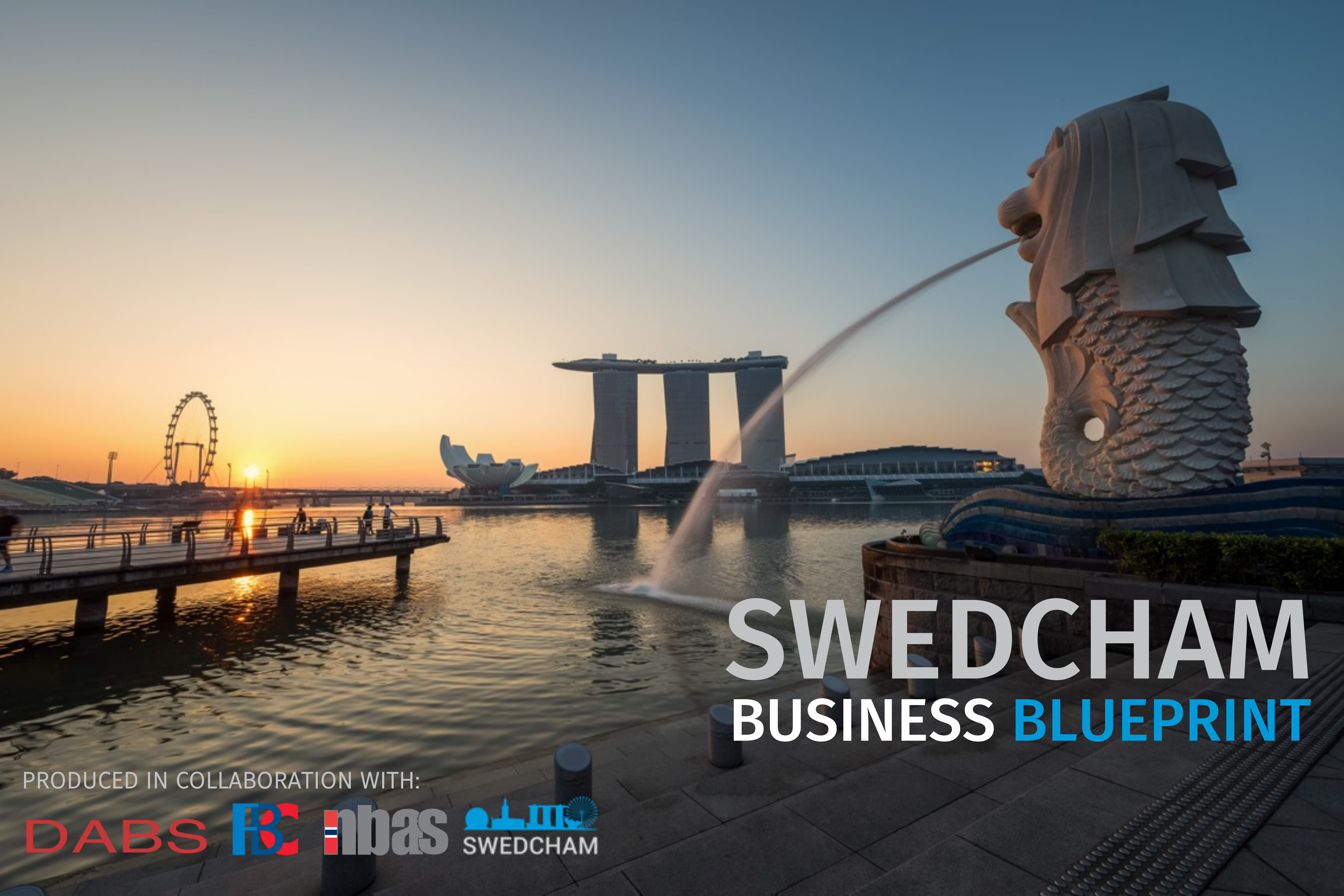

SWEDCHAM
BUSINESS BLUEPRINT

PRODUCED IN COLLABORATION WITH:

