GEARING UP FOR THE FUTURE ECONOMY

SHOWCASE
DELIVERING SUCCESS WITH TECHNOLOGY: NINJA LOGISTICS

SHOWCASE
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FEATURE STORY
STEERING THE ECONOMY, ONE STEP AT A TIME
RECOMMENDATIONS BY THE COMMITTEE ON THE FUTURE ECONOMY AIM TO PUSH SINGAPORE BUSINESSES TOWARDS INNOVATION AND DIGITALISATION

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Israeli medtech incubator launches in Singapore

One of the most recognised medical technology (medtech) incubators in Israel, Trendlines Group, has launched its first Asia-based incubator in Singapore. Trendlines Medical Singapore will invest in and provide hands-on support to local medtech startups to boost Singapore’s medtech ecosystem.

The move is timely for Singapore as the Asia Pacific region looks set to become the second-largest medtech market by 2020.

“The recently released Committee on the Future Economy report highlighted the importance of innovation as a growth pillar for the future economy,” said Mr Ted Tan, SPRING Singapore’s Deputy Chief Executive, at the launch of Trendlines Medical Singapore on 22 February. “We are in a good position to leverage on our strengths and continue to focus our efforts to grow the medtech sector through innovation and technology commercialisation.”

Menu for success

F&B micro-enterprises can look forward to a slew of initiatives to help them build productive and sustainable businesses. From May this year, they can be mentored by industry experts, such as Mr Andrew Ing, COO of The Lo & Behold Group; Mr Jerry Lim, COO of JP Pepperdine Group; and Mr Steen Puggaard, CEO of 4FINGERS Crispy Chicken. In addition, Singtel and the Restaurant Association of Singapore have partnered to provide digital solutions to F&B businesses.

Tailored workshops will also be provided by the Singapore Productivity Centre (SPC) and SME Centre @ ASME. These initiatives were announced on 16 February at the “Turning Passion into Profits” event co-organised by SPRING Singapore and SPC.
Recommendations by the Committee on the Future Economy aim to push Singapore businesses towards innovation and digitalisation.
It’s a fact that has been posited time and again: The global economy is unpredictable. Singapore is inevitably subjected to its fluctuations, and faces a great risk of being engulfed by rapid changes – unless it stays ahead of the game.

This has never been felt more keenly than today, according to a recent report by the Committee on the Future Economy (CFE). “Being in an era of rapid technological change means global value chains and production patterns are changing rapidly,” the report states.

“We have to develop the agility and adaptability to cope with change and to seize new opportunities,” said Mr Heng Swee Keat, Minister for Finance at the launch of the report. Minister Heng co-chaired the CFE, together with Mr S Iswaran, Minister for Trade and Industry (Industry).

Digital capabilities, innovation, and empowering the Singapore workforce with skills to support future needs are some of the critical aspects that will help local enterprises power on into the future.

What is the CFE?
In January 2016, the 30-member CFE was tasked with charting out strategies to ensure Singapore’s economy remains competitive. After a year-long study, where it consulted 9,000 stakeholders, it released its report on 9 February, which comprises seven strategies (refer to sidebar on page 6).

The strategies, which are meant to set the direction for Singapore’s economic development, will help keep the city-state open and connected to the world, while building deep capabilities in people and creating opportunities for businesses, said Minister Heng.

Deepen and diversify international connections
Casting one’s net wider to bigger markets is an important aspect of growth. But it is only with market knowledge and exposure that Singapore businesses can effectively expand into new markets, suggests the report, adding that companies should also refine their marketing strategies so they would be better positioned to access opportunities in Asia.

An example is Skin Inc, a home-grown skincare company. Leveraging technology, the company disrupted the global beauty industry with its range of customisable skincare products.

Today, it has market presence in 100 cities worldwide, with more than 350 distribution outlets across Asia, Europe, the United States, as well as online, such as through iloveskininc.com and sephora.com.

Digital marketing and e-commerce played a key role in this rapid expansion, with the company citing e-commerce as a solution to reaching different markets. Through data obtained from its e-commerce transactions – such as average order size and repeat purchase rate – Skin Inc is able to assess a market’s potential, including customer behaviour, buying habits and preferences, before expanding there. (See full story on page 10)

Acquire and utilise deep skills
A rapidly changing world means that workers will have to develop new skill sets to stay relevant. The CFE suggests that training providers and institutes of higher learning should offer modularised and technology-enabled training programmes. The Government can set up an online one-stop portal to help Singaporeans plan their long-term education and training.

