

October-December 2016

BizQ

A PUBLICATION OF SINGAPORE BUSINESS FEDERATION

HITTING THE TARGET

HOW TO MARKET ON SOCIAL MEDIA

ONE ON ONE

PETER HO

SINGAPORE'S GREAT TECH HOPE

INSIGHT

ACCELERATING SUCCESS

GIVING TECH START-UPS A LEG UP

TRENDS POTTING

NEXT-GEN SPACE

JURONG'S INNOVATIVE FUTURE

IN FOCUS

EMBRACING CHANGE

USING TECHNOLOGY TO STAY RELEVANT





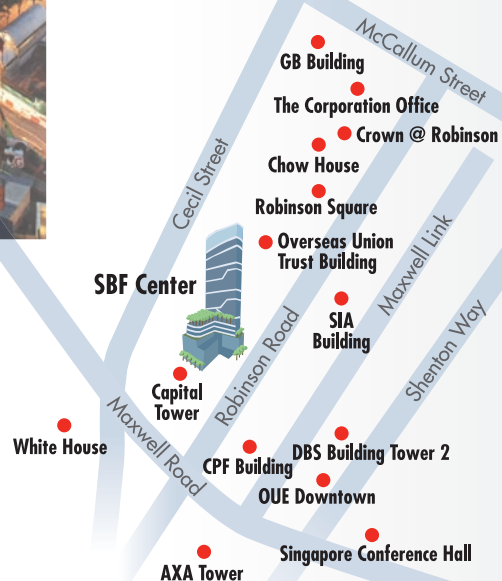
Image of SBF Center courtesy of Far East Organization

SBF Center – Our New Home

From the first quarter of 2017,
we will be operating from SBF Center
at 160 Robinson Road, Level 6.

“We are very grateful to Far East
Organization, developer of SBF Center,
for granting its naming right to SBF”.

SS Teo
SBF Chairman



Welcome

October – December 2016

Remembering S R Nathan & forging ahead

This August, as our nation celebrated its 51st birthday, it was also a sombre time for us as we mourned the passing of former President Mr S R Nathan on 22 August.

Mr Nathan was a champion for businesses by expanding Singapore's international space. He fostered friendly ties with many countries and brought business delegations on his overseas visits. The Singapore Business Federation (SBF) was privileged to have led business missions to Africa and the Middle East as part of Mr Nathan's entourage. Where possible, he also spared no effort in helping remove barriers for Singapore businesses overseas. He will be dearly missed for his contributions and exemplary service to Singapore.

While Mr Nathan's passing made us reflect on Singapore's history, Prime Minister Lee Hsien Loong's National Day Rally speech encouraged us to prepare for the future. He spoke on a broad range of topics, including disruption being the defining challenge for Singapore's economy. In his Chinese speech, Mr Lee highlighted that the economy is forecast to grow one to two per cent this year, falling significantly from the last decade's growth of five to seven per cent.

PM Lee added that every industry – from retail and F&B to manufacturing and transportation – is being disrupted by new players with new technologies, describing this trend as the “new normal”.

To help the local business community deal with disruption amid slower growth, he urged trade associations and chambers to develop specific programmes to help companies use new technologies and invest in skills.

SBF continues to help companies innovate, scale up, access larger

markets globally and fuel growth through diverse activities and initiatives. Over the last few months, SBF held several large-scale, Asia-focused events, as Asia continues to be the world's growth engine.

In July, the Singapore-Japan Business Forum and 7th Asian Business Summit were held. A key theme was the need to enhance collaborations, particularly between the private sector and Government, to sustain Asia's economic dynamism. The events helped promote greater dialogue between the Government and private sector to foster a conducive environment for free trade, investments and business.

In August, the Singapore Regional Business Forum and Singapore Vietnam Business Forum discussed the immense potential of the 21st-Century Maritime Silk Road and Vietnam's economic promise. One highlight was the signing of Memorandums of Understanding (MoUs) at these forums involving the public and private sectors, illustrating optimism and confidence in the region.

Through forums like these, SBF brings together government representatives and business leaders. We hope Singapore businesses, particularly our SMEs, can better understand global trends, markets beyond Singapore and that valuable opportunities and partnerships will emerge.

It is one of many ways that SBF helps Singapore companies tide through the sluggish economic conditions today and find new opportunities.

Although uncertain times lie ahead, SBF remains committed to helping our local firms develop new capabilities and seize emerging opportunities to stay resilient and relevant.



S.S. TEO
Chairman
Singapore Business Federation

Contents

October - December 2016

FEATURES

10

INSIGHT ACCELERATING SUCCESS

How accelerator programmes help tech start-ups

18

IN FOCUS EMBRACING THE FUTURE

Old businesses are turning to technology to stay ahead

22

ONE ON ONE ENGINEERING EXCELLENCE

HOPE Technik's Peter Ho is innovating his way to the top



DBS SME Working Capital Loan

Grow your business with
funding of up to S\$300,000 with
no physical collateral required

go.dbs.com/smeloan



Asia's Safest, Asia's Best
World's Best Digital Bank 2016, Euromoney
Safest Bank, Asia 2009 – 2015, Global Finance
Best Specialist Bank for SMEs 2016, APAC, The Asset
Excellence in SME Banking 2016, Asia, Retail Banker International

Contents

October – December 2016



- 06 **TRENDSPOTTING**
What to expect at the upcoming Jurong Innovation District
- 14 **BIZ TALK**
The challenge of disruption and a scheme to boost productivity
- 26 **INNOVATE**
Getting the most out of social media marketing
- 30 **HAPPENINGS**
Spotlight on the Singapore-Japan Business Forum and Singapore Regional Business Forum
- 36 **BEYOND THE RED DOT**
Cuba is open for business
- 38 **RESOURCES**
An SME checklist for business resilience
- 40 **BIZ FLAIR**
Rules for the office party



TELL US WHAT YOU THINK OF *BizQ*

We are conducting a short online survey to make BizQ better and more relevant for you. It will only take a few moments to complete. All information collected will be used solely for research purposes. You may take part in the e-survey [here](#).



Business Quotient (BizQ) is the official publication of the Singapore Business Federation, reaching out to over 22,500 of Singapore's business elite, chief executives and entrepreneurs. This is your eye on Asian and global business trends, bringing you up to date on industry developments, the economy, country profiles, stories about successful companies and the people who lead them.

PUBLISHER

Singapore Business Federation
10 Hoe Chiang Road, #22-01
Keppel Towers, Singapore 089315
Tel: +65 6827 6828, Fax: +65 6827 6807
Email: mr@sbf.org.sg
Website: sbf.org.sg

CHAIRMAN Teo Siong Seng
CHIEF EXECUTIVE OFFICER Ho Meng Kit
ASSISTANT EXECUTIVE DIRECTOR (MEMBER RELATIONS) Cheryl Kong

CORPORATE COMMUNICATIONS

SENIOR DIRECTOR Jinny Claire Sim
DIRECTOR (SPECIAL PROJECTS) Gerald De Cotta
SENIOR MANAGER Randall Tan
ASSISTANT MANAGER Laura Cheng



BizQ is published exclusively for the Singapore Business Federation by Publicitas Content

REGIONAL MANAGING DIRECTOR

Lee Walsh
COMMERCIAL DIRECTOR Lexi Lazenby
RELATIONSHIP MANAGER Serene Lee

EDITORIAL

EXECUTIVE CONTENT DIRECTOR
Rod Mackenzie
MANAGING EDITOR Ming Rodrigues
PROJECT EDITOR Francis Kan
DESIGN DIRECTOR Fredrik Dittlau
WRITERS Amy Tan, Jo-Ann Huang, Tan Keng Yao

ADVERTISING

MEDIA SALES MANAGER Mey Leong
Tel: +65 6735 8681 E-mail: mey.leong@publicitas.com



Winner
Award of Excellence



WE SPEAK FOR THE BUSINESS COMMUNITY

WE EMPOWER ENTERPRISES

WE OPEN DOORS TO NEW OPPORTUNITIES

The Singapore Business Federation (SBF) has championed the interests of Singapore's business community since 2002. As the country's apex business chamber, SBF is committed to helping companies become globally competitive and building a resilient and productive business community that will contribute positively to society.

www.sbf.org.sg



THE INDUSTRIAL EST

The Jurong Innovation District could transform the way we live, work, play, learn and create

WORDS FRANCIS KAN

As part of its push to transform Singapore into an innovation-fuelled economy, the Government is developing an area in Jurong as a next-generation industrial district for businesses.