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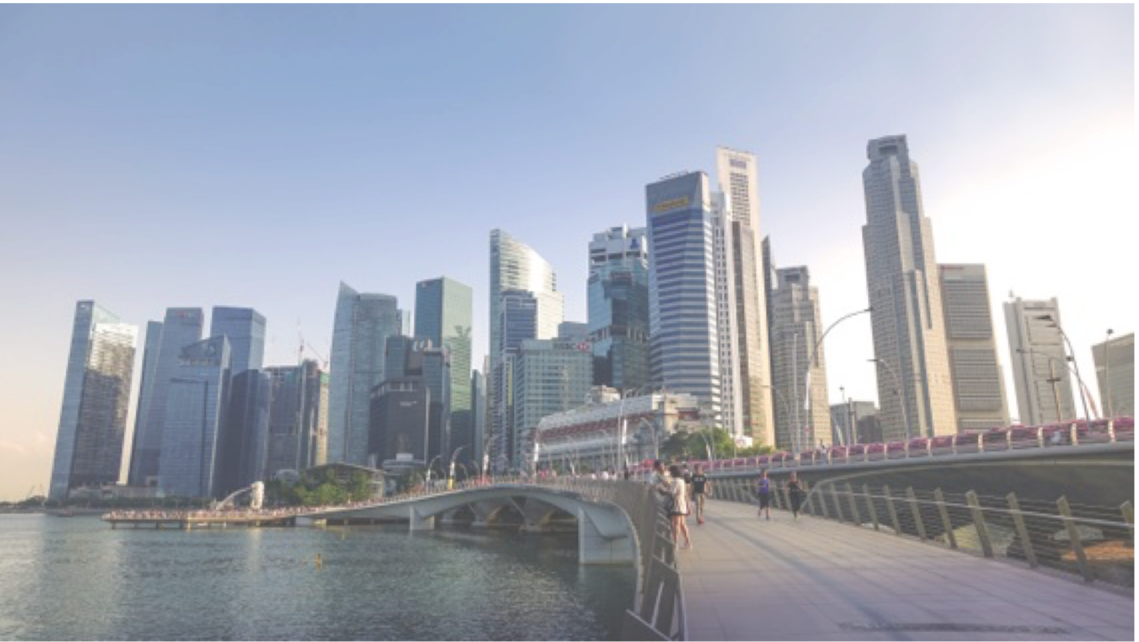
CONTENTS:

THE SWEDCHAM BUSINESS BLUEPRINT

The SwedCham Business Blueprint is a document advising on how to successfully do business in Southeast Asia. Advice is gathered from entrepreneurs and executives from Nordic businesses in the region who have been invited to share their experiences and recommendations.

The first session in the SwedCham Business Blueprint series focuses on Singapore – a key market in Southeast Asia as well as an important strategic hub for conducting business in the region. Many companies are not only basing their ASEAN headquarters in Singapore, but also establishing their APAC core here and use this as a base from which to manage their businesses in Australia, New Zealand, India and other APAC markets.

The following recommendations from experienced Nordic business leaders in Singapore are worth studying for businesses considering entering the Singapore or even the Southeast Asia or APAC markets.



ESTABLISH A LOCAL PRESENCE

In order to do business in Singapore, as in most markets, you need to have a local presence, whether it is through setting up your own office with 100 people, having a small set-up with just one employee or working with a local partner or distributor. Flying into the country for quarterly meetings is not enough to build trust with potential customers and enable long term growth in the market.

Setting up a business in Singapore is easy and fast, however, smaller businesses may need a local partner in order to obtain the necessary permits to operate.

In the process of setting up, perform the same due diligence as you would in your home market or when setting up in another European country.

Human capital and office space are expensive in Singapore and it may be worth considering keeping support functions in neighbouring countries such as Malaysia.

Once you have established your entity in Singapore, show long term commitment and be prepared to remain in good times and bad. Once the business leaves it will be difficult to earn back the trust again and it will take a long time to build the business back to the point where you left off.

In the process be humble, accept and respect the local culture and you will also be accepted and respected.

