

Enterprise
Singapore

Scale-up  SG

LEADERS WHO
KEEP GROWING

IMPACT REPORT





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ABOUT SCALE-UP SG

SCALING a business is rarely straightforward. Establishing a presence across the globe can be a challenging endeavour. For a business leader tasked with scaling up the business and taking it global, the leadership journey can often be a lonely one. To succeed, the entrepreneurial spirit must be complemented by the support of employees and partners.

At Enterprise Singapore, we aim to grow the next generation of Singapore Global Enterprises – companies that can strengthen Singapore’s mindshare on the global stage, contribute to our economy and create good jobs for Singaporeans. The Scale-up SG programme is our flagship growth programme to help our promising local enterprises transform and scale globally.

The programme is designed to equip ambitious, high-growth companies and their leaders with the knowledge, resources and networks to accelerate their growth. Since Scale-up SG’s launch in 2019, we have collaborated with world-class partners like EY-Parthenon, McKinsey & Company, PricewaterhouseCoopers and top tier business schools such as Stanford Graduate School of Business and the Wharton Business School to deliver a specially curated programme designed to stretch the leadership ambition and fast track a company’s growth.

Growing a community of global enterprises is a multi-prong effort – from leadership and talent development, driving innovation and productivity, to establishing the right networks and partners overseas. We are committed to support Scale-up SG companies in building capabilities and networks to scale and become global players that Singapore will be proud to call our own.



PROGRAMME AT A GLANCE



Growth transformation

Accelerating transformation and building a sustainable scaling pathway to achieve stretched goals



