

Enhancing industry and enterprise competitiveness

All reports by NARENDRA AGGARWAL



HOME-GROWN local enterprises are the backbone of a dynamic economy. In Singapore, SMEs account for 50 per cent of the economy and employ nearly 70 per cent of the workforce. Two key Singapore government enterprises lead the effort to promote and develop local enterprises on a sustained basis.

Spring Singapore and International Enterprise (IE) Singapore in a joint initiative through the Local Enterprise and Association Development (LEAD) programme have been working hard over the past 10 years to enhance the competitiveness of both local industries and enterprises.

As the LEAD programme marks its 10th anniversary this year, the government has decided to support it with renewed vigour, with plans to partner Trade Associations and Chambers (TACs) in their outreach efforts.

“Over the past 10 years, the LEAD programme has supported many impactful projects that have both transformed industries and pushed sectors forward to remain competitive. LEAD will continue to be a programme that is responsive to the challenges of the industry, one that champions new and innovative industry initiatives, and one that helps our partners to help local SMEs,” says Tan Kai Hoe, chief executive of Spring Singapore, which administers the LEAD programme along with IE Singapore.

The TACs are given funding support to enable them to lead in industry development and drive initiatives to improve the overall capabilities of all SMEs in their industries. Already, 30 leading industry associations and business chambers are on board the LEAD programme, and a third of their participating members have embarked on a variety of upgrading and market development projects.

These associations include business associations and chambers from the aerospace, automation, engineering, education, logistics, retail, construction, sustainable development, foods, infocomm, manufacturing and engineering industries.

“Through LEAD, industry associations help rally enterprises to jointly develop their industry sectors. With a well-conceived industry development roadmap combined with revenue generating activities, associations will also move towards self-sustenance,” says Mr Tan.

Launched in 2005, the LEAD programme covers a wide range of development areas including technology and infrastructure, expertise and managerial competence, business collaboration, intelligence and research, as well as advisory and consultancy.

“The LEAD programme has been an important platform for TACs to work together with government agencies to upgrade and transform the industry,” says Douglas Foo, president of the Singapore Manufacturing Federation.

“It has been a very successful endeavour. Since 2005, LEAD has supported 30 TACs, including Singapore

Manufacturing Federation (SMF), on 54 industry-upgrading projects, totalling more than S\$106 million and benefitting about 38,000 local enterprises. At the same time, SMF looks forward to more such efforts that help to boost and improve the Singapore economy,” he adds.

Singapore Business Federation chief executive officer, Ho Meng Kit, suggests that the LEAD programme could potentially look at enhancing collaboration between TACs to advance advocacy initiatives and projects across sectors.

“This would allow the more effective use of resources and help shorten the incubation period of projects. Many industry observers have commented that Singapore businesses and TACs rarely collaborate. LEAD can play a part to encourage projects across sectors amongst a few TACs,” he adds.

Among the impactful projects undertaken by TACs with funding support from the LEAD programme, to help their members build industry-wide capabilities are those by the Container Depot Association of Singapore (CDAS) and the Restaurant Association of Singapore (RAS).

The container depot and trucking activities are key pillars supporting Singapore’s global trade. The CDAS realised that the transport deployment and scheduling systems were not optimised, resulting in long queues at depots and ineffective deployment of the truck fleets.

“To improve the overall sector productivity, CDAS implemented a Containerised Traffic System (CTS) to enable depot operators, trucking companies and port operators to plan and deploy trailers more efficiently through better information integration,” said Mr Tan. The CTS generates real-time operational progress reports which enable container depot, trucking companies and port operators to take immediate actions and tackle bottlenecks.

Another impactful project executed with LEAD support is a multi-year initiative by RAS to improve the productivity of F&B companies through the development and enterprise-level implementation of 5S workplace organisation tools. 5S (Structure, System, Sanitise, Standardise and Sustain) is a structured programme on housekeeping practices to systematically achieve organisational cleanliness, standardisation in the workplace, and improve productivity.

Through the programme, RAS assisted around 80 establishments from over 15 F&B companies. A total of 40 assessors and auditors have also been trained by RAS to ensure continued compliance of the methodology. Restaurants that have implemented 5S have reported benefits such as 90 per cent time savings for staff to retrieve items and a substantial increase of use of floor area for revenue generation.

“There has been a strong emphasis on improving our companies’ productivity across many of the TAC projects. More companies are realising that it is not sustainable or strategic to drive business growth through manpower and resource expansion in the long run,” says Spring Singapore’s

Mr Tan. “Instead, they are looking for new ways to increase their efficiencies and competitiveness in order to achieve sustainable, productivity-led growth. Given this focus on productivity, TACs have led the way by driving various productivity and talent initiatives over the past 10 years. To increase productivity, some TACs have led initiatives to develop productivity information and knowledge, and facilitate productivity improvement projects.”

Another trend is for TACs to lead initiatives to attract talent into their industries. “We have seen that young graduates tend to prefer some industries over another due to the image of the sector. As a result, some TACs have undertaken initiatives to better brand their sectors so as to attract young graduates. An example of this is the Singapore Logistics Association which has provided scholarships, undertaken career fairs and launched the supply chain challenge to attract young talent into the sector. Some TACs are also matching students with SMEs to increase the amount of talent entering SMEs. This is a boon to SMEs that have recruitment challenges,” says Mr Tan.

Looking ahead, the Spring Singapore chief says: “As the labour growth over the next few years is likely to remain tight, it is important for companies to develop their existing workforce and retain talent. This is an area that TACs could assist SMEs on. Secondly we would like to see more TACs assisting SMEs to build their competencies and improve productivity. This would allow SMEs to grow sustainably and get more returns from the resources they invest. Thirdly, we would like TACs to take the lead to test bed new ideas that could provide innovative solutions to SME challenges.”

“If there are initiatives that the TAC and their members want to embark on that develop the sector, grow SMEs or build SME capabilities, the government is open to support such initiatives,” says the Spring Singapore chief.

TACs can also tap the LEAD programme to embark on cross-sector collaborations. With increasing interdependence across different players and sectors in the value chain, there is value to be created in cross-sector projects to enhance processes and customer interactions with goods and services. An example is how the retail industry can work with the

“In the current globalised world, our talents will benefit from gaining international exposure.”

– Teo Eng Cheong (right), chief executive officer of International Enterprise (IE) Singapore

logistics sector to build an ecosystem that will support retailers in their e-commerce activities, he adds.

It has been noted that the TACs need to upgrade and strengthen their own capabilities to assist their respective industries more. Collectively, TACs in Singapore provide access to the majority of SMEs in the country. This is important for outreach activities and getting feedback. Furthermore, the TACs have good domain knowledge of the various sectors they represent. This provides a good base to contextualise initiatives to assist SMEs.

“TACs should also invest in developing capabilities through studying industry trends and technology changes that may affect their industry. This is important in facilitating SMEs to be prepared for change and leverage trends that grow and/or affect their business,” says Mr Tan.

“We also hope that TACs would be able to invest time and resources to develop strategic and transformative industry plans that outline the direction the industry needs to take to grow and secure its place in the future.

“Most importantly, in line

with SkillsFuture’s objective of creating more opportunities to develop every Singaporean to his fullest potential, TACs should take the lead to train and enhance overall competencies in our industries.”

An important aspect of enhancing industry and enterprise competitiveness is to encourage SMEs to internationalise their operations in view of Singapore’s relatively small market which places constraints on future growth.