Last but not least. Bring business cards – lots of them! – and remember to hand them over with two hands as a sign of respect.

RELATIONSHIP BUILDING

Make Relationships Your First Investment

Singapore is an easy place to get to know people and offers a lot of opportunities to build your network on both a professional and private level. Invest time in these relationships

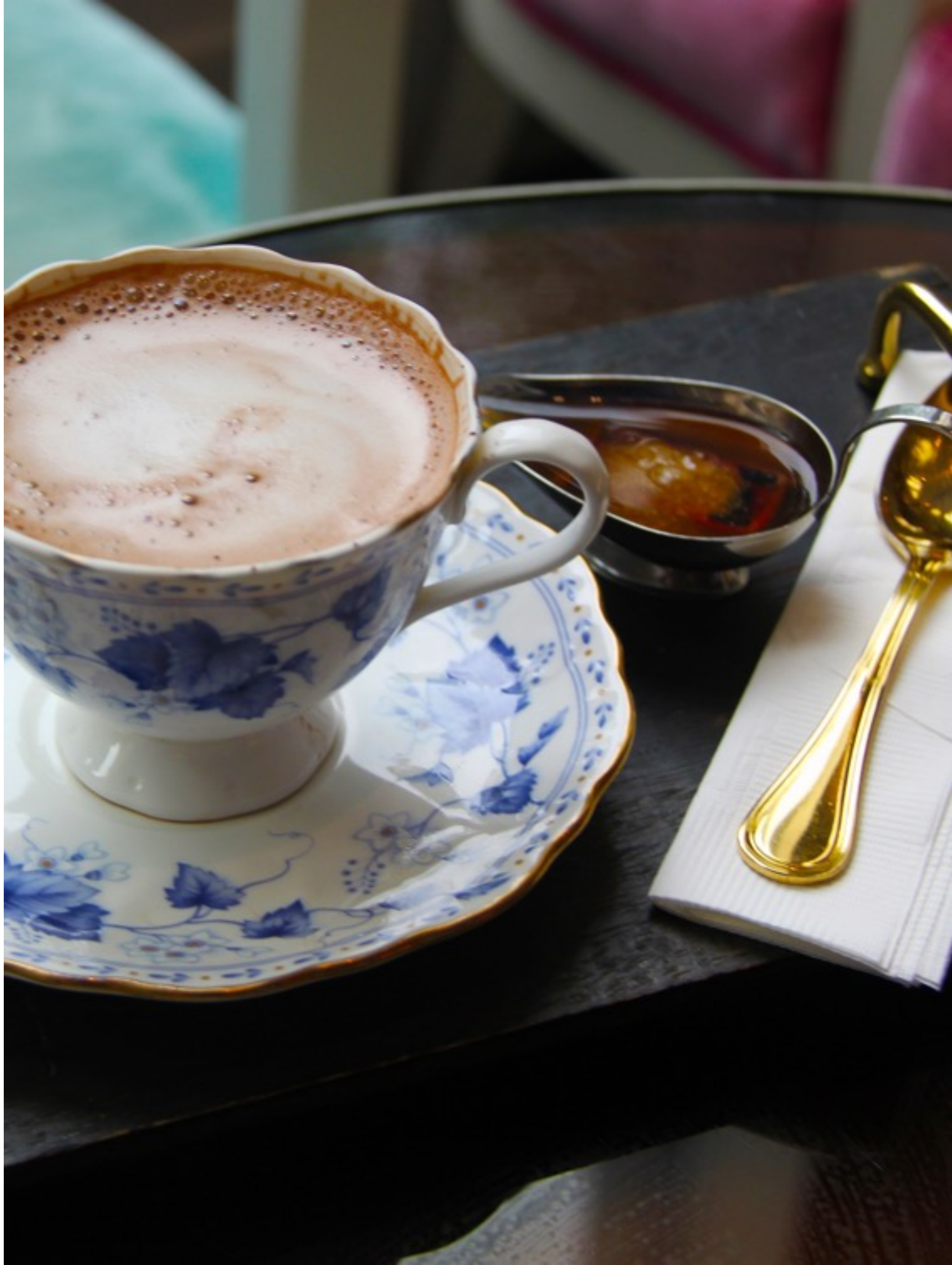
as you can gather a lot of information. Your connections will help you move forward and will likely open a lot of doors. Be careful though not to misuse your connections for small favours, eroding the trust you have built. View the relations in a longer perspective and be prepared for favours not being immediately reciprocated. Be patient and think of this giving phase as a chance to genuinely get to know people. Breakfast, lunch or dinner appointments are opportunities to get to know each other socially and don't necessarily have to involve business conversation.

