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Strong but Gentle: **Vetpharm Laboratories (S) Pte Ltd**

Vetpharm Laboratories (S) Pte Ltd was founded in April 1987, when it took over the operations of Syntex Lab(S) Pte Ltd. Through strategic use of Syntex's established resources, regional network and strong US support, Vetpharm quickly established itself as a credible and respected

company in the field of veterinary pharmaceuticals.

From a selected line of products and formulas, the SME has expanded its range with new specialty products to cater to the needs of its customers. Its products have achieved much commercial success, and are currently sold in Bangladesh, Brunei, China, Hong Kong, Indonesia, Malaysia, Sri Lanka, South Korea, and Vietnam.

Leveraging its ability to formulate and customise products to optimise their efficacy, in 2013, Vetpharm, through its research and development efforts in antiseptic germicide technology, created Spick, a sanitiser that is aimed at the consumer market. Spick is high in efficacy, with a kill rate of 99.9 per cent of bacteria that cause severe illness and food poisoning, and kind to the skin and body. It has also been extensively tested for effectiveness against pathogens and toxicity by agencies in Singapore, Malaysia and China, which adds to the product's credibility. Such endorsement also helps to build Vetpharm's brand name as the maker of reliable, effective and innovative products.

With its many value propositions, the SME is looking to launch Spick in the Singapore retail mass market, and in the long term, extend Vetpharm's footprint in the consumer sector. With these aims in mind, director Paul Lee approached the UOB-SMU Alliance Enterprise Institute (AEI) for its flagship Consulting Programme, seeking "good second opinions from some of the brightest minds in the region".

Who's buying what

As a relatively new entrant to the personal hygiene segment of the local retail scene, Spick is entering a highly competitive market where established brands have stamped their mark. Big players like Dettol, Johnson & Johnson and Komodo, as well as other players, have garnered a loyal following with their range of personal hygiene products spanning soap, wet and dry tissues, and sanitisers, as well as a large selection of household products. With deep pockets, aggressive advertising and strategic promotions over the years, their brand names are deeply entrenched in the local psyche.

It looks like Spick is in direct competition with other hand sanitisers in the market, while Vetpharm is pitting itself against conglomerates with extensive resources. But not all is lost. According to research by an AEI consulting team, the Singapore over-the-counter (OTC) pharmaceuticals market is registering double-digit growth year-on-year, which is good news for Spick. After all, it shares many of the characteristics of OTC medicated skin products – it is anti-bacterial, anti-fungal, disinfecting, etc – plus, its efficacy is officially certified, and it is extremely gentle on the skin.

Singapore is densely populated with just under 8,000 people per square kilometre, according to figures from the World Bank. Personal spaces are getting smaller, so there is more inevitable person-to-person contact, for example, on a crowded MRT; more people are pursuing outdoor and/or physical activities, and with an ageing population, there is increasing consciousness of the need for better personal hygiene. These evolving patterns are potential opportunities for a sanitising product such as Spick.

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Wipe out your “enemies”

Ancient warrior Sun Tsu taught his men that in war, it is essential to know their enemies, in addition to knowing themselves. Vetpharm is familiar with Spick’s value propositions, but how do these strengths fare against Spick’s competitors? Tapping on a mix of approaches, the student-consultants studied the business landscape for personal hygiene products, examined existing players to clarify Spick’s positioning, and obtained feedback from potential customers.

The team conducted in-depth interviews to uncover customers’ key purchasing behaviour, perceptions and preferences, and also leveraged research methodologies including the SWOT (strengths, weaknesses, opportunities, threats), Porters 5 Forces and Fishbein analyses. They drew on the data to propose a niche target consumer market for Spick, and formulated a list of actionable recommendations to penetrate, clinch and develop a market for the product.

The student-consultants also crafted a “Future Recommendations” section in the report. This section considers the SME’s long-term expansion plans, product modifications and product extensions, and is designed to support Spick’s development and evolution as a product, and as a brand name. Simply put, they may be viewed as Phase 2 of the growth plans, to be implemented after Phase 1 has been put firmly in place.

Powerfully gentle

According to Mr James Lee, Chairman of Vetpharm, he had expected “diverse opinions” that might “challenge some of our assumptions, and force us to re-think our marketing strategies”. These expectations were “met in many ways”. The student-consultants’ findings and analyses “substantiated some of our suspicions”, and there were a “number of useful actionable items and ‘hard truths’ that demanded further examination from Vetpharm”. A significant take-away was the recommendation that Spick could be priced at a premium, which contrasted with the SME’s view to price it lower. But market acceptance has since “vindicated” the consulting team’s proposed price hike, which had proven to be too “conservative”, said Mr Lee.

Mr Lee found the consulting project to be “incredibly useful” as “gut feel was validated by analytical tools”. He credited the team for “calibrating” their work; instead of relying solely on textbook frameworks and theories, they went to the streets to conduct surveys, thus tempering the use of analytical tools with a “dose of reality”. The result was a report comprising “suggestions and recommendations that were both countless and priceless”.

For the five SMU students, the project was an opportunity to apply their textbook knowledge to a real-life consulting experience. Working alongside professionals like the Project Adviser and SMU project managers, as well as with the SME client, they were forced to “step out of our comfort zone to solve real-world problems”, shared a student-consultant. Not only did they put their consulting skills to practice, they deepened their communication and interpersonal skills through interactions with multiple stakeholders.

The large size of the team and their different courses of study were both a boon and a bane. Two clear advantages were the diversity of perspectives, and lesser amount of work for each member. However, more care was taken to ensure that everyone understood the concepts and how to apply them to the

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data. Meetings were also harder to plan. The problems were quickly sorted out with proper time and project management. They credited Project Adviser Marcus Loh for always helping to “steer the project in a direction that allowed the group to move beyond uncertainty” so they could “progress” and “continue learning”.

On his part, Mr Loh complimented the team on their dedication. “Mindful of their relative inexperience and unfamiliarity” with the client’s business sector, they were “conscientious in applying a great deal of rigour to the segmentation study by validating secondary research with primary findings, then analysing the data with the theoretical frameworks” they learnt in school. Their “plug-and-play” recommendations were “contextually relevant” and tiered according to business priorities. “It was heartening to see how the students not only embraced the guidance given, they also chose to push the envelope by over-delivering on the scope of work,” he said.

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