

# *theSME* magazine

THE BUSINESS TIMES

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“THE MARKETS AND  
CONSUMERS’ BEHAVIOUR  
ARE CHANGING RAPIDLY  
– YOU DON’T NEED  
A FORTUNE TELLER  
TO TELL YOU WHAT’S  
GOING TO HAPPEN  
THREE TO FIVE YEARS  
FROM NOW.”

ANDY CHAW, CHIEF EXECUTIVE OFFICER  
OF STAR 360 HOLDINGS



Photography: Ching, Capsule Productions Styling: Dan Foo Hair & Makeup: Granell Loh, using Clinique Wardrobe: Jacket: stylist's own



# SCALING UP

**H**AVING an international market is one of the easier ways for companies to scale. It essentially spreads the risk – much like the saying don't put all your eggs in one basket – and, equally importantly, creates economies of scale.

For Star 360 Holdings' Andy Chaw, buying out rocker bottom shoe brand Masai Barefoot Technology (MBT) was not just momentous in that it turned the distributor into a brand owner, it was also momentous in that the deal opened Europe and North America for the company, making it a truly global player.

This has in turn helped it survive and indeed thrive in Singapore despite the soft retail environment, as the company is now supported by operations in other markets.

As Mr Chaw puts it: "I am glad we are operating in different continents and are often presented with many business opportunities, hence we are in a better position to spread our risks and are able to weather the situation."

It is not just seasoned businesses that are looking overseas to expand their share of the pie however.

The government, through the measures rolled out in Budget 2015, have made it clear that internationalisation is a key strategy for the country, going forward. IE Singapore is boosting the array of arsenal in its war chest. In addition to some more general enhancements to its schemes, SMEs specifically are now able to leverage increased support over the next three years, in the form of raised grant support level from 50 per cent to 70 per cent for all activities under the IE Singapore's Market Readiness Assistance (MRA) and Global Company Partnership (GCP) grants.

In Top Story, we speak with market watchers to find out more about the common pitfalls experienced by businesses expanding overseas. We also ask the question: Who, beyond IE Singapore, can you turn to if internationalisation is on your mind?

As part of efforts to prepare your company for internationalisation, perhaps the thought of adopting the Business Excellence (BE) framework has crossed your mind. No doubt, the other question that has crossed your mind is: Is the amount of effort worth it? The proof is in the pudding, as Chinese restaurant

chain Putien and local printer Markono Print Media discovered. According to a 2014 study commissioned by Spring and conducted by the National University of Singapore Business School, profits of organisations certified to BE standards grew by 14 per cent compared to the industry average of around 7 per cent. The study, which covered some 470 BE-certified organisations, showed that those on the journey for five to 10 years benefited most, particularly in terms of revenue and profit growth. They achieved 7.5 per cent revenue growth compared to the 5.4 per cent industry average, and a 25.5 per cent jump in profits against the industry's 6.3 per cent.

Another key theme in this issue of *The SME Magazine* is that of talent. Most people have the know-how before they launch their businesses . . . or don't they?

In Cutting Edge, we speak with the co-founders of Estil Furnishing who, in their words, had "entrepreneurship . . . on our minds" but did not have the know-how to go about starting the business in their chosen field. From having to undergo proper training to today becoming a game-changer in the soft-furnishing industry, theirs is a story of pure grit and determination.

Smart Capital also looks at the topic of talent management. How do small and medium-sized enterprises, with the baggage of perceived inferiority compared to multinational companies, compete to attract talent? Find tips such as developing a cultural fit, having a succession plan and developing your brand.

And, in Budding Entrepreneurs, we speak with Paperplane founder Chrissy Lim, who was trained and worked as a lawyer, later got into advertising, and now just wants to "tell a good story and empower people to make a dent in the universe". Not your usual tech startup, Paperplane is a Singapore story studio that makes original playbooks and learning games.

I hope you find the topics broached in this issue of *The SME Magazine* useful!

**Mindy Tan**  
EDITOR



## ON THE COVER

Photography: Ching, Capsule Productions  
Stylist: Dan Foo  
Hair & makeup: Ernest Lim using Biotherm Homme  
Wardrobe: Mr Chaw's own

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