Singapore is a transitioning place with people coming and going constantly so to be able to show that you are worth investing the time in is worth a lot. Once people realise that you are sticking around and that you have a love for the country and a genuine interest in its people and culture, relationships will advance to the next level and you will find a lot of doors suddenly open.

Partner with Peers

Find a cluster of similar companies to collaborate with as this can make you stronger than trying to penetrate the market on your own. If you are aiming for a large client it might help to join forces with your cluster partners and ask for a joint meeting where several ideas, services or products can be presented at once.

It can be difficult to get through to the right people as decision makers are often protected from being directly contacted by potential suppliers, and it can be useful having a third party arranging the meeting for you.



SALES AND MARKETING

Singapore Welcomes International Brands

Most goods for sale in Singapore are imported and the market is therefore used to and open to foreign brands and concepts. You would be expected to provide after-sales service locally though, either through your own office or through your distributor.

Play to the Strengths

Use the Nordic brand – it stands for quality, design and precision. Prove that you have this and you will be rewarded.

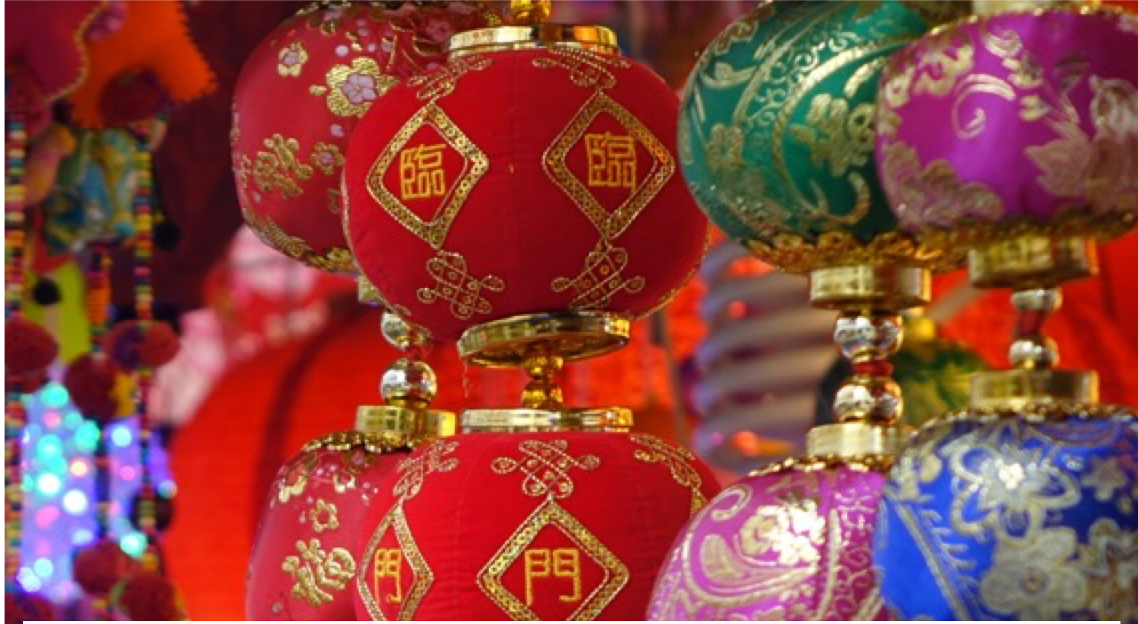
Be Open to Adapting What You Sell

Nordic businesses often try to export their concepts and innovations to other markets as they are. This may or may not work. Be open to adapting your ideas to fit the local market if necessary and you might be pleasantly surprised that this might just take your business to a whole different level as consumers and businesses in this region are quick to adapt to new technology and innovations.

