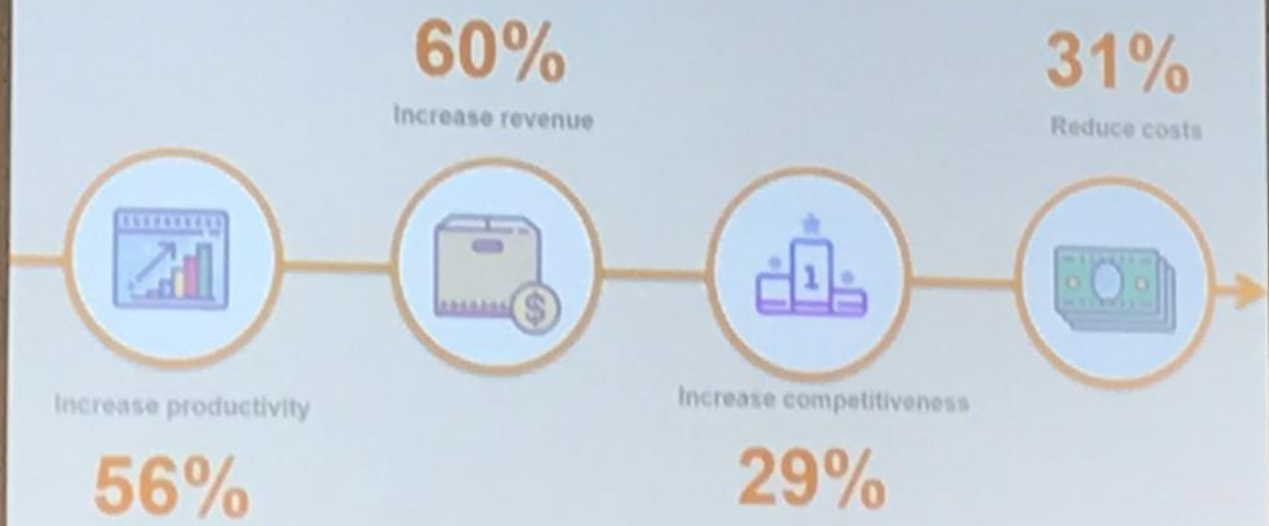
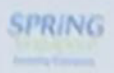
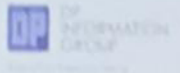


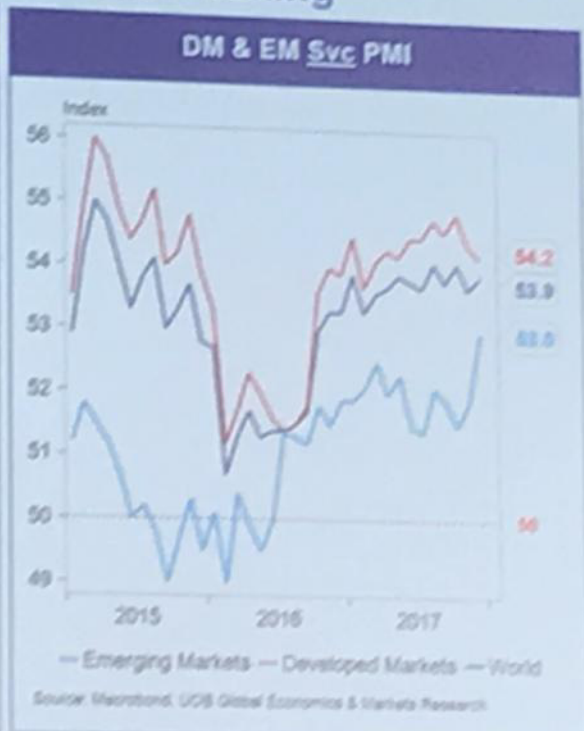
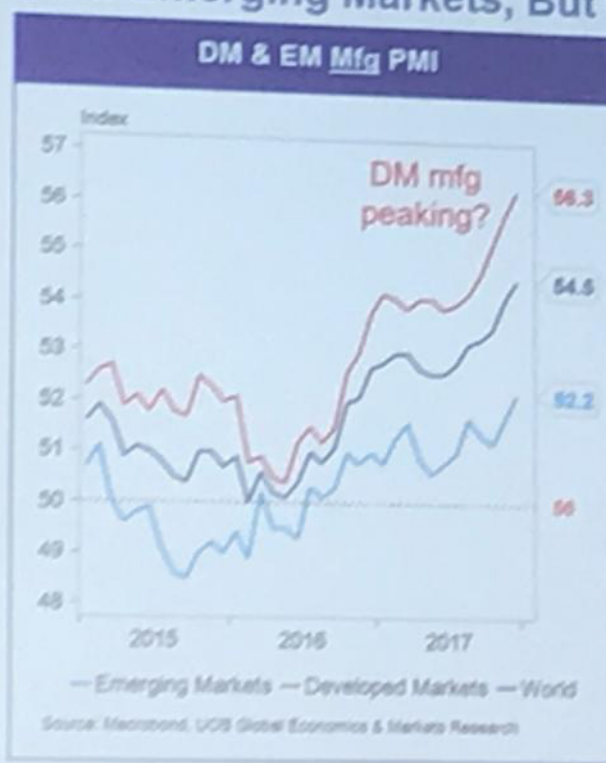
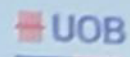
How many percent of SMEs agree that going digital has helped them...



* Based on a survey by DP Information Group

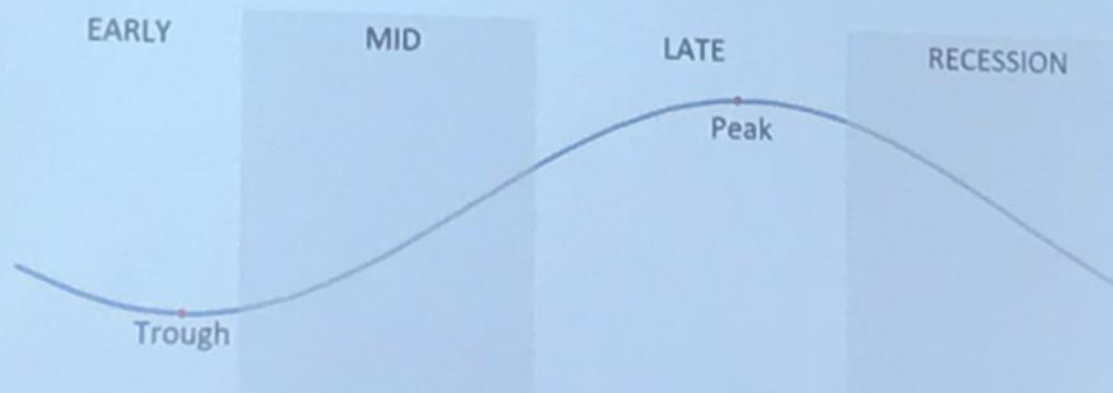


Improvement in PMIs in Developed Markets Faster Than Emerging Markets, But Could be Peaking