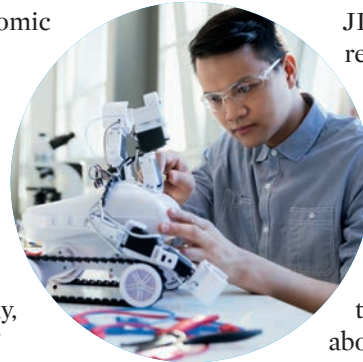
While traditional industrial estates were developed for designated industries to focus on manufacturing, the upcoming Jurong Innovation District (JID) will combine research, innovation and production in one hi-tech combination.

“Fifty years ago, we transformed Jurong from swampland into a

thriving hub for the manufacturing industry that powered Singapore’s economic growth. Now, we will take another leap to create the industrial park of the future. This has the potential to transform how we live, work, play, learn and create,” said Minister for Finance Heng Swee Keat when he announced

plans for JID in his Budget speech in March.

JID will bring together researchers, students, innovators and businesses to develop products and services of the future. Said Mr Heng: “Innovation is enabled and enhanced by the use of technology but innovation goes beyond that. It is fundamentally about new ways of doing things to meet the needs of people and industries better.”



PHOTOS GETTY IMAGES; SHUTTERSTOCK

STATE OF THE FUTURE



ABOUT JURONG INNOVATION DISTRICT

Where is it?

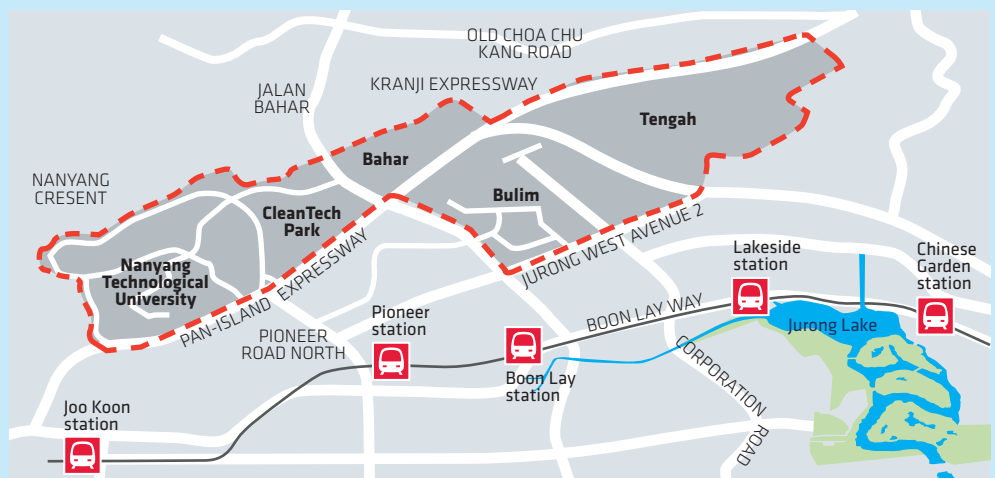
Jurong Innovation District, or JID, will be a 600-ha innovation district covering Nanyang Technological University, CleanTech Park and the surrounding areas of Bulim, Bahar and Tengah.

Who is building it?

JTC is JID's master planner and master developer, and will work with other government agencies to develop the district in several phases over the next 20 years.

Who will be there?

JID will be home to several key growth areas that Singapore intends to develop, including advanced manufacturing, robotics, urban solutions, cleantech and smart logistics.



What activities will it offer?

The district will host the entire value chain for the manufacturing sector, including R&D, design, prototyping, production and supply chain management.

JTC has launched an Open Innovation Call to invite private-sector technology owners to test-bed and develop

innovative and sustainable infrastructure solutions within the district.

What is coming up first?

One of the first developments in JID is the JTC LaunchPad @ JID, which will be completed in 2017. It will house start-ups, incubators and accelerators, and include maker- and co-

working spaces, with a focus on advanced manufacturing.

When will the first phase be ready?

The first phase of the district, which will be in Jurong West, is expected to be completed by 2022.

SINGAPORE'S INNOVATION PUSH

The Jurong Innovation District is just one of several new-generation industrial parks being set up across Singapore to help boost innovation and support the growth of new and existing industries. Here are other innovation-driven districts being developed

JTC Logistics Hub@Gul

JTC Corporation is building a next-generation facility aimed at ramping up innovation and efficiency in the logistics industry. The first-of-its-kind JTC Logistics Hub@Gul will integrate a multi-storey inland container

depot, warehouses and a heavy vehicle park. It is scheduled to be completed in 2019. The JTC Logistics Hub located at Tuas will speed up the transportation of goods and boost efficiency, benefitting logistics SMEs in particular.



Punggol Creative Cluster and Learning Corridor

The Creative Cluster at Punggol is being earmarked for innovative new industries, and will enjoy physical and programmatic links with the neighbouring Learning Corridor, which will house the Singapore Institute of Technology. The area will feature green links to the waterfront, as well as public spaces for the wider community to enjoy and make use of, providing an attractive work, learn and play environment. Along the waterfront, an active and lively Market Village will be planned with retail, dining and leisure options for workers, residents and students to relax and unwind.

JTC Space@Tuas

This 6.4-ha development will be the most integrated factory project that JTC Corporation has ever built. It will comprise several different factory space types and supporting facilities, including a 1,300-bed workers' dormitory. The project will also feature a parking lot with 200 spaces for heavy vehicles. Due for completion in 2017, the 10-storey project is part of a drive to form clusters of related industries in the same facility to boost efficiency and reduce costs.



SME COMMITTEE

The SME Committee (SMEC) was established in December 2011 under the auspices of the Singapore Business Federation.

Representing SMEs across key industry sectors, the SMEC leverages SBF's position as the apex business chamber, providing a platform for effective engagement between the SME community and policymakers.

About SMEC

- ▶ Set up to meet the need for a single, consolidated and strong representative voice for SMEs
- ▶ Addresses key issues and challenges faced by SMEs

Stakeholders

- ▶ SBF members
- ▶ Government
- ▶ Trade associations and chambers (TACs) and their members

Activities

- ▶ Advocacy
- ▶ Outreach
- ▶ Research
- ▶ SME development
- ▶ Budget recommendations

ACCELERATING SUCCESS

Start-up accelerators are popping up in Singapore to help groom the next generation of tech stars. Who are these players and what services do they offer?

WORDS AMY TAN



The success of entrepreneurs like Facebook co-founder Mark Zuckerberg and Tesla Motors' CEO Elon Musk have inspired others to embark on their own entrepreneurship journey. In reality, however, it is difficult to get a business off the ground. According to *Forbes*, only one in 10 start-ups succeed.

That scenario could shift with the growing presence of start-up accelerators. Gaining momentum around the world, accelerators offer mentorship, seed funding, legal counsel and even office space to entrepreneurs. In Singapore, the number of accelerators is

“For Apvera, working with an accelerator was about leveraging potential go-to market opportunities. This further increases our business network and access to both partners and customers”

- ERIC MEYER, CEO, APVERA

growing with new entrants offering expertise in different sectors. While accelerators are aplenty, admission into a programme can sometimes be more difficult than securing a place in a top business school.

What do accelerators offer and what should entrepreneurs look out for when choosing to work with one?

Goal alignment

When Mr Eric Meyer, CEO of Apvera, was looking to grow the security intelligence company last year, he reckoned that it would be better to work with a start-up accelerator. At that point, Apvera had already been awarded a S\$500,000 grant under SPRING Singapore's Technology Enterprise Commercialisation Scheme to fund its expansion.