Prepare for Long Sales Cycles

Manage your expectations for sales cycles and then add some – it often takes longer than you may think, and you need to build that into your business plan and cash flow. If it's a new and innovative product and you are dealing with a larger local organisation, they might seek consensus from a group of managers before making a purchasing decision. Don't become frustrated if you find that the decision-making process takes time but that the delivery and follow-up from your side once the decision has been made is expected to be fast.

Time is money and Singaporeans like and expect prompt replies. Don't be surprised if an email is swiftly followed up with a phone call and/or a WhatsApp message to make sure that you received the email and that you are responding right away.



Control Your Supply

You don't necessarily have to keep stock in Singapore, however, your lead times can't be too long. Find out what lead times are acceptable in your line of business and work out if you need to keep stock locally, in the region (for example in a bonded warehouse that services the entire region) or if you can continue holding stock in your present location.

Clear and Fact-Based Communication

Keep in mind that not everyone in Singapore has English as a first language and perhaps it's not your first language either. Be patient and clear when communicating and remember that Singapore is a market that likes facts – show proof of concept and leverage on past experience.

Don't Underestimate the Competition

Singapore is well known for providing a transparent business environment with virtually non-existent corruption. Nonetheless you may find that businesses will try other ways to further their own interests. The sudden arrival of copy products once you have established yourself, unexpected moves from competitors, suppliers or even employees can happen so be on your toes, keep your eyes open and be ready to act fast when you find yourself in unexpected situations.

RECRUITMENT AND ORGANISATION

Choose Right not Cheap

Invest in the right people. Many companies go for a cheaper, not well experienced candidate, that has not been vetted enough and end up wasting time and money as they have to go through the process again. In order to achieve greater business success, hire staff who are experienced in the region and who have the values that you are looking for - and there are HR assessments such as psychometric tests available if you find it difficult to assess the candidates' strengths yourself.

Since titles are important in Asia give them suitable titles that will enable them to get meetings at the right level.

Work on Your Leadership Skills

The workforce is generally well educated with a strong work ethic, but staff often refrain from voicing opinions to their managers and may avoid taking initiative. Clearly communicate tasks and expectations - follow up in the process to ensure it is tracking in the right direction without micro managing. Empower employees by showing your support and allowing them to fail.

Don't be surprised if your employees leave for a position which is only marginally better. Employee retention and job satisfaction is low in Singapore, so you need to invest in developing and training your staff - don't just think about what your employees can offer you, but what you can offer your employees.

FINANCIALS

In some cases financial support, tax breaks and productivity grants may be available to qualifying companies and it is worth looking into this for your business.

Customary payment terms in some sectors may mean that it can take a long time to get paid. Find out in advance which payment terms are acceptable in your sector and work out if your cash flow can cope with that. If not, you can consider working with a local distributor that will accept both the local payment terms and your payment terms and act as a go-between.

SUPPORT FROM GOVERNMENT AND TRADE ORGANISATIONS

Make use of the help you can get from government organisations – both from Singapore government organisations and from organisations from your home country that are present in Singapore and here to help you. When seeking help from Singapore government organisations the key is to understand the government's intentions so that you more successfully achieve the result you desire. As it might be hard to get direct access to government officials or local stakeholders, it is advisable seek the assistance of the Trade Commissions and the Chambers of Commerce that have experience in these issues and which might be able to give you the leverage needed to reach local decision makers.

FINAL WORDS

Put Your Feet on the Ground and Go for It!

Just do it! Singapore is an easy place to start a business and a great base to internationalise it from. If you wait too long you might miss out on good business opportunities in this thriving region, so hit the ground running even if it means starting small!