Employers should also play a bigger role, and pay greater attention to in-house training efforts and ensure staff are equipped with the relevant skills to keep up with changing job requirements.

Strengthen enterprise capabilities to innovate and scale up
It’s not enough to simply think of great ideas, they must be organised effectively to create a product of value.

The CFE suggests establishing commercially oriented entities that have the necessary technical expertise, business networks and acumen, so that they can better commercialise the research findings and intellectual property (IP) of local research institutions, and strengthen Singapore’s IP ecosystem.

Wangi Industrial is an example of how having an IP strategy could potentially help break new ground and help companies in traditional industries achieve a competitive edge. The company’s first innovation is a tetrahedral amorphous carbon (TAC) coating for glass (a variant of the diamond-like carbon coating commonly used for scanner glass), which provides harder protection and is scratch resistant.

Its second innovation is the use of nano-imprint technology – a collaboration with the Agency for Science, Technology and Research – to develop anti-reflection, and water- and grease-repellant screens. Wangi has filed two patents for its second innovation – both co-inventorships with A*STAR’s Institute of Materials Research and Engineering. Wangi has exclusivity over the use of one of the patents.

The third and most recent innovation involves the integration and development of its TAC coating and nano-imprint technology to create a consumable (a disposable single-use product, similar to blood testing kits) for the biomedical sector, which is set to be launched in July.

For Wangi, obtaining patents is crucial, as it means that its clients buy with more confidence, knowing that the product is unique. (See full story on page 12)

Build strong digital capabilities
Digital technology is a great enabler in helping companies seek new revenue opportunities, become more manpower-lean and scale up.

The Government should provide more support, in terms of expertise and financing, to help SMEs adopt digital technologies. Deep capabilities in new growth sectors, such as analytics and cyber security, should also be honed, says the CFE. This can be done through supporting the development of applied data analytics capabilities.

Some local companies have already embarked on this route. Take Ninja Logistics, for example. The founders of the last-mile delivery startup decided to incorporate technology into each step of its logistics process to increase productivity.

For instance, there’s real-time tracking of parcels, and automated routing algorithms designed by their engineers that take into account operational constraints, such as maximum working hours per day, vehicle size and weight restrictions, and a driver’s preferred areas for delivery. Drivers get to pick three preferred locations, allowing them to follow an optimised route, deliver more parcels, reduce fuel costs and save time. (See full story on page 8)
Another way to improve the ITMs is to organise related ITMs into clusters to maximise synergies across industries and take advantage of skills adjacencies to support manpower needs.

To succeed in the future economy, the report also emphasises the important role that Trade Associations and Chambers (TACs) and unions play in helping enterprises address future challenges and harness new opportunities. It encourages TACs to step forward to lead more industry-level initiatives, and support enterprises in scaling up and entering overseas markets. Unions should continue to nurture a sense of ownership among Singapore workers and help them prepare for future jobs.

**Partner each other to enable innovation and growth**

The report also calls for enterprises to work together to support one another. Big players, for instance, can lend a hand by adopting corporate venture capital strategies, while providing startups access to funding and networks.

In 2010, Zicom Group, a precision engineering and manufacturing firm, invested close to $5 million in Biobot Surgical, a medical technology company. Biobot had developed a surgical robot for cancer biopsies, which makes the procedure minimally invasive, with high accuracy and lower risks of infection. The solution is just what Zicom Group needed to move from being just a manufacturer to a product owner.

For Biobot, having Zicom Group’s support and branding means higher customer confidence in its products. Biobot can also leverage Zicom Group’s team of experts in various fields, such as engineering and finance, to scale up and further improve its product. *(See full story on page 16)*

In the report, the CFE also recognises that more can be done to drive innovation among SMEs and startups. The Government will generate lead demand under the enhanced Partnerships for Capability Transformation (PACT) programme, known as GOV-PACT, where SMEs and startups will be funded at various stages of product and solution development for these innovative projects initiated by Government agencies as their clients.