Growth partnership

Focused expert partner and government support



Growth community

Value-added exchange and learning with exclusive leaders’ network

WHO WE ARE LOOKING FOR



Aspiring global champions with proven growth track record

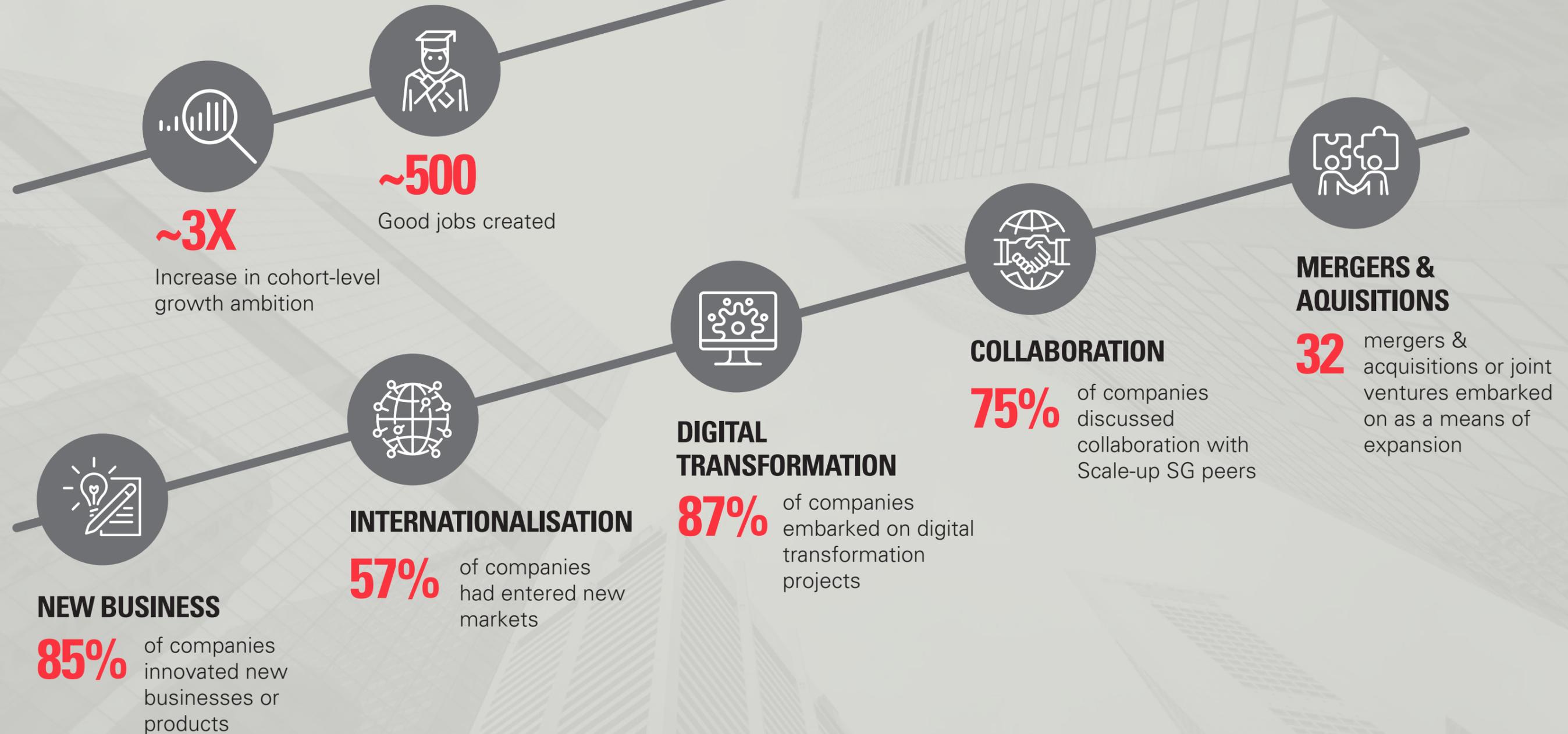


Businesses with global headquarters in Singapore and commitment to build a strong Singaporean core



Committed leadership team with strong growth ambitions and plans

IMPACT OF SCALE-UP SG AT A GLANCE



Figures are based on data collected from 49 Scale-up SG companies in Runs 1 to 3.

GOING GLOBAL



OUR SCALE-UP SG COMPANIES HAVE VENTURED INTO OVER 30 MARKETS ACROSS THE GLOBE



“Be open-minded, get different perspectives, and have a very clear hypothesis and plan of action first before you enter new territories.”

DECLAN EE, CO-FOUNDER, CASTLERY



“We are now able to fully focus on developing new products and acquiring targets within Southeast Asia.”

MARCUS NEO, FOUNDER & CEO, OMNI-PLUS SYSTEMS



The real test of any business is how it fares on the global stage. Succeeding in one market is great, but succeeding in several is validation.

Going global offers many business opportunities – expanding revenue potential, improving brand image, and evolving your business. While the prospect of market expansion is exciting, it does come with its fair share of risks. Companies need to navigate the uncertainty that comes with different audiences, and pivot when the time is right.



Venturing into the world's largest furniture market

CASTLERY is a well-known modern furniture brand in Singapore. But what most people might not know is that more than 65% of the company's revenue actually comes from the United States.

"Singapore alone is too small a market for us to scale," Declan Ee, co-founder of Castlery, shared. "Going global was always the goal. It was clear from the beginning that the United States was the right move."

However, it wasn't all smooth sailing for Castlery. Before the company's big move to the US, Declan and his team decided to pilot their market expansion in Australia first in 2017. "We knew that the US was the core market we wanted to build, but it seemed a step too far from Singapore. We assumed Australia was similar to the US, geographically and demographically," Declan said.

Like any enthusiastic business, Castlery dove into Australia with the same online-

offline growth strategy the company leveraged in Singapore. However, the company ran into a few road bumps. The Australian market, it turned out, wasn't ready for online furniture shopping at the time, and Castlery ended up burning cash every month for the first two years.

"During our initial expansion into Australia, we made the mistake of running headfirst into entirely new territory with little real understanding of the terrain. As a result, there were a lot of hard lessons and failures," Declan shared.

That's why, just before the next overseas foray, Declan joined Enterprise Singapore's Scale-up SG programme for support to take Castlery to the next level.

FIGURING OUT WHAT WENT WRONG, AND HOW TO MAKE IT RIGHT

The Scale-up SG programme offered insights that helped Declan understand

why his pilot in Australia didn't go as planned. For instance, the target customer identification module shed light on the value of conducting intensive market research before entering a market.

They found out the hard way that online shopping penetration in the land down under was not high. Not to mention urban cities weren't dense and people were more used to purchasing products in-store.

Castlery also went through rigorous competitor analyses through the programme, where the team identified both direct and indirect competitors and fleshed out Castlery's unique selling proposition in the US market.

