Stepping Up Growth

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GAINING AN EDGE WITH AUTOMATION
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GENERATING WATTS FROM WOOD WASTE
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SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognised standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore.

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Festive Spot Checks to Ensure Shoppers Get What They Pay For

SPRING Singapore checked more than 460 weighing scales in Chinatown and the heartlands in January to ensure that consumers get a fair deal when shopping for Chinese New Year goodies. SPRING officers turned up unannounced to check the accuracy of the scales and whether they bear the Accuracy Label. The officers also checked whether household electrical, electronic and gas appliances came with the SAFETY Mark. SPRING focused on items commonly purchased during the festive season such as decorative lightings, electric steamboats, induction cookers, portable gas cookers and gas canisters. The retailers welcomed the checks, saying it helps build consumers’ trust and weed out errant retailers.

Mr Teo Ser Luck: SMEs Can Look Forward to More Government Assistance

Minister of State for Trade & Industry Mr Teo Ser Luck was the Guest of Honour at the SME1000 Awards Dinner organised by DP Information Group on 1 Feb. At the event, he said the government will focus on three key areas to assist SMEs. Besides a continued drive towards productivity and innovation, SPRING and IE Singapore will ramp up efforts to help SMEs seize growth opportunities, and create a more conducive environment for businesses, especially the smaller ones. Assistance programmes will also be made simpler and more accessible, through outreach channels such as the Enterprise Development Centres (EDCs).

Innovation and Technology – The Soup Spoon’s Ingredients for Success

Mr Teo Ser Luck (below right) visited The Soup Spoon at Marina Bay Link Mall on 18 Feb to see the various productivity initiatives that the company has put in action. For example, re-designing the counter has helped to cut waiting time by 30 per cent. Streamlining food preparation at a central kitchen has led to cost savings of almost 70 per cent in spending on kitchen equipment for each retail store. While technology has contributed directly to productivity gains, it has also helped to ensure consistent food and service quality, which enhance the customer experience.
2012 WAS A CHALLENGING YEAR for Singapore’s SMEs as they faced rising costs and a tight labour market, as well as uncertainty in global markets. To help them overcome these challenges, SPRING supported more than 5,600 SMEs in their productivity, innovation and capability upgrading efforts – a 19 per cent increase from 2011. These projects are expected to create almost 19,000 new jobs and $10 billion in value-added.

SPRING’s increased support for SMEs in 2012 helped them to step up their productivity and capability development efforts.
SUPPORTING SMEs
SPRING’s support for SMEs focused on four key areas:

1. PRODUCTIVITY AND CAPABILITY UPGRADING
A range of schemes, such as the Productivity & Innovation Credit (PIC) and the Productivity Management Programme (PMP), contributed to boosting the productivity and capabilities of SMEs. More than 4,300 SMEs benefitted from the PMP in 2012 and more than 1,600 SMEs used the Innovation & Capability Voucher (ICV) scheme to drive productivity and innovation, and improve their human capital and financial management capabilities.

Total Number of Innovative Start-ups Supported since 2010
2011: 446
2012: 639
COLLABORATION WITH PARTNERS
SPRING continued to strengthen its collaboration with partners such as the Centres of Innovation (COIs), Trade Associations and Chambers (TACs), and Enterprise Development Centres (EDCs). A new COI for Supply Chain Management was launched at Republic Polytechnic and a new Food Automation Unit was set up at the Food Innovation Resource Centre at Singapore Polytechnic. Partnerships such as these greatly increase SPRING’s reach to SMEs and also allow for greater specialisation, ensuring that as many SMEs as possible benefit from SPRING’s assistance programmes.

EDCs assisted almost 15,000 SMEs in 2012, a 32 per cent increase from 2011. They provided business advisory services, and conducted PMP workshops and PIC clinics. A new satellite EDC, the EDC@North East was set up in June 2012 to serve the many micro enterprises in the North East District.