While start-up accelerators and incubators both assist entrepreneurs to achieve success, there are stark differences between the two. Accelerators work with start-ups for a

specific amount of time ranging from 90 days to six months and provide a specific amount of capital. In exchange, accelerators typically take an equity stake in the business.

On the other hand, incubators do not have a specific goal for start-ups other than to allow them to become successful at the right pace. Incubators do not provide upfront capital like accelerators do and are funded by grants.

Mr Meyer recounts, “For Apvera, working with an accelerator was about leveraging potential go-to-market opportunities. This further increases our business network and access to both partners and customers.”

He applied for muru-D Singapore's accelerator programme as he found their focus on Web and mobile technologies in line with his business goals. “Not all accelerators are created equal. Ensuring that the team running the accelerator and their focus is properly aligned to your





short-to-medium term needs is the most important criteria,” he advises.

Launched in Singapore in April 2015, muru-D is backed by Australia’s largest telecommunications carrier, Telstra. Prior to its launch here, muru-D was already running accelerator programmes in Australia.

Apvera was part of the accelerator’s inaugural class of nine start-ups. Each start-up received S\$40,000 in seed capital through the programme, six-month access to muru-D Singapore’s Amoy Street premises, as well as mentorship from Telstra experts and coaches. Entrepreneurs also have potential access to Telstra’s customer base and that of its partners. In exchange, muru-D takes a six per cent equity stake in the business.

For Mr Meyer, the mentorship received was pivotal in helping him fine-tune his business messaging and segmentation. He says: “The exposure and network gained provides a strong validation in the market, especially with so much to prove.”

“Entrepreneurs face immense pressure especially when they are putting their savings, reputation and career on the line”

– FIONA MAGUIRE, COO, STARTUPBOOTCAMP FINTECH SINGAPORE

Disciplined entrepreneurship

To ensure that start-ups are on track to proving themselves, accelerators – regardless of industry focus – have designated milestones for entrepreneurs to meet throughout the programme. This helps to emphasise the importance of discipline throughout the entrepreneurship journey.

Ms Fiona Maguire, COO at Startupbootcamp FinTech Singapore, highlights that the most common challenge for entrepreneurs is the ability to focus. “Entrepreneurs

face immense pressure especially when they are putting their savings, reputation and career on the line. One needs to be able to find focus amid the noise and stress, and communicate one’s value proposition clearly despite the noise and stress,” she says.

Startupbootcamp FinTech Singapore is an accelerator focused on financial innovation. The objective of its accelerator programme is to fit 12 months of work into just three. According to Ms Maguire, the programme is able to do this “by taking on much of the business development legwork for the start-ups”.

During the programme, entrepreneurs receive extensive mentorship and exposure to more than 200 angel investors and venture capitalists. Each team also receives S\$25,000 in seed funding. In return, Startupbootcamp FinTech takes a six per cent equity stake.

Likewise, Mr Jamie Camidge, head of muru-D Singapore believes

10% Percentage of start-ups that succeed according to *Forbes* magazine

6% Typical stake that an accelerator takes in a start-up

that setting milestones is particularly important in helping entrepreneurs adapt quickly to changing business environments.

According to him, four in ten SMEs have difficulty securing financing support from banks. "Having milestones help entrepreneurs get 'investor ready'. Our aim is to make sure that by the time they leave our programme, they will have enough capital to keep growing fast," he says.

Selecting the best

To be sure, entrepreneurs do not simply sign up for an accelerator programme and expect to be admitted. Typically, start-ups need to identify a problem they are trying to solve and explain how their team is best positioned to do it.

Shortlisted candidates will first be invited for an interview. All team members must be present as it allows the accelerator to learn more about the character of each member and their team dynamics. The top start-ups from this round will be invited to a bootcamp spanning one to three days.

This event is a chance for start-ups to learn about the programme and meet the team and mentors. Start-ups are also required to pitch for a chance

to make it to another judging day where a panel of judges comprising mentors, industry players and investors decide whether they make it into the programme.

Accelerators observe that having a rigorous admission process allows them to determine whether a team has the stamina and mettle to cope with rejection and adapt to rapid changes encountered during the entrepreneurial journey.

"The most important characteristics we look for are teams who know they have not got all the answers, who exhibit passion and are coachable," says Mr Camidge.

The Singapore Government is doing its part to support accelerators with initiatives like BASH (Build Amazing Start-ups Here), which is touted as Singapore's biggest integrated start-up space.

Located at JTC LaunchPad@ one-north, this 25,000-square-foot space brings together accelerators, incubators and start-ups all under one roof.

Accelerators like SPH Plug and Play are based in an area known as the Hatchery. Once a start-up graduates from the accelerator programme, they move on to a co-working space called Factory, where they receive further guidance.

Start-up accelerators

SPH Plug and Play

Three-month programme

- Offers S\$30,000 cash investment to selected media start-ups in return for six per cent equity
 - Leverage SPH's media experience and audience
 - Opportunity for partnerships through SPH's regional network
- sphplugandplay.com

murud Singapore

Six-month programme

- Offers successful start-ups S\$40,000 in seed capital in return for six per cent equity
 - A further S\$20,000 is available for start-ups that raise S\$50,000 more from muru-D's angel investor network
 - Access to Telstra's channels and customer base and that of its partners
- murud.com

Startupbootcamp FinTech Singapore

Three-month programme

- Offers S\$25,000 per team in exchange for six per cent equity
 - Exposure to more than 200 angel investors and venture capitalists
 - Assists in arranging office hours with Monetary Authority of Singapore, PwC and legal mentors to help FinTech start-ups navigate regulatory hurdles
- startupbootcamp.org/accelerator/fintech-singapore



TRADE

THE NEW NORMAL OF DISRUPTION

The wave of new technology-fuelled players disrupting traditional industries, such as taxi operators, hotels and retailers, has arrived in a big way in Singapore

Companies, such as Grab and Airbnb, have set up shop in the country, taking away market share from the incumbents. This phenomenon was officially recognised by Prime Minister Lee Hsien Loong in his National Day Rally speech on Aug 21.

“Technology is disrupting the current economic model, leading to the rise of technology-driven businesses that are the ‘new normal’. Every industry is getting disrupted in its own way,” he said.

He added that government agencies such as EDB, SPRING, IDA and IE Singapore will work with the various industries and trade associations and chambers to develop

specific programmes to help companies use new technologies and invest in skills.

“The Government will also craft an overall strategy to spot changes, respond to successive disruptions and make companies resilient, and prepare our workers to do different jobs, and new jobs during their working lives,” PM Lee said.

To make sure Singapore is prepared to cope with disruptive change, he noted that the Committee on the Future Economy – a taskforce formed to retool Singapore for the future – will help companies build new capabilities, promote entrepreneurship, and develop workers’ skills.



PHOTOS GETTY IMAGES; SHUTTERSTOCK



RETAIL

A SHOWCASE FOR RETAILERS

The second edition of a campaign known as 99% SME (99sme.sg), which aims to encourage consumers to shop with local SME retailers, was launched in July.

Led by DBS Bank and Singtel, the initiative features a suite of resources to help businesses with marketing, e-commerce and cashless payments. The name of the campaign comes from the fact that SMEs make up 99 per cent of registered companies in Singapore. The organisers hope to engage 2,500 SMEs in this year's campaign, up from the 1,600 firms who signed up last year.

The campaign will culminate in an SME Week, which will be held from 14 to 23 Oct. Participating SMEs will be able to list promotions and offers on the 99% SME website during the event.

FUNDING

SMES LACK RESOURCES FOR INNOVATION

SMEs lack the funding and qualified staff to undertake innovation, according to a new survey by the Singapore Chinese Chamber of Commerce and Industry.

It found that 60 per cent of the 233 firms polled cited a shortage of funds to invest in innovation, while 56 per cent said they found it difficult to hire qualified workers.



It also found that 51 per cent of firms involved in innovation focused on product or service innovation.

