

SOURCE:	The Business Times Online
HEADLINE:	Connect, Collaborate, Conquer
DATE:	November 7 2009
SECTION:	From the desk of

The CEO Column

Published November 7, 2009

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High-level networking platforms like next week's Global Entropolis @ Singapore and the APEC SME Summit represent very real business opportunities that SMEs can and must leverage

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FOR those who still doubted that globalisation was a business reality for every company, the recession provided irrefutable proof. Unlike the downturns in 1997-8 and 2001-2, this recession was a global phenomenon affecting every industry, every market and every economy. For many SMEs who have been in a position to expand their markets but have not, seeing the doors of opportunity close around the world was a moment of truth as well as terror. There are no comfort zones in business today. Standing still is going backwards.


As economies begin to show cautious signs of recovery - aided by government-funded stimulus packages - doors are beginning to open a crack. Whatever 'alphabet' shape the recovery takes, we know that traditional markets will definitely have a slow to moderate growth, so all companies - whether MNCs or SMEs - will need to look for new customers and new markets. Timing, as they say, is everything. In my experience of working with the 15,000 SME members of the Singapore Business Federation (SBF), it takes anything from nine months to two years to move into a new market. If we're able to take advantage of whatever letter shape this economic recovery is and the smallest crack in the door of opportunity, now is the time to start.



Of course there are obstacles. Externally, funding remains a problem, particularly for two critical SME groups - entrepreneurial start-ups with no track record and companies with a good domestic history wanting to internationalise their business for the first time but have no overseas track record. These two vital groups will need facilitation support from government initiatives, angel funds and private equity firms.

Internally our biggest obstacle remains what I call our go-it-alone Zorro mindset. Although we have made progress with industry clusters (some success) and consortia (not fantastic success), compared to Japan, Taiwan, Hong Kong and new enterprises from China, we are still at the infant stage of collaboration. We form a consortium but members still put themselves first and work alone, mainly because they want to stay in control but also because they lack experience and confidence when it comes to collaboration.

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To seek out new opportunities and then be able to successfully realise them over the long term, SMEs need to work collaboratively with other companies at home and overseas. To do this, we need a business culture change: we need to create a collaborative model that suits Singapore. A positive sign that this is happening is that SBF members are showing increasing interest in forming clusters to compete in the international market place. This is very encouraging and should be fast tracked because the world is full of opportunities that we cannot access alone but can collectively.

Collaboration is even more critical in the next step of the expansion process; creating strategic partnerships. The speed of change today means that all companies have to look for strategic partners - even MNCs - to fast track the time to market and to allow you to be continually responsive to market changes. It is a collaborative enterprise system, a value chain of knowledge plus knowhow plus technology. Singapore needs to be part of that game in order to remain relevant. To achieve this connectivity is vital.

And this is one of Singapore's greatest strengths. When it comes to connectivity, Singapore SMEs have advantages that not only beat regional competitors but most markets around the globe.

Singaporeans are born globalised, and although I wouldn't go so far as claim you could globalise without leaving home, the opportunities to find and build foreign market knowledge, source and connect with strategic partners in any industry in any market right here on your doorstep are immense.

For example, SBF welcomes a constant flow of delegates and requests for opportunities to network with the Singapore Business Community from Europe, Africa, Asean, and South America. These entrepreneurs are interested in engaging Singapore to be a point of contact and a staging ground for them to plot their next stage of growth into the region. They are looking for strategic partners in Asia. At the same time they are hoping to attract the interest of Singapore companies to invest in their respective economies. This is a huge advantage that more Singapore SMEs need to realise and exploit.

Creating these strategic partnerships is the key to successful expansion. For the CEO of an SME, creating and building these relationships is vital. You have to build trust, and understand how you both run your businesses and align your goals. If you talk only about profit and loss, the partnership won't last. This is a time-consuming process but again Singapore SMEs have advantages. The networking platform that events like Global Entrepolis @ Singapore and the APEC SME Summit provide - as well as all of the regular missions and briefing sessions organised by SBF and the many business chambers here - are very real business opportunities for small and medium companies to plug into the collaborative enterprise model and leverage off our strengths.

If you want an example, look no further than Hyflux. I admire Olivia Lum, who from a humble start has become one of the region's most successful businesswomen, but she didn't do it alone. Hyflux took advantage of opportunities to expand its technology and capacity through strategic partnerships all over the world - and continues to do so. The SMEs who stop trying to be Zorro and instead connect and collaborate at home and abroad will be the new conquerors of tomorrow.

Global Entrepolis @ Singapore (GES)

Date: Nov 11 & 12, 2009

Venue: Raffles City Convention Centre

GES Events include:

- APEC SME Summit 2009
- Forbes Asia 'Best Under A Billion' Awards
- Global Diaspora Business Summit 2009
- Indo-China Business Leaders Bridge Forum
- Latin Asia Business Forum 2009