"To be as clear as possible with the problem that you're solving for the target customer: that's the biggest challenge as you go overseas," Declan said. "Because you're wearing a cap of the lessons that you've learned from different markets,

"We analysed the data, went in with precise range of products and tested the exact cities we wanted to enter first. We started with seven cities, before expanding to 15 and now 50. Our ambition is to grow Castlery into a leading home furnishing brand across the US."

DECLAN EE, CO-FOUNDER, CASTLERY

which might not 100% apply across. You need to get around that by iterating your plans."

So when Castlery was ready to enter the US market, the team was armed with a clear expansion strategy that detailed everything from the target customer to the seven cities the company would start with.

"If we went to the US without deep market analysis, there would have been many challenges that we might have taken much longer to overcome," Declan shared. "As a leader, the Scale-up SG programme has helped clarify and develop the guiding principles of success for us as a company. We will continue to grow and develop as we go on this global journey."

For all companies looking to jumpstart their global expansion plans, Declan has this advice to share: "Be open-minded, get different perspectives, and to have a very clear hypothesis and plan of action first before you enter new territories."



Growing beyond our shores



IN 2019, Marcus Neo, the founder and CEO of plastics manufacturing company Omni-Plus Systems faced a tough decision on how to grow his business. “It took me 20 years to get to this stage,” Marcus said. “I need a concrete plan to take it to the next level.”

This dilemma spurred Marcus to join the Scale-up SG programme. This was a valuable opportunity not just to further his business, but also to groom a successor to lead the company in the near future.

“My son has finished university and recently joined the tech industry. That’s exactly what I hoped to achieve by joining the programme: to come up with a succession plan to pass the business on to the next generation of leaders,” Marcus said.

With that goal in mind, Marcus re-evaluated the business—both in the way it was run and the opportunities it could leverage.

He aimed to find a way to position the business for growth.

LEVERAGING PARTNERSHIPS FOR GROWTH

At that time, the company already had a presence in Japan when an opportunity to collaborate with Itochu Corporation, one of the largest sogo shosa or general trading companies in Japan, arose. This would allow Omni-Plus Systems to deepen its in-market presence while providing access to markets outside of Japan. Through extensive discussions with advice from Scale-up SG mentors, the partnership was finalised.

“One of the main reasons we wanted to do this partnership was to leverage an established in-market partner’s reputation and build recognition in the global market,” Marcus said. “It’s very difficult to penetrate Japanese brand owners. But with the publicity that we have in

Japan, they are now coming to us for our services and support.”

Omni-Plus System is the first Singapore company to list in Tokyo, and the second foreign firm to list on the TSE Mothers Index for high-growth and emerging stocks. The company enlisted professional services firm PwC’s advisory via the Scale-up SG programme, having no prior reference to go about the IPO process.

CREATING THE FOUNDATIONS TO SCALE

“It was lucky that we joined the programme before we made all these expansion plans. We have been building the business based on very informal processes without any formal structures for growth,” Marcus said. Scale-up SG offers business leaders the opportunity to speak with consultants, one of several anchor partners for the programme. For Marcus, these consultants helped build



“When we started the company, leadership meant leading by example. But after going through the programme, we learned that we don’t just need to lead, but also inspire.”

MARCUS NEO, FOUNDER AND CEO, OMNI-PLUS SYSTEMS

formal structures with segregation of duties that helped them scale.

The formalisation of operations also helped the company tide through when the pandemic struck. After a slight dip at the onset of the pandemic, the company was able to recover, registering a 30% growth in sales by March 2021 and projecting a 42% bump in sales during this fiscal year.

After going through the programme and expanding his business further, Marcus’ leadership style evolved as well. “I understand now that being a one-man operation where I decide everything is not scalable. There is now delegation of duties so that my team has more authority and agency over the business,” Marcus said.

The company is pursuing its vision of becoming a top solutions provider in terms of materials needs for the industry. Marcus is in the midst of digitalising the company in preparation for Industry 4.0, and plans for more M&A activities in the near future.

NEW BUSINESS BUILDING



THE NEW PRIORITY FOR GROWTH



“Dig deep into what truly excites you in life to create a business that’s meaningful and impactful. Also, always think about how you’ll allocate your limited resources.”

