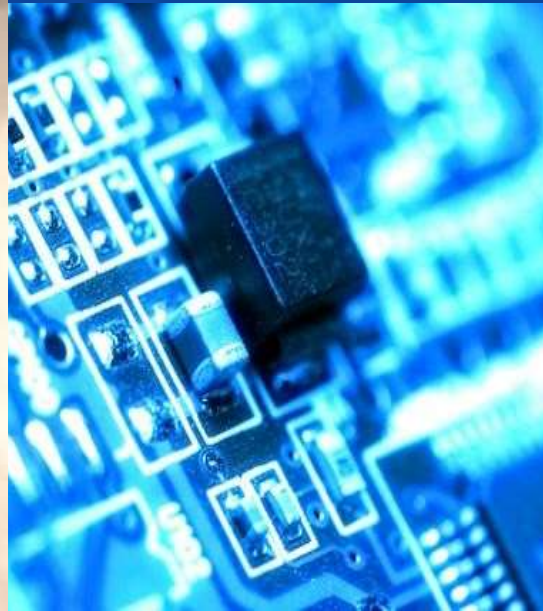


Building your Business the Safe Way

By Mr Ng Cheng Kai
Business Advisor
SME Centre@SouthWest

*Empowering SMEs
Partner in Capacity and Capability Development*



SME
Centre@SouthWest

In collaboration with South West Community Development Council

Content

- Introduction to SME Centre@SMF
- Key Challenges + Market Assessment
- Business Model Canvas
- Business Excellence + CDDT Toolkit
- Government Assistance Schemes

Introduction of SME Centre@SMF



- Established in 2005 as a subsidiary of Singapore Manufacturing Federation (SMF)
- Supported by SPRING Singapore
- Provides small and medium enterprises (SMEs) with easy access to business advisory
- Provides business diagnosis, information on government schemes and capability workshops



Services of SME Centre@SMF

- ✓ Outreach & Education
- ✓ Capability Workshop & Business Networking
- ✓ Access to Govt. Programmes
- ✓ Business & Productivity Diagnostic
- ✓ 1 to 1 Advisory

HOW THEY COMPARE



Hurricane Andrew
Category 5 - 1992



Hurricane Irma
Category 5 - 2017



OLD

Stability Certainty Simplicity Clarity Comfort



NEW

Volatility Uncertainty Complexity Ambiguity Discomfort

Key Challenges

- Stagnant/Decline in Sales
- Catching up
- Squeezed Margin
- Skills Mismatch
- Manpower Hiring
- Dependant on few Large Customers
- Operation Cost

28 December 2016,
SBF National
Business Survey
2016/17

taxes (see diagram 4 in Annex).

Economic Transformation

Most businesses are not embracing the Government's message on the need for economic transformation. Overall, 62% of businesses agree that there is a need for companies to transform. Only 15% among SMEs and 36% among large companies strongly agree with the necessity to transform in order to adapt to the slowing economic growth, as well as technological change and disruption (see diagram 5 in Annex).

More can be done to mobilise companies to be ready for further economic transformation. Only 13% of businesses described the Government's recent steps in Budget 2016 to assist companies with the slowing economic growth as sufficient. Similarly, only 18% indicated that the assistance with adaptation to technological change and disruption is sufficient (see diagram 6 in Annex). In addition, about six in 10 SMEs have yet to make significant adjustments to adapt to the slowing economic growth (58%), as well as technological change and disruption (64%) (see diagram 7 in Annex).