HUMAN CAPITAL DEVELOPMENT
SPRING aimed to help SMEs better manage and leverage their workforces through a number of programmes. It established the Part-Time Pool Programme to assist SMEs in the retail and food service sectors, which are facing a manpower shortage. More than 2,500 part-timers were deployed to 140 SMEs in 2012. SPRING is also offering a range of schemes to enhance SMEs’ HR systems and processes so they can attract and retain talent better.

NURTURING INNOVATIVE START-UPS
Through funding programmes and partnerships with incubators and accelerators, SPRING supported and incubated 639 innovative start-ups in 2012, a 43 per cent increase from 446 in 2011. This includes investments in 12 start-ups through SPRING SEEDS Capital, and the Technology Enterprise Commercialisation Scheme (TECS), which funded 10 proof-of-concept and 24 proof-of-value projects. SPRING worked closely with the Action Community for Entrepreneurship (ACE), which aims to develop entrepreneurship in Singapore and also provides grants to start-ups through the ACE Start-ups scheme.
WE HEAR FROM SOME SMES WHO HAVE BENEFITED FROM SPRING’S SUPPORT IN 2012, AND THEIR PLANS FOR 2013

WORKING WITH EDC@SMF was an enriching and satisfying experience. I was impressed by their professionalism and sincerity in helping us. They were very forthcoming in offering advice and linking us up with government agencies that could help meet our needs.

I look forward to continued engagement with the EDCs and SPRING in 2013. Our productivity journey has only just started and we have many other areas to work on, ranging from business processes to automation and training. Productivity is a never ending journey!“

MR CHOW KOON MENG
General Manager,
City Satay (Food Industries) Pte Ltd

OUR EFFORTS TO IMPROVE productivity in 2012 have halved manpower costs for welding repair, while productivity for the same processes jumped threefold. This has allowed more precise repairs with minimal supervision and we have been able to increase our capacity with the same number of workers.

In 2013, we will be looking into automation for our machining and other processes where it can enhance productivity. Furthermore, we are looking into getting a bigger plot of land to expand our services such as in-house painting, coating and blasting. This will allow us to provide better and more customised services.”

MR LIM YU JEY
General Manager
Lintech Engineering Pte Ltd

DEVELOPING OUR PRESENT AND FUTURE leadership are key factors for Select Group to achieve steady growth and remain competitive. We have, therefore, worked closely with SPRING to champion capability and talent development in our organisation.

We will continue to do so in 2013, with a particular focus on the Core Executive Programme, which will be key to our future growth and success.”

MR VINCENT TAN
Founder and Managing Director
Select Group Limited

SUPPORT FROM MICROSOFT and SPRING’s Incubator Development Programme has been crucial in the development of our company. The assistance provided for business strategy planning and business development has contributed greatly to our growth.

We are fortunate to be growing in an environment that is now a lot more conducive to tech start-ups, with more opportunities for networking, funding and business development.”

MR TAN CHOON NGEE
Co-Founder and Regional Director
aZaas Pte Ltd

SIMPIALIZING ASSISTANCE SCHEMES

In response to feedback from SMEs that the wide range of government support schemes is often confusing and not easy to access, SPRING is simplifying its assistance schemes and application processes. The ICV application, for example, is now a simple 10-minute online process. The processing time was also reduced from one week to two working days.

Several downloadable self-help toolkits have been created to help SMEs in areas such as financial management, customer service, human resource capability development and marketing. SPRING also launched the EnterpriseOne mobile app to provide a convenient way for SMEs to stay up to date on the latest developments in government assistance.

STEPPING UP IN 2013

In 2013, SPRING will continue to focus on helping SMEs with productivity, innovation and capability upgrading so that they may remain competitive and seize growth opportunities despite rising costs and a tight labour market. Another key aim for the year ahead is to support SMEs in the attraction and development of human capital.
Gaining an Edge with Automation

Investment in automation has enabled Home’s Favourite to enter new markets and cope with increasing labour costs.

How do you produce enough cookies to compete in the global marketplace? The short answer is: automation. This led Mr Jason Lee, Managing Director of Home’s Favourite, to introduce technology to the process for making the company’s cookies and durian mooncakes – all of which were previously made by hand.