About 47 per cent of SMEs in the services sector said they were using innovation for their business models and to improve their marketing

methods. About half of the SMEs viewed the digital economy, Internet of Things, and data analytics as factors that impact "moderately" on their businesses.



AWARDS

A CHAMPION OF DISRUPTION

Neal Cross, Chief Innovation Officer at DBS Bank, recently won the most disruptive CIO/CTO award at the prestigious Talent Unleashed APAC Awards in Melbourne, Australia.

Winners were chosen by an international judging panel, including Apple co-founder Steve Wozniak and Virgin founder Sir Richard Branson. The judges based their criteria on candidates' technological innovation with integrity, effectiveness and creativity, as well as the impact the business or individual had in transforming their business or community.

In awarding the prize, the panellists recognised the extensive innovation programme at DBS that has included partnerships with the start-up community, lean start-up and human-centered design methodologies and initiatives, such as replacing talent management conferences with hackathons, to drive an innovative culture across the bank's 22,000 employees in Asia.



PERFORMANCE

SME PRODUCTIVITY SCHEME ENHANCED

The Technology Adoption Programme (TAP) will be enhanced later this year to better meet the needs of SMEs, Deputy Prime Minister Tharman Shanmugaratnam announced in August.

Introduced in 2013, TAP aims to help local SMEs improve productivity through the use of ready-to-go

technologies and innovations from public sector research and development organisations.

Some of the enhancements include making the programme more targeted and sector-focused, having an expanded range of solutions by tapping resources from the private sector, and having deeper integration among stakeholders.

For instance, apart from public sector research institutions, the supply of new solutions and

technologies will be broadened to Centres of Innovation, Institutes of Higher Learning, as well as the private sector.

Mr Tharman said the Government will work closely with the respective trade associations and chambers to better understand industry challenges, identify technology needs and derive relevant solutions that meet SMEs' business needs. More details on the enhanced TAP will be shared by the end of 2016.

FUNDING

FUNDING PROTECTION

Validus Capital will be the first peer-to-peer funding platform to provide investor insurance on its invoice financing services for SMEs. To do so, it has partnered with local insurance provider EQ Insurance.

Invoice financing traditionally involves companies selling their rights to future cash payments from their customers to a financial institution at a discount, in return for immediate funding. New

players like Validus Capital are now offering this service online, allowing accredited investors to buy invoices and earn a return when these invoices are paid.

Validus Capital conducts due diligence on SMEs that apply for financing, but insurance for investors will provide an extra layer of protection, said Validus Capital co-founder Vikas Nahata. "Peer-to-peer lending platforms have recently been plagued with issues on governance and trust, as well as rising non-performing loans," he said.



PHOTO GETTY IMAGES; SHUTTERSTOCK

STUDY

TECHNOLOGY TO BOOST ASEAN BUSINESS

More than 60 per cent of businesses polled in a recent survey view new technologies as something positive for increasing sales, labour productivity and employment of highly skilled workers.

The study by the International Labour Organisation Bureau for Employers' Activities examined how technology is affecting workplaces in five major sectors across ASEAN. These include automotive and auto parts, electrical and electronics, textiles, clothing and footwear, business process outsourcing, and retail.



In particular, the report titled *ASEAN in Transformation: How Technology is Changing Jobs and Enterprises* found that the potential for growth and employment due to advanced technologies, such as

additive manufacturing, robotics and the Internet of Things, are considerable. The report also provided critical data on how millions of jobs are going to be impacted in the run-up to 2025.

POINT OF *Soul*

When heart meets business. A brief encounter can become a significant contact for life. The realisation of your ideas is only a trade show hall away. There's an "Altbier" with your name on it waiting at the bar. And you're exactly where you want to be: www.messe-duesseldorf.com

Messe Düsseldorf Asia Pte Ltd
3 HarbourFront Place
#09-02 HarbourFront Tower Two - Singapore 099254
Tel. +65 6332 9643 / 6332 9620
Fax +65 6337 4633 / 6332 9655
mdrep@mda.com.sg
www.messe-duesseldorf.de/MDA

Basis for
Business


Messe
Düsseldorf

EMBRACING THE FUTURE

BizQ profiles three companies in traditional industries that are leveraging technology to stay relevant

WORDS JO-ANN HUANG

Homegrown businesses that made their name in Singapore when the country underwent rapid economic growth in the 1980s and 90s today have to contend with new entrants and changing consumer trends. Add to that rising material costs and manpower constraints, and Singapore has become an increasingly challenging environment to operate in.

One industry hit hard is construction. In a sector so reliant on foreign manpower and exposed to fluctuating material costs, construction companies have to grapple with the tightening labour quotas and thinning margins. To overcome these challenges, construction companies have been making investments into new technologies to cut down manpower

and material use, speeding up the building of structures and making the construction process more cost-effective over the long run.

Tiong Seng Holdings: Prefab construction

Tiong Seng Holdings is one such construction player that has made significant investments in technology. Its chief executive Mr Pek Lian Guan is constantly looking for new construction methods that Tiong Seng could offer as one of its services. "With our existing suite of







construction technologies focused on productivity, efficiency and the environment, we will continue to invest prudently into new innovations and machineries going forward,” said Mr Pek.

“As the nation gravitates towards a future-ready built environment, it

“As the nation gravitates towards a future-ready built environment, it is imperative for industry players, ourselves included, to deploy resources efficiently to improve our construction capabilities”

- PEK LIAN GUAN, CHIEF EXECUTIVE OFFICER, TIONG SENG HOLDINGS

is imperative for industry players, ourselves included, to deploy resources efficiently to improve our construction capabilities,” he added.

“This not only differentiates us as we expand our suite of offerings, but value-adds for our customers,” Mr Pek said. “We also compete from a lower cost base in the long run as we progressively realise cost benefits through increased operational efficiencies reaped from these new technologies,” he added.

Tiong Seng is one of the few construction players approved by the Building and Construction Authority to offer Pre-fabricated Pre-finished Volumetric Construction (PPVC). PPVC involves off-site construction and assembly of completed volumetric units in an accredited facility before being transported to be installed at the work site.

PPVC boosts productivity by up to 50 per cent, said Mr Pek, as it cuts down on labour and building time. “It also improves workplace safety

and noise pollution as most of the construction activities are carried out off-site,” Mr Pek added.

Tiong Seng is also a pioneer in using Building Information Modelling and Virtual Design Construction in Singapore. “The software allows companies to virtually design 3D, 4D and even 5D structures before actual construction commences. By factoring in time and cost calculations of a project, it can yield greater production efficiency for us and ensure we are able to deliver quality work according to schedule,” said Mr Pek.

MoneyMax: Pawnbroking goes online

Mention pawnshops and one visualises the elderly behind a high counter outfitted with prison-like metal bars, inspecting jewellery and other precious metals with a magnifying glass to ascertain their value. That image has since given way to the brightly-lit pawnbroking outlet

staffed by uniformed appraisers and adorned with velvety cushioned seating, not unlike a high-end jewellery store.

MoneyMax is one of the leaders in this new wave of modern pawnbrokers. Established in 2008, it has 48 outlets in Singapore and Malaysia. Last year, MoneyMax launched MoneyMax Online. Through a mobile app and its website, customers are able to shop, sell and appraise their valuables. MoneyMax went online as a way to reach out to customers hesitant to be seen walking into a pawnshop.

The stigma attached to pawnshops, one of being financially desperate that the customer has to pawn his or her valuables for extra cash, persists till this day. "Due to the stigma, customers are not comfortable sharing their association with any pawnshops," said Ms Elim Lau, senior marketing manager at MoneyMax.

"But with the transformation of the industry over the years, we observed an increasing pool of new customers who are not just interested in shopping for pre-owned jewellery and timepieces, but also keen in appraising and finding out the market value of their valuables," said Ms Lau. "Designed to make shopping and valuation of valuables seamless and convenient for the tech-savvy generation, MoneyMax Online is also easily accessible through an intuitive mobile app, available on both iOS and Android systems," she added.