The Business Cycle Always Rhymes

EARLY	MID
Fiscal/Monetary stimulus	Fiscal/Monetary stimulus slows
Economic growth starts increasing	Economic growth slows, still positive
Employment picks up, confidence improves	Stronger employment growth, confidence continues to grow
Corporate profits increases strongly	Margins peaking, management buys back shares to boost profits

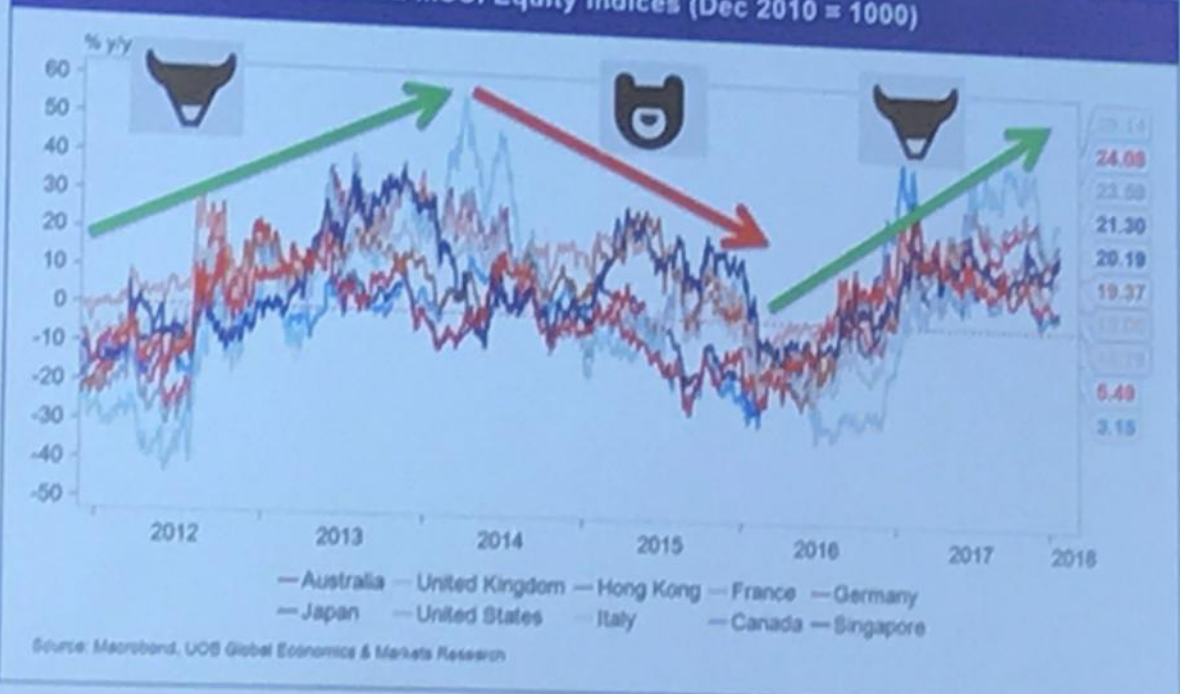


Always The Same "Pattern"!

	Early	Mid	Late	Recession		Early	Mid	Late	Recession		
Financials	Buy	Buy	Sell	Hold	20%	Materials	Buy	Buy	Sell	Hold	21%
Industrials	Buy	Buy	Hold	Sell	22%	Energy	Sell	Buy	Buy	Hold	-4%
Consumer Discretionary	Buy	Hold	Sell	Sell	21%	Telecom	Sell	Hold	Buy	Buy	
Aerospace	Buy	Hold	Sell	Sell		Healthcare	Sell	Hold	Buy	Buy	20%
Technology	Buy	Buy	Sell	Sell	32%	Utilities	Sell	Sell	Buy	Buy	8%
Consumer Staples	Sell	Hold	Buy	Buy	10%						

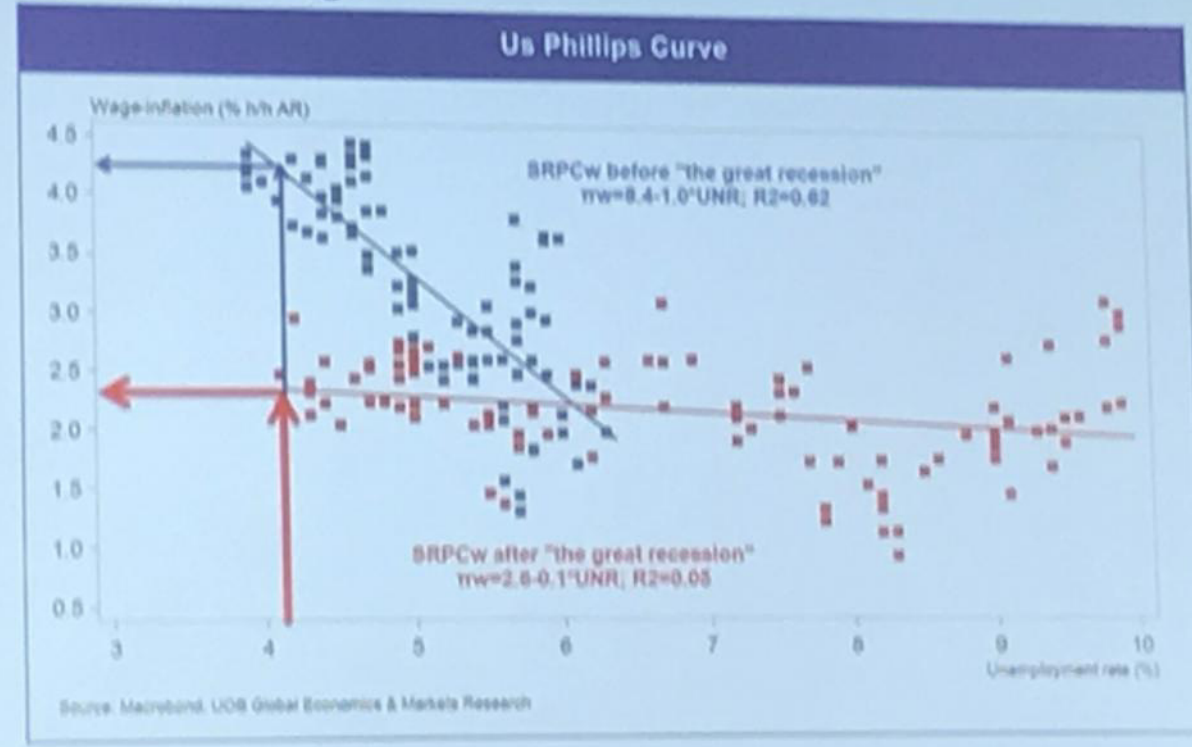
Markets Do Move In Cycles...It's All About Sentiments & Psychology... Or, "Animal Spirits"