“Making cookies is a time consuming and labour intensive task. We cannot produce enough cookies to compete in the global market if we rely solely on manual labour because the cost will be too high. Automation is key to increasing our production capacity to help us achieve our overseas expansion goals,” says Mr Lee.

Productivity gains through automation
With funding support from SPRING, the company invested in a cookie-making machine this January, which has expanded capacity and eliminated the need for its staff to cut out cookies manually. According to Mr Lee, only three staff are required to operate the machine, which produces about 250 kilogrammes of cookies in eight hours. Previously, about 15 to 20 staff were needed to make the same amount of cookies.

The workers who were freed up from making the cookies have been redeployed to perform other tasks such as packing the cookies into boxes, which makes for more efficient use of manpower.

Today, Home’s Favourite is targeting new markets in Dubai and China with six varieties of cookies made by machine. There are also plans to increase the range of cookies the machine can produce in the near future.

Improving work efficiency
Besides the cookie-making machine, Home’s Favourite has also undertaken a productivity project for the production of its other main product, durian mooncakes. With advice from consultants from the Singapore Manufacturing Federation, the company invested in a machine that prepares the durian paste for the mooncakes.

This has led to a 25 per cent increase in production capacity and less food wastage. With automation, labour productivity also went up, as fewer workers can now produce more mooncakes in the same amount of time.

Future plans
By investing in productivity, Home’s Favourite enjoyed double-digit growth last year. Building on this success, the company plans to automate the entire process of making durian mooncakes and invest in more machinery to cut down manual labour.

“Raising productivity is one way to cope with high labour costs in Singapore. We are definitely open to trying any new initiatives that can help us improve efficiency,” notes Mr Lee.

We could not have produced enough cookies to compete in the global market if we had relied solely on manual labour. Automation is key to helping us expand our business beyond the local market.”

Mr Jason Lee, Managing Director, Home’s Favourite
We received free business advice from an EDC

With productivity advice from the EDC@SMF, I automated the welding process in my company and the turnaround time is now four times faster! I would recommend companies to get help from the EDCs on productivity matters.

SIEW YIT FOONG
Managing Director
Cititech Industrial Engineering Pte Ltd

The Enterprise Development Centres (EDCs) help you tap on government assistance schemes to upgrade your business capabilities and grow. Over 60,000 SMEs have been assisted in areas such as Productivity, Innovation, Human Resources, Branding, Financial Management, Operations and Overseas Expansion.

Contact any of the EDCs today to bring your business to new heights!

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* Terms and conditions apply.
The saying “one man’s trash is another man’s treasure” aptly applies to Mr Ashton Chan, Group Executive Director of Sen Wan Group. The company has grand plans to transform wood waste into fuel pellets, as part of its strategy to diversify its timber and plywood supply business by branching out into renewable fuels. Mr Chan shares that the idea of converting unwanted timber into energy is fuelled by the company’s desire to provide a sustainable and cost-effective solution to wood waste disposal. In Singapore, companies currently have to pay $50 to transport a tonne of wood waste to the incineration plant.

Cutting waste with technology
Recognising an opportunity to create a marketable product from unwanted waste, Sen Wan invested in a machine with funding support from SPRING. The machine, which is expected to arrive in April, will be used to create carbon-neutral fuel pellets through a process known as torrefaction. These carbon-neutral fuel pellets have similar characteristics to coal and can be used alongside coal to produce similar levels of energy, so it is not necessary for power plants to modify their processes. Investing in automation contributes to productivity, as only six employees will be needed to produce one tonne of biomass fuel pellets, instead of 10 workers in a typical pellet plant.

“Our investment in technology allows us to diversify our revenue streams and will facilitate our overseas expansion.”

Mr Ashton Chan
Group Executive Director, Sen Wan Group

As a value-added service to its clients, Sen Wan has plans to develop a “workshop of the future” to pre-fabricate furniture. Customers will be able to enter their specifications into the workshop’s computer system, which will then formulate a cutting plan to optimise the use of wood. Mr Chan believes that this service will also benefit companies in the construction industry, especially those that may not have the workshop space, labour or technology capabilities to carry out these tasks.