Meant to complement the customer experience at the physical store, the online presence and appraisal system brought a growing number of customers to their outlets. "We realised that when it comes to luxury shopping for jewellery, timepieces and designer bags, customers prefer transacting from the physical store after conducting some product research online." Ms Lau admits that there are no significant cost savings from launching the online portal. Instead, it was meant to reach out

“Designed to make shopping and valuation of valuables seamless, MoneyMax Online is also accessible with an app on both iOS and Android systems”

- ELIM LAU, SENIOR MARKETING MANAGER, MONEYMAX

to the younger and more tech-savvy generation.

In May, MoneyMax launched its pawn, sell and trade-in services for luxury bags and accessories, the first of its kind in Singapore. "Besides gold, gemstone jewellery and timepieces, other assets that most Singaporeans have are luxury bags and accessories. We also noticed more acceptance and interest in pre-loved luxury items and see the growing potential of this business segment," she said.

Kee Song Group: Modern farming techniques

Kee Song Group has come a long way from supplying chickens to wet

markets when it was set up in 1987. Today, it is known for its hormone- and drug-free Sakura Chicken, with meat that is more tender and low in fat. Kee Song feeds its chickens with lactobacilli, a type of "good bacteria", to treat illnesses. It began investing in this technology in 2005 after it was introduced to managing director and co-founder Ong Kian San by a Japanese professor.

"We have to move with the buying habits of the consumers, who want healthier food," said Mr Ong. The company adopts ethical farming standards by rearing the chickens in a clean, temperature-controlled environment with lots of space to roam, keeping the chickens healthy and lean. Kee Song's methods of rearing led to it winning the Merit for Innovation Award from 2009 to 2011 from the Singapore Institute of Food Science and Technology.

On top of its Sakura Chicken, it has expanded its range to include the CaroGold Chicken, which are fed a lactobacillus-based diet containing carotenoids, powerful antioxidants that prevent heart disease, and Cordyceps Chicken, which contains Cordyceps, a fungus known for being nutritionally beneficial.





ENGINEERING EXCELLENCE

Local firm HOPE Technik is putting Singapore on the

global technology map with its engineering prowess

WORDS AMY TAN PHOTOGRAPHY WILSON PANG



During the National Day Rally 2016, Prime Minister Lee Hsien Loong singled out HOPE Technik as a prime example of an SME that is building new capabilities in an economy defined by disruption. The company produces Red Rhinos and hazmat control vehicles for the Singapore Civil Defence Force (SCDF) as well as drones and specialised industrial and commercial equipment.

To date, the company has delivered some 350 projects across 18 countries. In 2012, it beat top engineering firms around the world to win a multimillion-dollar deal with Airbus to build a research prototype space plane that can take passengers to the edge of space, 100km above earth. The prototype was delivered in 2014.

“PM Lee was very gracious to have mentioned us. It is very good recognition for the entire team at HOPE Technik and shows that all the work we have done in the last 10 years amounts to something. We

can now go home and have something to show our parents,” said Peter Ho, CEO and co-founder of HOPE Technik.

Innovate by listening to clients

While HOPE Technik is increasingly recognised for its ability to engineer innovative products, Ho believes that innovation is necessary in running any business. “You have to push the envelope because business and technology are changing so rapidly. This is very much the DNA of the company,” he said.

The company was founded in 2006 by Ho and three former National University of Singapore schoolmates – Michael Leong, Ng Kiang Loong and Jeff Tang. The four of them had bonded over a common interest in engineering and race cars, and were the first team to represent NUS in Formula SAE, a competition that sees students from all over the world design and develop a small Formula-style race car.

HOPE Technik started with an initial capital of S\$10,000 and was focused on developing race car pit equipment. Over time, as demand for robotics gained traction, the company steered towards that direction. It operated without external investment for the first nine years and only received funding from Singtel Innov8, Heliconia Capital Management and Great Noble Investment last year.

Ho is tight-lipped on the quantum of the investments.

Before embarking on each project, the team at HOPE Technik finds out as much as they can about their client’s needs in order to engineer the best solution. Ho pointed out that there is a misconception that to innovate, one has to invent something new. In fact, one of the company’s 10 mottos is, ‘We do not reinvent the wheel, we adapt and modify proven solutions to give reliable results’.

“For us, innovation is about being a toolmaker and the only way to know

“For us, innovation is about being a toolmaker and the only way to know what to do is to ask your customer”

what to do is to ask your customer,” he said. As such, Ho focuses on capturing value for clients. This entails working with them to adopt and implement solutions that help to improve their processes. He added: “You need to ask the people on the ground what is the problem they want to solve and you learn from them. That is the basis of innovation. It does not stem from engineers but from experienced hands.”

Case in point is the Red Rhino emergency vehicle that was designed to help the SCDF address the problem of saving lives in hard-to-reach locations. With Red Rhinos successfully outfitted at fire posts around Singapore, HOPE Technik is looking to export this solution overseas.

Fail fast

Ho attributes HOPE Technik’s success to the passion and commitment of his team. “It is not surprising to find engineers working through the night and on weekends just because they want to improve on a solution, or they could have read about a solution on the Internet and are keen to build it.”

While it is difficult to measure passion, Ho uses a person’s knowledge and hobbies as an indicator of whether a potential job candidate will do well at the company. Once, he even interviewed a candidate in the car park.

“His depth of knowledge was very good but I think we were sold the moment he started his car and heard how good the engine sounded. We asked him who fixes his car and he said



350 Number of projects delivered by HOPE Technik

he does it. He stays in a flat but works on his car on the top storey of the multi-storey carpark,” he recounted. The candidate is now HOPE Technik’s head of vehicle operations.

When it comes to manufacturing, up to 98 per cent of the firm’s products can be built on its premises at Penjuru Close. To create an environment that allows for innovation, engineers are allowed to procure the materials and equipment they need without having to go through an approval process.

“I can tell you that up to several thousands of dollars, the approval process is left to the individual,” revealed Ho. “If you want to innovate, you will fail. You need to get back on your feet fast. Do you have a system that allows it?”

The way he sees it, innovation is not something that can be easily taught. “Experience and knowledge are one thing. The attributes and attitudes of pushing the line, those have to be cultured.”

Ho reckons that HOPE Technik has the capability to be recognised globally for its innovation by 2017. It is currently working on prototyping an exoskeleton that could teach stroke patients how to walk again. A movie buff, Ho also believes that the technology depicted in films now is likely to be available in the not-too-distant future.

“Ten years ago, every science-fiction movie had drones. Now, you can buy them everywhere. In some ways, movies pre-empt the buyer on what is going to be available. The next thing you will see are exoskeletons because everyone wants to be Iron Man,” he said.

Meanwhile, HOPE Technik is also working to ensure that drones do not pose a threat to anybody. “The proliferation of drones is causing a lot of problems for our clients. For example, it is not nice to have to worry about drones in your landing or takeoff path at the airport. That is what we are going to work on.”

THE NEW FACE

OF MARKETING

Social media marketing on Facebook is a must in today's digital business landscape

WORDS FRANCIS KAN

There is no getting away from the fact that if you are in business today, you have to actively market on social media or risk losing a big chunk of your customers to more tech-savvy competitors.

And in the world of posts and shares, Facebook is the 800-pound

digital gorilla in the room. There are currently around 1.6 billion active users on the platform. On average, each one checks their account about 14 times a day, increasingly on their smart phones. And roughly 8 million of them watch videos each day.

With so many people spending so much time on Facebook, more and more consumers are getting to know about brands and their offerings through social media, as opposed to more traditional marketing channels such as print or television advertising.

Unsurprisingly, ad and marketing dollars are shifting to digital platforms rapidly. According to PwC's *Global entertainment and media outlook 2016–2020* report, growth in traditional advertising segments, like TV and print, is slowing in dollar terms, while Internet advertising in its various forms will rise at a



PHOTO GETTY IMAGES; SHUTTERSTOCK



compound annual growth rate of 15.5 per cent over the next five years.

This development of social media marketing is welcome news for smaller businesses, who can now target a bigger audience more effectively at a far lower cost than before.

