwattana Road, 20 minutes from Bangkok downtown via the expressway and 15 minutes from the airport.

Much of the hardware and software provided by many supporters and partners are aimed to facilitate software development activities, and high-end professional training. The building is supplied with high-speed (Gigabit Ethernet) backbone for its internal network system. The Internet connection to the building is provided for by all the major Internet Service Providers in Thailand.

Currently the project occupies 13,000 sqm. of floor space between 3rd and 12th floor.

Floor 3 is designed to be the main training facility with 6 computer-oriented training rooms, 300 seat auditorium, and large exhibition areas.

Floor 4 is the administrative offices and shared facilities for tenants with 4 large meeting rooms, one large 24-hour-air-conditioned server room with UPS, and other technical support facilities.

Floor 5 has half of its space set as "incubation center" for up to 40 small software businesses to take up workstation space which is rented at only 4,000 baht per month. The other half is used as rentable office space for regular software entreprenuers.

Floors 6 –12 are used as rentable space for various software companies.

All together there are 33 companies medium to small in size that have already booked up the space of Software Park Thailand in this initial phase of its operation.