“Overseas expansion is an important strategy to help companies, including SMEs, sustain their growth. There are enormous benefits when companies venture abroad,” says International Enterprise (IE) Singapore chief executive officer, Teo Eng Cheong.

Going overseas helps them access resources and possibly overcome domestic constraints such as manpower and rising business costs. It also enables companies to diversify their business and scale up operations more easily.

At the same time, as companies go on the global stage and compete with others, they will become more productive and innovative. Importantly, internationalisation contributes back to Singapore in business spending and job creation for Singaporeans. “In the current globalised world, our talents will benefit from gaining international exposure. As the global economic recovery gains firmer footing, the trends of urbanisation and consumerism, especially in Asia, are going to bring about many opportunities. Our companies should seize these opportunities in order to grow,” says Mr Teo.

The TACs play an important role in helping to boost companies’ and SMEs’ overseas expansion as they take the lead in helping their member companies manage economic restructuring, embark on new industry or in-market projects to elevate industry competence. By partnering TACs government agencies can reach out to more SMEs and help them grow by taking them overseas.

“We see TACs as strategic partners to help Singapore companies go overseas successfully. They play a huge role through participation in international trade fairs and overseas business missions. IE Singapore’s International Marketing Activities Programme (iMAP) provides support for



companies to access business opportunities when they participate in such business missions or the Singapore Pavilions at trade fairs led by TACs. Through iMAP, we support over 3,000 companies every year in these activities,” says Mr Teo.

IE Singapore also provides assistance to the TACs via the LEAD programme. While iMAP is a broad-based programme with pre-defined and established activities such as fairs and missions, LEAD is a customised programme with the flexibility for the TACs to plan the scope of activities or initiatives.

Using the LEAD programme, TACs help to increase awareness of the local industries’ capabilities to overseas buyers and generate business leads through trade shows and in-market showcase events. TACs can also front and invest in industry branding initiatives to better position the industry’s value propositions and gain global mindshare. Such efforts would lend credence to the market and promote Singapore enterprises more effectively, says the IE Singapore chief.

As the LEAD programme completes 10 years, it is noteworthy that over the years, TACs have been working closely with IE to explore new in-market platforms and industry efforts to help companies more effectively.

An example is the IE Singapore-SCCCI Singapore Enterprise Centre (ISSEC). China is a market with huge potential for SMEs but many SMEs require market information and guidance to venture into China. The Singapore Chinese Chamber of Commerce and Industry (SCCCI) therefore joined hands with IE to launch the ISSEC, a one-stop centre in Shanghai for SMEs venturing into China. It offers one-to-one advisory services, market information and business leads.

ISSEC has helped over 2,000 companies so far through outreach activities, providing in-market advisory as well as useful contacts and leads like suppliers and distributors.

For instance, ISSEC introduced a Direct Imported Goods (DIG) centre to a food manufacturer. The company has since managed to place its products on the shelves of four out of 15 DIG outlets.

Mr Teo highlights that ISSEC also assisted an early childhood education company to expand into Changsha by sharing the various regulations and considerations to set up an education business, which is a restricted sector in China.

While the TACs have been playing a key role in helping to enhance industry and enterprise competitiveness, TACs themselves need to upgrade and strengthen their own capabilities to do an even better job. In this too, Spring Singapore and International Enterprise (IE) Singapore are contributing significantly.

“The TACs have a challenging job in continually engaging their members, while keeping up with the changing environment to meet their members’ needs,” says Mr Teo.

“TACs may not always have all the expertise required to carry out industry development and market access projects on their own. So they need to leverage partners and in-market experts to support them. By doing so, TACs are able to shorten their learning curve and gain experience to transfer these skills and knowledge back to their own association and strengthen in-house capabilities. At the same time, TACs would need to keep expanding their network and connections to continue helping their companies.”

“Through the LEAD Programme, IE and Spring have fostered close partnerships with the TACs, who are our industry champions. We see TACs continuing to play a pivotal role in guiding companies on their productivity exercises and capturing opportunities overseas. We will continue to support them in the best way we can,” says Mr Teo.

Leading the way

Local Enterprise and Association Development (LEAD) was launched in May 2005 as an incentive programme to enable key industry associations to lead and drive initiatives, and improve capabilities of SMEs in their industries. The objective was to enhance industry and enterprise competitiveness by partnering with Trade Associations and Chambers (TACs), and empowering TACs to assist companies.



Since 2005, LEAD has supported 30 TACs on 54 industry-upgrading projects, totalling more than S\$106 million and benefitting about 38,000 local enterprises.

LEAD OBJECTIVES

Drive productivity, build capabilities

Facilitate international market access for enterprises in key industries

Develop TACs secretariat capabilities

Outreach to SMEs on capability development and internationalisation strategies and relevant government assistance schemes

YEAR JOINED	LEAD PROJECT'S TARGET INDUSTRY	
2006	Singapore Furniture Industries Council (SFIC)	Furniture
	Singapore Food Manufacturing Association (SFMA)	Food manufacturing
	Singapore Chemical Industry Council (SCIC)	Chemical
	Restaurant Association of Singapore (RAS)	Food & beverage
	Association of Process Industry (ASPRI)	Process
	Singapore Precision Engineering and Tooling Association	Precision engineering
	Textile & Fashion Federation (Singapore) (TAFF)	Textile and fashion
	Singapore Infocomm Technology Federation (SITF)	Infocomm
	Container Depot Association of Singapore (CDAS)	Logistics
	Association of Singapore Marine Industries (ASMI)	Marine and offshore engineering
2007	Singapore Contractors Association Limited (SCAL)	Construction
	Sustainable Energy Association of Singapore (SEAS)	Sustainable energy
	Singapore Logistics Association (SLA)	Logistic
	Singapore Industrial Automation Association (SIAA)	Automation (manufacturing and processing)
2008	Association of Aerospace Industries (AAIS)	Aerospace
	Association of Private Schools and Colleges Singapore (APSC)	Private education
2009	Franchising and Licensing Association (FLA)	Market development and licensing
	Singapore Water Association (SWA)	Water industry
2010	Singapore Malay Chamber of Commerce and Industry (SMCCI)	Broadbased/business
	Singapore Manufacturing Federation (SMF)	Manufacturing
	Singapore Chinese Chamber of Commerce and Industry (SCCCI)	Broadbased/business
	Singapore Semiconductor Industry Association (SSIA)	Semiconductor
	Singapore Venture Capital and Private Equality (SVCA)	Venture capital (VC) and private equity (PE)
2011	Singapore Jewellers Association (SJA)	Jewellery
	Waste Management and Recycling Association of Singapore (WMRAS)	Waste management and recycling industry
	Singapore Green Building Council (SGBC)	Building and construction
	Singapore Business Federation (SBF)	Business/broadbased
2013	Singapore Association for Private Education (SAPE)	Private education
2014	Real Estate Developers' Association of Singapore (REDAS)	Real estate

AS SINGAPORE'S apex business chamber, the Singapore Business Federation (SBF) has taken the lead to work with stakeholders to build a conducive, progressive environment for small and medium-sized enterprises (SMEs), tapping the LEAD programme to do so.

Among its key initiatives for creating a more conducive, level playing field for SMEs is the launching of the SME Committee (SMEC), which aims to serve as the sounding board for viewpoints on government policies and initiatives relevant to SMEs. The SMEC is an enabler for issues facilitation and resolution with the various government agencies. Its work is supplemented by an in-house research unit, which delves into key SME issues and challenges.