ARTHUR CHUA, CEO, GOLDBELL



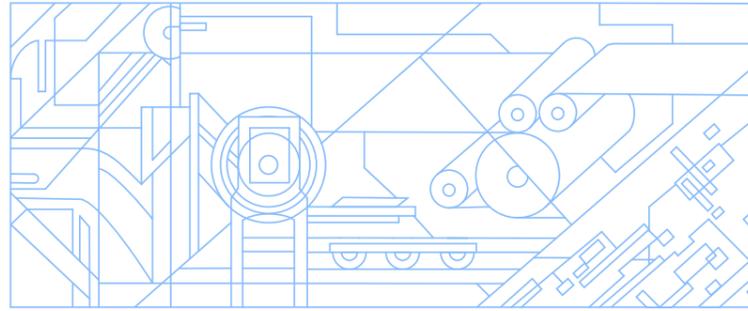
“Through the new business building module in the Scale-up SG programme, the team evaluated new opportunities that came to PATEC.”

KELVIN WEE, CEO, PATEC

Every company will encounter challenges for growth at some point along its journey. Once you reach a certain stage, it becomes harder to innovate new offerings. This is why more companies are now exploring new business building to continuously drive growth.

To be amongst leaders in the pack, companies need to make new business building a priority. However, only a fraction of companies succeed. To be a part of the top tier, you need to make new business building a core strategy and find synergies in even the most unlikely areas.





When preparation meets opportunities

A YEAR into his career as an investment analyst, Kelvin Wee decided to take up the responsibility to help run the business that his father had founded – engineering solutions provider Press Automation Technology Pte Ltd (PATEC).

15 years later, Kelvin is now PATEC's CEO, getting ready for the firm's 30th anniversary in September 2022.

Today, PATEC have established manufacturing facilities in Singapore, Indonesia, China and Hungary, employing more than 1,000 staff in two research locations, five production sites, and six service centres worldwide.

A Singapore-grown company, PATEC joined the Scale-up SG programme in 2019, resulting in both the birth of a new business arm for PATEC, and a fruitful leadership journey for Kelvin.

SCALE-UP SG'S IMPACT ON PATEC'S DIVERSIFICATION

PATEC's core business is rooted in traditional

manufacturing, and Kelvin was looking for ways to grow the business. "The industry is going through a period of consolidation. Margins are getting thinner," Kelvin shared.

The programme helped Kelvin realise his ambition of strengthening the business and diversifying into a new technology, while improving his judgement and confidence as a second-generation leader.

"Prior to the programme, I always thought growing our manufacturing business five to ten times meant investing in technology," Kelvin recalled. "Now, it's no longer growing for the sake of growing."

Through the new business building module in Scale-up SG, the team realised that PATEC's experience in the automotive industry gave them clarity in supply chain channels and management, experience in design modularity, strong costing models and project management.

In 2020, PATEC diversified their business into the service robotics space, leveraging

their manufacturing expertise to develop multifunctional robotic solutions for various industries.

COMMERCIAL OPPORTUNITY

Looking back, Kelvin felt how the team came together for their robotics venture was part serendipity and part preparation. "Luck is when opportunity meets preparation," Kelvin shares.

A commercial opportunity soon arrived – a new requirement for security service robots by integrated security organisation Certis.

Collaborating with partners like Cognicept, PATEC put together a team of engineers to set up their robotics subsidiary KABAM Pte. Ltd., to successfully deliver and demonstrate capabilities for a trial with Certis and subsequent commercialisation.

By October 2020, KABAM revealed the first proof of concept for Certis' board and key stakeholders. And by December, negotiations and discussions for mass production started.

The new team had to produce brand new robots within eight weeks, which they delivered on time after many late nights together.

Competitive costing and standardisation provided KABAM with a strong potential to scale effectively. At under 18 months old, KABAM has one of the largest external kit deployments for security service robots in Singapore.

