

# UOB-SMU

## Asian Enterprise Institute



### “Conscience-ly” Offload Surplus Chemicals: MahaChem Group

A corporate partner of MahaChem Group, Offstock.com is an e-commerce platform dedicated to the trading of surplus chemical raw materials. This means that companies which have production leftovers or excess materials can offload their surpluses to third parties who require them. As these chemicals would otherwise be disposed of, and over the long term contribute to environmental degeneration, this online platform – a first of its kind in the chemicals industry in Asia – forms part of the MahaChem Group’s CSR initiative to care for the environment.

#### Internet-savvy, click-happy customers

It used to be that B2B marketing strategies would differ widely from B2C ones – with bosses and salespeople being the targets of B2B advertising campaigns and promotions. But in the last decade or so, as consumers become increasingly Internet-savvy and are more comfortable making purchases online, the gap between the B2B and B2C worlds has converged. According to The Bloom Group<sup>1</sup>, executives get more information through search engines today than from any other source, and word-of-mouth travels as much through Twitter and LinkedIn as through business pow-wows. With the immediacy of the Internet, print publications are usually outdated by the time they are delivered. The Internet has inevitably changed the way business is carried out.

B2B companies which stick only to “traditional” methods of marketing – annual conferences, face-to-face sales calls and presentations, get-togethers and ad hoc seminars – to reach out to their existing and potential customers cannot hope to achieve the same level of success they once had. To keep at the forefront of the competition, some forward-looking companies have rolled out some of these B2B initiatives – understanding customers’ needs through research; educating customers on how the company can fulfil their as-yet-unknown/unmet needs; developed a comprehensive suite of easy-to-use products and services; rolled out privileges for loyal customers, and launched marketing campaigns that are customised for each customer.

Connecting with customers on multiple platforms and creating various touchpoints have been used to great effect in the B2C arena – and are gaining success for B2B.

#### Meeting of like minds... not?

Offstock.com is a platform which deals in niche products – in this case, chemical raw materials. As it is a specialist industry, its target audience will be small and limited to those in the industry. Therefore, for the platform to achieve success, it should need a community of active users from among the target audience. Hosting an online community on the same trading site can encourage frequent return visits, and be both engaging and informative for customers. If properly done, it can also boost the company’s online presence and reputation as *the* repository of accurate and updated expert information. By extension, that confidence can translate into commercial transactions.

For any online trading platform to work, there must be a meeting of the “minds” – the seller’s and the buyer’s. Instead of putting money into traditional marketing efforts, B2B companies can think of ways to increase the opportunity for the buyers and sellers to “meet”. For example, it can raise awareness by ensuring the site pops up among the top listings in an online search. Additionally, the website must be comprehensive, with all the necessary information presented in an easy-to-understand format, while the actual buy-and-sell transaction must be safe, secure and simple to complete. While all these may sound like commonsense, smaller firms like SMEs are often so mired in the day-to-day operations that they do not take a step back to look at their online trading platform – through the eyes of the users.

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<sup>1</sup> <http://bloomgroup.com/content/part-i-customer-intimacy-steroids>

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### **An eye into the future**

Explaining why the company had approached the UOB-SMU AEI to review Offstock.com, Ms Tan Seow Hoon, Managing Director of Maha Chemicals (Asia) Pte Ltd, said simply, “We needed a fresh pair of eyes to improve our business model.”

The student-consultants for this project, like the many others who were also involved in the UOB-SMU AEI Consulting Programme, wanted an opportunity to apply the textbook theories and concepts on a real-life company, and do their part to help an SME through a methodical and scientific approach. Although they faced several challenges such as balancing school work, job applications and the project, these were soon overcome by “timeliness, punctuality and suitable logic,” they said. Also, because the project was voluntary, the team was “more willing to put in the time and effort”.

With an eye on the post-graduation period, the student-consultants were unanimous that the experience would give them an edge in “understanding how businesses function”. Even the “tough task-master” style of Project Advisor Ms Jeanette Ng was welcomed by the student-consultants – “She really pushed us to think of the best solutions, guiding us with her invaluable experience.”

Ms Ng lauded the Consulting Programme for giving students a “dose of realism” as they could see first-hand the on-the-ground challenges an SME faces – such as “limitation of resources” and “time urgency”. The SME also benefits from the structure and framework that the student-consultants provide in analysing the issues. Significantly, these frameworks can be applied in the future to help identify and resolve issues, thus making them usable and sustainable over the longer term.

For the Offstock.com project, Ms Ng said the student-consultants had displayed great enthusiasm and commitment. “They were innovative and developed out-of-the-box solutions, especially when they realised that their research efforts were limited by unforeseen circumstances,” she explained.

MahaChem Group’s Ms Tan agreed. “The team injected innovation and creativity into the recommendations, and the presence of an experienced project advisor who understood our chemical industry was also tremendously helpful,” she added.

**Project Advisor:**           **Ms Jeanette Ng**

**Student Consultants:**   **Ananya Deshpande**  
Bachelor of Business Management  
**Mallika Hirwani**  
Bachelor of Business Management  
**Devanshi Somany**  
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