



FROM SMARTPHONES TO SMART BLINDS

mc2 started in 2004 as an information technology retailer. Wilson Chew, its founder and managing director, has since reinvented it into a smart blinds supplier that now boasts a 4,200 square foot showroom in Ubi which allows customers to see how the smart blinds will look in their home before buying and installing them.

AS TOLD TO SAMUEL CHIN

HOW DID THE ORIGINAL MC2 START?

The original mc2 started by selling laptops. We were the laptop specialist at a time, many years ago, when (the sales of) desktops was many times that of laptops. However, we believed in the mobility (of laptops) and that one day, laptops would be cheaper and more people would buy them. Thus, we started mc2.

But after a while, as we worked with different brands such as Sony and Apple, we also started to sell iPads and iPhones, while also having a Sony Centre. In the Sony Centre, we sold more items such as televisions and cameras.

WHEN WERE THE EARLY MC2'S BEST YEARS?

Our best years were 2009 and 2010. After that, we faced different challenges. Commonly known ones would be the cost of rental and wages – they are very high in Singapore. However, it was not only that. The (sales) volume for laptops started to come down, having been cannibalised by the sales of devices such as smartphones and iPads.

Slowly, there was also more competition from e-commerce players such as Lazada and Qoo10. Singapore has a very open economy, and we are used to competition from companies from Australia, Europe or Japan. However, e-commerce was a different challenge, as these players do not need to pay rental and wages. Thus, they can sell at a much lower margin.

The last straw that made us decide to exit the IT retail business was when our suppliers became our competitors. Singapore is very small. You have to compete with your own suppliers and brands, e-commerce giants and the super-stores. We realised that we could not continue in the IT retail space in the long term.

SO THE REACTION TO THE DECLINE WAS TO PIVOT TO A NEW BUSINESS?

Yes, because we always believed in providing solutions. When we want to provide solutions, we must first look at the needs of the consumer. What are things that people need that we can provide solutions for?

Back then, we focused more on laptops instead of desktops because people wanted to travel with a laptop, whether it is to school or for meetings. This was even though the (sales) volume of the desktop then was much bigger (than the laptop). Nonetheless, we believed in what we did during the time.

For this (blinds) business, it is also the same. We were looking at all the smart home applications and solutions. We also knew that when people buy a new house, they are more ready to accept new solutions. We then looked at the new homeowner. What kind of solutions do they need?

We found out that the balconies (in homes) were being underutilised. A lot of homes (today) come with a balcony, but we realised homeowners do not utilise the balcony, although they paid for it. We thought that it would be nice if they could utilise the space.

We came across zip technology for blinds. We checked with the authorities to see if this was approved because it is perforated and retractable. We also did some customer surveys, and most people said that if we had this solution, they would get it from us.

We are able to make it at a very affordable price by working with our partners – like Somfy – which makes smart home motorised solutions. Somfy also realised that the (utilisation of) motorisation is very low, less than 5 per cent.

We thought that with this solution, people would be more

ready to accept motorisation. For example, if we put a rain sensor, if it rains, the blinds come down (automatically), keeping the balcony dry. This is something that can't be done with a manually-operated blind.

We have customers who like to hang their clothing at the balcony to dry them. If it is raining and they are not at home, they can use the app to close the blinds.

For the younger, more tech-savvy customers, when they want to watch a movie, and there is a reflection on the television, they can use this to block out the light and ultraviolet rays. There are a lot of features and benefits from motorisation. You can control the blinds by voice, app, remotes and sensors.

WHY DID YOU CHOOSE TO PIVOT INTO SMART HOME TECHNOLOGIES?

(We did so) because of our suppliers. A lot of our suppliers – such as Sony, HP and ASUS – were looking to break into the smart home market at that time, whether through humidifiers, lighting solutions or consumer electronics such as televisions or refrigerators. They also told us: 'Why don't we collaborate?' – because eventually they would need people like us to do marketing for them.

WHAT WERE SOME OF THE CHALLENGES YOU FACED?

The manufacturing aspect, such as setting up the factory, was challenging for us. But we were lucky that we managed to buy a small factory, and they had good people managing it. However, they conducted their business in the traditional way, and were not growing. With us coming in, they became our partner and they have grown many times over.

The other challenge was installation. From day one, we knew that we wanted to provide end-to-end service. We also do our own installation. We bought a small installation company, which only had three installers at the start. Now, they have closer to 30 installers.

We are going to introduce the four-hour response time, which was what we did back in the IT days. They always have a lot of objections, but we say if we can do that in the laptop space – which is much more complicated – I think it is easier to fix a blind than a laptop. We used a lot of our experience and knowledge in IT and incorporated it into this blinds business.

HOW WELL HAS THE NEW MC2 PERFORMED?

It is very different from the IT business, as the volume and revenue is much higher. Last year, we took in revenue of S\$7 million. We have a lot of projects and sell a wide range of products, so I'm not saying the whole figure is all due to blinds. We believe next year will be better than this year as a lot of people are still not aware of this product. If we look at all the balconies that are unutilised in Singapore, we think that we have huge room to grow.

We are also developing new products, such as one that can block out 100 per cent of the light and most of the sound. We also have solutions for patios now. Additionally, we are developing new channels. Previously, we were B2C (business to consumer), as we sell to the new homeowner. Now, we are moving towards B2B (business to business) as we work with developers and architecture firms.

WHAT ADVICE WOULD YOU GIVE TO SME OWNERS?

Always listen to the customer, find out their the needs and provide the best solution for them. Also, you need to be good in marketing. If you have a good solution but you don't know how to bring it to the market, this means that people don't know about your solution. It is not going to work. Find the demand, provide the solution and market it. ■