Yet, while many local firms know they have to market on social media, many have yet to take the leap; or have only done so tentatively.

Most have taken the first step of creating a Facebook page promoting their business and inviting their friends and partners to like it. Some may occasionally post updates or even spend tiny sums boosting these posts so that a wider audience gets to see it.

But social media marketers say that this is just the most basic of the wide range of advanced tools that Facebook offers marketers to help them achieve their business objectives.

To get you on your way, here is a five-step journey to successfully advertising on Facebook, according to Mr Ashwin Seshadri, Small Business Account Manager, Southeast Asia at Facebook.

1. Know your marketing goals

It is most important to establish right from the start what your

“Make sure you choose the objective that is most closely aligned to your business goals. Boosting a post for the sake of it is just vanity marketing”

- ASHWIN SESHADRI, SMALL BUSINESS ACCOUNT MANAGER, SOUTHEAST ASIA AT FACEBOOK



company's marketing goals are. This will guide your overall marketing strategy on Facebook; including how you go about determining your audience, tailoring your message and measuring your results.

Common goals involve driving more traffic to a company website, increasing conversions, getting sales leads or reaching people who are close to your physical business. “Make sure you choose the objective that is most closely aligned to your business goals. Boosting a post for the sake of it is just vanity marketing,” says Mr Seshadri.

What firms should not be overly concerned with, he adds, is the number of likes and shares their page or posts garner, as these are unlikely to contribute to your end goals.

2. Choose your audience

The key advantage of Facebook is that it allows marketers to determine

who gets to see their content based on criteria such as how old they are, where they live, who their friends are and even what they are interested in.

This allows advertisers to build a profile of the core audience they want to target and reach them with a fair degree of accuracy. Businesses can even feed their database of clients into Facebook and, using a tool called “lookalike audiences”, find other people on the network that match the profile of their customers.

The details of a company's customers are used solely for matching purposes and will not be accessible by any user.



3. Customise your message

Once you have decided on your marketing goal and target audience, the next step is to craft a message that will best help you achieve your objectives. The message's content can be tailored according to who your target is.

For instance, a restaurant that wants to reach out to working professionals may produce an advertisement that touts its Happy Hour promotion. That same restaurant may also want to attract families, and can then tweak the advertisement to promote its weekend brunch menu.

Creating compelling content that can capture the notice of busy Facebook users with short attention spans is also key.

4. Set a budget

How much a company spends will determine how many people get to see their advertisement. Facebook uses a bidding system to decide which ad gets shown to whom. This means you are competing with

other advertisers for access to a similar audience.

While there are no hard and fast rules as to how much to spend on how frequently your ad should appear, Mr Seshadri advises marketers to only post content if they have something useful and relevant to say and if they are prepared to spend enough to reach a "good number of people".

"Don't fragment your budget across a lot of posts. Consolidate your spending so that you can reach more people with fewer posts," he says.

5. Measure results and optimise

Getting your Facebook marketing campaign right will take some time. You will need to learn from initial efforts and be prepared to try new things – such as creating different types of content or targeting different audiences – depending on the results.

► For more information on marketing on Facebook, go to facebook.com/business



LinkedIn or Facebook for B2B marketers?

While Facebook is the overall leading choice for marketers, another network, LinkedIn, has been the channel of choice for many businesses in the B2B space.

Unlike Facebook's mass appeal, LinkedIn is a platform designed for companies and working professionals to connect and find opportunities, making it an appropriate channel for businesses looking to market to professionals and other businesses.

That said, a recent survey showed that Facebook is still the preferred social channel for B2B decision makers in the US, trumping LinkedIn. Around 25 per cent of respondents in a survey by Hotwire cited Facebook as their preferred social media platform when seeking information on a purchasing decision, compared to 17 per cent for LinkedIn and just six per cent for Twitter.

"It's time to put to bed the myth of some channels only being suitable for B2B communications and others for B2C. Social media has eroded these divides, said John Brown, group head of engagement at Hotwire.



PHOTO GETTY IMAGES; SHUTTERSTOCK

Singapore-Japan Business Forum 2016

Themed “Partnership for Sustainable Growth in Asia and Beyond”, this year’s Singapore-Japan Business Forum explored opportunities in regional economic collaboration, Asia’s infrastructural needs and internationalisation through new technology and services.

The Forum, held on 15 July, also discussed the role that businesses can play in promoting sustainable growth in Asia and the world. Around 200 senior officials, business leaders, and heads

of trade associations and chambers from Singapore, Japan and other Asian economies participated in the Forum.

Co-organised by the Singapore Business Federation (SBF), Japan External Trade Organization, and Keidanren (Japan Business Federation), this year’s event was held in conjunction with the 50th anniversary of bilateral relations between Singapore and Japan.

Gracing the opening ceremony were Mr Lim Hng Kiang, Singapore’s Minister for Trade and Industry



The business forum featured a panel comprising (from left) Mr Ignatius Low, managing editor of SPH’s English, Malay and Tamil media division, who was the panel’s moderator, IE Singapore chief executive Lee Ark Boon, Japanese Chamber of Commerce and Industry chairman Takuya Okada, Asean Business Advisory Council chairman Robert Yap, and Asian Trade Centre executive director Deborah Elms



From left: Mr Lim Hng Kiang, Singapore's Minister for Trade and Industry (Trade), and Mr Tsuyoshi Hoshino, Japan's Parliamentary Vice-Minister of Economy, Trade and Industry



(Trade), and Mr Tsuyoshi Hoshino, Japan's Parliamentary Vice-Minister of Economy, Trade and Industry.

In his speech, Mr Lim urged the two nations to further collaborate and strengthen bilateral ties. He said: "I encourage Singapore and

Japanese companies to continue to work closely together to tap on such arising opportunities and contribute to the prosperity of the region."

Mr Hoshino called on Singapore and Japan to work towards promoting economic integration as well as free

trade in the region. He noted that enhancing integration will make economic activities across borders easier, and encourage more new business and innovation. It would also support the creation of new industries, he added.





SEMINAR

THE IMPACT OF BREXIT ON BUSINESSES

Britain's departure from the European Union (EU) earlier this year sent shock waves around the business world. To help Singapore businesses better understand Brexit's impact, the Singapore Business Federation (SBF) and the EU Centre in Singapore organised a seminar on 19 July to discuss the implications of the British EU referendum.

SBF had earlier expressed concern about Brexit, noting that it reflected the British population's deep feelings on immigration issues.

"The decision to leave the European Union adds more risk to Europe's stability and to global markets at a time when the world economy needs more stability. The possibility of a weaker EU, given its importance as a trading and investment partner to Singapore, will have significant impact on our economy," SBF said in a statement.

It added: "We hope that the UK after Brexit will remain plugged into the world and not turn isolationist, and that the UK administration will act swiftly on its economic strategies to allay the concerns of foreign investors."

FORUM

SINGAPORE REGIONAL BUSINESS FORUM

Following the success of the inaugural edition in 2015, this year's Singapore Regional Business Forum (SRBF) held on 16 Aug explored regional cooperation and connectivity in the 21st century Maritime Silk Road.

SRBF brought together some 500 business leaders, representatives from foreign embassies and government officials from Singapore, China and the region to discuss topics that included infrastructure, finance, ICT, tourism, hospitality and cultural exchanges.

Singapore's role in promoting partnership among the countries was another area of focus.

"In order to remain competitive, businesses need to adapt to changes quickly by seizing emerging opportunities and expanding their international footprint to gain economies of scale. This makes regional cooperation and connectivity even more of a priority for today's businesses," said SBF Chairman Mr SS Teo in his opening address.

Mr Chan Chun Sing, Minister in the Prime Minister's Office and Secretary-General of the National Trades Union Congress, delivered a keynote speech at the lunchtime talk.