Another leading initiative of the SBF to help the SMEs is the AccessAsia@Singapore Programme. Through the branding for this programme, SBF aims to market Singapore holistically as the professional services hub that supports global companies in expanding their business in Asia by tapping professional services offered by Singapore companies.

SBF's chief executive Ho Meng Kit says: "The LEAD programme aims to strengthen trade associations and chambers (TACs) by developing local enterprises through infrastructure capabilities, promoting managerial excellence, encouraging research, catalysing inter-enterprise collaboration and advising on best practices. "SBF shares LEAD's view that TACs are essential in promoting industry-wide adoption of technology and best practices, building manpower capabilities and business consortia, which are vital in maintaining Singapore's competitive edge."

The programme has successfully funded about 20 sector-specific programmes in facilitating the adoption of innovation and technology, skills upgrading, process improvement and enhancing overseas market access for enterprises.

For example, SBF targeted to raise the competitiveness of the emerging Cleantech industry through its LEAD programme on sustainable development; the programme drew 583 participants in 16 industry seminars and trained 100 participants on sustainable development.

"Through the LEAD programme, SBF has encouraged businesses to build their internal capabilities and tap into emerging business opportunities by leveraging on the scheme. The SMEC has been submitting budget recommendations to the government annually since 2012. These recommendations encompasses the concerns of local SMEs," says Mr Ho. Of the 104 recommendations submitted since 2012, 33 have been accepted. This is on top of 14 policy consultations and 23 meetings held between SMEC and government representatives.

In addition to the budget recommendations, SBF has assisted the business community through the LEAD programme in the Fair Tenancy Framework. SMEC's Fair Tenancy Framework was launched in January this year after extensive consultation with SMEs.

"As part of this framework, we worked with government agencies to provide more detailed rental data to businesses for better transparency. The framework also establishes clear and fair leasing and negotiation guidelines for SMEs renting commercial properties and points to mediation as the preferred dispute resolution channel," Mr Ho says.

SMEC has produced a further 24 reports and survey findings, including the annual SME development surveys and national business surveys. SMEC has held 17 dialogue sessions and forums, reaching more than 1,650 SMEs. To spotlight potential growth areas for SMEs, SMEC has also organised conferences centred on themes such as e-commerce and internationalisation.

The AccessAsia@Singapore programme initiative by SBF provides a one-stop business concierge service for foreign companies doing business in Singapore and the region.

The LEAD programme leverages AccessAsia to promote Singapore's professional services to overseas markets.



Mr Ho says the SBF is also working with TACs to raise productivity

Helping trade groups and chambers beef up SMEs

Initiatives to promote Singapore's professional services firms include overseas and local outreach activities, as well as overseas and local exhibitions. There are 28 partners in the programme. In 2014, the AccessAsia@Singapore programme was used for profiling of Singapore professional services to the local and foreign business community.

The second edition of the SBF Directory was published with a special highlight on Professional Services.

For overseas outreach, SBF organized seven activities to promote Singapore professional services in China (Nanning, Xiamen, Chongqing, Qingdao and Hebei), Taiwan and the United Kingdom.

As for local outreach, SBF participated in the World Cities Summit and Communicate Asia to reach out to foreign companies. In addition, SBF hosted some 30 incoming overseas delegations with the AccessAsia@Singapore partners' programme.

Mr Ho says the SBF is also working with TACs to raise productivity. Last October, SBF and the Singapore National Employers Federation, with the support of TACs, launched National Productivity Month, a national-level initiative to showcase and share ideas, methods and perspectives on how local companies can improve productivity. There were also productivity-themed sector-level events in manufacturing, health care, retail, food services, hospitality and construction. Altogether, 14,000 people took part in these activities.

Mr Ho says: "There are several examples of companies, particularly in the manufacturing and construction/engineering sectors, which have invested in technology and redesigned their processes to achieve higher productivity."

SBF has been proactive in supporting its members' efforts to internationalise and has led overseas business missions to Asia, Africa and Central and Eastern Europe, in response

to interest in these markets. It sent 38 business missions overseas last year and received 117 incoming delegations. Resulting from these engagements over the years, local SMEs have made valuable contacts with overseas partners.

Looking ahead, Mr Ho says: "We need to do more outreach as more SMEs should know about the benefits of the various LEAD projects. We should continue with the existing practice to have successful transformation publicised in the mass media and through the TACs' communication channels. But there is a limit to how much the government or the TACs can do. Businesses themselves must make the effort to be more efficient and productive."

"SMEs need to overcome the restructuring challenges and rediscover their drive for growth and expansion. They need to move away from reactive correction to a more transformational approach to achieve robust and sustained growth." Businesses should leverage the services and programmes offered by the TACs to build internal capabilities; they also should team up with other businesses and hunt in packs, and form partnerships with bigger companies to explore overseas opportunities, he adds.

On its part, SBF will continue to work on the various partnership initiatives, including the National Business Continuity Programme, SME Committee, Certificate Programme in Association Management, Professional Services and the Philippines-Singapore Business Forum platform.

Moving forward, SBF plans to engage more extensively with its members through outgoing business missions and incoming visits by business delegations, as well as to assist them to extend their global footprint; SBF will help SMEs to tap opportunities in external markets, particularly in Asean, China, South Asia and emerging markets such as Africa, says Mr Ho.

Pioneers in promoting sustainable and clean energy in Singapore



Mr Khew says that the LEAD programme has been quite successful in improving the capabilities of local enterprises

PROMOTING energy efficiency and developing sustainable and clean energy is a national priority for Singapore. Spearheading this effort is the Sustainable Energy Association of Singapore (SEAS). Although it is a relatively young (trade associations and chambers) TAC, SEAS has undertaken bold initiatives to drive the sustainable energy industry forward with funding support from the LEAD programme.

"We were pioneers in this sector, and engagement with government from the start through LEAD was very important," says Edwin Khew, chairman of SEAS.

"We have released a major White Paper on how we can accelerate the adoption of renewable energy in Singapore,

working together with key industry experts and seeking their insights on the renewable energy landscape in Singapore. They shared the barriers to renewable energy adoption and gave suggestions on how to accelerate renewable energy adoption," he adds. The White Paper explains how renewable energy can make up to 7 per cent of Singapore's total energy mix by 2025.

Launched in July 2006, SEAS represents the interest of organisations and individuals from all segments of the alternative energy sector. The association provides a common platform for companies in the clean energy, energy efficiency, carbon trading, clean development mechanism projects sectors and financial institutions to

meet, collaborate and undertake viable projects together.

Among the initiatives by SEAS is the SME Energy Efficiency Initiative. The association was appointed to lead this initiative to help SMEs improve their energy efficiency by helping them to assess, monitor and improve energy performance. The goal is to help 300 SMEs achieve at least 10 per cent savings in energy costs over the next three years.

So far, the initiative has been challenging as many SMEs are unsure how to start. But SEAS is looking at fine-tuning the programme to be more SME-friendly. It is partnering UK-based Carbon Trust, which has been running a similar programme for British SMEs for many years. The association hopes to make the initiative easier to embark on and ensure that SMEs understand how they can benefit and sustain their energy savings and efficiency.

"Another area which is unique to SEAS is the strong enterprise development and market development for our members, as well as being a training centre for sustainable energy topics," says Mr Khew.

Using the LEAD grant, SEAS has been organising training courses for member companies to help them enhance their capabilities in technology innovation and product development. It also provides consultancy and support services to help nurture and incubate clean energy startups. This helps in the growth of local sustainable energy technology innovation and adoption.