Selected MSCI Equity Indices (Dec 2010 = 1000)



29.14
24.08
23.58
21.30
20.19
19.37
19.06
18.79
6.49
3.15

Improving Unemployment Rates Has Not Translated Into Higher Wages



External Sectors Are Picking Up Very Strongly



Singapore's Real GDP (Production)

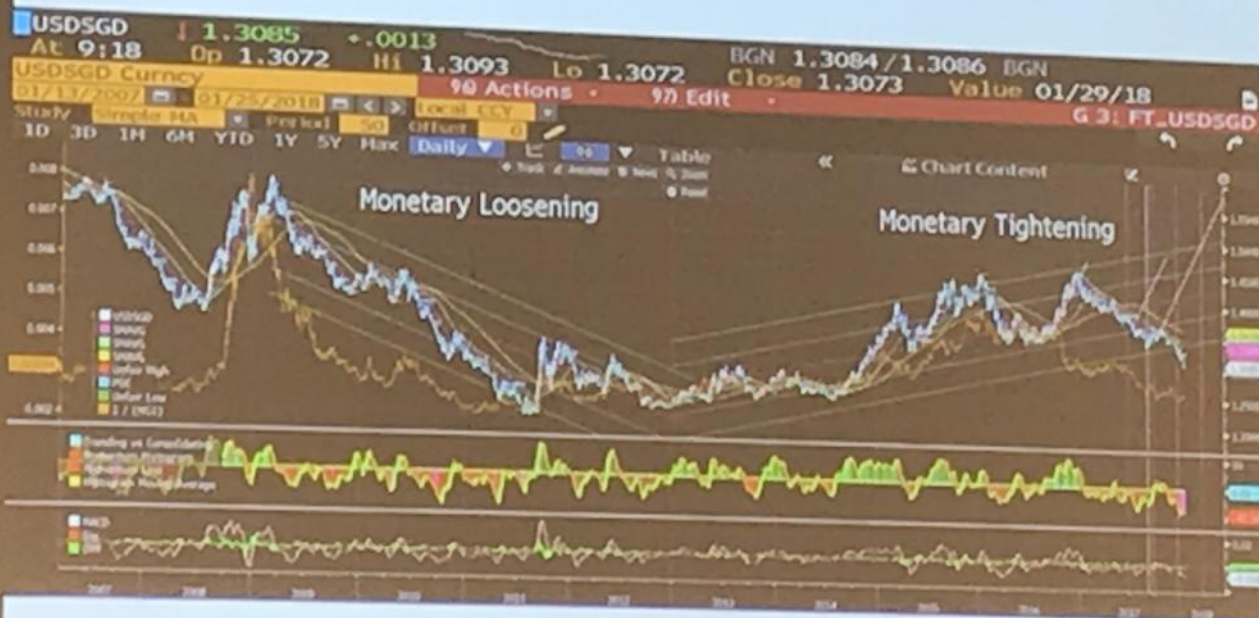


Source: Macrobond, UOB Global Economics & Markets Research
 Note: Percentages in parentheses represent sector's share of real GDP

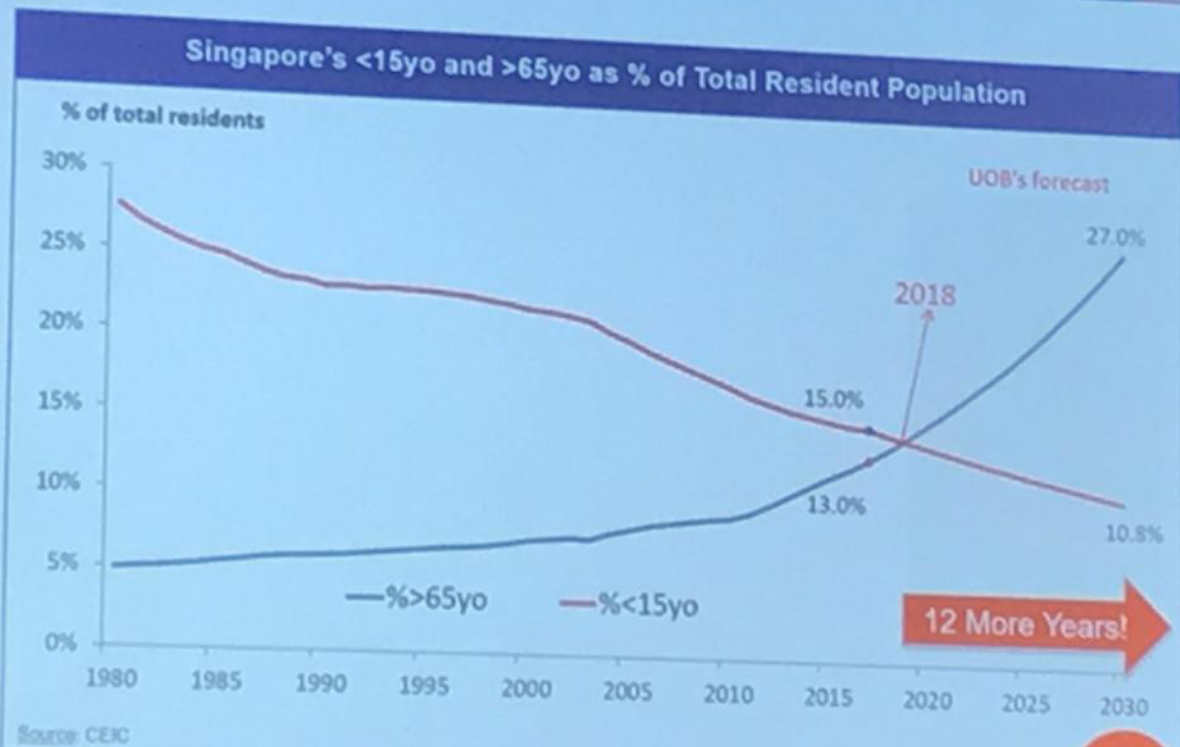
Slight Improvement In Labour Market Tightness, But It's Basically Still An Employers' Market