SMEs Despite VUCA

Travel



30 Staff
> \$40 Mil

Manufacturing



22 Staff
> \$7 Mil

Export



4 Staff
> \$19 Mil

F&B Kiosk



220 Staff
> \$35 Mil

Distribution

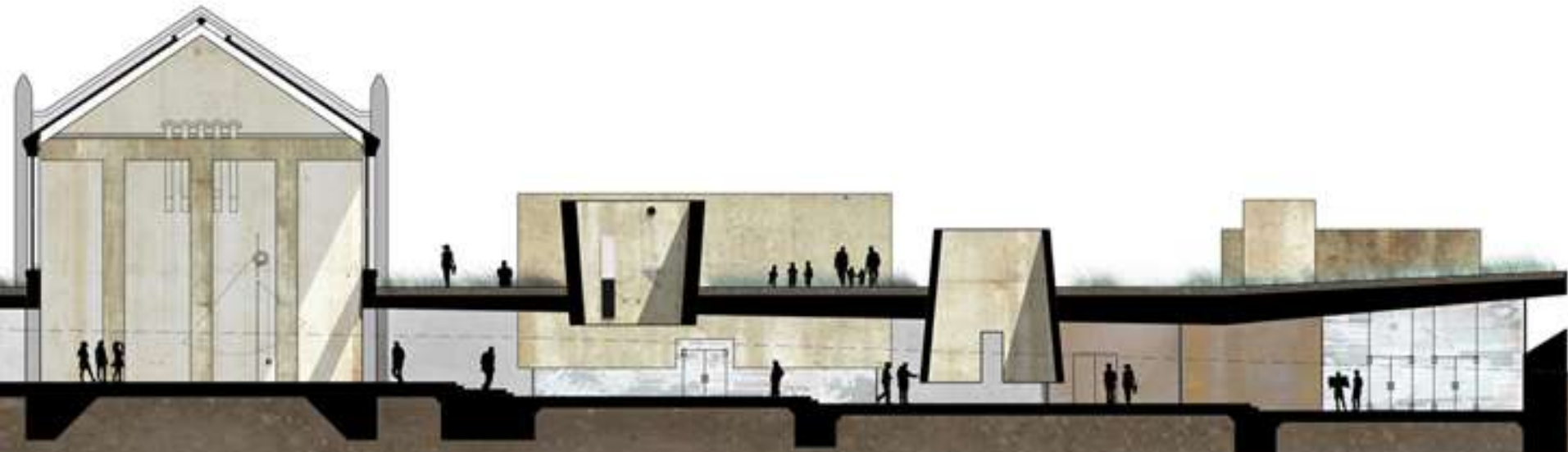


119 Staff
> \$99 Mil

Design
Wholesale



30 Staff
> \$15 Mil



SMEs Despite VUCA

Retail



3 Outlets
20 staff
> \$3mil

R & D



25 Staff
> \$60 Mil

Beauty



35 Staff
> \$4 Mil

Hotel



130 Staff
> \$70Mil

Construction

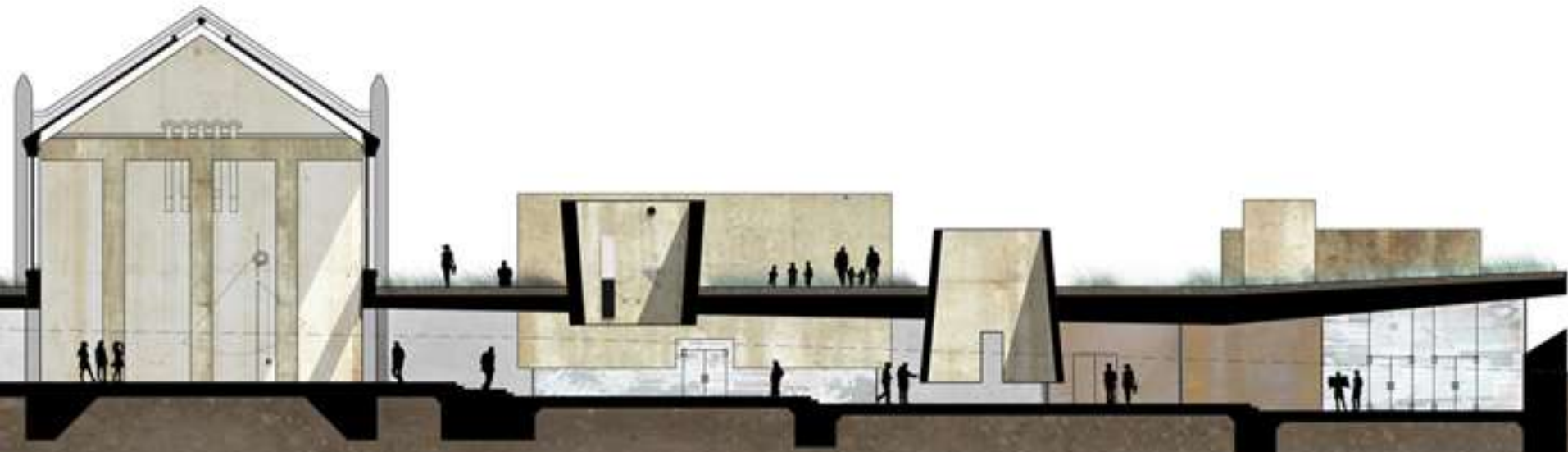


80 Staff
> \$8 Mil

Construction
Materials



30 Staff
> \$8 Mil





Are you looking to...

- **Enter new market.**
- **Develop a new product.**
- **Pursue a new business idea.**
- **Invest in another company.**



*It's OK to take a
STEP BACK*

BACK TO
BASICS



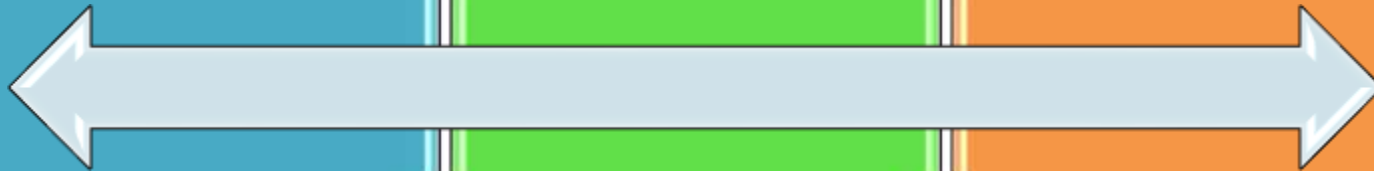
**Understand
Industry**



**Understand
Own
Business**



**Making
Business
Decision**



Food For Thought – Will you set up Factory here?



Understanding Industry

Understanding of Industry (Market)

Political / Legal

Laws and regulations that affects business (includes government policies, trade restrictions & groups).

Economic

Economic growth, interest rates and exchange rates which may affect customers' spending.

Understanding Industry

Understanding of Industry (Market)

Social

Social and population trends like age, gender, race, culture that helps identify potential customers.

Technological

Technological advancements and research activity (includes automation and technology incentives) which brings potential and risk.

Understanding Industry

Understanding of Industry (Market)

Nature

Nature factors like natural resources, weather and environmental issues that impact operations and environment.