To help local players stay on top of the latest developments and know-how in the fast-moving clean energy industry, SEAS works with companies to identify training needs. Feedback from the training needs analysis is then used to design relevant courses for the clean energy companies to upgrade and maintain their technical proficiencies to more effectively cater to the growing market and evolving technology capabilities.

SEAS specialises in running training courses and conferences only in the area of sustainable energy, ie energy efficiency and management, renewable energy, carbon trading as well as funding and financing of clean energy projects. SEAS aims to be the one-stop, information and training provider in the area of sustainable energy.

"We have, as our trainers and lecturers, not only highly qualified academic professionals but also industry specialists and professionals who are successful and sought after practitioners in the area of sustainable energy. They have successfully executed many energy projects with varying complexities and demands both locally and regionally," says Mr Khew.

SEAS has developed more than 60 training courses to date and has trained about 7,000 professionals.

Overseas expansion is another focus of SEAS. To stimulate further growth for sustainable energy companies in Singapore, it has undertaken a series of internationalisations activities. These include formalising partnerships with regional TACs and TACs in target markets, participating in key overseas tradeshows with local companies and facilitating the signing of deals by local companies.

To help members grow their business, SEAS takes them on overseas business and trade missions, with support from LEAD. Last year, its members reported S\$2.7 million in projected sales from trade missions that it organised. Twelve member companies participated in two trade shows in 2014 – the inaugural Myanmar Green Energy Summit and the Indonesia Building+Solar Expo.

"The LEAD programme has been quite successful in improving the capabilities of local enterprises and the industry as a whole. Developing skilled professionals is important for the growth of an industry and the LEAD programme has enabled us to progress on that front as the sustainable energy industry has grown rapidly since SEAS was established in 2006," says Mr Khew.



Mr Koh says the design entrepreneur development programme also leverages the annual IFFS/AFS for budding furniture designers and entrepreneurs to showcase their prototypes

Furniture industry doubles output, thanks to LEAD support

SINGAPORE'S furniture industry has more than doubled its output in a short period of time, thanks to help from the Local Enterprise and Association Development (LEAD) programme.

The progress made is an example of trade associations and chambers (TAC) – in this case the Singapore Furniture Industries Council (SFIC) – taking advantage of assistance provided by government agencies to elevate the industry.

Output of the Singapore furniture industry hit an all-time high of S\$6.24 billion last year from S\$2.89 billion in 2006, when the SFIC started tapping the LEAD programme.

SFIC president Ernie Koh, also the executive director of Koda Ltd, a 43-year-old family business, says: "We have recorded healthy 7 per cent annual compounded growth since we embarked on the first LEAD programme in 2006, thanks to the many initiatives launched to help our members, mostly SMEs.

"Our vision is to grow our industry to a high level so that Singapore can be the gateway of design in Asia."

SFIC has been taking the lead in organising events to showcase the furniture industry to local and international buyers, and has raised the profile of the local furniture design scene through its multi-year Singaplural design showcase.

Being the official representative body of Singapore's furniture industry, SFIC represents 95 per cent of the established Singapore furniture manufacturers, of which two-thirds have subsidiary manufacturing plants in overseas markets such as China, Indonesia, Malaysia, Myanmar, Thailand and Vietnam.

Leading the initiatives taken by SFIC to push the furniture industry forward is the International Furniture Fair Singapore/Asean Furniture Show (IFFS/AFS). Last year, it welcomed 22,500 trade visitors and 97 international buying delegations from 115 countries – 8 per cent more than in the previous year.

With 418 exhibitors from 33 countries, the fair reported on-the-spot orders of S\$480 million; follow-on sales brought in another S\$5.85 billion.

This year, the fair featured 16 country pavilions, the most since its inception 32 years ago; there were 487 exhibitors from a record 39 countries.

SFIC continues to work closely with IE Singapore, foreign furniture trade associations and government agencies to host in-bound buyer delegations at the annual trade show.

Another SFIC initiative, the week-long design showcase SingaPlural, was inspired by the concept of Zona Tortona, a famous outdoor design event in Milan, held in conjunction with the world's renowned Salone International del Mobile Furniture Fair.

Held in conjunction with IFFS/AFS, it serves as the anchor event for Singapore Design Week, organised by DesignSingapore Council. It welcomes cross collaboration and profiling of local design talents from within nine design-centric industry associations.

The SFIC has used the LEAD programme systematically for the benefit of its members and the industry, says Mr Koh, who notes that the support from Spring Singapore and IE Singapore runs into millions of dollars.

SFIC got into the LEAD programme in 2006, soon after the programme's launch the year before. As funding for each LEAD programme spans three years, SFIC is now embarking on its third LEAD funding.

Traditionally, Singapore's furniture companies have focused on furniture manufacturing. Through LEAD however SFIC has been able to drive design development within the industry.

Mr Koh says the industry has thus made a shift towards focusing on training, exports, investments overseas and design. The industry responded enthusiastically and came up with up to 30 per cent of the funds to support LEAD programmes; the remaining 70 per cent came from the government.

The local furniture industry now has 1,943 companies employing some 19,700 workers, and trades with more than 80 countries worldwide. A majority of Singapore furniture companies are SMEs; only a handful are big players, says Mr Koh.

Collectively, Singapore's market share in the furniture market was S\$6.24 billion in 2014; this made up 1.05 per cent of the global market share. Since getting on the LEAD programme in 2006, SFIC has driven the industry's global market share up by 159 per cent – from S\$2.89 billion in 2006 to last year's S\$6.24 billion.

The LEAD programme can thus help member SMEs and the industry as a whole, says Mr Koh, who adds that the SFIC has used the three-year growth plan to nurture a high value-added workforce, develop more design-centric companies and a synergised industry network to capture a greater global market share.

SFIC plans to use the third LEAD programme to quickly raise the number of design-centric companies from about 20 today to 100. To do this, it will seek to enlarge the pool of design talents in Singapore. Other goals include raising the production of high value-add innovative furniture products and increasing the volume of exports to markets across the world. SFIC aims to establish Singapore as a world-class furniture design hub, brand the local furniture industry's capabilities and offerings and enlarge its share in the global marketplace.

Meanwhile, as a TAC, it will continue to enhance the skills level of the industry and maximise its human capital.

To promote design excellence, the SFIC has a designer co-development programme, which leverages the annual high-profile Furniture Design Award to identify five outstanding young design talents. They are each awarded a one-year employment contract with a leading Singapore furniture company, with SFIC co-funding their salaries for 12 months while they undergo mentoring and come up with furniture pieces for commercial production.

The initiative has evolved into a place-and-train programme for designers called ProjectCreation. So far, 35 designers have completed the programme; 11 are on it now.

Mr Koh says the design entrepreneur development programme also leverages the annual IFFS/AFS for budding furniture designers and entrepreneurs to showcase their prototypes to potential manufacturers.

SFIC has since developed IFFS into a full-fledged design hall which brings in Asian design talents as well.

LEAD funding support also enabled SFIC to develop the Furniture Learning Institute by honing its curriculum so industry practitioners can upgrade their skills. The institute, corporatised as the SFIC Institute in 2010, has a campus in Yishun.

The SFIC has also ridden on LEAD funds to groom local furniture SMEs into exporters, thus creating a pool of Singapore furniture brand ambassadors for the world stage.

Mr Koh, recently re-elected as SFIC president for a second two-year term, says: "As our members are SMEs and lack resources, we encourage them to join hands and go in packs into the region and seek deals."

