Analytical study of the success factors Russian high-tech companies in Singapore
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Statement of the problem. Limitations and Assumptions

Introduction

Most people do not quite realize the dynamics of economic development of Singapore and importance of this small island’s city-state for the global economy.

Singapore, which is in the running to be the world’s fastest-growing economy, is the nation with the most business-friendly regulation, according to the World Bank’s 2013 Doing Business Report.

In 2012, World Bank ranked Singapore the first in terms of ease of doing business, trading across the borders and the second in terms of protecting investors, in Economy Ranking. Singapore offers one of the lowest corporate tax rates in the world and additional benefits like protection from double taxation\(^1\), tax exemption on foreign-sourced income, and tax exemption for new start-up resident companies.

Due to small size of internal market of the nation, expansion of the cross border trade is a necessity and a strategy for Singapore businesses. Singapore is positioning itself as an entry hub for markets of South-East Asia. Singapore is also aggressively exploring the global markets.

Russia is an enormous market that Singaporeans are willing to explore. However, the sheer size of the country presents a challenge for small and medium size enterprises (SMEs) that accustomed to work on a much smaller scale. Interest increased over a few recent years, and local companies are searching for connection to make an entry.

Singapore government plays a very important role in assisting local entrepreneurs to conduct their business to contribute to the government-conceived plans of economic development of Singapore, and makes it relatively easy for foreign companies to contribute and to enter the market by bringing investments, technology, and talents. A slew of financial incentives are offered to investors ready to expand their

\(^1\) The bilateral “Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income” and “Agreement on the Promotion and Reciprocal Protection of Investments” have entered into force in 2009 and 2011 respectfully
businesses, covering areas from equipment and technology to business development, R&D and intellectual property, headquarters management, and industry development.

In 2006, Singapore and Russia signed a Memorandum of Understanding on Economic Cooperation in Special Economic Zones (SEZs), formalising Singapore’s advisory role on Russian SEZs with companies like Jurong Consultants and RSP Architects, planning industrial parks in Russia.

In 2009, the High Level Russia-Singapore Inter-governmental Commission (IGC) was set up. The IGC is a high-level dialogue aimed at exploring and promoting broad-based cooperation between Russia and Singapore in trade and investment, information and communications technology, transportation, health, education, people-to-people ties, culture and other areas of mutual interest.

Singapore is a home to an estimated 5,000-strong Russian-speaking expatriate community. As ties with Russia deepen, more visitors from Russia continue to arrive in Singapore; last year, the Republic received about 70,000 Russian visitors, up from 12,000 ten years ago.

Bilateral trade and investment between Russia and Singapore has been on the rise since 2010, when Singapore and Russia signed a free trade agreement. Bilateral trade between Russia and Singapore grew at a compound annual growth rate (CAGR) of 8.2% over the past five years, from S$3.79 billion in 2008 to S$6.09 billion in 2012. Last year, bilateral trade reached S$6.09 billion, growing by a strong 29.9%. Russia is currently Singapore’s 25th largest trading partner worldwide. As of end 2011, Singapore’s direct investments abroad (stock) into Russia amounted to S$60 million.

However, Russia's foreign direct investment in Singapore in 2010 was only S$35 million.

Goal of the study

The research examines and compares the key success factors, challenges, and issues facing Russian companies with jurisdiction in Singapore and focuses on:
Statement of the problem. Limitations and Assumptions

1. Identification and evaluation of factors affecting the success of the promotion in the Singapore market of Russian small and medium-sized (SME) enterprises in the fields of technology innovation;
2. Development of recommendations on the tactics of promotion (implementation) in the Singapore market of Russian small and medium-sized technological innovation enterprises;
3. Identification of the opportunities in the innovation ecosystem of the Republic of Singapore, which can enable Russian innovative companies to enter the market in Singapore, to integrate into with the international value chain, to increase investment and to increase exports.

Assumptions and Limitations

Results of the study are subjective and reflect the author’s opinion, based on the experience in and the knowledge of entrepreneurship ecosystem in Singapore, on the interviews with the selected companies, opinions of the experts and research of public sources.