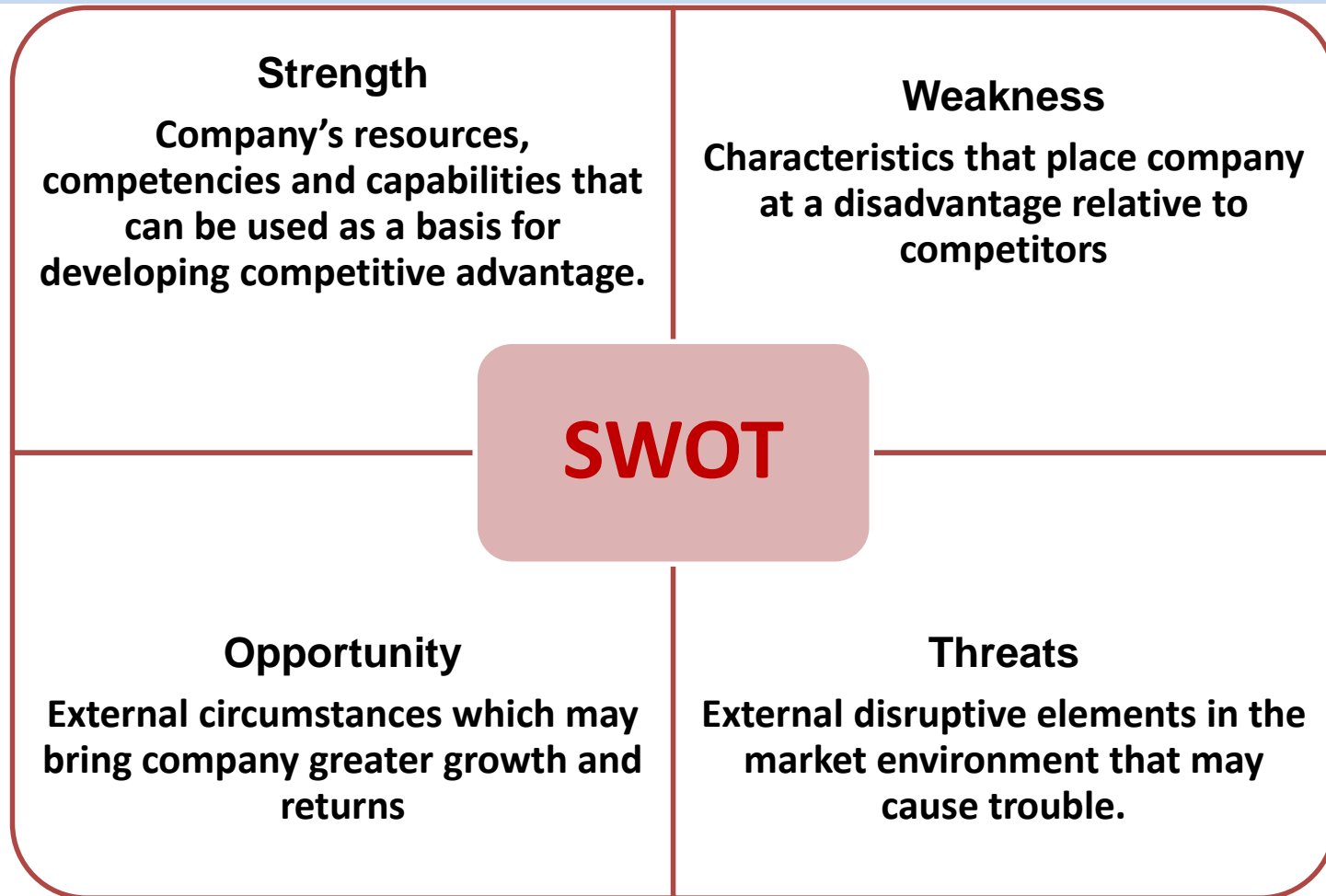
Understanding Own Business



Market Share

1. Estimated own share of the market.
2. Competitors' share of the market.
3. Number of customers one can potentially convert.

Making Business Decision



Competitive Advantage

- Culture
- Relationship
- Network
- Emotions
- Velocity
- Business Model



To Do or Not to Do



Ideas to **Visualisation**



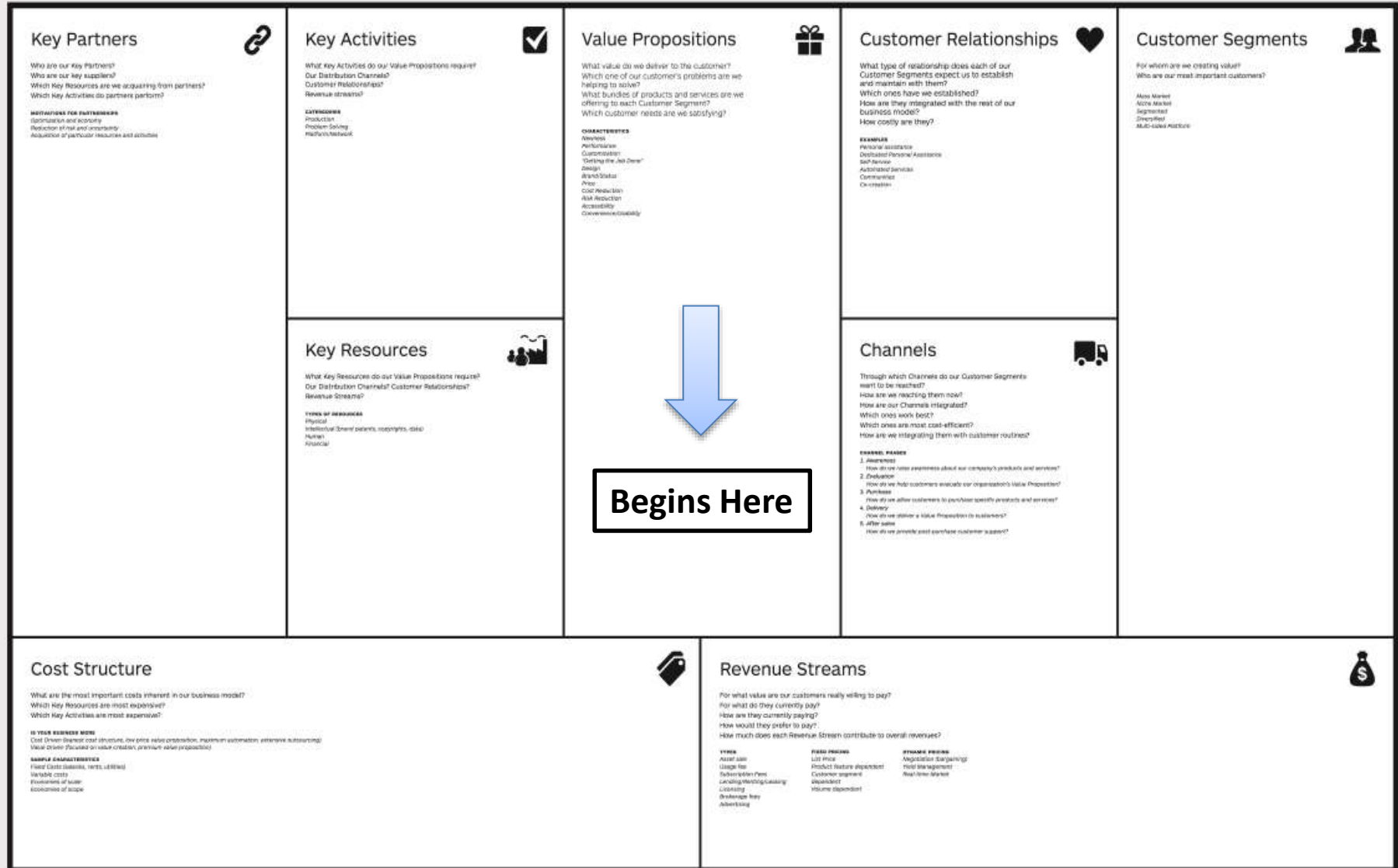
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:












DESIGNED BY: Business Model Foundry AG
The makers of Business Model Generation and Strategyzer

This work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/3.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

© SME Centre@SMF Pte Ltd, All Rights Reserved

SME Example

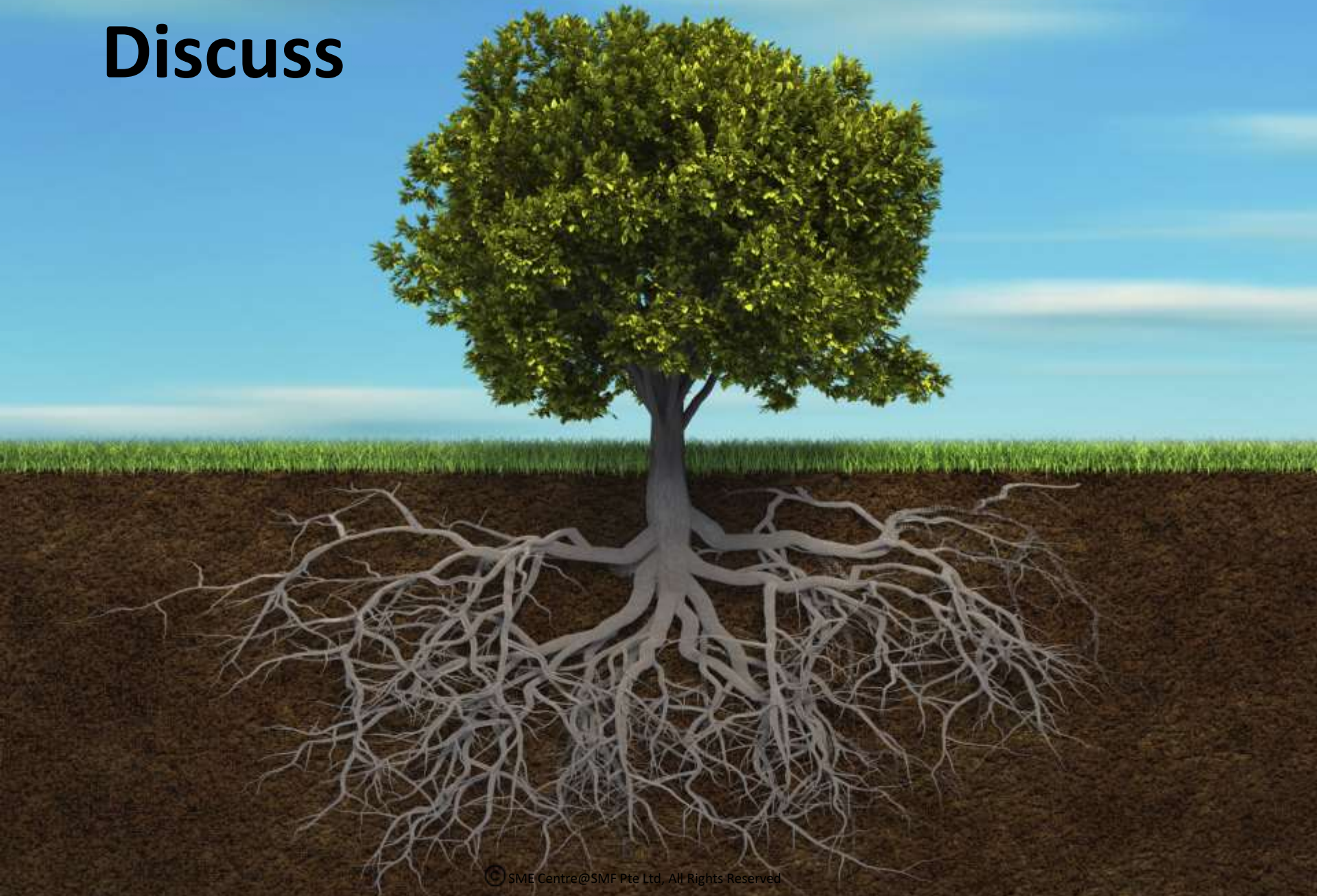
Edward has a shop selling scissors located in Golden Landmark. He has been selling scissors for more than 30 years, specialising in craftsman scissors for textile. Rental rates are increasing and sales can barely keep up with increasing overhead.