Taking Singapore food flavours overseas as gifts



Mr Wong is now trying to arrange sales and marketing channels for the award-winning food products

ONE of the earliest champions of the Local Enterprise and Association Development (LEAD) programme is the Singapore Food Manufacturers' Association (SFMA), one of the country's oldest trade associations and chambers (TACs).

"We were the first TAC to tap the LEAD programme on its launch in 2005. Being an early starter, we have successfully completed four LEAD programmes and will soon be going for the fifth one," says Wong Mong Hong, immediate past president of SFMA.

He has been SFMA's LEAD chairman since 2005 and continues to helm it with passion and a vision to help take the association's 320 members and the food industry to the next level. Overall, there are 856 food manufacturers, which are mostly SMEs, in Singapore.

Singapore Food Manufacturers' Association has committed to the LEAD programme as it is seen as a stepping stone for the association to assist local food manufacturers to grow.

To provide and facilitate for LEAD, the association has set up Export Club, SME Club, Food Innovation & Development Resource Centre (FIDRC) and Capability Building Committee.

While SFMA's first two LEAD programmes were broad based and focused on getting its members to improve their productivity, look into innovation and go for markets overseas, the last two LEAD programmes have been more targeted in their approach.

"With help from LEAD, we launched the Great Singapore Food Gifts programme to promote Singapore flavours to consumers overseas. Our food packaging is poor and needs to be improved if we want to export more.

"Food products are beautifully packed in Taiwan, South Korea and Japan, and that is why their food exports are doing well," says Mr Wong.

"Even though food manufacturing cost is high in Singapore, we can sell more overseas as our food is considered safe. In my view, good growth in food exports can be achieved by improving our food packaging and making it more attractive".

Thanks to funding support from LEAD, the association launched the Great Singapore Food Gifts Awards in 2014 to create a new buzz in this highly promising area.

With this award, it is envisioned that local food manufacturers will be motivated and supported by SFMA to excel in a strategic manner. It will enable them to scale

greater heights in their efforts to bundle and promote their food products as popular gifts within Singapore, in the region and globally.

Fifty food products made by Singapore SMEs competed in the inaugural awards last year and 39 of them were selected. Among the winners were: Fong Yit Kaya Gift Pack, Fragrance Sliced Tender Bak Kwa, Dragon Brand Premium Dried Bird's Nest, Seah's Spices Gift Box, Kang Kang Hawker Noodle Kit - Curry Mee, and Unisoy Seasonal Tumbler Gift Set.

"There is great potential for the Great Singapore Food Gifts to be bought by Singaporeans as gifts for friends when they go overseas and for foreign visitors to buy back home for themselves and their friends," says Mr Wong.

As LEAD chairman at SFMA, he is now trying to arrange sales and marketing channels for the award-winning food products. "We are going to showcase the 39 food products in a handy book and print 30,000 to 50,000 copies of it for distribution in Singapore and overseas at places like food exhibitions, conferences and our embassies and government agencies offices," he says.

In the coming months, the award-winning food products and the book may be made available at selected tourist shops, department stores, supermarkets, mini-markets in tourist areas and tour buses.

Another bold new initiative by SFMA with LEAD support is to get food manufacturers interested in the promising area of functional food.

"For good health, simple things like calcium to promote healthy bones, iron for blood and omega oil can be incorporated in their food products by Singapore food manufacturers to tap a potentially huge market," says Mr Wong.

"For Singapore-made food products to compete internationally, we must have something special. Functional food through the addition of health promoting ingredients will be good for the food industry in the long run," he adds.

Tapping money available from the government's LEAD initiative, SFMA started to educate local food manufacturers about functional food in 2011.

The following year, the association roped in the Health Promotion Board for the FINEST Food Symposium & Exhibition for developing functional, innovative, nutritious, effective, science-based and tasty foods. The two-day event attracted some 500 participants.

In 2013 and 2014, again drawing on LEAD funding, the association organised more focused, smaller workshops. For bringing functional food concepts to the market, food manufacturers were invited to a series of workshops at the local polytechnics to use their labs for trying out functional food concepts.

Another new initiative of SFMA is the setting up of the Singapore Food Product Centre in Yiwu city, some 300 km south of Shanghai, which is the world's largest small commodities market according to the World Bank.

"Every year, more than half a million buyers, including big names like Walmart, visit Yiwu where 100,000 suppliers exhibit 400,000 products. Two years ago, the Chinese government gave the 10 Asean countries showroom space on the ground floor of Hall 5 and we have set up the Singapore shop there showcasing our food," says Mr Wong.

The Singapore Food Product Centre has the primary objective of helping food manufacturers to promote Singapore food products to the China market. It also hopes to ride on Yiwu's well-known branding as an international trading market to establish connection with international buyers.

With support from the LEAD programme, 25 Singapore food manufacturers are already displaying their products in the centre.

Looking ahead, Mr Wong says that as China has very strong e-commerce platforms, plans are afoot to set up an e-sales platform for online sales of Singapore-made food products.

THE LEAD programme has been an important platform for trade associations and chambers (TACs) to work together with government agencies to upgrade and transform the industry. And it has been a very successful endeavour, says Douglas Foo, president of the Singapore Manufacturing Federation (SMF).

"SMF looks forward to more such efforts that help to boost and improve the Singapore economy," says Mr Foo.

Using funding support from the LEAD programme, SMF has undertaken several initiatives on multiple fronts to reach out to SMEs and help upgrade them, bringing them many benefits in the process.

Established in 1932, SMF has over 3,000 corporate members. Most of its members come from the electrical, electronics and allied industries, as well as the medical technology, food and beverage, and energy and chemicals sectors.

SMF is an example of a capable and multi-faceted TAC that drives multiple initiatives to benefit SMEs and make them competitive.

"The LEAD programme helps to build capabilities of the companies for them to stay competitive. In addition, the LEAD programme also helps the SMEs to internationalise and remain competitive in a global context," says Mr Foo.

"The manufacturing industry in Singapore is transforming to knowledge-based, high-value activities. As such, companies need to formulate new manufacturing strategies and business models so as to sustain their growth. Through the LEAD programme, SMF helps companies to equip their workers with the relevant skills and knowledge, which will in turn increase the companies' productivity and innovation capabilities."

An important initiative taken by the SMF using the LEAD programme to push the industry to the next level is the Working-in-Partnership (WIP) Programme, which was launched in 2013.

SMF feels local companies need to adopt a forward thinking regional mindset and step out of Singapore, lest they be overtaken by the growing number of regional and global competitors. However, local SMEs may lack the knowledge to export, and resources and capabilities to find avenues to export their products.

WIP aims to help Singapore F&B companies internationalise and to carve substantive shelf-space and presence in overseas supermarkets. The WIP business model seeks to acquaint overseas buyers like supermarkets and importers with a collective number of Singapore food products and provide for direct shipment of the consolidated orders.

"Thus, alliance partnership through WIP programme can swiftly allow local food companies to band together to take advantage of collective strengths and minimise uncertainties," says Mr Foo.

Under the WIP programme, with guidance from an in-market anchor partner, Singapore companies can make inroads to new markets by having their products listed with overseas supermarkets. Companies can enter direct distribution channels by leveraging on the experience and competency of the anchor partner, thus eliminating the middleman. Participating companies are able to enjoy economies of scale from shared resources, minimise risks and earn better marketing mileage from industry-specific branding events like Tasty Singapore.

Two WIP supermarket promotions were done in 2014. The first, with CityMart in Myanmar, attracted 16 companies and the second, with Tops in Thailand, drew 12 companies.