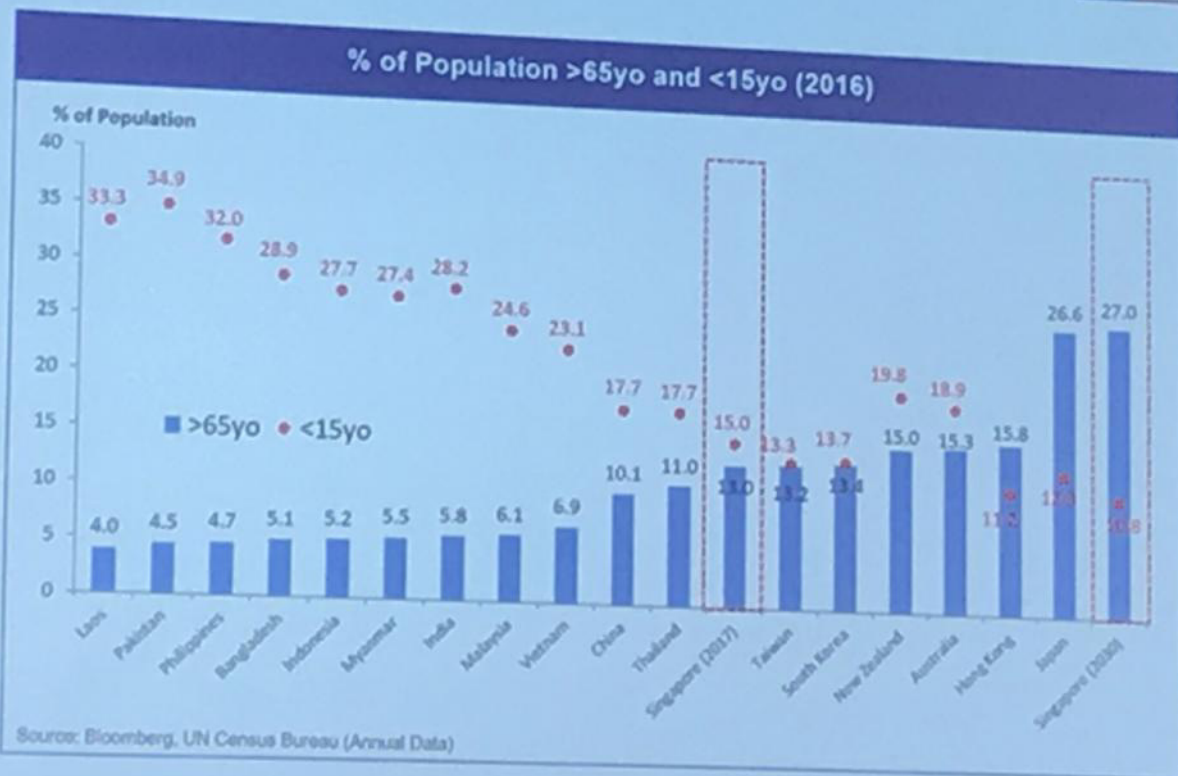
USDSGD → Have Faith!



Longer Term Challenges



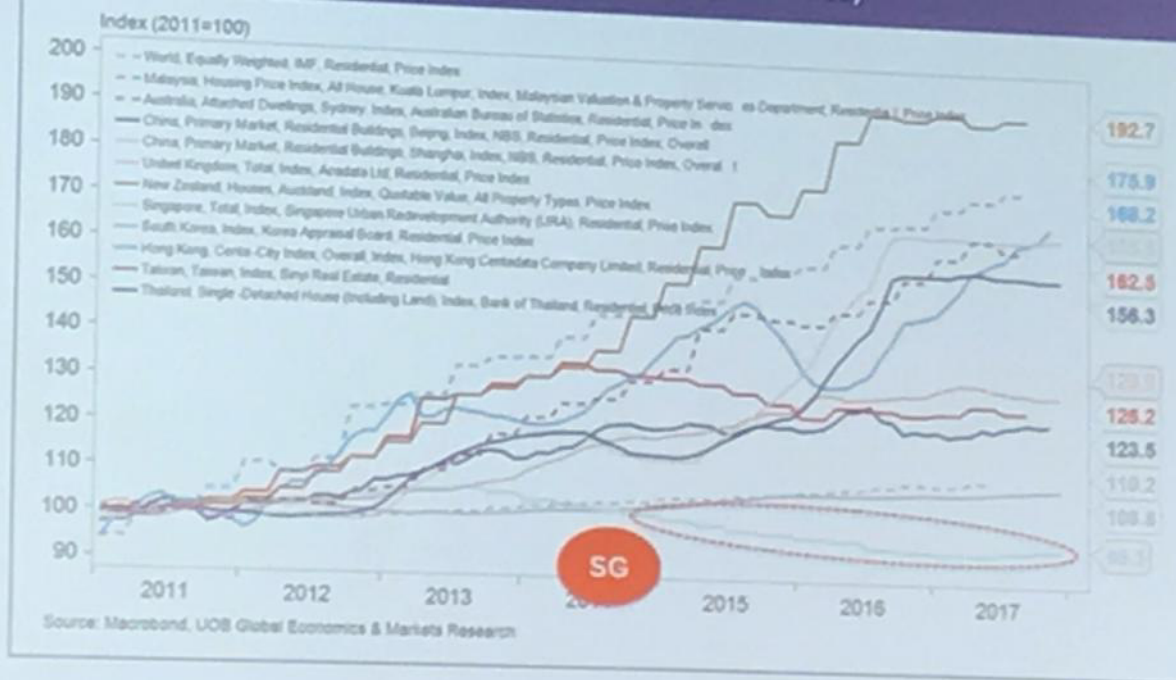
Strong Demographics Is On ASEAN's Side, But Not For Some



Relative "Value" of Singapore's Private Property



Selected Property Prices (2011 = 100)



A Tale of 2 Convenience Stores

Elements	A. Chin Huat Siong Kee	B. Kai Soon Supermarket
Premises	Owner occupied	Rented
Staff	Owner	Hired
Outlets	1	2
Opening Hours	8 am to 11 pm	24/7
Air-Con?	Yes	Yes
Backend?	No (Wife?)	Yes – Admin Staff/Mgt
Profitable?	Yes	Yes
Scalability?	No	Yes
Longevity?	27 years (1990)	8 years (2009)
Overheads?	Low	High - Rent - Staff Salary - Utilities
Quality of Life	Like a Prison	Money Making Machine

sgpbusiness.com

Singapore Business

CHIN HUAT SIONG KEE MINI-MART

Registration No.: 43682100A

CHIN HUAT SIONG KEE MINI-MART is a business incorporated on 15 November 1990 (Thursday) in Singapore and as of 15 November 1990 (Thursday) is a *live* sole proprietor. This sole proprietor has been operating for 27 years 43 days. Their principal activity is mini-marts, convenience stores and provision shops. It's registered address is at postcode, Singapore 530124.