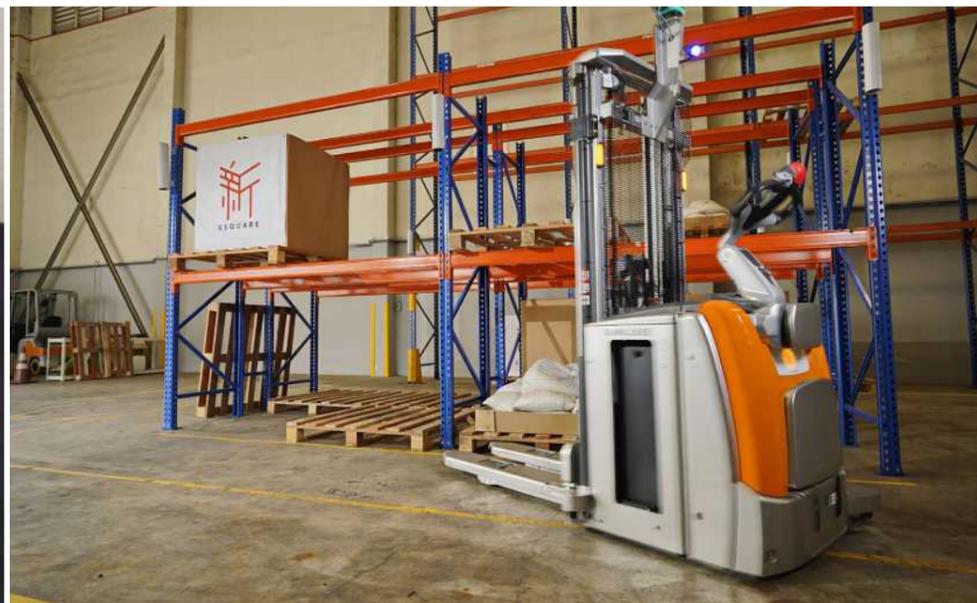
"Building upon our initial go-to-market success, we went on to sell dozens of robots to leading facility management businesses, and for a long-term contract, we will be targeting to sell the low hundreds this year. We will grow about two and a half times a year, compounded, over the next three to four years," Kelvin shares.

LOOKING INTERNALLY TO MOVE FORWARD

Another big takeaway from Scale-up SG was an internal change for Kelvin.

"One of the biggest and most unexpected takeaways I had from the programme was that my struggles were not unique," Kelvin shares. He found that other counterparts in the programme shared the same concerns despite being in different industries and felt those moments of candid sharing and mutual encouragements were valuable.

"Scale-up SG presented a chance where we could focus on flying the Singapore flag, to create something that's Singaporean, and push it to a global arena," Kelvin said.



Golden timing to innovate and grow

ARTHUR CHUA is the third-generation leader of vehicle leasing and distribution giant, Goldbell. When he took over eight years ago, he made sweeping expansions to the 40-year old family business with the addition of Goldbell's future mobility unit.

This unit's main function is to search and pilot the latest technologies that could potentially disrupt and improve their core business. It has several pillars, including an accelerator, a venture builder, and a venture investment arm.

"We believe that the combination of future mobility unit and the core business will repeatedly help us find S-curves and exponential growth for the company. What we like to call the 'twin engines' or the 'yin and yang' of disruptive growth are the venture builder and venture investment arms. These will also allow us to grow on a global stage," Arthur explained.

BUT IS THE MARKET READY FOR INNOVATION?

Experimenting with new technologies and business models, however, comes with its own set of challenges. Particularly, finding product-market fit.

"We aren't sure when the market will be ready. A lot of entrepreneurs underestimate the deep chasm between the 'innovator' and 'early adopter' stage. It's a risk we're willing to take to anticipate market readiness," Arthur said.

Arthur enrolled in the Scale-up SG programme in 2019 to pilot new products in a safe, controlled, and receptive environment. The timing was perfect since he had just set up a new company under future mobility's venture building arm: Xiaoxin Machines Pte. Ltd., also known as xSQUARE.

The company's debut product Bumblebee is an autonomous forklift to help logistics companies overcome labour shortages.

The programme helped Arthur to sharpen Bumblebee's value proposition—McKinsey consultants tasked Arthur to re-evaluate his value proposition, then talk to customers and ask for feedback. This process was continually repeated again and again until Arthur successfully iterated xSQUARE's final value proposition.

Aside from bringing tremendous clarity to Arthur and Goldbell as a whole, the Scale-up SG Programme also equipped them with new mental models and frameworks that helped them plan and execute clearer, more precise strategies.

"Now we have a strong understanding of the localisation needs for Singapore, Vietnam and Malaysia thanks to the traditional leasing business. We also know how to assess whether a customer warehouse is autonomous-ready," Arthur explained.



"We believe that the combination of future mobility unit and the core business will repeatedly help us find S-curves and exponential growth for the company."