Mr Li Zhaoxing, China's former foreign minister, speaks at SRBF



(From left) Ms Melissa Kwee, CEO of NVPC; Mr Eugene Seow, Vice Chairman of NVPC; Mrs Mildred Tan, Chairman of NVPC; Ms Grace Fu, Minister for MCCY; Ms Sim Ann, Senior Minister of State for MCCY and Ministry of Finance; Mr SS Teo, SBF Chairman and Ms Lee Sze Yeng, Board Member of SBF Foundation

INITIATIVE

COMPANY OF GOOD

An initiative to help companies be more effective in their corporate giving was launched at an event on 2 June. Known as the Company of Good, the programme aims to enable businesses to understand their existing giving profiles, build their knowledge, expand giving capabilities, and partner with like-minded businesses to exchange ideas.

The Company of Good initiative was developed by the National Volunteer & Philanthropy Centre (NVPC) in partnership with the SBF Foundation and supported by the Ministry of Culture, Community and Youth (MCCY).

The launch was officiated by Ms Grace Fu, Minister for MCCY, and attended by more than 200 Company of Good programme partners, founding members, business leaders and corporate-giving practitioners from various industries.

One participant of the programme

is trading firm SJ Low Bros & Co. The firm's deputy managing director Mr Low Zhennan started his journey of giving through annual corporate-giving activities with different charities such as Run for Raisins with TOUCH Community, before expanding the firm's reach by collaborating with other companies. In 2015, it partnered a speech therapy company to bring children and their families from Starpals (Paediatric Advance Life Support) to a trampoline park for a family day.

Mr Low's involvement with Company of Good has introduced him to an approach to corporate giving that advocates more purposeful and strategic giving.

He said, "The corporate giving activities we do annually bring our team closer together and give more meaning and purpose to our work. Giving back feels like our social responsibility, so it is not a question of choosing to give, we are supposed to." For more information visit companyofgood.sg or email programmes@sbffoundation.org.sg.



SUMMIT

7TH ASIAN BUSINESS SUMMIT

This year's Asian Business Summit discussed the major challenges for Asia and the future role of the private sector in sustaining Asia's economic prosperity.

Representatives from 11 business chambers and organisations from 10 Asian economies came together at the event that was co-organised by SBF and Keidanren (Japan Business Federation). Among other topics, participants discussed the

promotion of economic partnership, regional infrastructure development and the resolution of global environmental problems.

These discussions were summarised in a joint statement that called for increased collaboration among Asian economies for sustained and robust growth in the region. The participating trade associations and chambers (TACs) agreed to play an active role in providing

actionable inputs to their respective governments and policymakers.

During the Summit, SBF Chairman Mr SS Teo said, "TACs in Asia must develop closer collaboration and partnerships, taking the lead in urging their respective governments to promote a conducive environment for free trade and investments. These are important prerequisites for businesses to flourish."



CONFERENCE

SINGAPORE PRODUCTIVITY CONFERENCE AND EXHIBITION 2016

A forum to discuss the challenges companies face in enhancing productivity and the strategies for transforming their companies into lean enterprises will be held from 1-2 November.

Themed "Upgrade, Innovate, Collaborate", the Singapore Productivity Conference and Exhibition 2016 will bring

together thought leaders and practitioners from across different industries.

This year's conference at the Suntec Singapore Convention and Exhibition Centre will focus on four key areas: People Development and Skills Upgrading; Technology and Automation; Partnership and Collaboration; and Innovation Management.

The conference is organised in conjunction with an exhibition where delegates and visitors will be treated to



a showcase of enterprise solutions and technologies for resource optimisation and value creation.

To register online, go to www.spce.sg

FORUM

SINGAPORE VIETNAM BUSINESS FORUM

Over 300 participants from around the region attended the Singapore Vietnam Business Forum held in August that aimed to help local businesses seize opportunities in Vietnam.

The event was organised by SBF and IE Singapore in partnership with the Vietnam Chamber of Commerce and Industry (VCCI) and Embassy of Vietnam in Singapore. It was graced by President Tran Dai Quang from the Socialist Republic of Vietnam, and Minister for Trade and Industry (Industry) Mr S Iswaran. President Tran delivered the keynote speech at the Forum.

To boost trade and economic relations between Singapore



and Vietnam, a Memorandum of Understanding was signed between SBF and VCCI at the Forum. The two organisations pledged to facilitate trade and investment, as well as mutual co-operation among the member companies and promote the exchange of economic and trade missions between Vietnam and Singapore, among others.

“By bringing together government and business leaders, we hope

the Singapore Vietnam Business Forum will spark valuable ideas, opportunities and partnerships, deepening the bilateral relations and business ties between Vietnam and Singapore. We strongly encourage Singapore businesses to look to Vietnam as an attractive and compelling market for opportunities to take their business to the next level,” said SBF Chairman Mr SS Teo.

EVENTS

Here are some upcoming SBF workshops*. Register at, and receive event updates on sbf.org.sg



CRISIS MANAGEMENT & COMMUNICATION

Date: 9 Dec 2016

Venue: SBF

Effective management of a crisis and communications with customers, employees, shareholders and other stakeholders will minimise its impact on a business and safeguard its operations. This one-day workshop will explore topics such as assessing vulnerability and managing the media.



UNDERSTANDING EMPLOYMENT LAW AND CONTRACT LAW

Date: 13 Dec 2016

Venue: SBF

Participants of this half-day course designed for HR professionals will be taught key legislation including basic contract laws relevant to the HR function. It will consist of practical discussions and case studies to illustrate how HR decisions can be executed when applying employment laws.



INNOVATIVE ENTERPRISING AT THE WORKPLACE

Date: 21 Nov 2016

Venue: SBF

This one-day workshop provides participants with the knowledge and skills to be an innovative and enterprising employee. It is designed to enhance creative thinking skills and encourage innovation. Real life workplace problems and opportunities will be discussed.

PHOTOS SHUTTERSTOCK

*All information correct at time of printing.



CARIBBEAN DIAMOND IN THE

Cuba holds much potential for Singapore businesses, but it is still early days in the game **WORDS FRANCIS KAN**

With the US easing travel and trade restrictions on Cuba over the past two years, the island in the Caribbean, well known for cigars and rum, has popped up on the radar of businesses looking for opportunities in a virtually untapped market.

In March, US President Barack Obama and his family travelled to Cuba – the first visit by an American President since Calvin Coolidge in 1928 – as the two nations restored diplomatic ties. Tourism has surged this year, with more than 94,000 US tourists visiting the country in the first four months of 2016, nearly

double the number from the same period the previous year.

Unsurprisingly, US companies are already starting to take advantage of this thaw in relations. Airbnb has 4,000 rental properties in Cuba, the company's fastest growing market, while a Sheraton hotel and a Starwood-managed hotel opened there in recent months. Some eight US airlines have also been approved to fly to Cuba.

The Singapore Business Federation (SBF) and International Enterprise (IE) Singapore jointly led a business mission to Cuba's capital city Havana from 6-7 June this year.

The trip was conducted together with a mission to nearby Mexico City. Since 31 March 2016, visa restrictions between Singapore and Cuba have been lifted.

According to the two agencies, the recent renewal of diplomatic ties between the US and Cuba has also generated much interest and optimism among the Singapore business community. "As one of the largest markets in the Caribbean with more than 11 million residents and a literacy rate of 99.8 per cent, Cuba offers a wealth of business opportunities," they said in a statement.

However, though Cuba is a



3.52m Record number of visitors to Cuba in 2015

“We are excited about many areas of potential collaboration, and look forward to further deepening the friendship between our business communities”

- HO KWON PING, EXECUTIVE CHAIRMAN, BANYAN TREE

tourism, infrastructure, information and communications technology, professional services, packaging, pharmaceuticals, finance and investments, oil and gas, and general trading sectors.

A highlight of the mission was the Cuba-Singapore Business Forum graced by Singapore's Minister for Trade and Industry (Trade), Mr Lim Hng Kiang, and Cuba's Minister of Foreign Trade and Foreign Investment, Mr Rodrigo Malmierca Diaz. SBF and Cuban Chamber of Commerce also signed three memoranda of understanding (MOUs) on information exchange, trade and investment facilitation and technical cooperation at the Forum.