“It will be an industry-wide initiative and we hope this will lead to new collaboration opportunities in the supply chain and promote innovation in the sector,” says Mr Chan.

Future productivity strategies
The torrefaction machine is just one of Sen Wan’s plans to improve productivity. Looking ahead, the company plans to automate its plywood lamination process further and enable plywood pieces to be cut, laminated and flipped by machine. Instead of having to allocate three staff to perform each role manually, only one employee will be required to collect the finished product from the machine.

Technology has helped Sen Wan Group to develop a clean energy source, reduce its reliance on manual labour and diversify its business.
Sofshell’s ground-breaking impact protection technology is set to keep people and equipment safe from harm.
The conventional impact protection industry is set for a shake-up, according to Dr Elgin Yap, CEO of Sofshell, a Singapore start-up whose innovative ID Flex technology is the first material in the world to offer both flexibility and a high level of impact protection.

Based on the concept of non-Newtonian fluids, ID Flex technology delivers not just impact absorption, but also dissipation – meaning that the force of impact is spread out over a broader area. “It’s the difference between someone stepping on your bare foot with the tip of a high-heel shoe or a flat tennis shoe,” explains Dr Yap.

The road to market
The technology behind ID Flex was developed by Sofshell’s CTO, Dr Davy Cheong, while he was working at A*STAR’s Institute of Materials Research and Engineering in 2009 and 2010. Funding from A*STAR’s Exploit Technologies supported proof-of-concept work to refine the technology before Sofshell was spun off into an independent company in 2011. The company then successfully applied for funding from SPRING to support proof-of-value work, the exploration of commercial applications, and development of working prototypes.

Beyond funding, the support from A*STAR and SPRING gave Sofshell a foot in the door when approaching potential partners or customers. “The fact that someone had done the due diligence and decided to put money into this technology lent weight to our attempts to interest larger companies and potential partners,” says Dr Yap.

Sofshell took full advantage of this, and has secured a major investment by SPRING SEEDS Capital and a third-party investor, which will bring the start-up one step closer to the market through activities like ramping up production and distribution.

Protection from falls, hits and bullets
The first product to hit the shelves will be the Hip-Pal, a padded underwear for the elderly to reduce the impact of falls, particularly protecting their hips. It will be launched in the second quarter of this year in Japan, where Sofshell has tied up with a nursing home to support initial distribution efforts.

In addition to elderly healthcare, Sofshell is also focusing on the defence and sports sectors. It is currently testing its prototypes for lightweight, flexible body armour and riot gear with Singapore’s military, police force and civil defence agencies.

In the sports sector, Sofshell is in advanced discussions with key partners to incorporate ID Flex technology into products such as American football helmets and football shin pads, as well as protective gear for fencing.

With the company’s proprietary technology likely to find applications in a wide range of industries, Dr Yap is optimistic about the future: “Twenty years from now, we’ll be able to look back on this period of time and realise that it was the start of something big!”
• Having clear HR frameworks and systems can help businesses to attract and retain talent to support growth.

Find out how certified consultants can help enhance your HR practices with SPRING’s assistance at www.spring.gov.sg/Enterprise Industry/BC.

To Mr Joseph Foo (above in blue tie), Director of Jason Electronics, a company’s success hinges on its ability to attract and retain the best people.

“Our people are critical in meeting the needs of our customers. Good human resource practices help us attract good people. It is an important strategy in an increasingly competitive market for talent,” says Mr Foo, who founded the marine communications and navigation company in 1976.

The company has since grown to a staff strength of 200 and has operations in overseas markets such as Indonesia and China. With plans for further expansion, Mr Foo recognised that he needed to ensure that the company’s existing human resource practices are robust enough for the next phase of growth.

To achieve this, Jason Electronics turned to SPRING for support to improve their human resource capabilities.

Rewarding good performance
One of the first areas that Jason Electronics sought to improve was its compensation and benefits scheme. The company reviewed its current structure and made a number of changes. Instead of increasing salaries by a fixed amount every year, salary scales are now benchmarked against those in the engineering industry, using data from the Singapore National Employers Federation and the Ministry of Manpower.