Started = 1990
Lasted = 27 years

Kai Soon Supermarket Pte Ltd was established in 2009 with a mission to provide a convenient one stop location for residents nearby to shop for necessities at a price with was value for money.

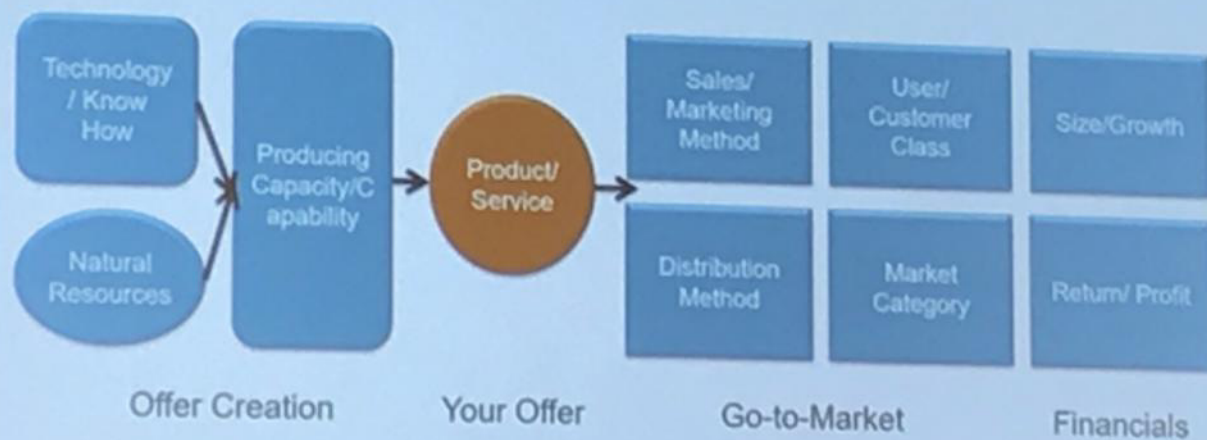
We started operations by opening our first branch at yishun block 780 to serve the residents around the district and operated everyday from 7am to 11pm.

At the start of 2010 we managed to consolidate our manpower and extend our opening hours to 24 hours.

In 2014, we soon opened another branch hougang block 123 also operating 24 hours. Our items range has also increased from 1000 to 3000.