<p>Key Partners </p> <p>Who will help you?</p> <p>Textile Merchant Association</p>	<p>Key Activities </p> <p>How do you do it?</p> <p>Maintain Stock, Visit Clients</p>	<p>Value Proposition </p> <p>What do you do?</p> <p>Sell scissors for textile cutting</p>	<p>Customer Relationships </p> <p>How do you interact?</p> <p>Talking, print flyers</p>	<p>Customer Segments </p> <p>Who do you help?</p> <p>Textile companies Seamstresses</p>
<p>Cost Structure </p> <p>What will it cost?</p> <p>Rental, staff, stock</p>	<p>Revenue Streams </p> <p>How much will you make?</p> <p>Sales of scissors, sharpening services</p>			
<p>Key Resources </p> <p>What do you need?</p> <p>Know the Products</p>	<p>Channels </p> <p>How do you reach them?</p> <p>Walk in Clients Visit Clients</p>			

Sustainable **Business**



Discuss



Understanding Business Excellence Framework

What is Business Excellence Framework?

An internationally benchmarked framework aligned with excellence frameworks such as those used by the Baldrige Performance Excellence Programme in the United States, European Foundation for Quality Management (EFQM) Excellence Award, Japan Quality Award and the Australian Business Excellence Award.

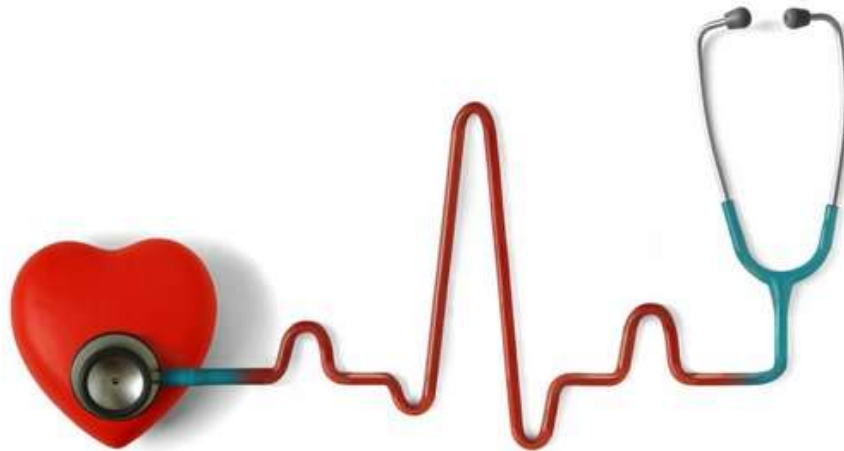
The framework comprises **7** dimensions of Excellence.

Business excellence framework provides a holistic standard that covers all critical factors, processes and results for business excellence.