“While SMEs may not be able to pay as much as MNCs, we can take steps to ensure that our employees are paid competitively,” says Mr Foo.

A new performance appraisal system which gives employees the opportunity to review their performance and set career goals in one-on-one sessions with their managers was also implemented.

“Employees are less likely to move when they are clear about the opportunities and their career growth in the company,” he says.

Adopting good HR practices
Jason Electronics also revamped its recruitment processes, developing standardised interview questions and psychometric tests to better assess a candidate’s suitability. Steps have also been taken to provide support to new employees by matching newcomers with a buddy or mentor.

Mr Foo acknowledges that it will take time for the staff to get used to the new HR processes, but he believes that keeping the lines of communication open is key to getting employee buy-in. This is done through regular town hall meetings and small group sessions to keep employees updated on the company’s direction and changes.

Besides better talent attraction and retention, Mr Foo points out that the new HR practices have reduced turnover rates from four to two per cent, indicating an improvement in overall employee satisfaction.

He adds that going through the HR programme has placed the company in a better position to tackle manpower challenges and support the growth of the business. “We were able to develop a more systematic process to maximise our employees’ capabilities and retain them, which is no mean feat in today’s tight labour market.”

With SPRING’s support, Jason Electronics is able to address human resource gaps and implement new practices to attract and retain talent.
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When SPRING Singapore approached Scanteak about participating in The Change Agent, a televised competition that gives business students exposure to real-world challenges, Ms Jamie Lim (left), Scanteak’s Regional Marketing Manager, jumped at the opportunity.

“We love any opportunity to reach out to young talent. It gives us a feel for what drives the creative young minds of today,” says Ms Lim, whose company produces and retails Scandinavian-inspired quality teak furniture.

The competition fit well with Scanteak’s focus on attracting and nurturing young talent. The students who participated showed their creativity and passion in responding to challenges, something that Ms Lim believes is crucial for the success of SMEs today.

We spot talent, then nurture them on the job by giving them challenging tasks that allow them to make the best use of their skills.” Ms Jamie Lim, Regional Marketing Manager, Scanteak
She adds, “We are always looking for young talent because they come with new energy and are not jaded by what can or cannot be done. For example, in sales and marketing, we need fresh, innovative ideas and people who understand the new channels, like Facebook, Twitter and Instagram.”

Putting young minds to work
Scanteak does not hesitate to give new hires full responsibility for their projects. For example, a newly graduated designer was put in charge of designing a new showroom in Japan and Scanteak’s new pop-up store in Orchard Road shortly after joining the company.

“From there, we could see where her strengths and weaknesses were and team her up with our experienced staff to help her develop in the necessary areas. This approach has proved to be highly effective,” explains Ms Lim. “The designer has been with us for just over two years, but has worked on several of our main stores in Japan, Singapore and Taiwan, as well as our latest concept store.”

Even interns are quickly put to the test. Rather than assigning them menial tasks, they are given a chance to spearhead projects, which include helping out with overseas product and store launches and working on store displays.

Growing attraction
“We make it a point to show potential employees how creative and dynamic the team is, and offer them the opportunity to pursue their passions,” says Ms Lim.

She notes that Scanteak has received SPRING’s support for a variety of projects – from customer-centric initiatives to Enterprise Resource Planning – all of which contribute to making the company more attractive to new talent. “They see that we are making changes and upgrading and are excited to be a part of that process,” she adds.

Being part of a growing company adds to the attraction for young talent, and Scanteak certainly offers opportunities in this regard. “We’re always growing, whether it’s opening new stores or launching new collections,” notes Ms Lim. “One of our main goals is to expand our presence in Japan and enter China. This will open up new opportunities for our people to be part of a dynamic company which offers plenty of exposure.”

KEY TAKEAWAYS
- Fast-growing and dynamic SMEs offer young talent an opportunity to take on responsibility and develop their careers.
- To find out how SPRING can help your company attract and develop young talent, visit www.spring.gov.sg/bl.
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