Size of the representative selection of respondents does not permit statistically viable analysis of the results, therefore the results are reflecting tendencies and opinions; conclusions are not statistically proven.

Results are subject to unavoidable survivorship bias, as only companies which were successful enough to survive are included and failed companies are excluded from the study, because they no longer exist, casing the skew of the results. Due to the insignificant size of the selection, as stated above, statistical methods of correction, like Heckman correction, cannot be used.

Start-ups are defined as companies employing at least one employee and less than five years old.

Small and medium enterprises (SMEs) are defined in terms of their annual sales turnover and number of employees as enterprises with annual sales turnover of not more than S$100 million or enterprises with employment size of not more than 200 workers.

No financial statement analysis was conducted for the respondent companies.
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Objectives of the study

1. To study and describe specific measures for the implementation and development of business Russian innovative companies using the opportunities of the Republic of Singapore venture ecosystem;
2. To study and describe specific measures to introduce Russian companies into international value chains;
3. To study and describe specific measures to attract foreign venture capital investment opportunities using the opportunities of the Republic of Singapore venture ecosystem;
4. To work out recommendations for the Client on the main directions of its activities, allowing business development of Russian innovative companies in the Republic of Singapore.
Description of the research methodology

The research method is focusing on contrasting and combining results from different studies with a possibility of moderation in analysing inconsistency. Future potential generalization on a larger population and the use of statistical methods if more data is used is possible.

Framework

Regular studies attempting to create a formal framework to describe venture creation started in the 80s. We choose a framework based on three methodologies combining the Gartner's, Van Gelderen and Cressy observations, and concluding selection of relevant factors for the questionnaire interviews, similar to the approach described in the SHY Entrepreneur’s blog entry\textsuperscript{vi}.

The starting point of the methodology is four-dimensional formal framework approach by William Gartner\textsuperscript{vii} (1985), one of the first attempts in taxonomy of ventures. Gartner introduced four major perspectives in entrepreneurship: individual, organisational, environmental, and the processes. This framework provides a common ground to compare the primary factors at a venture’s creation to the factors that play a role in the overall success. These factors are different.

Gartner’s four-dimensional approach investigates the relationship between characteristics of:

1. The “individual” who started the venture, such as the need for achievements, locus of control, risk taking propensity as well as job satisfaction, previous work experience, entrepreneurial parents, age and education;

2. The “organisation”, the entity that is created: type of the firm (manufacturing, service, retail etc.); customer contracts, licensing, focus and resource usage; presence of a partner; generic competitive strategy (cost leadership, differentiation, focus) and entry wedges including market relinquishment, sell off of a division, favoured purchasing by a government, governmental rule changes, the new product or service, parallel competition, franchise entry, geographical transfer, supply shortage, tapping unutilised resources, customer contract, becoming a second source, joint ventures, licensing;
3. The “environment”, to differentiate the entrepreneurial function from routine functions, such as managerial, and external conditions outside the venture’s scope of influence. Environmental factors include the available venture capital, technically skilled labour force, presence of experiences entrepreneurs, market accessibility, living conditions, and availability of supplies, proximity of universities and industrial clusters, government influences, entry barriers, rivalry, bargaining power of suppliers and buyers;

4. The “process” in the behaviour and activities of the individual, such as finding a business opportunity, gathering resources, making the product, or marketing, organisation creation, response to the government or society.

The subsequent application of the Gartner’s framework to assess the relative importance of factors upon starting a venture was attempted by Marco Van Gelderen\textsuperscript{viii} in 2006. His empirical study of 512 entrepreneurs determined three primary contributing factors:

1. Perceived risk of the market as an environmental condition. According to Van Gelderen, the lower perceived risk of the market (not necessary the same as the actual risk) will bring an earlier start to a venture;

2. Starting full-time versus part time as an organisational factor. Starting part time yields lower risk but brings lower commitment. Individual with full time commitment have higher likelihood of getting the venture of the ground;

3. Early capital environments as an environmental factor. Van Gelderen noted that those ventures with lower capital requirements have higher chances of getting started.

In the paper “Why do Most Firms Die Young?”\textsuperscript{ix} Robert Cressy developed a model to address the factors that contribute to success and failure in the first few years of operation.