ARTHUR CHUA, CEO, GOLDBELL

TURNING VISION INTO REALITY

Autonomous forklifts are just the beginning for Goldbell – with xSQUARE's vision to become an intelligent warehousing company. According to Kelvin Tay, director of xSQUARE and managing director of its future mobility unit, "We joined the Scale-up SG programme primarily to do two things: validate our Minimum Viable Product (MVP) with McKinsey, and look at new verticals we could get into to complete our vision for intelligent warehousing. We received valuable insights for both purposes."

The company had piloted its first unit with Katoen Natie in 2019 and scaled up to five commercially deployed units running 24/7 by 2021. Today, xSQUARE has a pipeline of 16 units for six customers to be delivered in the next eight months.

STRETCHING GOALS AND MAKING THINGS HAPPEN

"After the programme, I learned to stretch my goals much more. We used to do budgeting from a bottoms-up approach—just take last year's budget and performance and figure out how to achieve a 10% to 15% growth rate. Such a strategy does not bring you fast growth. Instead, we now have a three-year vision for each company," Arthur shared.

FOSTERING COLLABORATION



COLLABORATING TO UNCOVER NEW OPPORTUNITIES



“Scale-up SG programme was useful in establishing mutual trust among companies much faster. The companies in my cohort have already been selected by trusted parties, so it’s much faster and easier to collaborate.”

TED CHEN, CO-FOUNDER AND CEO, EVERCOMM



“I have consistently found great value in the peers in the Scale-up SG community. There are few successful entrepreneurs and Scale-up SG is a curated group of successful entrepreneurs!”

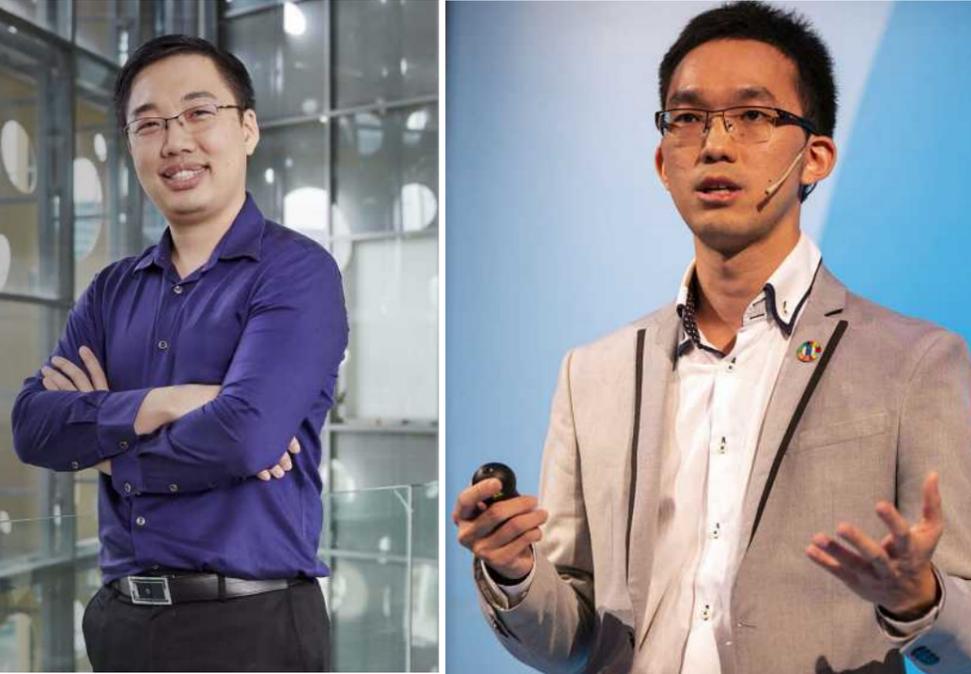
JOSEPH GAN, CEO, V-KEY

In a highly globalised, hyper-competitive, and rapidly accelerating world, no business can scale effectively without collaboration. Businesses become inherently better when they work together.

Successful partnerships are based on clear economic opportunities for all partners as well as alignment in business objectives and mindset. When done correctly, business collaboration can open doors you never even knew existed.



Twinning for growth



COLLABORATION is an essential part of growing a business. It offers companies opportunities for innovation that normally wouldn't be available by drawing on the companies' synergies and coming up with win-win partnerships.