**Creating and seizing opportunities**

Overall, the CFE’s approach is an inclusive one, with the aim of ensuring that the fruits of the nation’s growth will be enjoyed by all Singaporeans. “The CFE recommendations aim to help our people and our enterprises develop deep capabilities that will enable Singapore to reshape our economy and seize new opportunities at home and globally,” said Minister Iswaran.

Ultimately, Minister Iswaran added, the CFE’s efforts must translate into better opportunities for all Singaporeans, with sustainable wage growth and meaningful careers, and a conducive environment for businesses to grow.

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**SEVEN STRATEGIES TO STAY AHEAD IN THE FUTURE ECONOMY**

1. Deepen and diversify international connections
2. Acquire and utilise deep skills
3. Strengthen enterprise capabilities to innovate and scale up
4. Build strong digital capabilities
5. Develop a vibrant and connected city of opportunity
6. Develop and implement Industry Transformation Maps
7. Partner each other to enable growth and innovation
Whichever stage of growth your business is at, having the right set of business capabilities will make you more competitive. SPRING Singapore’s Capability Development Grant (CDG) helps defray up to 70% of qualifying project costs when you enhance your capabilities to grow your business.

For more information, visit www.spring.gov.sg/CDG today!
A few young entrepreneurs have sought to revolutionise the traditional logistics industry, one process at a time.

The logistics industry is experiencing a new wave, brought about by newer players eager to disrupt the scene with innovative ideas and digitalisation.

Ninja Logistics, a last-mile delivery startup owned by a group of young enterprising Singaporeans, is hoping to play a part in revitalising the sector with the help of technological advancements.

Known for its bright red Ninja Vans, the company has seen marked growth since its launch in April 2014, all thanks to its willingness to adopt digital technologies and a market strategy of focusing on the e-commerce market.

**Addressing a problem**
Mr Firas Alsuaigh (photo, above), Ninja Logistics’ Singapore Country Head, together with four others – including Mr Lai Chang Wen, CEO and Mr Tan Bo Xian, COO – were initially co-founders of a men’s apparel e-retailer. It was then that they discovered some problems that e-commerce players often face, such as deliveries getting lost or taking a long time to reach their customers.

The problem was that incumbent parcel courier services were not catering to e-commerce players, says Mr Alsuaigh. “They didn’t allow customers to enter details that go straight through to a logistics provider’s system. That kind of seamless flow of information was missing.”

This prompted Mr Alsuaigh and his team to set up Ninja Logistics in April 2014. During that time, they spoke to various e-commerce players on their challenges and wishlists, before customising solutions specially catered to them. Shortly after, they shut down the e-apparel business to focus solely on Ninja Logistics.

**Digital first**
Technology played a big part in...
Mr Firas Alsuwaigh
Country Head, Ninja Logistics Singapore

Businesses that do not become a technology company or do not incorporate technology into their operations will create opportunities for other companies to overtake them.

Advice for businesses
Mr Alsuwaigh emphasises the importance of technology for business growth and development.

“Businesses that do not become a technology company or do not incorporate technology into their operations will create opportunities for other companies to overtake them.”

While the high cost of investment might make some companies balk, Mr Alsuwaigh says businesses still have to embrace it. In fact, he adds, many local companies that have been around for some time are doing well and earning healthy margins after adopting technology.

“I do not think it is an affordability problem. It is more a matter of willingness to allocate budget to it.”

key takeaways
- Digital technology is a key enabler of industry transformation and innovation.
- Visit www.spring.gov.sg/CDG to find out how SPRING can support your business’ technology adoption and digitisation efforts.
Skin Inc first emerged onto the skincare scene nine years ago. Despite strong competition from skincare giants, Ms Sabrina Tan (photo, left), the Founder and CEO of Skin Inc, identified a formula for success – customising skincare to each individual’s unique needs by leveraging on technology.

“I realised that just like I need a product that could be customised to my skin needs and fit into my busy lifestyle as a business executive and mother of two, other women too would need the same thing,” she says. Today, the home-grown company is recognised as an innovative player in the skincare industry and known for its range of customisable serums, which allow customers to create an effective and fuss-free regimen, tailored to their individual skin needs.

Making a breakthrough with technology

“The company prides itself on disrupting the beauty industry by leveraging technology to enable skincare customisation,” says Ms Tan. Skin Inc distinguishes itself by combining beauty and technology to empower customers.