Cressy developed theoretical model based on Brownian motion theory. He produced an Inverse Gaussian distribution of failure rate of net worth over time. A risk averse entrepreneur chooses a portfolio strategy to achieve an optimal balance of risk and return at each time given financial and human capital endowments and attitude towards risk. Failure occurs when the firm’s value falls below the opportunity cost of staying in business.

Cressy’s model presents a measure of management human capital. The model implies that entrepreneurs with higher managerial and human
capital will have higher absolute and marginal profits growth at given levels of risk. According to the distribution, the peak of risk exposure exists within the first 18-24 months.

His study suggested that the optimization of initial capital size, both financial and managerial, would minimize the overall exposure of a venture over lifetime.

Combined model and empirical observations based on the Gartner’s, Van Gelderen, and Cressy framework conclude that:

- The environment is the only factor that is considered in both start-up and long-term success;
- The environment is the single biggest contributing factor associated with starting a venture;
- The environmental condition of financial capital requirements is important considered in both start-up and long-term success;
- Organisational factor is irrelevant for starting a venture\(^2\);
- Long-term success is a function of four primary factors whereas start-up success is a function of three;
- The individual is the single biggest contributing factor associated with long-term success.

The above considerations determined the focus of the study mostly on environmental factors and individual characteristics.

Entrepreneurs respond to the environments. Response can be either active ("pushes") or passive ("pulls"). The ways people adapt to the environment is one of the main aspects of this study. It is important to distinguish between the factors important to start the venture and the factors, contributing to the long-term success of the enterprise.

**Questionnaire Design**

Design of the questionnaire includes the following steps:

1. Deciding on minimal requirements;
2. Choosing the Framework;
3. Designing research questions;
4. Designing actual interview questions;

\(^2\) Organisational factors can affect the selection of the enterprise type based on the environmental requirements within the existing legal framework
5. Incorporating psychographic questions in the model;
6. Balancing open-ended and close-ended questions;
7. Designing the evaluation scale;
8. Reviewing the question wording and sequence to minimize response bias;
9. Designing the process of results aggregation

During the interview process, we followed the American Society of Appraisers (ASA) Business Valuation Standards that provide minimum criteria for developing and reporting on the valuation of businesses or business ownership interests.

According to ASA BVS-I General Requirements for Developing a Business Valuation, an appraiser must identify and define, as appropriate:

- The client and other intended users
- The purpose or intended use of the appraisal
- The business enterprise to which the valuation relates
- The type of entity (e.g., corporation, limited liability company, partnership or other)
- The state or jurisdiction of incorporation, if applicable
- The principal business location (or headquarters)
- The business interest under consideration
- The standard of value applicable to the valuation
- The effective (or “as of”) date of the appraisal
- The declaration of the absence of conflict of interest

In the Limited Appraisal Classification, we conducted only limited procedures to collect and analyze the information that we consider necessary; valuation is based upon the conceptual approaches deemed most appropriate.

The assessment of the success factors is following William Gartner’s framework.
Special attention was paid to the following aspects during the questionnaire design:

- Factual matters pertaining to the business, such as: form of organisation, history
- Dynamics and source of financial capital
Description of the research methodology

- Enterprise entry wedge
- Founders and key employees: external and internal teams, networking connections
  - Education and experience; industry experience vs. business acumen
  - Creativity in management: managerial types vs. creative type
  - Passion and entrepreneurial risk aversion, locus of control
- Products and/or services
- Business model
- Decision on industry and marker positioning
- Partners, customers and competitors
- Changes of the strategy (the corridor principle\textsuperscript{xix})
- Environmental factors relevant to Singapore, utilisation of the government assistance and resources

Our questionnaire design and the approach to interviews follow methods described in the book written by Norman M. Bradburn et.al. \textsuperscript{xii}. The book emphasizes the importance of understanding the difference between the research question and the actual question being asked. We started from the clear definition of the research questions and translated them into actual questions that were asked. Following Norman Bradburn, we used two-stage process of obtaining information from the key informants in companies by using self-administered forms followed by personal interviews.