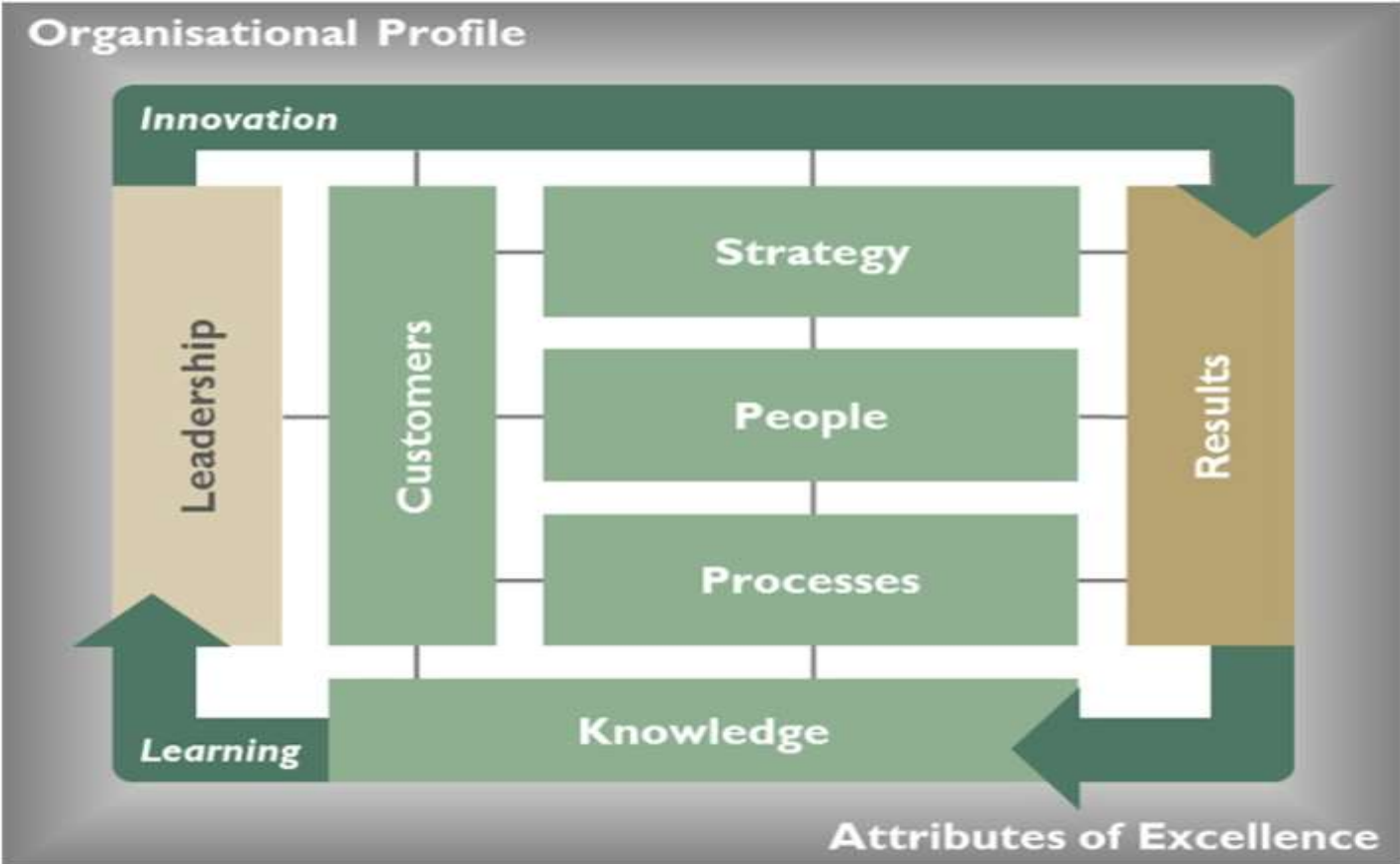
Business Excellence

What is Business Excellence?

*“Adopting a holistic approach to **strengthen** the management systems and processes of an organisation for **growth and productivity improvements.**”*



Business Excellence Framework



Driver

System

Result

Understanding Business Excellence Framework

Business Excellence



Capability Development Diagnostic Tool (CDDT)



Plans

The factors used to evaluate approach include:

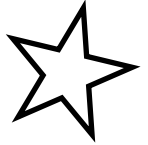
- Methods, tools and techniques
- Degree to which the approach is **systematic, integrated**, consistently applied, reviewed and refined
- Effectiveness adaptations of approaches used in other applications or organisations



Deployment

The factors used to evaluate deployment include:

- Effective **application** in functional/operational areas
- Effective application in **interactions** with customers, employees, suppliers/partners of goods and services, and the public
- Approach is **applied consistently** across functional/operational areas



Capability Development Diagnostic Tool (CDDT)

BAND	DESCRIPTION
LIMITED	No proper plan in this area.
FAIR	Have some basic plans in this area.
GOOD	Have some plans aligned with needs of the organisation and deployed to only key functional / operational areas.
VERY GOOD	Have an effective plan that is well aligned with needs of the organisation, deployed to most functional / operational areas, and consistently practised .
EXCELLENT	Have an exceptional and innovative plan that is integrated with the needs of the organisation, recognised as a best practice in the field, and have deployed to all functional / operational areas and is consistently practised .

Capability Development Diagnostic Tool (CDDT)

Example

STATEMENTS		LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT	YOUR SCORE
1.1 Senior Executive Leadership							
Senior leaders have clearly set the organisation's mission, vision and values and communicate these to stakeholders in the company, including employees, to empower and drive performance.		1	2	3	4	5	?
Sub-Category	Examples of Approach/Deployment						
1.1 Senior Executive Leadership Senior leaders have clearly set the organisation's mission, vision and values and communicate these to stakeholders in the company	<ul style="list-style-type: none"> • Town hall meetings, management meetings and performance reviews for senior leaders to engage employees • Regular visits to business units, departments, subsidiaries, outlets etc to understand the progress of respective teams 						

Capability Development Diagnostic Tool (CDDT)

Example

STATEMENTS		LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT	YOUR SCORE
2.2 Customer Experience							
Customers have easy access to information and assistance; their feedback is resolved and analysed to drive improvement in service standards in various touch points.		1	2	3	4	5	?
Sub-Category	Examples of Approach/Deployment						
2.2 Customer Experience Customers have easy access to information and assistance; their feedback is resolved and analysed to drive improvement in service standards in various touch points.	<ul style="list-style-type: none"> • Customer touch points and feedback channels • Service standards, service recovery plans and procedures 						

Capability Development Diagnostic Tool (CDDT)

Example

STATEMENTS		LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT	YOUR SCORE
4.1 Human Resource Planning							
The organisation predicts its human resource needs in advance, identifies high potential employees and develops human resource plans , which are aligned to the business goals and organisational values.		1	2	3	4	5	?
Sub-Category	Examples of Approach/Deployment						
4.1 Human Resource Planning The organisation predicts its human resource needs in advance, identifies high potential employees and develops human resource plans	<ul style="list-style-type: none"> Employee recruitment plans, development plans, retention plans, training plans Involvement of different units / stakeholders in the HR planning process to ensure the alignment with current and future needs 						

Capability Development Diagnostic Tool (CDDT)

Example

STATEMENTS		LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT	YOUR SCORE
5.1 Innovation Capabilities							
Innovative ideas for product, process and service improvement are gathered and implemented.		1	2	3	4	5	?
Sub-Category	Examples of Approach/Deployment						
5.1 Innovation Capabilities Innovative ideas for product, process and service improvement are gathered and implemented.	<ul style="list-style-type: none"> Testing and validating innovative ideas e.g. trial implementation, product testing, prototyping Examples of innovative ideas implemented showing a positive impact on business outcome such as increase in revenue or decrease in manpower required 						

