

Indeed, there is a perception that e-platforms are primarily a Stage 1 type of process innovation/efficiency exercise for GTM activities, with far less application in the upstream GTD environment. Consistent with this, most examples of innovation observed were at the Stage 1 level (value enabling). Few examples of Stage 2 (value creating) and Stage 3 (value sustaining) have been seen, except in narrow niches (e.g., Hong Kong (China), Korea, Mexico, Singapore, Chinese Taipei). This may reflect the fact that innovation, in many cases, reflects best practices of a sector being copied, encouraged by benchmarking. In this regard, it has been noted that "...if all firms in an industry are seeking opportunities in the same places, they tend to come up with the same innovations." (Sawhney, 2006).

However certain projects (Project C, Nafinsa) where innovation moved outside "established boundaries" demonstrate the potential for Stage 2 and 3 innovation, if the currently divergent aspects of GTD and GTM could be integrated.

#### Integrating SMEs into GVCs

Some e-platforms (e.g. DTTN, Tradelink, U TradeHub, Kotra) have been successful and embraced by some SME exporters. However, most countries and agencies visited are struggling with their SME constituencies (e.g., the Comet project in New Zealand (Ministry of Economic Development, 2006) and the overall effectiveness of public and private e-platforms as a means to incubate and support the development of new trade (import-export) relationships remains open for discussion. This is largely because the number of participants has been low. The slow pace of adoption is in turn extending the time line for investment to improve the functioning of e-platforms.

There is a clear impression that SMEs are neither the beneficiary of ICT innovations (Stage 2 and 3), nor demand such. The situation can be described as a glass ceiling and floor at the same time. Institutions are able to see through, but neither side appears to have an imperative to push through. There are some claims that medium-sized companies are now being targeted