Wording of questions was considered important in determining the answers given by respondents, to avoid misinterpretation by assumed social context.

The obtained results are expected to be subject to bias\textsuperscript{xiii} (estimate that is either more or less than the true value) and variability (measured by the susceptibility of measurements to differences in question wording). Bias can be either motivated or unmotivated, based on four basic factors related to response error: memory, motivation, communication, and knowledge.

Sequencing the questions is important to reduce biased response, as many questions are susceptible to order effects\textsuperscript{xiv}.

Most of the questions were pre-coded. We provided selection from ranges of answers. For pre-coded questions, estimating opinions we used the answer scale ranging from 1 (strongly disagree) to 5 (strongly agree). Some questions assume a reversed response, when negative
answer accounts for a positive attitude. (This factor was accounted for during the result processing).

Open-ended questions would be the most useful in this type of research interview; however, number of these questions was intentionally limited to lower time required for a respondent to furnish answers.

Special attention was paid to two specific factors, Risk Aptitude and Locus of Control. In order to reduce the load on respondents as well as to obtain results without psychographic test, these questions were hidden in the interview form and factors were assessed based on personal subjective impression during face-to-face interview.

Methods of measuring Locus of Control methods are well described in Rita Huppert’s study (2011)\textsuperscript{xv} and are quite a few. Choosing only selected measures from the 40 items of the Economic Locus of Control Scale by Adrian Furnham (1986) was sufficient to the purpose of the study. Those five factors are Internal Chance, External Chance, Powerful Others, Provider Control, and Nature of the Problem.

Similarly, we followed the approach described in Joost M.E. Pennings’ article (2000)\textsuperscript{xvi} in his model of Risk Attitude assessment:

Attitude and Intention measures

- Risk Attitude
  - Psychometric Scale
  - Lottery measure
  - Intrinsic Risk Measure (lotteries and strength of preferences)
- Revealed market behaviour
  - Use of risk management instruments
  - Choice of marketing channel (Risky vs. Safe)
  - Frequency of operation on the market
- Attitude and Intention Measures
  - Innovativeness
  - Market Orientation
  - Intention to reduce profit margin volatility
  - Intention to reduce net-income volatility

All the above-mentioned considerations lead to the design of self-administered form offered to the respondents (see the Appendix 1: Questionnaire).
Data Processing

Data obtained from self-administered forms were complimented by the interview results from reading transcripts and notes on the first impression.

On the first stage, relevant words, phrases, sentences, and sectors were coded; data cleansed and the codes categorised with the attempt to be unbiased and stay close to data xvii.

On the second stage, the results were grouped by and the property tree was build. Small size of data obtained calls for a simple model approach instead of a systematic Qualimetry xviii evaluation. We used simple functionality of Microsoft Excel to obtain aggregated results.

The selection and characterization of respondent companies

Google search returns documents mentioning the existence of 400 Russian companies in Singapore with the reference to The Accounting & Corporate Regulatory Authority (ACRA) xix statistics.

ACRA search returns 28 hits on the key word “Russia”, listing 20 live companies and 8 liquidated or in the process of the termination. Out of 28 companies three are the investment companies, and the rest are either administrative or cultural/language centres.

As such, ACRA search proved to be not productive and we resorted to social engineering methods.

Using indirect exploration of social networks, comparing lists of participants in different business forums, with personal industry connections and building network graphs, we were able to identify 28 companies, active in the field of technology.

We excluded from the search relatively large number of companies serving interests of private investors; as well as large corporation (Gazprom, VTB, etc.).
The selection and characterization of respondent companies

The owners or officers of the companies were contacted. Four companies replied refusing to participate in the survey for different reasons: from reluctance to facilitate competitions to non-disclosure consideration or due to a time pressure. Four companies replied refusing to participate in the survey for different reasons: from reluctance to facilitate competitions to non-disclosure consideration or due to a time pressure.

We received 13 filled-in self-administered forms and conducted interviews with the respondents. Results from two companies with the same owner were combined into one due to the similarity.

Two interviews were conducted under the condition anonymity, information, identifying the company and/or the respondent was removed.