Started = 2009
Lasted = 8 years

A Typical Business Model



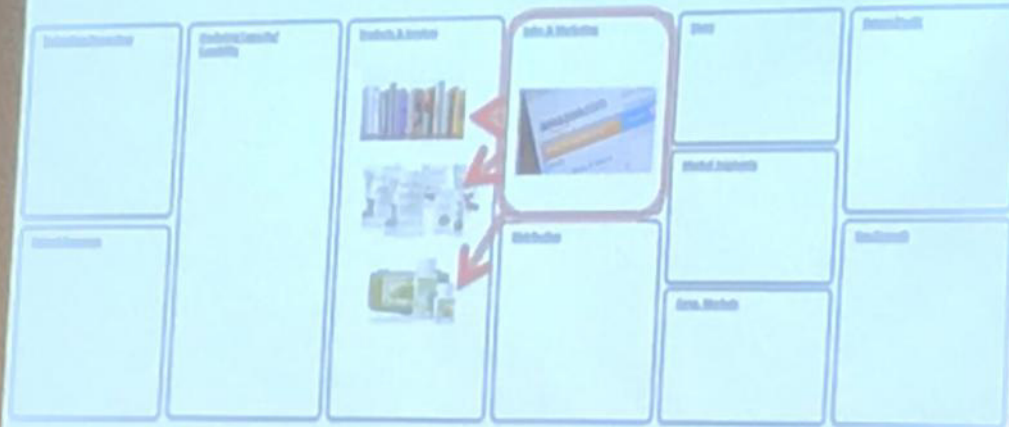
CREATE | DELIVER | CAPTURE
Value

Business Models

2 Key Observations

1. All 10 components exist in every company.
2. One tends to dominate the strategy of a company consistently over time.

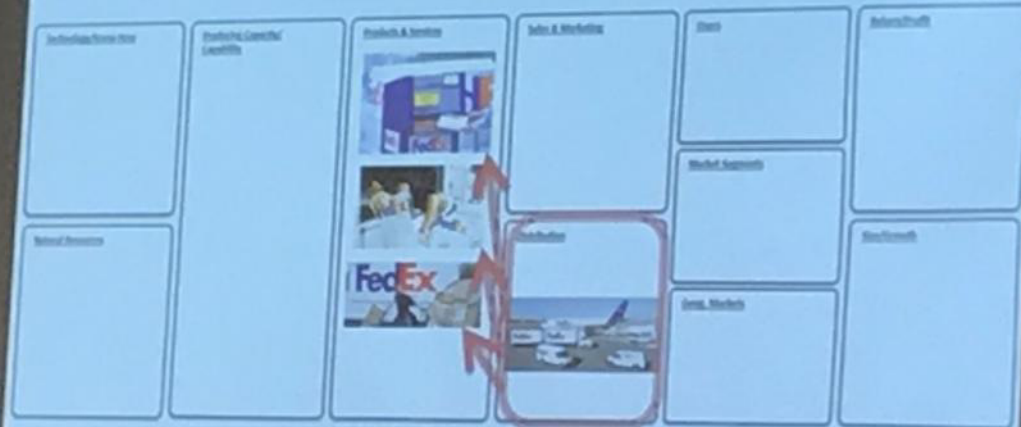
Amazon



**Business Model driven by
Sales/Marketing Method**

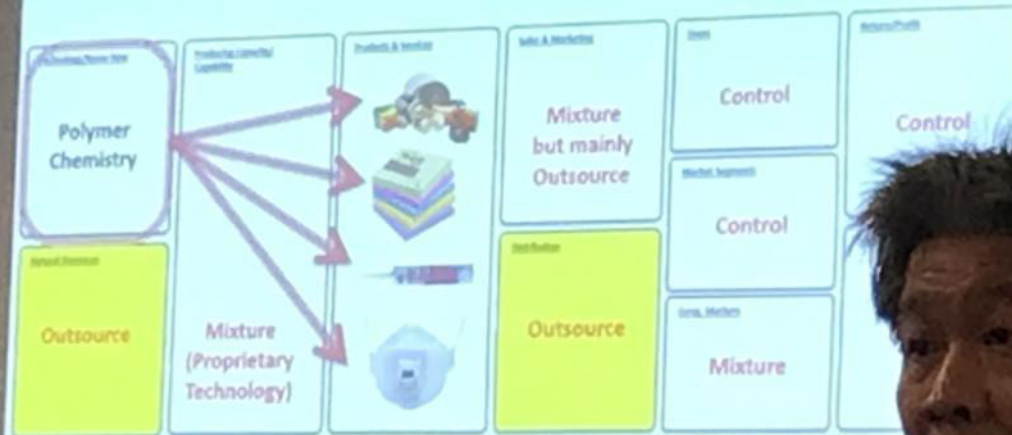


FedEx



**Business Model driven by
Distribution Method**

3M

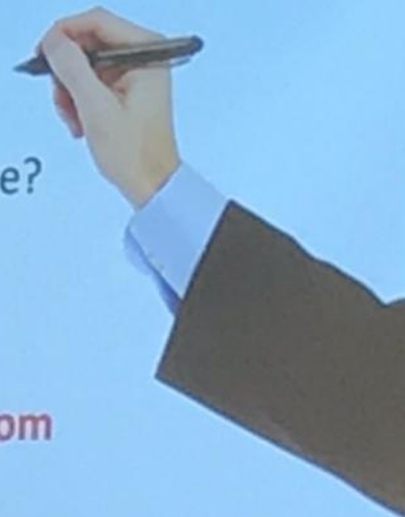


Business Model driven by Technology



Reflection #1

- What is your driving force?
- Which elements of your business model can you outsource?
- **Who are the GIANTS whom you can stand on their shoulders?**



Business Model Innovation Digital Age - Products

Information Flow



Delivers

Picks Up

Physical Flow

Reflection #2

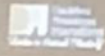
- What is your sandbox?
- Who has influence?
- **What is your position?**
- **How much influence do you have?**
- **Where is the money made?**



Key Take-Aways

1. An understanding of which part of your business model you want to innovate
2. Key learnings about proven Business Model Innovation strategies.
3. How to apply Strategic Thinking skills to developing innovative business models.

Experience | Experiment | Exploit



T03

SMEs Should Experiment

This type of business model is characterized by a complete breakdown of the previous business model. It may arise from creating a new need which previously did not exist.

Example: Ride Sharing, iTunes, App Store

Disruptive

Distinctive

The new business model incorporates a few attributes which correspond to previously non-existing functions.

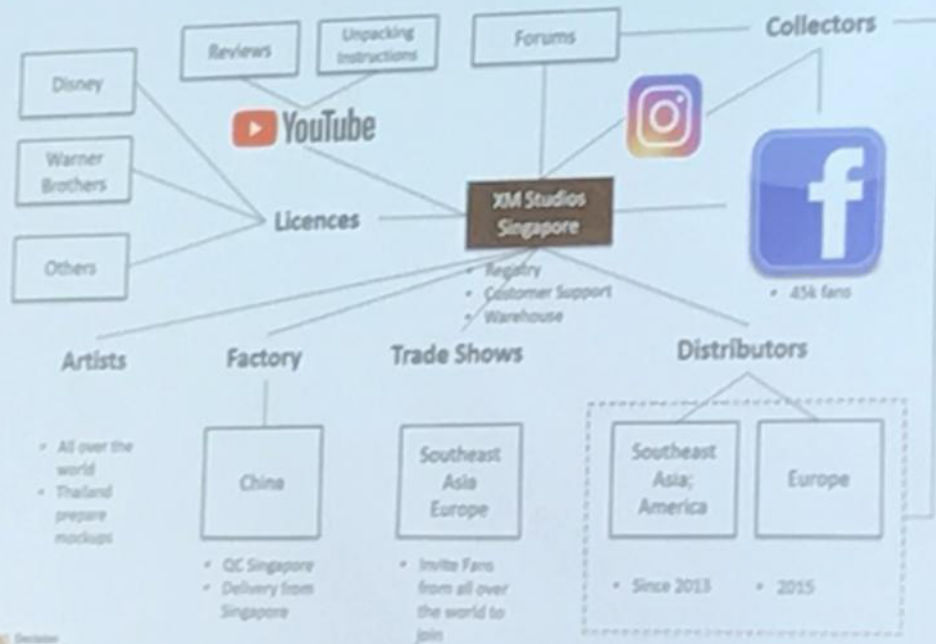
Example: Online Transactions – Self Service

Incremental

The new business model incorporates a few new elements without changing the basic functionalities of the business model.

Example: Online Information – Websites, Social Media Presence

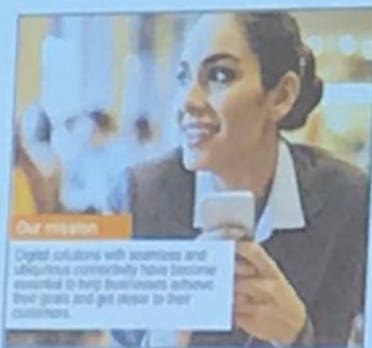
XM Studios Business Model



SME Advantages for Business Model Innovation

1. SMEs are faster entering the market than large companies
2. SMEs can easily explore niche markets
3. SMEs can be better at specialising and offering customised services to customers
4. SMEs can take advantage of new technologies which usually start at the edge of markets
5. SMEs can offer new experiences to customers which take time and effort to develop, adding value which is more difficult for large companies to offer

Dr Helmut Reisinger, Executive VP
for International, Orange Business
Services



<https://www.imsa.gov.au/infoconnect-and-media/news/whats-happening/2016/7/digital-transformation-what-you-need-to-know>

"Digital transformation is about enabling organisations to *leverage digital technologies* to grow their business, to *differentiate themselves*, and to provide *better service* to customers.

It involves changing the way businesses are run, rethinking go-to-market strategies, skill changes, greater internal collaboration, and enhancing the customer experience."

Singapore's Direct Investment Abroad

The stock of direct investment abroad by Singapore's corporate sector amounted to **\$764.7 billion** as at end 2016^p, an increase of 8.8 per cent from 2015.