One example is the company’s online skin diagnostic tool, My Skin Identity, a proprietary algorithm based on decades of skin ageing research. “It enables people to decode their unique skin identities, concoct their own serum cocktail and take control of their skincare regimen,” Ms Tan explains.

This digital innovation helped push the company’s products ahead of the curve and create a distinctive brand. So far, more than one million skin identity checks have been completed using My Skin Identity, providing the company with valuable data for further innovation and to create customer-specific services and products. For instance, Skin Inc’s latest product offering, the Optimizer Voyage Blue Light, was developed after data showed that 50% of its customers suffered from skin sensitivity, blemish and acne prone skin.

The company has also implemented a Customer Relationship Management system to collect data, such as customer needs and preferences, and manage customer feedback. The system helps Skin Inc develop better relationships with customers and build brand loyalty, which in turn leads to greater sales.

Moving forward, the company plans to improve the user experience.
of My Skin Identity by integrating a chatbot into the tool. Skin Inc is also experimenting with ways to incorporate augmented reality into My Skin Identity, to give customers a more immersive and interactive online experience.

A global digital strategy
Digital marketing and e-commerce played a key role in the company’s expansion, with Ms Tan citing e-commerce as a solution to overcoming geographical boundaries and reaching new markets.

Through data obtained from its e-commerce transactions, Skin Inc is able to assess a market’s potential before considering expanding there, thus saving time and money. For instance, the company is able to measure customer traffic, visitor-to-customer conversion rate, average order size and repeat purchase rate to understand customer behaviour, buying habits and preferences. The company also generates engaging content on social media, such as Facebook and Instagram, to draw people to its website and get them interested in Skin Inc’s products. It also invests in search engine marketing (SEM) and search engine optimisation (SEO) to attract customers.

“We want people to easily find us online using certain keywords, so digital marketing tools like SEO and SEM help ensure that our website appears at the top of search platforms when users search specific terms,” explains Ms Tan. In 2015, Skin Inc was featured as a hero case study for Google’s “Go Global” campaign.

In addition, the company works with top global influencers, such as Aimee Song, Michelle Phan, Chiara Ferragni and Lindy Tsang, to expand its reach to new customers. “Their comments and feedback about our products resonate with their followers,” says Ms Tan.

All these efforts have had a positive impact on the company’s online sales. In 2016, it doubled the revenue from its online store, compared to 2015.

Forging the right partnerships for expansion
The company followed a phased approach towards expansion. “We first focused on strengthening our operations in Singapore. Only after that did we start looking at other countries in the region,” she explains.

The biggest breakthrough in Skin Inc’s expansion plans was securing a partnership with Sephora, which has stores in more than 30 countries. The partnership has since helped enhance Skin Inc’s visibility in new markets. “Having our brand associated with a credible name like Sephora has catapulted us into the global spotlight, adding a major boost to our sales and profits,” says Ms Tan.

Through its globalisation efforts, Skin Inc will continue to promote the concept of skincare customisation and transform the way people care for their skin. It is also hoping to raise greater awareness of home-grown skincare products internationally, which is in line with the Committee on the Future Economy (CFE)’s recommendation to deepen awareness of overseas markets to prepare for the next phase of internationalisation.

Preparing for the future
When asked about challenges the company faced in getting to where it is today, Ms Tan says: “The initial stages of brand development were not easy as we had to compete with other more renowned brands in the market.”

Skin Inc used SPRING’s Capability Development Grant to build its capabilities in the areas of brand development, retail concept innovation and digital marketing, as well as adopt e-commerce. Today, it is a formidable player in the global beauty scene, with market presence in 100 cities worldwide.

It also has more than 350 distribution outlets across Asia, Europe and America, as well as online, such as through iloveskininc.com, sephora.com, and appointed e-tailers.

Overall, Ms Tan, who is also a member of the SME Deep-dive in the CFE sub-committee, believes that overseas expansion can be both exciting and daunting, especially for SMEs. “Businesses should acquire knowledge of regional and global markets, such as through consultants and seminars, before deciding which market to expand into,” she advises.

“In this digital age, companies should be prepared to go global much sooner than they had previously planned.”