“The partnerships formed at this inaugural Singapore business mission to Cuba mark a significant milestone in ties between Cuba and Singapore, and demonstrate the strong interest of Singapore businesses in Cuba,” said Mr Ho Kwon Ping, mission leader for the Cuban leg and executive chairman of hospitality group Banyan Tree.

“We are excited about many areas of potential collaboration, and look forward to further deepening the friendship between our business communities.”

The delegation also visited the Mariel Special Development Economic Zone, where Singapore port operator PSA is managing the Mariel Port. Situated around 45km from Havana, the Mariel Port faces

the coast of Florida, strategically located to benefit from the new chapter in US relations with Cuba. At the 180-square-mile special economic area in Mariel, foreigners who get government approval can establish a business and own 100 per cent equity.

Tourism boom

Cuba is known for its white sandy beaches, rolling mountains, rich culture and well-preserved Spanish colonial architecture – an advantage that could interest hospitality players. According to a Reuters report, Cuba received a record 3.52 million visitors last year, up 17.4 per cent from 2014. Indeed, Banyan Tree has partnered local hospitality company, Grupo Gaviota, to manage its property in an island off Cuba, Cayo Las Brujas.

Other potential areas of collaboration between Singapore and Cuba include the planning and development of townships or industrial parks, airport management, logistics, water and waste management and e-government solutions.

On the logistics front, Greenpac, a provider of eco-friendly packaging solutions, is looking to support the growing biotechnology sector in Cuba, revealed the company's CEO Ms Susan Chong.

“Surprisingly, Cuba has put a lot of resources into biotech. We can support them with cold chain packaging. We are already in talks with partners there,” said Ms Chong, who was a participant of the Singapore business mission to Havana. Cold chain packaging refers to insulated boxes and containers that are required to contain products in the biotech and pharmaceutical sectors.

While opportunities abound, interested players will have to contend with challenges such as underdeveloped infrastructure and a bureaucracy that has yet to fully embrace capitalism.

Said Ms Chong: “It will take a while to establish a more stable environment for business in Cuba.”

ROUGH

genuine frontier market, Singapore entrepreneurs believe that it is still early days yet when it comes to doing business on the island. Most of the opportunities are likely to be in the infrastructure development and hospitality sectors. The situation may change quickly if and when the US lifts a decades-long economic embargo on Cuba, a move that could trigger a flood of investment into the nation.

Whether that happens may depend on who wins the US presidential elections in November; Democratic nominee Hillary Clinton herself has voiced her support for lifting the embargo.

Breaking new ground

The 14 companies that made up the Singapore delegation hailed from the

SECURITY

A checklist for cyber security

With more business activities taking place online, the threat of cyberattacks in disrupting operations has become very real. As such, more companies in Singapore are looking to beef up their cybersecurity measures.

As the focal point for Business Continuity Management (BCM) in Singapore, the Singapore Business Federation has prepared a simple quiz

for companies to determine how vulnerable they are to cyberattacks.

1. Do you think your organisation has a low risk of being targeted by phishers or hackers?
2. Do you use free-to-use Web-based email platforms to send out sensitive information to external parties? Do you share a common password for all staff to use one email account?
3. Do you use free WiFi to conduct transactions?
4. Does your company allow staff to download free software

programmes for work?

5. Do you know when was the last time your company had successfully backed up important data? Do you keep sensitive or confidential information secure at your workplace?

If you answered “Yes” to the first four questions, your company is vulnerable to cybersecurity lapses. However, if you answered “No” to the first four questions and “Yes” to question five, your organisation is prepared for a cyberattack.

▶ For more information, visit bcm.org.sg



FUNDING

MAKE A PACT

SMEs can now upgrade their capabilities by working with larger organisations to co-develop innovative products or solutions under SPRING Singapore's Partnerships for Capability Transformation (PACT) initiative.

SPRING works with large organisations – defined as those with at least S\$100 million in revenue – to identify and implement collaborative projects in three areas: knowledge transfer from a large organisation to at least one SME; capability upgrading of a large organisation's suppliers; and the development and test-bedding of innovative solutions between a large organisation and at least one SME.

Approved projects will be eligible for up to 70 per cent funding support for qualifying development costs. In one recent project, local SME Concorde Security and CPG Facilities Management applied for PACT funding to co-develop a mobile 24x7 AGV (Autonomous Guided Vehicle) for security manning to replace



human guards. This PACT project was facilitated by the Singapore Business Federation (SBF).

Under PACT, SBF also facilitated a meeting between startup eBeeCare, which wanted to create a platform that gives patients seeking homecare access to qualified caregivers, and

HDB, which was looking to develop a home monitoring system for patients with non-critical conditions. The two parties saw that there were synergies in working together and jointly embarked on a project.

▶ For more information, email PACT@sbf.org.sg

TECHNOLOGY

HIGH-TECH MATCHMAKING



DBS Bank has unveiled a service that matches SMEs with technology providers who can offer solutions to their business problems. Known as DBS Techmatch, the service allows companies to submit their business problems online. They will then be connected with tech firms offering solutions in areas ranging from point-of-sale systems and inventory management software, to customer relationship management systems.

DBS has also tied up with technology matching service Intellectual Property Intermediary (IPI) Singapore – a unit of Singapore's Ministry of Trade and Industry – for SMEs who require more specific or customised solutions. To do this, IPI Singapore scours its international network and database for technology opportunities.

▶ For more information, visit dbs.com.sg

The office party guide

Make the most of your company's festive get-together with these handy etiquette tips

WORDS TAN KENG YAO

Office parties are both a social affair and a work event, so it can be a minefield. You will need to walk a fine line between enjoying yourself and maintaining a professional demeanour.

Check the guest list

Do not assume your invitation includes your partner, whose presence could distract you from mingling with co-workers. Check with the organisers. If partners are welcome, it might be useful to run through with them the dress code and any sensitivities, as what your guests say or do will reflect on you.

Dress code

Even if the party takes place after office hours, it does not mean you can dress like it is disco night. Avoid anything too revealing or flashy. Stick with clothes that are work-appropriate. If you want to jazz up an outfit, use accessories.

Oh, behave

An office party is not a gathering with friends. So hold back on bad-mouthing colleagues and bosses or complaining about work. And definitely do not do things you would not do during office hours like telling off-colour jokes, or hitting on colleagues. The party may last only a few hours, but the damage to your reputation will stick around much longer.

Eat, drink and be merry... or not?

Hold your drinks or food with your left hand to keep your right hand free to shake hands. Your hands will stay clean if you do not walk around with a plate full of food and avoid anything



messy or greasy. Eat something before the party, so you will not end up bingeing. Also, set yourself a limit for alcohol and stick to it.

Be interested

Try not to look bored by frowning, slouching, crossing your arms or yawning. It is just bad form. Hiding in a corner with your phone the entire time is not a good idea either. Make the most of your time.

Network, network and network

An office party is a chance to meet and get to know people you rarely interact with, especially those in management. Make an effort to engage them in intelligent small talk,

but do not corner a person. If you have been talking to someone for a while, excuse yourself politely on the pretext of getting a drink.

Leave it out of Facebook

Avoid posting inappropriate comments about the party on social media, especially if you have business associates on your network. Word can get back to your bosses, putting you in a bad light.

Also, uploading unflattering photos or videos of anyone is a professional no-no, and the same goes for indiscriminately tagging people. Think about whether you would want a bad photo of yourself making the rounds online, and act accordingly.



IT'S WHO YOU KNOW

Advertise in BizQ for unprecedented access to over 22,500 business decision-makers in Singapore

For a customised media proposal, contact Publicitas Publishing today.
Email bizq@publicitas.com

BizQ



**See the positive side with mediation.
Communicate for productive
business relations.**

Mediation is a flexible process that helps businesses communicate and resolve disagreements amicably. Find solutions that meet your needs and keep your working relationships strong.

Choose mediation today.

mediation.com.sg

**Singapore
Mediation
Centre**



1 Supreme Court Lane
Level 4
Singapore 178879
Tel 65 6332 4366