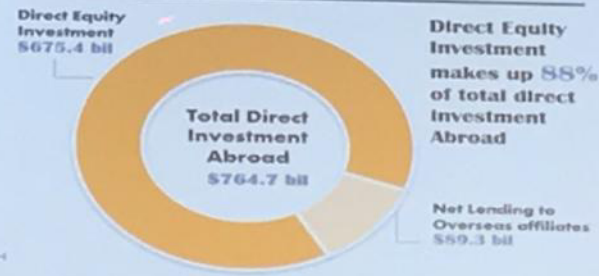


Stock as at Year End



By Component 2016

Source: Singstat



2. Market Assessment

Political / Legal

- Laws & regulations that affects business operations such as policies, trade restrictions & pressure groups

Economic

- Economic growth, interest rates & exchange rates that may affect consumers' spending

Social

- Social population trends such as age, gender, race and culture that helps to identify customers

Technological

- Technological advancements & research activities that brings potential & risks

Environmental

- Natural resources, weather & environmental issues that impact operations & environment

PESTEL

2. Market Assessment (cont'd)



- Competitors' analysis
- Safety concerns
 - Political stability
 - Natural disasters (Environmental)
- Tax Regime (Withholding tax, corporate tax etc)
- Guidelines on encouraged, restricted and prohibited industries / trades by local government (e.g. alcoholic drinks, printing, media, mining, chemicals, real estate development, ammunition etc.)
- Currency exchange risks
- Operating licenses or permits
- Intellectual Property Protection
- Investment horizon / Exit Strategy

3. Research / Advisory / Resources



- IE Singapore (IES)
- Trade Associations – SCCCI, SMCCI, ASME, SFMA etc.
- Financial institutions
- Your overseas friends, clients, prospective partners / franchisees/ licensees etc.
- Networking sessions – Approach SMEs that have regional presence
- Local Singapore Associations

What can you do next?

Come talk to us please.....

Address : #07-11
HDB Hub
Singapore 310490

Tel : 6715 7580

Email : enquiry@smecentre-sccci.sg

Website : www.smecentre-sccci.sg

Capability Track: Internationalisation

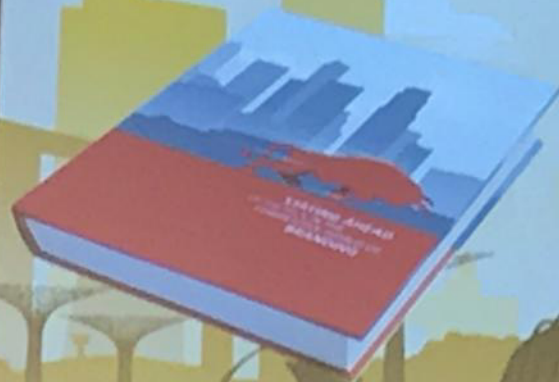


Readiness for Internationalisation

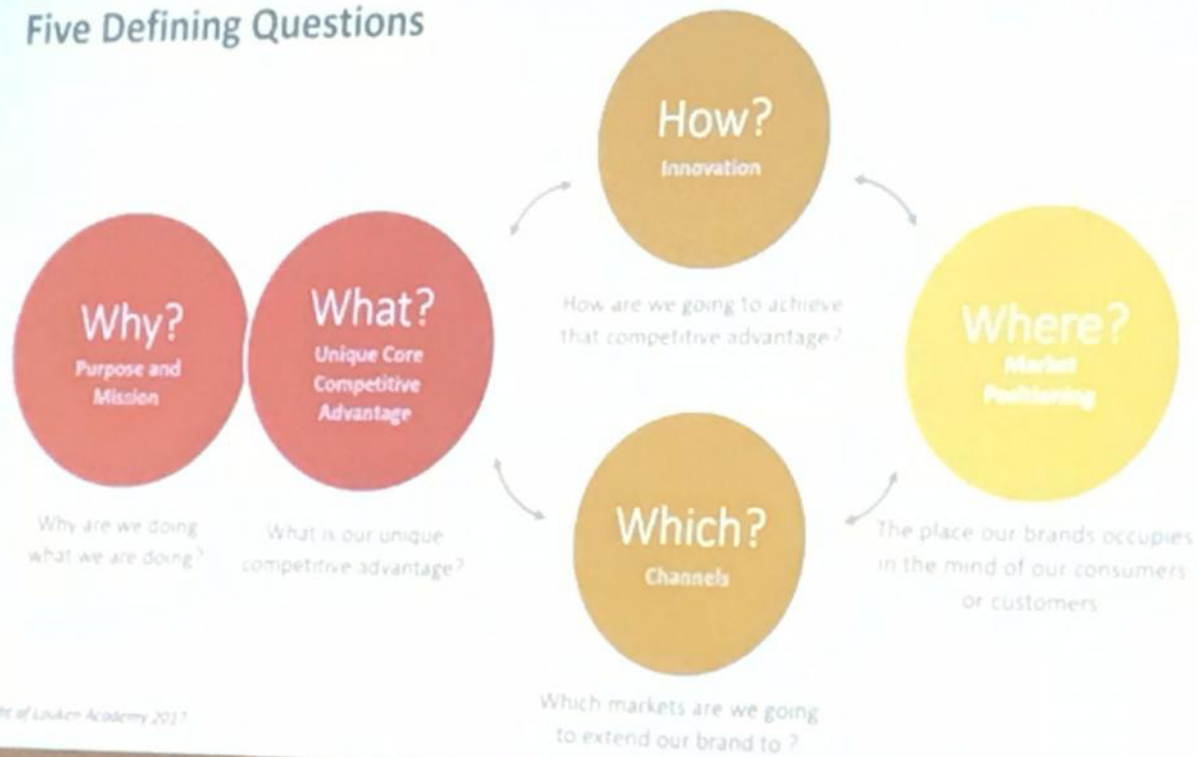
Mr Alan Wong

Principal Business Advisor
SME Centre@SCCCI

**INNOVATION & INTERNATIONALISATION
SEMINAR FOR SMES
IN THE DIGITAL ECONOMY**
WHY SOME BRANDS GROW FASTER THAN OTHERS?



Five Defining Questions



Commitment To Deliver

Courage In Doing The Right Thing

Teamwork

Openness

Go Global, Stay Local

Nurture And Grow Our People

Safety Comes First

Pursuing Excellence

Be personal when sharing Values with staff

Franchise = 'leverage'

Monetary investment, human resource
& operational efforts to replicate your success



Success attracts franchisees. Why?

