



A CALL TO FLY HIGHER

Recycle Point Pte Ltd (RP) is a distributor of pre-owned consumer electronic goods. Headquartered in Singapore, with subsidiaries in Dubai, Hong Kong, Jakarta and Tokyo, its product range spans pre-owned video game consoles, accessories, software, mobile phones, consumer drones and more. Its overseas clientele are located across China, Hong Kong and the Middle East, and closer to home, in Southeast Asia.

As lifestyle habits evolve, RP has experienced a shift in some segments of its second-hand trading business, such as a drop in the number of video game consoles it receives, and an increase in the more modern gadgets such as consumer drones and medical equipment. Looking ahead, RP is exploring new and sustainable ideas to boost its bottom line as it steps into the future.

Team CAPenter Consulting

'Allo? 'Allo?

RP wants to grow its used mobile handsets trade-in business by stepping up the supply of pre-owned smartphones, especially iPhones. However, it faces the perennial challenge of getting sufficient quantities from its traditional source – the handphone retailers. According to the retailers, this was due to the fluctuating prices of pre-owned Apple products in the market, and their lack of technical know-how to properly inspect and price the products they received. As such, they considered it too big a risk to participate in the pre-owned handphones business.

In undertaking this project, Team CAPenter Consulting's objective was to provide RP with a used-products sourcing strategy that would help the SME expand its supply of pre-owned iPhones. Leveraging tried-and-tested methodologies for data collection and analysis, the team tapped on a mix of primary and secondary research approaches. To gain a better understanding of the different players in the business-to-business (B2B) used handphones supply chain, the team conducted face-to-face, email and telephone interviews.

Addressing RP's concerns about inadequate supplies, the team decided to work towards reducing the dependence on retailers as the SME's only source for iPhones. It explored the feasibility of a consumer-to-business (C2B) model and conducted online surveys for residents in China, India, Indonesia and Singapore. While there were slight variations in the responses from the different countries, the results were broadly promising.

Call rewards

Having examined the implications of its proposed B2B and C2B strategies, the team recommended RP's new branding as a pre-owned mobile handsets business that collects and sells pre-owned mobile phones to retailers in developing countries, with the distinction of offering a reliable and cheaper source of quality products. With this as the value proposition, the team developed detailed market entry plans for RP in China, India, Indonesia and Singapore. Each set of plans was specially tailored to the country, having undergone scientific analyses including the PESTLE (political, environmental, social, legal, economic, technological) test.

Team CAPenter Consulting's recommendations were practical, comprehensive and detailed. The B2B trade-in programme, for example, would help RP's retail partners better secure their arbitrage margins because it can equip them with the technology and ability to assess and grade iPhones according to a list of pre-set criteria. This reduces the uncertainty and risk that retailers face in the conduct of the trade-in business – their biggest bugbear. The programme for consumers is packed with rewards and other

incentives, including technologies that would help them determine the value of their handsets. By empowering consumers and giving them multiple benefits, the C2B programme has the objective to build awareness of the company's products, and also to sustain and broaden its client base.

Team Statesmen

A bird's-eye view

Drone photography is becoming popular for its ability to capture images from unique perspectives due to its range of flexible vantage positions. Given RP's existing business assets (reputation, data base, pre-owned products market network, etc) and its relationship with DJI, a market leader in easy-to-fly drones and aerial photography systems, Team Statesmen discerned the potential for RP to step into the emerging drone business and create a niche for itself as a one-stop centre for all things drone. In time, as the SME develops the width and depth of expertise to provide the full business value chain from drone sales to rental, servicing and maintenance, photography lessons and training programmes, this can become a new source of sustainable revenue for the company.

Secondary research provided the team with an overview of the drone industry. Although there would be increasing competition as more players enter the market, it was still in its nascent stage – a fact corroborated by the primary research. The team held focus group discussions to gather insights on consumer behaviours, learning about the respondents' understanding of drones and their willingness to pay for drone services. In-depth interviews were conducted with travel agencies, wedding boutiques and photography firms that offered wedding photography services. The research revealed good prospects for RP if it should embark on the drone photography business – first as a B2B business in collaboration with corporate partners, and later, as it builds on its reputation, as a B2C venture serving its own clientele of drone users.

Memories immortalised

Photographs capture precious memories, and RP, by offering drone photography to corporate businesses like travel agencies, wedding boutiques and photography firms that offer wedding photography services, would add value to its partners' suite of services. This would in turn enhance its partners' appeal to their customers. As a newcomer to the drone photography business, the consulting team recommended that RP could leverage its partners' reach while it cultivated its own reputation as a trustworthy brand; a credible standing would be an advantage as RP looks to the B2C market for its future growth.

Paying heed to the findings from its research, and RP's goals and value propositions, Team Statesmen presented the SME with an implementation timeline, complete with key milestones. The information covered the B2B market from 2018, its expansion into the B2C market in 2021, before striding into the global sphere in 2024.

Refreshing, Innovative Ideas

RP's Group Managing Director Adrian Yap found the "overall quality of the research and ideas from the students to be very good" – many were "interesting", some were "out-of-the-box" but all were "practical ideas" that he could apply to grow the company.

Receiving special mention from Mr Yap were the students' up-to-date perspectives and concepts that embraced today's digital and technological advancements – which are "often lacking in traditional business models". Calling the Capstone Programme "a great return on investment of time and money", he disclosed that the company is planning to implement some of the ideas.



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