Ms Sabrina Tan
Founder & CEO, Skin Inc

key takeaways
* Being outward-looking and having a strong technology and global digital strategy will stand your business in good stead for the future.
* Visit www.spring.gov.sg/CDG to find out how SPRING can help you boost your brand and leverage technology to develop innovative products and services.
LEAPFROGGING THE COMPETITION

Local glass-machining manufacturer Wangi Industrial stands out with its innovative solutions and IP strategy

In the past, you could accidentally scratch the screen of your digital device with your fingers or stylus, affecting its display quality or touch response.

That may not be the case today, with Wangi Industrial’s tetrahedral amorphous carbon (TAC) coating for glass. The TAC coating, which is a variant of the diamond-like carbon (DLC) coating, provides harder protection and is scratch resistant. The DLC coating is commonly used for scanner glass, such as those found in barcode scanners at supermarkets and biometric passport readers at airports.

The company’s second innovation is the use of nano-imprint technology – a collaboration with the Agency for Science, Technology and Research (A*STAR) – to develop anti-reflection, and water- and grease-repellant screens. “This means that there won’t be glares or reflections from light sources or grease marks from fingerprints on touch screens, such as those on smartphones, tablets and in-flight entertainment,” explains Mr Chew Ker Yee (photo, second from left), Vice-President of Business Operations at Wangi, a local precision glass machining company, which was founded in the 1960s. Wangi manufactures glass for various industries, such as electronics.

When asked about how the technology works, Mr Chew says: “It’s like Play-Doh. Essentially, we create nano-structures, or tiny ‘cones’, on the Play-Doh, which are then hardened onto a glass screen.” According to Mr Chew, the “cones” are 20 times smaller than a red blood cell and, as a result, it enables the screen to transmit more than 99% of light, and repel water and grease.

Wangi has filed two patents for this second innovation – both co-inventorships with A*STAR’s Institute of Materials Research and Engineering (IMRE). Wangi has exclusivity over the use of one of the patents. The next step will be bringing the solution to market and promoting mass adoption.

Its third and most recent innovation involves the integration and development of its TAC coating and
nano-imprint technology to create a consumable (a disposable single-use product, similar to blood testing kits) for the biomedical sector. Wangi plans to launch it worldwide in July.

When asked why Wangi decided to embark on this string of innovations, Mr Chew says: “With the industry facing the challenge of recruiting bright individuals while being hit hard by the global economic slowdown, being innovative and transiting to proprietary higher-value manufacturing is the only way we can avoid being displaced.”

Road to discovery
Wangi is a good example of a business that has strived to come up with solutions that are patented and can be marketed on a large scale. But the journey was not easy, shares Mr Chew.

Several years ago, a customer asked the company to produce a complex form of high-end optics that was not available in the market. The company found a machine that was being used for a different purpose and modified it to solve the customer’s problem.

To their dismay, the customer got Wangi Industrial’s competitor to buy the same machine and make the same modifications but at a lower price. “That was our first encounter with dealing with intellectual property (IP) issues,” Mr Chew says. “Having a patent on the process would have helped us avoid that scenario.”

He explains that customers are often cost-sensitive and will always be on the lookout for cheaper alternatives.

If a company focuses only on producing goods for sale, it will eventually land up in a vicious cycle of having to push down prices in order to retain these customers.

“That really forced us to think about how we can differentiate ourselves and gain that competitive advantage,” he adds. “To do that, we needed value-added activities, such as research and development (R&D) and IP protection.”

The interesting thing about Wangi’s business structure is that it does not have a dedicated in-house R&D team.

Instead, its pool of manufacturing engineers are encouraged to come up with new solutions through systematic trials and errors. The same engineering team is also empowered to take ownership of their own innovations and IP submissions.

Beyond that, the company also taps on research institutions to help with R&D and IP research.

“We train our engineers using problem-solving methods, such as the plan-do-check-act cycle, which is a model for continuous improvement, design of experiment and data analysis. In addition, they are trained to collaborate effectively, learn from mistakes and give feedback,” Mr Chew explains.

Success in innovation
While SPRING Singapore’s Capability Development Grant has helped Wangi buffer some costs for the first two innovations, the company attributes much of its success in innovation to the network of partnerships and collaborations that it has built. Establishing connections with partners and research institutes have helped Wangi gain access to resources and widen the scope of its research.