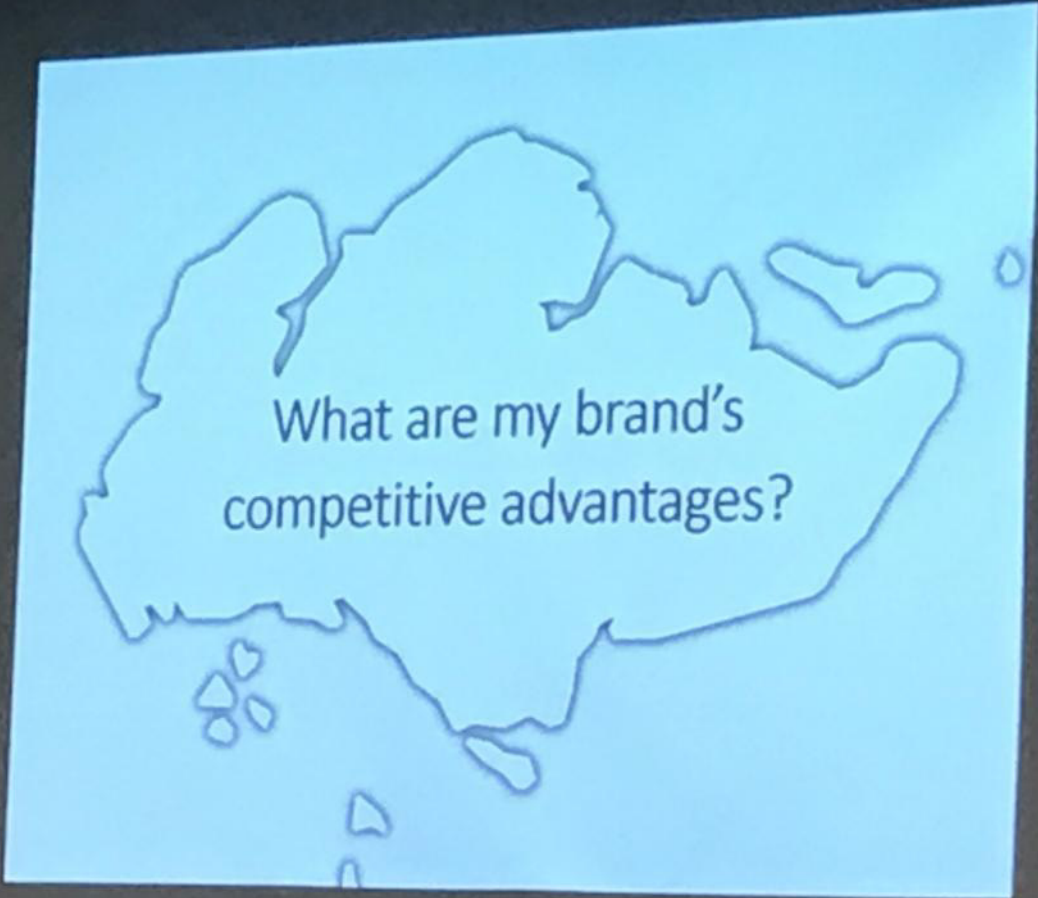
Key principle of franchising
– to replicate success

Proven sales & customer demand
– important 'evidence' of success to franchisees



AltiPLY
multiply your business

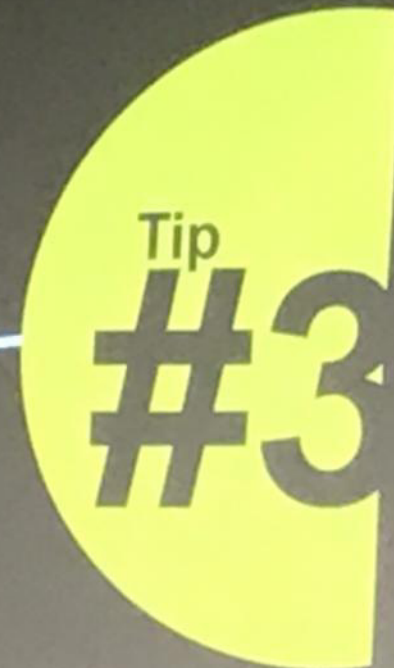
© 2014 AltiPLY. All rights reserved.



What are my brand's
competitive advantages?

BE VALUE-DRIVEN

GIVE **UNIQUE VALUE** TO YOUR
FRANCHISEE



'Value that can't be obtained elsewhere'
- 5 values of a franchise

**PROPRIETARY PRODUCT
VALUE**

CHARLES & KEITH

VOLUME DISCOUNT VALUE

BRAND VALUE

NETWORK VALUE

PROPRIETARY
KNOWLEDGE & SOLUTION
VALUE

NOTICE

PLEASE DON'T LEAVE YOUR
INTELLECTUAL ASSETS UNATTENDED
WE ARE NOT RESPONSIBLE
MANAGEMENT THANK YOU

Protect Your Trademarks!



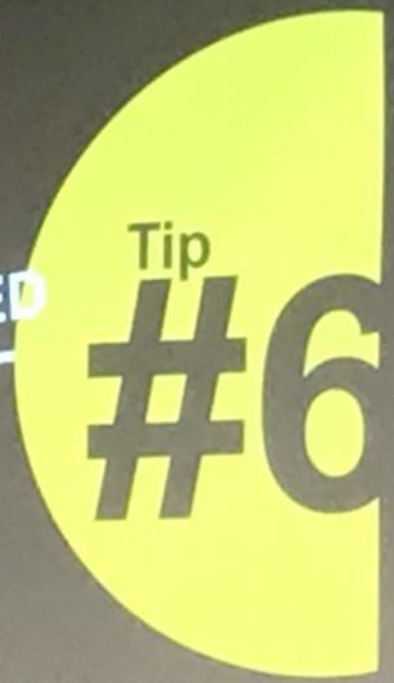
BE SIMPLE TO OPERATE

SIMPLICITY IS KEY TO REPLICATION

Tip
#5

BE TRAINING-ORIENTED

**ENABLE YOUR FRANCHISEES
THROUGH EFFECTIVE TRAINING**



**BE ADAPTIVE &
INNOVATIVE**

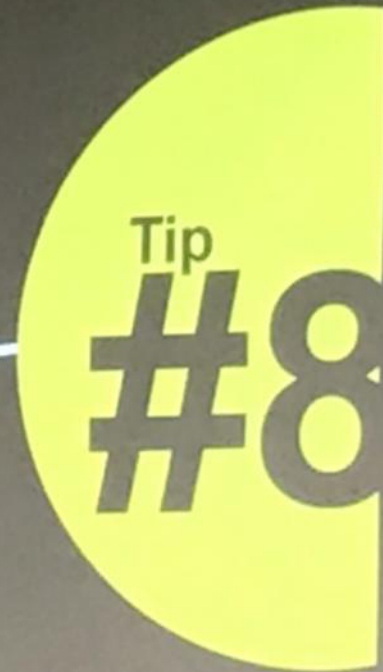
HELP YOUR FRANCHISEES CAPITALISE
OPPORTUNITIES & THRIVE IN THEIR
ENVIRONMENTS

Tip

#7

BE FLEXIBLE

**IN YOUR APPROACH TO
INTERNATIONALIZATION**



To maximize your franchise success,

1. Be successful
2. Be competitiveness paranoid
3. Be value-driven
4. Be protected (in intellectual assets)
5. Be simple to operate
6. Be training-oriented
7. Be adaptive & innovative
8. Be flexible



AltiPLY
Multiply your Success.

© 2014 AltiPLY Inc. All rights reserved.