Capability Development Diagnostic Tool (CDDT)

Tabulation and Capability Area

Your Priority ¹ <i>Low, Medium, High</i>	Category	Total Score ²	Max Score ³	% Score ⁴	Ranking ⁵ <i>Rank 1 for Lowest % Rank 6 for Highest %</i>	Capability Areas ⁶
	1 LEADERSHIP		/ 12 =			BE, HCD
	2 CUSTOMERS		/ 11 =			SE, BSI, BMSD
	3 STRATEGY		/ 7 =			BE, BSI, BMSD
H	4 PEOPLE	3	/ 9 =	33%	1	HCD
	5 PROCESSES		/ 9 =			EQS, PI, TI, FM
	6 KNOWLEDGE		/ 7 =			EQS, SE, IPF
	GRAND TOTAL		/ 55 =			

Legend for Capability Areas:

- BE – Business Excellence
- BMSD – Brand & Marketing Strategy Development
- BSI – Business Strategy Innovation
- EQS – Enhancing Quality & Standards

- FM – Financial Management
- HCD – Human Capital Development
- IPF – Intellectual Property & Franchising
- PI – Productivity Improvement
- SE – Service Excellence
- TI – Technology Innovation

Business Excellence Awards/Certifications

	SQC	SQC WITH NICHE			SQC STAR
BE CERTIFICATIONS	 <p>SINGAPORE QUALITY CLASS</p>	 <p>SINGAPORE QUALITY CLASS INNOVATION + SERVICE</p>	 <p>SINGAPORE QUALITY CLASS INNOVATION + PEOPLE</p>	 <p>SINGAPORE QUALITY CLASS PEOPLE + SERVICE</p>	 <p>SINGAPORE QUALITY CLASS STAR</p>
	SINGAPORE QUALITY AWARD (SQA)	SERVICE EXCELLENCE AWARD	PEOPLE EXCELLENCE AWARD	INNOVATION EXCELLENCE AWARD	SQA WITH SPECIAL COMMENDATION
BE AWARDS	 <p>SINGAPORE QUALITY AWARD</p>	 <p>SERVICE EXCELLENCE AWARD</p>	 <p>PEOPLE EXCELLENCE AWARD</p>	 <p>INNOVATION EXCELLENCE AWARD</p>	 <p>SPECIAL COMMENDATION SINGAPORE QUALITY AWARD</p>