For example, the company was able to glean expertise from a seconded A*STAR researcher with SPRING’s help for its third innovation.

It also allowed the company to spread its risks, reduce the cost of innovation and shortened the time for its innovations to enter the market. This is in line with the Committee on the Future Economy’s report, which proposes strengthening Singapore’s IP ecosystem to better support innovation and technology.

Strategy for growth
For Wangi, obtaining patents is crucial for its business, as it means owning a solution that nobody else has. Having an IP also means that the company has the right to use and sell the product without any obstruction from competitors. Consumers buy more confidently as they know that the product is unique.

Within the company, there has been a boost in staff morale and pride as they see their hard work coming into fruition, he says. “Our product development strategy is to create products and protect it with patents and, eventually, establish a dominant market share,” Mr Chew adds.

Additionally, it has brought about performance improvement within the company and cost-savings.

“Traditionally, manufacturers have a profit margin of about 3% to 5%. However, if a company has its own unique solutions, profit margins can go up to about 20%.”

Mr Chew realises that some of the company’s innovations are high-risk and require a large investment. Therefore, he points out that companies should have a “portfolio of innovations” to balance things out.

“Businesses should maintain their bread and butter as a dependable source of income, so that they can be in a better position to venture into both low- and high-risk innovation activities, ultimately to find new and sustainable sources of revenue,” he advises.
THRIVING IN THE FUTURE ECONOMY

As co-leads of the SME deep dive under the Committee on the Future Economy, Ms Sim Ann, Senior Minister of State for Culture, Community and Youth, and Trade and Industry, and Mr Thomas Chua, President of the Singapore Chinese Chamber of Commerce & Industry, give their thoughts on Singapore SMEs and the future economy.

What role do SMEs play in contributing to our future economy?
SA: SMEs are at the heart of our plans for the future economy. They are the base from which successful brands have emerged, and will be the source of our next generation of local champions.

TC: SMEs form the bedrock of our society; they employ 70% of our workforce. As SMEs are flexible and able to adapt to changes more quickly, they will undoubtedly continue to contribute to Singapore’s economy.

What are some of the sentiments you’ve gathered from SME owners on the direction in which the business landscape is heading? What can they do to stay afloat and competitive?
SA: Most sense change, some worry about disruption but more see opportunities and want to be part of the future economy. The question is how. Our role is to help them answer that question. There are assistance schemes in place to help our SMEs. For example, to help with wage costs, the Government had introduced the Wage Credit Scheme and the Special Employment Credit scheme. We also have the SME Working Capital Loan to encourage participating financial institutions to lend to SMEs. These are on top of existing schemes like SPRING Singapore’s Capability Development Grant, which funds up to 70% qualifying costs to help companies improve on innovation and productivity. Our network of SME Centres and the online SME Portal are the first touchpoints for SMEs to seek help and advice. We will be adding a Tech Depot to the SME Portal by the second quarter this year, which will showcase easily adoptable technology and digital solutions for SMEs.

TC: Based on a survey that SCCCI recently conducted, about 65% of SMEs are open to changes and adopting innovation. However, many of them are limited by resources and are unsure how to navigate the changing business landscape or ride the digital wave. There is an urgent need for SMEs to restructure, transform their business models and change their mindsets. They need to innovate, collaborate and internationalise to remain competitive.

What stage are Singapore SMEs at in terms of preparing for the future economy? What do you think SMEs can do to better prepare themselves?
SA: We are entering a new era of technological change, marked by digital solutions, automation and innovation. There will always be those SMEs that can figure out on their own how to acquire the necessary skills, change their business models and prosper in this new environment, but we don’t want to leave this process to chance. By being proactive in spreading the message of transformation and providing support, we hope to help
Building a strong and competitive SME sector requires everyone to play a part. The Government alone will not be able to help all businesses transform. SMEs that are willing to share their experiences and TACs who seek to uplift their specific industry sectors will help get us there.