Another key initiative of SMF under the LEAD programme is the Singapore Innovation & Productivity Institute (SiPi), which was launched in 2012. SMF-SiPi received LEAD funding to set up the manufacturing productivity centre with four main thrusts focusing on Knowledge Generation, Knowledge Dissemination,



SMF looks forward to more such efforts that help to boost and improve the Singapore economy, says Mr Foo

Taking Singapore manufacturing to the next level

Knowledge Implementation and Knowledge Resource.

Mr Foo says that in 2010 when the Economic Strategies Committee recommendations were released, SMF reviewed the relevance of its offerings for the industry. 'Fostering inclusive growth' was the key topic for SMF, and in particular the industry competitiveness in terms of productivity and innovation was highlighted.

"SMF was one of the proactive TACs that swiftly looked into developing productivity offerings, hiring a Chief Innovation and Productivity Officer, and organising productivity-related conferences and seminars.

"SMF recognised that in order to help companies wean off reliance on foreign workers and address the problems of rising costs, companies must receive assistance to look into their business and operational processes for efficiency and effectiveness," says Mr Foo.

At the same time, SMF also recognised that the next step for productivity gains needs to be innovation-driven. This resulted in the setting up a knowledge enterprise, SiPi, to help improve productivity at the industry level. SiPi prides itself for its project coaching and consultancy expertise which has been a great help for some SMEs in productivity gains.

SiPi also offers technical advisory on productivity concepts and applications to SMEs, as well as productivity diagnosis and road mapping for them to better understand their competitiveness, especially in the productivity aspect. CEOs of these SMEs will then be able to see the gaps in their operations that contributed to cost or productivity challenges. They will also be able to see the lean wastes that could be easily eliminated, resulting in more streamlined business processes.

SiPi also offers productivity coaching and implementation. SMEs are guided by experienced coaches who help solve their operational problems. They are trained with the problem-solving methodology, lean concepts, statistical knowledge and tools to lead or work on a project.

In addition, SiPi is also one of the first institutions in Singapore to promote Business Model Innovation (BMI), which is about creating, capturing, developing and delivering value to the customers and the market.

"BMI can help Singapore companies to add more value to their services and products, allowing manufacturers to differentiate themselves from their competitors," says Mr Foo.

SMF also actively works with Spring Singapore to push the industry to the next level. SMF has set up the SME Centre@SMF, funded by Spring Singapore, to provide SMEs with easy access to business advisory to help them start, sustain, and grow their businesses. It is a one-stop service centre that offers business diagnosis, information on government schemes and capability workshops.

Besides operating the SME Centre@SMF, SMF also operates SME Centre@NorthWest and SME Centre@SouthWest. Together, these SME centres assist around 3,000 SMEs annually and also serve to reach out to companies to increase awareness of assistance available to SMEs.

In addition, SMF has been appointed by Spring Singapore to administer standards development in Singapore. Hence, the SMF-Standards Development Organisation (SMF-SDO) was established in 2011 to manage the promotion and implementation of standards in four areas: biomedical standards, food standards, general engineering and safety standards, and manufacturing standards.



Mr Lee says that TaFF has put in place many initiatives through the LEAD programme to better position local designers overseas

Tapping LEAD to make Singapore an Asian fashion hub

AS THE main industry partner supporting Singapore's fashion industry transformation, the Textile and Fashion Federation (TaFF) seized the opportunity to tap the LEAD programme for funding support way back in 2006. With LEAD support, it aims to take Singapore's fashion industry to the next level and make the country an Asian fashion hub.

TaFF is the leading association representing the local textile and apparel sector. It organises trade shows and competitions and launches industry initiatives to propel the local fashion businesses overseas, and has groomed young design talents and companies, and helped them with global expansion.

To support the growth of local fashion designers and retailers and to drive the industry forward, TaFF works closely with government agencies such as Spring Singapore and International Enterprise (IE) Singapore to launch the internationalisation of Singapore designers.

TaFF president Mark Lee says: "As the only official association for the textile and fashion industry in Singapore, TaFF plays an active role in the development of the industry. We have put in place many initiatives through the LEAD programme to better position local designers overseas."

Last September, TaFF successfully launched Keepers, a one-stop shop dedicated to showcasing and profiling emerging and established local designers across the lifestyle spectrum, from fashion, accessories, crafts and souvenirs to home furnishings.

Keepers: Singapore Designers Collective was originally scheduled as a five-month showcase. It closed in mid-February 2015 for a two-week refresh. With the relaunch, it has evolved into a concept store showcasing more than 50 local designers and artisans from across fashion, food, homewares and lifestyle sectors.

Mr Lee, also the chief executive at Sing Lun Holdings

Limited, says: "With the support of Spring Singapore, Singapore Tourism Board (STB) and Design Singapore, Keepers will continue to be a retail platform for local designers to showcase their talent on home ground. With Keepers being centrally located in the heart of Orchard, we believe the extension will not only spotlight these designers' talent, but also hone the business management skills that is essential to their expansion plans."

A survey commissioned by STB with 1,000 respondents revealed that more than 80 per cent of visitors want to see a similar concept on a permanent basis; more than 85 per cent surveyed rated the quality of items as either good or excellent. Results of the survey also showed that the Keepers showcase has increased awareness of local designers, with more than 60 per cent of the visitors indicating that they would likely look out for local designers' stores and patronise them in future.

"Keepers is Singapore's largest and longest retail pop-up to date, and we are happy to have the support of various stakeholders to provide this platform for local designers."

TaFF advocates the importance of raising the visibility of homegrown brands locally; it also assists in the overseas expansion of fashion and apparel enterprises through partnerships and connecting with government bodies.

The association has been able to help local fashion enterprises improve their capability development, manpower support as well as raise their visibility and profile through the LEAD programme.

"The LEAD programme has been instrumental in helping spearhead growth for local companies. In the apparel industry, Singapore manufacturers remain relevant in the competitive environment through Apparel Singapore," Mr Lee notes.

A programme launched under LEAD 3, Apparel Singapore is the first collective brand identity for

Singapore-managed apparel manufacturers, representing trusted business partners and companies. This branding initiative was directed by TaFF with the support of IE Singapore and Spring.

Mr Lee says the participating companies under this programme were selected based on criteria which include the company's supply-chain capabilities, service level and being globally recognised for their environmental and social standards.

Through this initiative, Singapore's apparel manufacturers were able to forge strong partnerships with international clothing labels, brands and retail chains.

Another key initiative taken by TaFF with funding support from the LEAD programme is the Asia Fashion Exchange (AFX), which has significantly raised Singapore's visibility in the international fashion scene.

The pillar events under AFX provide a one-stop platform for Singapore designers to reach out to regional and international buyers, designers, industry professionals and media. These pillar events include Blueprint, Asia Fashion Summit and the Star Creation.

Blueprint in Singapore is the fashion trade gateway for East West Exchange in Asia. Held annually in May, the trade show represents fresh and forward-looking women's wear, men's wear and accessories from Asia's best emerging and established talents, as well as guiding international brands looking to enter Asian markets.

The other core facet of Blueprint is Emporium, a two-day offshoot of the trade show that offers consumers the chance to meet designers through a shopping and lifestyle event. Here, consumers cull samples, limited-edition items, and off-season collections, many never before stocked in Asia.

Mr Lee says: "We are going into our fifth year for Blueprint in May this year, and the highlights include the launch of tech fashion and having a stronger buyer programme."

"While the Asia Fashion Summit gathers global thinkers, key players and entrepreneurs to discuss key issues that influence how fashion is produced, consumed and understood, Star Creation provides the platform for fielding the industry with new designers through a fashion-design competition. This is part of our capability development initiative for those in the fashion industry through the LEAD programme," Mr Lee says.