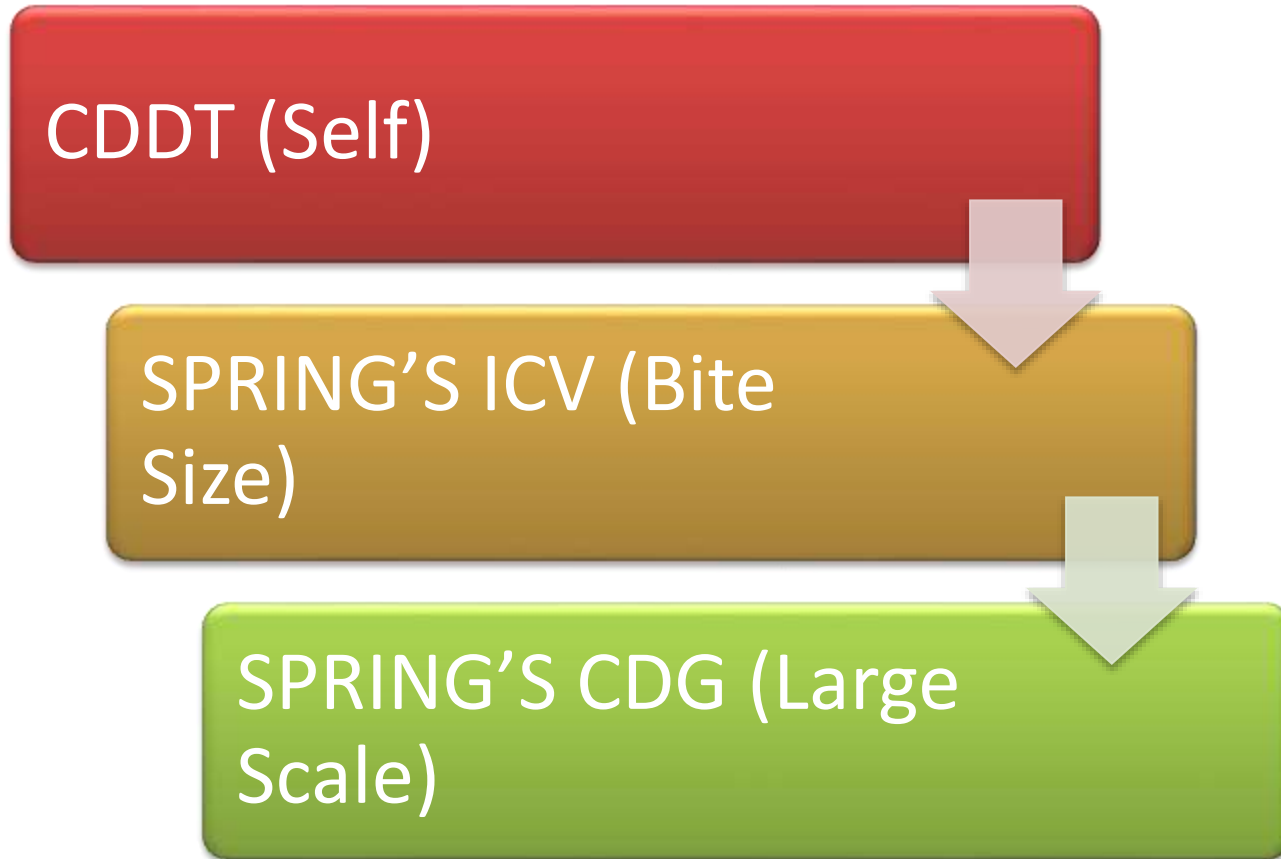
Organisations w SQC



Organisations w SQA



How to Proceed



Business Diagnosis

Productivity	Scope	Deliverable(s)
<p>Business Diagnosis</p>	<p>To perform the following:</p> <ol style="list-style-type: none"> 1) Assess SME's company-level competencies using a business diagnosis framework such as SMART, IMPACT, and S-Class (non-exhaustive list) 2) Identify strengths and areas for improvements. Prioritise gaps identified. 3) Develop actionable roadmap and identify key indications to track and monitor performance. <p><i>* SMART (SME Management Action for Results) / Service Scorecard is an assessment tool based on SPRING Singapore's Business Excellence framework</i></p>	<ol style="list-style-type: none"> 1) A minimum of 40 consultancy hours <ul style="list-style-type: none"> • ICV pre-qualified consultant must hold the opening and progress update/closing meetings 2) Project Report includes: <ul style="list-style-type: none"> • Project Objectives • Project Team • SME profile • Diagnosis of SME's needs & challenges • Assessment of SME's business capabilities using the selected business diagnosis framework(s) • Recommendations customized to SME's needs • Implementation plan with proposed timeline, actions & deliverables <p><i>*Closing presentation to be held selectively between SPRING, SME & lead consultant</i></p>

Innovation & Capability Voucher

By SPRING Singapore, to encourage SMEs to take the first step in capability building

What is the Benefit

- **\$5,000 voucher** (2 vouchers per capability area) to be used to offset the cost in consulting with one of the approved service providers

Criteria

- SMEs
 - $\geq 30\%$ local shareholding; **AND**
 - Group annual sales of \leq \$100 million; **OR**
 - Group employment size \leq 200 workers



• Productivity



• Financial Management



• Human Resource



• Innovation

Innovation & Capability Voucher

Innovation	Financial Management
<ul style="list-style-type: none"> • Technology Development • IP Business Diagnostic • IP Legal Diagnostic • Customer Insights 	<ul style="list-style-type: none"> • Planning & Budgeting • Cash-flow & Working Capital Management • Financial Assessment and Planning for Growth
Human Resources	Productivity
<ul style="list-style-type: none"> • Recruitment & Selection • Compensation & Benefits • Performance Management • Learning & Development 	<ul style="list-style-type: none"> • ISO 9001 • ISO 14001, • OHSAS 18001 • Business Diagnosis • Service Improvement

Capability Development Grant



To support SMEs in capability upgrading to compete and grow locally and globally

Defray up to **70%** of qualifying project costs* in upgrading capabilities in 10 development areas

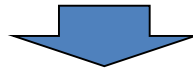
From 1st June 2017
All **software-and equipment-related project cost** will be supported at up to 50% for this capability area.

Capability Development Grant



Application Process

- Submit business plan, project proposal and supporting documents such as ACRA and financials
- Financial projections for the next 3 years
- Demonstrate strong growth plans



Simplified Application Process

- As of **1 April 2015**, the application process for **grant support of \$30,000** or less has been simplified*
- 5 easy to answer questions
- Online submission through SPRING Grant Portal



*refers to project costs less than S\$45,000

Market Readiness Assistance

By IE Singapore, to assist companies who are new to internationalisation to start their overseas venture through supporting pre-scoped professional services

Criteria and Benefit

- Companies with **global HQ in Singapore** and has an **annual turnover of \leq 100 million**
- Co-funds for **70% of the eligible cost for the pre-scoped activities**
- **Capped at \$20,000** per company per year
- Companies shall engage the services from IE's panel of partners
- Changes will take effect from **1 July 2017**

Business Matching	Market Entry
Overseas Marketing and PR Activities	Participation in Overseas trade Fairs

Market Readiness Assistance

Market Entry	<p>Advisory, legal and documentation expenses relating to:</p> <ul style="list-style-type: none"> • Name search • Intellectual Property (IP) search and application • Filing and registration for sales/ representative offices or equity entity • Implementation of recommended tax structures • Import and export licenses • Drafting of franchising, licensing, agency, distributorship and joint venture agreements
Business Matching	<p>Third-party costs incurred to identify potential business partners and/ or customers (B2B) including the following:</p> <ul style="list-style-type: none"> • Licensees/ franchisees • Agents and distributors • Joint venture partners
Overseas Marketing & PR Activities	<p>Third-party costs incurred for:</p> <ul style="list-style-type: none"> • Marketing and PR activities including launch of in-store promotions, road shows, pop-up stores executed using an appointed Marketing and/ or PR agency • Pitching fees at overseas business/ trade conferences
Overseas Trade Fair	<p>Third-party costs incurred for:</p> <ul style="list-style-type: none"> • Space rental (capped at 36 square metres) • Booth design and construction (capped at 36 square metres)

Summary

- Introduction to SME Centre@SMF
- Key Challenges + Market Assessment
- Business Model Canvas
- Business Excellence + CDDT Toolkit
- Government Assistance Schemes

Access to Info & Advice

THANK YOU

For more information, please contact
SME Centre@SouthWest

Website

www.smecentre-smf.sg/
www.smeportal.sg

Contact

Tel 6826-3020 (HQ)
 6316-1616 (South West CDC)
 6248-5518 (North West CDC)

Email query@smecentre-smf.sg
 southwest@smecentre-smf.sg
 northwest@smecentre-smf.sg