

# UOB-SMU

## Asian Enterprise Institute



A Natural, Organic Way To Your Health

### Wellness from Nature: Gano Well Pte Ltd

Gano Well Pte Ltd is an importer and wholesaler of organic, log-grown *ganoderma lucidum* (lingzhi) medicinal products, health supplements, tea and coffee. Of the various kinds of lingzhi, organic lingzhi ranks among the safest and highest in efficacy as it is grown in an environment that is free from pollution, chemical fertiliser, pesticide, additives and genetically-modified organisms throughout its entire production

process – from cultivation to preparation, and as ingredients.

Gano Well's products originate from an organic lingzhi farm located in the Wu Yi mountains in Fujian, China. The farm is the first to receive four organic certifications from the authorities in China, the European Union, Japan and the US. Rigorously tested to meet exacting standards, the products, which are distributed in Singapore, also meet the requirements of authorities like the Health Sciences Authority and Agri-Food & Veterinary Authority of Singapore. The range of lingzhi-based products sold here carry the Muis Halal certification mark.

The company's products, which ranges from ganoderma tea and coffee to spore powder, extracts and slices, are distributed largely via its online store, and at roadshows and expos where it can connect personally with its potential customers to share the health benefits of its products, and through independent pharmacies.

#### “Elixir” of life

Stories abound on the origins of the mushroom. The ancient Egyptians were said to regard it as the food of the gods as Jupiter, the thunder god, supposedly created it when he cast bolts of lightning onto earth during thunderstorms. Legends are also rife in Chinese folk lore about the miraculous curative powers of this elixir of life.

In traditional Chinese medicine (TCM), lingzhi – in particular, its active compounds polysaccharides and triterpenes – is believed to deliver a host of benefits by supporting the normal functioning of various organs in the body, boosting the immune system, fighting diseases, enriching the blood, enhancing metabolism, improving skin radiance, regulating blood pressure and promoting longevity. Testimonials from long-term users have spoken about lingzhi's anti-carcinogenic abilities and how it reduces bad cholesterol while raising good cholesterol levels, thus improving heart function.

In Singapore, products derived from the lingzhi mushroom – also referred to as the reishi mushroom – are imported from countries like China, Japan, Korea and the US. In all likelihood due to its reputation as a “super fungus”, the cost of lingzhi products are perceived to be costly by some people; others, however, see it as a worthwhile investment in their health.

Although TCM and herbal remedies have been available in Singapore for decades, the industry was mostly unregulated. It was only in the last two decades or so that TCM and herbal remedies have gained wider acceptance as a medical treatment on par with western medicine – no doubt fuelled by the establishment of The Traditional Chinese Medicine Practitioners Board (TCMPB) as a statutory board by the government. TCMPB registers TCM practitioners, accredits TCM institutions and TCM courses, and regulates professional ethics and conduct of registered TCM practitioners. The government oversight enhanced TCM's legitimacy, as well as raised public confidence in it.

When public hospitals began offering TCM treatments and herbal medicine, it assuaged some of the lingering doubts that remained among non-believers. By 2009, TCM was available in six public hospitals – Alexandra Hospital, Changi General Hospital, Singapore General Hospital, National University Hospital,

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Tan Tock Seng Hospital, and Ang Mo Kio Community Hospital, providing acupuncture and Chinese herbal medicine – and the privately-owned Raffles Medical Group.

### From the “horse’s mouth”

When it comes to traditional cures, many people would hark back to their childhood remedies, turn to their mother or grandmother, or heed the recommendations of those in the know. A few might turn to the Internet, but recent research done by a team of student-consultants from UOB-SMU Asian Enterprise Institute (AEI) revealed that people were unlikely to purchase traditional Chinese products such as lingzhi from unfamiliar online sites that they do not trust the source. The same research also showed that word-of-mouth endorsement is most effective in influencing such buying decisions.

When asked to name the big players in TCM and Chinese herbal medicine in Singapore, the likelihood is that Eu Yan Sang and HockHua would top the list due to their track record, branding and visibility. They do this through a combination of their integrated service offerings such as medical consultations with TCM practitioners, wide product range, extensive distribution channels and prominent retail stores – all of which also help to ensure loyalty and top-of-mind awareness. Eu Yan Sang is listed on the stock exchanges of Singapore and Hong Kong, and is the single largest shareholder of an Australia exchange-listed company that is the market leader in mainstream medical remedies. In recent years, its scientific research and collaborative efforts with tertiary institutes have done much to prove the efficacy of traditional Chinese medicine. HockHua, or “*fu hua*” in Chinese, with its distinctive bright yellow logo with concentric circles encompassing the Chinese characters “*fu*” (fortune) and “*hua*” (prosperity), has grown from an importer of American ginseng from Canada in 1986 to comprise six trading companies, 53 traditional medicine retail outlets and 15 oriental herbal tea shops in Singapore by 2009. There are numerous smaller players in the traditional Chinese herbal remedies market, but they pale in visibility when compared to the two big boys.

### Small team, big ideas

Gano Well had approached the UOB-SMU AEI in search of “fresh perspectives” and “your students were more than capable of meeting our needs,” said Winston Chua, Sales & Marketing Director at the company. “Some of their ideas are in line with what we are planning as well. The team was creative and helpful in their research and recommendations, which is exactly what small companies like ours need,” he added.

One of the strengths of the UOB-SMU AEI’s flagship Consulting Programme is the use of more methodological and scientific approaches to address business issues. While the textbook theories were useful to provide structure to research, Mr Chua felt that in real life, they had their limitations. “A SWOT analysis is fine in theory, but in reality, there are a whole lot more variables to consider,” he said. The team of four student-consultants embarked on the project with two objectives in mind – “to put into practice the marketing theories they learnt in the classroom, and to experience first-hand what it was like to be a consultant”. They had to overcome many unexpected challenges during the project, the biggest of which was getting people to complete the surveys. They persevered – changing locations once it was clear that responses would be thin at a certain venue – and managed to obtain the requisite numbers.

The team found the project to be “exciting” and “meaningful”. They successfully applied textbook knowledge to a real-life situation, and found out first-hand what it was like to manage a business in a constantly-changing environment. Their key takeaway? With competing demands on its limited resources, keeping a business going is really a challenge, especially for small business owners.

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