



### **On-site, Online, Omni-Channel: Crescent Exchange Pte Ltd**

Crescent Exchange Pte Ltd, founded by Basheer Ahamed M.I., began operations in January 2020. The small and medium-sized enterprise (SME) performs over-the-counter (OTC) as well as wholesale selling of currencies, dealing largely in Asian denominations.

The majority of players in the currency-exchange industry tend to keep to the tried-and-tested business model of providing OTC currency-exchange services. However, Mr Basheer, Director of Crescent Exchange, is aware of the emerging influence of financial technology (fintech) on the financial industry, which his business is a part of. With the aim to explore the possibilities afforded by fintech to enable his business to rise above the competition, he approached the UOB-SMU Asian Enterprise Institute (UOB-SMU AEI). Under the Institute's SME Consulting Programme (SCP), a team of student-consultants, supervised by an industry veteran as Project Advisor and supported by a manager from UOB-SMU AEI, undertook the project.

#### **Money, money, everywhere**

The student-consultants leveraged scientific research methodologies for the business strategies innovation project. Secondary research, comprising industry, competitor and consumer analysis, established the background and industry practices of currency-exchange players. The information provided the team with insights into local consumer preferences and trends with regards to foreign-currency exchange. Having a better understanding of the industry and its practices, and the behaviours of customers who utilise the services, allowed the student-consultants to identify potential areas that Crescent Exchange could focus on, to develop its competitive advantages and seek growth.

One of the hallmarks of the SCP is the use of more methodological approaches and frameworks to address business issues. To this end, the team applied business analysis tools including PESTEL (political, economic, sociocultural, technological, environmental, legal), and SWOT (strengths, weaknesses, opportunities, threats) in their examination of the data.

The primary research findings were used to substantiate, dispute or modify the initial hypotheses, thus contributing to the design of relevant recommendations for the SME. Featuring an online survey and one-on-one telephone interviews, the student-consultants aimed to determine three main matters, namely, the perceptions, hindrances and concerns of different consumer groups regarding their currency-exchange process; knowledge of their buying-decision journey, and their thoughts and opinions about online currency-exchange services.

From their data analysis, the student-consultants identified two broad areas which Crescent Exchange needed to address, in order to make a difference to its business. They were the evolving industry trends, and the company's lack of brand awareness and differentiation in the currency-exchange market.

#### **Dollars and cents, here and there**

While the evidence showed an increasing shift towards the use of fintech in the currency-exchange industry – a trend that is expected to gain momentum – feedback from the respondents suggested that they were not ready to jump fully onboard. Commenting on online currency-exchange services, they voiced concerns over safety issues and the transparency of exchange rates. As for physical OTC transactions, their pet peeves centred on queuing and the inconvenience of having to be on-site.

To address consumers' feedback and advance the SME's objectives, the student-consultants recommended two new omni-channel approaches combined with an enhancement of Crescent Exchange's existing operational service. These strategies would address the principal issues of customer inconvenience, and boost brand awareness through a differentiated product offering. In addition, customers would enjoy both physical and digital foreign currency-exchange services in an integrated solution.

Crescent Exchange's proposed omni-channel business model was plotted on the Business Model Canvas, which is a strategic management template that displays the new business models alongside existing ones. The visual chart presented the various areas that the company should focus on. The final report featured detailed action plans for the key elements marked on the Canvas, plus an implementation timeline spread over two-and-a-half years, to take into consideration the disruption caused by Covid-19.

### **It all adds up**

Crescent Exchange Director Mr Basheer pronounced himself "very satisfied" with the quality of work delivered, calling it "beyond expectation". He complimented the student-consultants, whom he felt "have gone beyond their expected scope of engagement". Elaborating, he shared that the project was "directed and well-scoped", the data collected were "insightful and useful", and the analysis was "thorough and comprehensive". In particular, he appreciated the implementation roadmap as "I know what to do for the immediate and mid-term". Overall, "the team did a fantastic job in addressing our needs", he concluded.

The student-consultants had participated in the SCP with three objectives in mind, which they felt were accomplished. They experienced strategy formulation, gained exposure to a real-world client project, and garnered better understanding of the fintech industry. "Working with an SME essentially forced us to think from a multi-dimensional lens as we had to understand what issues the business faced, and how best we could tackle them to provide maximum value to the business," said a student-consultant. Given the inevitable move towards fintech, "it is crucial for SMEs to adapt and innovate to stay relevant". Their SCP experience showed that adapting to fintech trends "is not as easy as it seems as integration to existing business operations could be a challenge"; still, it was a challenge that the team overcame, as evidenced by Mr Basheer's affirmative remarks.

Project Advisor Sriramagopalan Desikan said that introducing the impact of Covid-19 into the project, even though it was not part of the client's brief, ensured that the recommendations were "timely and practical". Having worked closely with the student-consultants, he was "impressed" with their performance. He highlighted their "street smarts, clarity of thought, maturity of approach (the ability to change their train of thought based on feedback), and thoroughness of the work done". He also gave the thumbs-up for the SCP as it engages SMU students in real-life projects. The students get hands-on opportunities to apply what they learn in the classroom, and pick up new capabilities quickly to plug any gaps that surface during the course of the project, to provide practicable solutions that have a direct bearing on businesses.



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**Project Advisor**                      **Sriramagopalan Desikan**

**Student-consultants**                **Akash Swarup Mittal**  
Bachelor of Business / 2018

**Abel Teo Jun Hieng**  
Bachelor of Business / 2017

**Karchun Tan**  
Bachelor of Business / 2018