To help designers gain hands-on experience with established Singapore fashion enterprises, TaFF launched the Singapore Designers Attachment Programme. This initiative helped secure access for local fashion enterprises to a pool of candidates in the fashion and apparel industry.

TaFF is now into its LEAD 6 programme, and through it, the association has put in place buyer-centric strategies to help Singapore designers break into overseas markets such as New York and Paris.

"The first step entails understanding buyers' needs through workshops conducted by in-market consultants, followed by attracting and engaging buyers through differentiated products, runways, trade shows and show rooms," says Mr Lee.

On top of that, the team also adopts a proactive approach to customising branding, as well as marketing and public relations for local designers. With these strategies in place, the visibility of products and brands in key markets is enhanced.

"We encourage SMEs to come forward and participate in various TaFF platforms to reach out to those in the apparel industry. This can be done through our networking sessions that happen every other month, as well as other marketing platforms such as our website, monthly e-newsletter or special collaborations," says Mr Lee.

"Through marketing and networking, SMEs can explore how they can work on win-win solutions with our members and partners to create more synergy for various projects and initiatives."

Enterprises share their success stories

Although the LEAD programme is targeted at the industry level, the buzz and benefits happen on the ground – in the offices and on factory floors of companies aspiring to grow and expand. Here are some of their testimonies.

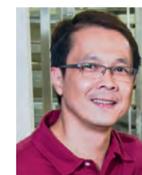


Quanda Ong, founder of Tyron Singapore Pte Ltd, which markets Gnome & Bow leather goods. It is a member of the Textile and Fashion Federation of Singapore (TaFF)

"TaFF co-organises an annual fashion trade show called Blueprint.

Participating in it helped us attract interest from local buyers and also some buyers from Germany, Indonesia, Hong Kong and Malaysia. Locally, we eventually secured seven stockists to carry our products, which helped to kick-start the business and expand our reach. Internationally, we made some good contacts and started to build relationships, which is paramount to the wholesale business.

TaFF has also introduced hiring programmes like the SDAP (Singapore Designer Attachment Programme), which encourages us to expand our team, so as to grow the brand. Through my experience and close interaction with TaFF, I have gained not only an extensive network of contacts, but am also being kept informed about the latest initiatives that can help our brand to grow. Furthermore, TaFF has a very open mind to new ideas and will do their best to help designers, regardless of how long they have been around."



Johnson Tay, director of operations for SMH Food Group of Companies, which belongs to the Singapore Food Manufacturers Association (SMFA)

"The guidance and cost defrayment provided by IE Singapore and Spring

Singapore were big factors in lowering the hurdle in reaching new markets outside Singapore. We were previously constrained by limited resources and especially know-how. With the assistance of professional consultants who are experts in their own domains, they double up as valuable 'outsourced specialist departments' that provide regular review and support to improve our products and services. They are armed with the latest technologies and know-how available in the market, while we remain focused on daily operations, yet are able to develop foresight into the future.

SMH has regularly taken part in local exhibitions organised by trade associations since 1998 and as a result, have had numerous enquiries from foreign buyers. However, going overseas for trade exhibitions was not only expensive, we also lacked the knowledge of the respective markets, and which markets would actually be viable. With guidance and financial assistance from IE Singapore, SMH was able to seize the opportunity to participate in overseas trade events as a Tasty Singapore Ambassador. As a direct consequence, SMH's break came in 2006 when SMH *dim sum* was served in the Asian Games 2006, Doha. Since

then, we continue to take part in selected trade shows with much success, exporting our products to many parts of the world including the United Arab Emirates, Qatar, Saudi Arabia, Kuwait, Egypt, Maldives and Hong Kong."



Lee Chong Keng, executive director of Unifood International (S) Pte Ltd, which belongs to the Singapore Manufacturing Federation (SMF)

"Barriers to entering the overseas market is a prominent issue for SMEs with capital limitation.

Other challenges include complicated export processes, documentation and overseas regulations. With SMF's WIP (Working-in-Partnership) initiative, we have received good support, including financial, to explore new markets without the risk of a large initial investment. The scheme also cuts down the uncertainty of the approval of products for exporting into the countries concerned. It also helps us to secure customers in the region. This assistance and support facilitated our overseas expansion, which otherwise would not be possible on a solo basis.

Under the WIP initiative, Unifood has since opened up more overseas markets for exports, especially to the key markets in the regions such as Thailand and the Philippines. As a whole, it reduces the overall costs of marketing efforts with a multiplied impact. With the market entry opened, it provided an easier and faster channel to market Unisoy products."



Joanne Low, founder and principal designer, Joanne L., a company that designs and fabricates handcrafted jewellery pieces. It is affiliated to the Textile and Fashion Federation of Singapore (TaFF)

"TaFF has helped to open up opportunities for local designers to venture abroad and also increased awareness of local designers among local and overseas buyers. They have also been a conduit for helping local designers to get funding. Taking part in Blueprint and Emporium has given my brand, Joanne L., greater exposure among both international as well as local customers and helped me build contacts here and overseas.

These have also given us a platform to reach out to the local and international media, and a brilliant trade fair experience on a smaller, more familiar ground, which will help me prepare as I look to the future. The Blueprint 2015 edition includes business training and other programmes which I believe will be useful in developing Joanne L. into a more international brand."



Ong Bee Chip, managing director of Golden Bridge Foods, which is affiliated to Singapore Food Manufacturers Association (SMFA)

"From a humble beginning five years ago, Golden Bridge Foods has come a long way from zero exposure outside Singapore to 15 per cent growth rate contributed by our export business. We would like to attribute this success partly to the support rendered by SFMA, IE Singapore, Spring Singapore, SMA and also the relentless effort of our leadership team, taking every challenge positively and with the tenacity that still perseveres today.

Association activities such as overseas missions and study trips helped tremendously in our readiness for market penetration and acquiring know-how, better understanding of the target country/market, valuable information on consumer behaviour, purchasing habits and eating patterns. The key knowledge and insight of the export business would not be possible without the support schemes organised by the above agencies."



Richard Wee, director of Syspex Technologies, a packaging and warehousing solutions provider

"Amid our expansion plans, we decided that it was also important to raise the efficiency of our overall operations. We connected with SMF

(Singapore Manufacturing Federation) which introduced their productivity centre – SiPi (Singapore Innovation and Productivity Institute) – to help with our business concerns. We were happy to engage the productivity consultants who shared their valuable knowledge, experience and expertise on managing and improving operations.

Thanks to their diagnostics, coaching and project implementation, our warehouse layout, workflow processes and storage systems were totally overhauled and as a result, space efficiency increased by 30 per cent and productivity improved by 19 per cent. More importantly, we have raised the company's awareness on lean and other problem-solving methodologies.

Today, inventory and even manpower deployment are accountable instantaneously, unlike before when operations were frequently disrupted because of poor tracking. Moving forward, we are confidently working with SMF and SiPi, whom we familiarly term as our adviser, to work towards other areas including ISO certification, as we expand and meet bigger customers. To enhance growth and expansion, it is certainly beneficial to work with an association which can serve as a one-stop resource and consultation centre."

SINGAPORE'S many trade associations and chambers (TACs) help small and medium-sized enterprises (SMEs), which are the backbone of the local economy, in many ways through their wide reach and tapping a variety of government programmes and incentives, say specialists.