This is what digital security company V-Key and asset performance management solutions company Evercomm had in mind when they joined the Scale-up SG programme.

V-Key helps other companies secure their digital assets with security and privacy protections, global certifications, and digital identity solutions hosted in the cloud. Evercomm, on the other hand, provides Asset Performance Management (APM) for energy-intensive enterprises. Through IoT and machine learning, Evercomm's customers can enjoy real time insights

into operational inefficiencies, equipment performance, and resource waste.

Though the two companies operate in different industries, they were able to identify overlaps in their value propositions the more time they spent together.

AN UNFORESEEN OPPORTUNITY

Smart buildings are a growing trend, and as hotels and other segments began adopting more Internet-of-Things (IoT) solutions, Chiu-Hao Chen, also known as Ted, co-founder and CEO of Evercomm Singapore, observed an increasing need for control and security. This is where V-Key comes in.

V-Key, as a digital security provider, caters mostly to a clientele of banks and financial services companies—entities that handle sensitive data and require robust security

solutions. The hospitality sector does not typically fall under this category. But after months of talks with Ted, Joseph Gan, CEO and co-founder of V-Key, saw an opportunity in this sector as well.

"We were very focused on scaling up," V-Key CEO Joseph said. V-Key had already been thinking about going beyond their limits and reaching out to more challenging clients—and the programme gave them the confidence to do just that. "At some point, we are going to plateau if we don't continue to innovate. So it's all about balancing your short-term business requirements with long-term innovation and transformation."

This collaboration between the two companies led to a win-win partnership.

"With us involved, we can really take V-Key's tech forward because we are already in this market. They play the role as our technology partner," Evercomm CEO Ted said. "Through our partnership, we expanded our product offerings and can now explore offering control services."

COLLABORATION LEADS TO HIGH REWARDS

According to Ted, there aren't many competitors tapping this opportunity as it's still an early, emerging trend. But the partnership gives them the benefit of being a first-mover in the market space.

Eight months into their partnership, Ted began seeing similar requirements pop up in his projects. The two companies have since pitched to a potential customer in

Vietnam, piloted their product at another Singapore-based hotel, and tested their tech for potential integrations in their services.

"We have been quite partnership-focused for a long time," Joseph shared. "The value of the programme was that it didn't just offer ad hoc partnerships with peers from the cohort, it helped us figure out how to build an ecosystem within the community."

Ted echoes this sentiment. "Scale-up SG programme was useful in establishing mutual trust among companies much faster. The companies in my cohort have already been selected by trusted parties, so it's much faster and easier to collaborate," Ted said.

BUILDING BETTER LEADERSHIP ACROSS THE ORGANISATION

"A big part of my objective in joining the programme is to help expose my direct reports to the programme and strengthen their leadership as well," Joseph shared.

Meanwhile, Ted discovered the value in seemingly small things that have a huge impact on the way his business functions, like proper internal structures and documentation. "We were always more external-focused and sales-driven. But we have since hired a full-time HR representative and it's made such a difference," Ted shared.

Now, both the leaders are laser-focused on growing their businesses. V-Key is working on broadening its ecosystem, while Evercomm has several other collaborations with other cohort members in the pipeline.

EXCLUSIVE LEADERS' COMMUNITY

OPPORTUNITIES FOR PEER LEARNING AND COLLABORATION ACROSS THE CLOSE-KNIT AND DIVERSE SCALE-UP COMMUNITY

CONSUMER AND SERVICES



MANUFACTURING AND ENGINEERING



TRADE AND CONNECTIVITY



TECHNOLOGY



OUR GLOBAL NETWORK

ACCRA | BANGKOK | BEIJING | CHENGDU | CHENNAI
CHONGQING | DALIAN | DUBAI | FRANKFURT
GUANGZHOU | HANOI | HO CHI MINH CITY | ISTANBUL
JAKARTA | JOHANNESBURG | KUALA LUMPUR | LONDON
LOS ANGELES | MANILA | MEXICO CITY | MOSCOW
MUMBAI | NEW DELHI | NEW YORK | QINGDAO | RIYADH
SÃO PAULO | SEOUL | SHANGHAI | SURABAYA | SYDNEY
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Growing **Enterprises** ^{SG}



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