Ms Sim Ann
Senior Minister of State for Culture, Community and Youth, and Trade and Industry

Every sector will now have a clear champion agency. This gives sharper focus to solving industry-wide concerns that might involve multiple agencies. In the Lifestyle Cluster, which covers the Retail, Food Services, Food Manufacturing and Hotels ITMs, I am hopeful that the ITMs will give us fresh momentum to tackle challenges, such as how to transform the neighbourhood shopping experience in our HDB heartlands. I am excited that stakeholders, such as the Federation of Merchant Associations Singapore, want to seize this window of opportunity to bring the message of change and upskilling to more member enterprises. I would like to see a broad movement of projects championed by more TACs across the Lifestyle Cluster.

TC: We would definitely see more SMEs embarking on digitalisation, innovation and internationalisation because that’s the way to grow and remain competitive. I am also heartened by the CFE’s recognition of the importance of TACs as valuable multipliers. I hope that there will be more opportunities for TACs to partner with the Government and help more SMEs become future-ready.

What is your vision for SMEs 50 years down the road? How can it be achieved?

SA: Innovative, nimble and ready to compete in any environment. It is my hope that whenever people think of Singapore SMEs, those would be the key words that come to mind. Building a strong and competitive SME sector requires everyone to play a part. The Government alone will not able to help all businesses transform. SMEs that are willing to share their experiences and TACs who seek to uplift their specific industry sectors will help get us there.

TC: I hope that our local SMEs would one day become world-class enterprises that provide services and products to the world and attract top talents. To achieve this, they need to fully embrace technology and innovation, as well as be proactive and far-sighted. SMEs need to develop their core capabilities through innovation, and research and development. In addition, it’s important for them to constantly review their operating models and processes to reduce inefficiencies. They should also never stop looking for ways to venture overseas, expand their market share and, eventually, evolve into internationally recognised household brands.
GIVING STARTUPS A LEG UP

With Zicom Group’s support, local startup Biobot Surgical has been able to take its invention to greater heights

Smaller companies are nimble but often lack adequate expertise and experience when it comes to venturing abroad or expanding on a larger scale compared to bigger, more established businesses. This is why the Committee on the Future Economy (CFE)’s report encourages greater partnership between large and small enterprises, so that both sides can benefit from each other’s capabilities and reap mutual benefits.

Zicom Group’s investment in a startup is an example of the advantages that such partnerships can bring. In 2010, the precision engineering and manufacturing firm took a chance and invested close to $5 million in Biobot Surgical, a local medical technology (medtech) startup that was looking to commercialise its product – a surgical robot called iSR’obot Mona Lisa. The robot is used for prostate cancer biopsies and known for its minimally invasive procedure, high accuracy and lowered risks of infection. Developed in 2001, the robot is the brainchild of the late Professor Ng Wan Sing of Nanyang Technological University (NTU) and Professor Christopher Cheng of Singapore General Hospital (SGH). In 2007, the late Prof Ng set up Biobot to enable further development and commercialisation of the product.

The product’s potential captivated the board of Zicom Group, and was just what Zicom Group needed to move up the value chain. Established in 1978, Zicom Group was keen to evolve from being a manufacturer to a product owner. Zicom Group saw the iSR’obot Mona Lisa as a way to fulfil this aim.

A win-win situation
To ensure the success of the collaboration, Zicom Group identified and employed new talents in the areas of robotics design,
An established company will be able to guide a startup at various milestones, be it designing a product for manufacturability and usability, expanding its supply chain and manufacturing volume, or even negotiating with customers and vendors.

Mr Sim Kok Hwee
Executive Director, Zicom Group

Helping those in need
Mr Sim believes that collaborations between established enterprises and startups are essential, and larger businesses could do more to give their younger counterparts a boost. “An established company will be able to guide a startup at various milestones, be it designing a product for manufacturability and usability, expanding its supply chain and manufacturing volume, or even negotiating with customers and vendors,” Mr Sim adds.

Mr Chen agrees. “Having corporate investment from an established company like Zicom Group creates the buy-in and commitment from the Group’s key executives and team. This further enhances the relationship between the two companies.”

Moving forward, Biobot is hoping to identify a distributor in the US, and is also exploring venturing into the China market. The startup is also working on improving its platform to enable the iSR’obot Mona Lisa to deliver treatment for prostate cancer, and accelerate its market expansion. “If our platform can be used for both biopsy and treatment, the intrinsic value of Biobot would increase and, ultimately, make the company more attractive to investors,” says Mr Chen.
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