The LEAD programme, which is administered by Spring Singapore and IE Singapore in particular, is available to TACs to use government funds to enhance industry and enterprise competitiveness.

"I believe that many of our SMEs have benefited from access to knowledge, partners and markets from the LEAD programme launched 10 years ago," says Annie Koh, vice-president (business development) and professor of finance at Singapore Management University (SMU).

"I was the moderator at the launch and recall the excitement of many of the SMEs in the precision engineering space looking forward to the TAC getting help from Spring and IE-funded projects for the technical expertise of the SMEs to be bundled with the strong B-to-B (business to business) players so as to brand the products and services in many of the developed and developing markets that IE has presence in.

"So it was a great start; and I do believe that if you look at the data, LEAD has supported over 50 industry upgrading projects," Prof Koh highlights.

Analysts point out that industry goes through life cycles – what was once a sunset industry could become the next up and coming industry. A case in point is the furniture industry, for example. While low-cost furniture producers could move to less costly countries, Singapore currently has brands known for their design and ergonomics in furniture production.

"Through the LEAD programme, the furniture industry has transformed and is working with the DesignSingapore Council and also the IE branches. We have rebuilt the industry's competitiveness and branding edge. I believe that's how we grow competitiveness and productivity," says Prof Koh.

She believes that the TACs should collaborate with each other and not just keep within their members in the specific industry association. "Take food for example – many of our food companies are moving towards packaging, so it will make sense for the food companies to collaborate with packaging industry players and even logistics companies to link to the food supply chain when they go overseas.

"Then the sum of the parts are larger than the whole, and we can even dedicate an event overseas where the retail buyers get to see the food brands – BreadTalk, DoDo fish balls – as well as the different companies which are B-to-B operators that provide the different *dim sum* to restaurants and hotels, and can be the ones providing food products to other hotel chains in Indonesia, Myanmar, etc."

Prof Koh says that while IE Singapore and Spring are great agencies and partners to help TACs and companies grow global, many of the sector-specific knowledge rests with some other research partners overseas.

"For example in SMU, we have the Business Families Institute (BFI) set up; and in each of the different Asia-Pacific as well as Latin American countries, we have university partners with family firms affiliated with them. Many of our SMEs are family-owned and when they look for overseas partners, they are keen to have family-owned firms working with them in the overseas markets. So having BFI linked to the TACs will help our SMEs find like-minded partners to work with."

Another suggestion that Prof Koh has is to have leading companies as partners in the LEAD programme as not all the SMEs are sufficiently large or have been around for more than three generations. So if there are one or two stronger players leading the way for the rest of the



Prof Koh believes that the TACs should collaborate with each other and not just keep within their members in the specific industry association

TACs help SMEs in many ways

members from each TAC, that will make a difference.

"For example, in food-related business, Tee Yih Jia has a lot more experience and network, and ST-linked (Singapore Technologies-linked) SFI (Singapore Food Industries) from a GLC (government-linked company) perspective can also give our smaller SMEs enough credentials when led by these stronger names. I'm sure

even foreign players with a big presence in Singapore such as Classic Fine Foods will benefit from industry-related activities, food festivals, and up the productivity and brand of the whole cluster," says Prof Koh.

As Singapore is a small country, from the moment that a company is set up, it must have globalisation ambitions, according to analysts.



Mr Fanin feels that a more proactive approach could allow TACs to be more successful in their support to SMEs

"We need to think big and act big and of course, if we cannot be big immediately, then we come together as a group of industry-related collaborators and grow bigger together. I believe this is not impossible and that's what the LEAD programme is meant to do, and we should not worry about who gets which piece of the pie – just grow the pie bigger; and with a bigger pie, there's more to share. Otherwise, we are left with bread crumbs. And with LEAD, the industry will know what they need to survive as an industry.

"I am optimistic that for the next 10 years, we will be leading in certain industries and we can make this work if we believe that collaboration brings more benefits to all in the industry whether it's collaborating with knowledge, network, talent or ideas," says Prof Koh.

A businessman who is optimistic over the growth of Singapore's SME sector with the help of government agencies such as Spring and IE and their LEAD programme is Filippo Fanin, chief executive officer of Brotzeit, a relatively new SME which serves authentic German food and beer.

"SMEs are where the growth of the future of the economy will come from. Typically, these companies struggle to build the capabilities and organisational structure required for them to become competitive beyond the country's borders," says Mr Fanin.

The home-grown brand provides an authentic German lifestyle experience to Asian customers through its six restaurants in Singapore and 12 franchised outlets in six territories across Asia.

"At the same time, these companies are often introvert and do not have the time to build industry-wide relationships that can benefit their international growth. The LEAD programme is very useful to help SMEs to solve both of these business challenges."

While his company has not directly benefited from the LEAD programme, Mr Fanin feels that a more proactive

approach could allow TACs to be more successful in their support to SMEs. In particular, an industry-focused association could identify and approach those SMEs that are most promising, rather than relying on them to come forward.

"I find that many SMEs still are not aware of this programme, and do not know how it could benefit them. Optimising the message and establishing more direct contacts would help reduce this informational gap."

Asked for suggestions on how to improve the LEAD programme now that it is completing 10 years, Mr Fanin feels that better results would come from the programme if it were "to behave more as a partner to SMEs, a sort of mentor able to analyse the SMEs business model, understand their strategy and pressure points that need to be eased in order for such companies to achieve their long-term targets".

"As mentioned earlier, a lot of these companies are focused on their product development or brand development, and struggle to see longer-term opportunities due to lack of time or resources," he adds.

Mr Fanin says that his company's business model has a lot of pressure points at this stage. Employees' productivity is one of them, as well as business process both at the headquarters and in the kitchens.

"We will probably tap the LEAD programme to support us in setting up an effective Enterprise Resource Planning software system, as well as a central production unit.

"Additionally, we would also like to explore the opportunity of setting up partnerships with other industry players and food processors to understand the possibility of solving our food production needs via JVs (joint ventures) or other solutions.

"At the same time, we will look to tap into those platform and initiatives that will allow our brand awareness to grow in key markets like China and Australia, as those are large markets to tackle and our resources are really limited if we



Trade associations might be able to help in internationalising SMEs, says Prof Pangarkar

want to penetrate the consumer market without leveraging the strengths of other industry-wide resources, as well as Singapore's country brand," says Mr Fanin.

IE Singapore's assistance has been instrumental in helping Brotzeit to get to where it is today. The company started tapping the government agency in 2009 for its internalisation efforts.

"For us, given our scarce resources, it is more a matter of understanding how we can make the most of the opportunities and support on offer, and ensure we can undertake those initiatives that will impact the most the value of our brand and our company," adds Mr Fanin.

While Brotzeit is one good example of a Singapore-based company taking the internalisation route to grow, academic research also shows that going overseas has a positive impact on the growth of SMEs.

"In my research, I have found that internationalisation has a positive impact on SMEs' performance, and firms with more (and diverse) collaborative agreements perform better," says Nitin Pangarkar, associate professor of strategy and policy, National University of Singapore Business School.

Trade associations might be able to help in internationalising SMEs through a couple of different ways, he says.

"Associations may be better able to gather information and share best practices, or even information on failure cases – the lack of information is one of the key stumbling blocks in internationalisation.

"One specific way could be where an association commissions a market research or consulting company, and the costs are shared across members, thus reducing the cost burden."

Trade associations may also facilitate forming collaborations among their members which would reduce the barrier to internationalisation. An association, or a subset of its members, may also be more attractive as partners to, say, a university, says Prof Pangarkar.