All interviewed were the companies with jurisdiction in Singapore and headquarters in Singapore, Russia, Finland, Sweden, or USA.

One exception was made for company, domiciled in the USA, with jurisdiction in Russia and East Europe, and seeking to enter the market in Singapore. We decided to include this company to provide a point of reference for the environmental factors. The company provides Data Analytic Services for retail businesses.

Primary areas of business interests for selected companies were:

- Information Services (Internet applications, Data Processing, Educational Software)
- Information Technologies (Virtualization technologies, High Performance Computing)
- Technology consulting (Security and Risk Management, Penetration Testing)
- Biotechnology
- Chemicals (Fertilizers)
- Maritime Business (Geospatial control systems, navigation and software emulators)
- General Consulting
The results of the study and comparative data

General characteristic for the responding companies (Singapore only):

Survey covered companies with the age of less than three years, as well as established companies (over 5 years). Most of the companies are at stable momentum, half of them growing or expanding fast. One of the companies is at the exit stage, nearing IPO. Two of the companies are facing declining profits due to the market conditions.

Valuation of companies included in survey ranging (valuation was done either based on Investment Value, Fair Value or Fair Value Market) from less than US$5M to between USD$5-50M and more than US$50.

The reference company based in Russia has the following characteristics: respondent is a company officer; company is well established (age is over 5 years), “expanding exponentially”; estimated Investment Value close to US$50M, making it close to an average parameters of Singapore-based companies included in survey.

Half of the respondents we interviewed were owners or partners, the rest were senior officers of the company.

Consolidated table of results can be found in the Appendix 2: Aggregated Survey Results

Results of the survey were grouped according to the Gartner’s methodology as described above: Organisation, Processes, Environment, and Individual characteristics.

Organisational Parameters

Aggregated Organisational Characteristics of Singapore-based companies from the survey:

- Entity Type: most of companies included in survey are of Limited Liability Company type (LLC). There are also Limited Partnerships. Two of the companies are the Branch offices (one of them remains a branch office, experiencing few difficulties with financial transactions due to
The results of the study and comparative data

bureaucratic reasons not related to Singapore; another one was converted to local jurisdiction per request from the Singapore ACRA, essentially remaining a representative office).

- **Country of Jurisdiction:** Singapore
- **Headquarters:** companies are domiciled in Singapore, Russia, Finland, Thailand, and USA.
- **Holding Status:** with one exception, all companies are of Private Holding; one company is Public
- **Management team:** characteristics vary. The largest is the group with the team of 2-5 officers and owners. Equally represented are the teams comprised of just one owner and team including more than 5 of officers and owners.
- **Number of Key Employees:** 50% of the companies have only one critical employee, other half rely on between two and five employees with the knowledge critical to the company operation.
- **Employed Team Size:** typical company employs 6 to 10 employees, there were two exceptions with the range of 10 to 50 employees and more than 50 employees
- **Internal Team Size:** Ditto, typical company has 6 to 10 internal employees. In two cases there are 10 to 50 internal employees
- **Intellectual Property Patents:** typical company does not procure or register intellectual property
- **Source of Initial Capital:** most of companies are self-funded. Others, based on disclosed information, used angel investors or equity capital as the source
- **Company Type:** majority of the companies are providing services, one is in wholesale, and the rest are offering customised solutions.
- **Company Strategy:** we see almost equal split in strategies between overall cost leadership, differentiation and particular focus, with slight prevalence of the later
- **Company Entry Wedge:** Characteristics vary. Most of the companies listed geographical transfer or the introduction of the new product or service. For the rest it was parallel competition, supply shortage, becoming a second source, market relinquishment, or technology transfer
- **Company Technology:** half of respondents were in Information Technology; others are in Financial Services, Consulting, or Chemicals
- **Business knowledge at the start:** there is half to half split in answers to this question. 50% of respondents think that they were lacking business knowledge when started, while another half started with sufficient momentum
The results of the study and comparative data

To summarise:

Typical company is a private self-funded Limited Liability company registered in Singapore and headquarters in Singapore or another country.

Typical company employs from six to ten staff, with the management team comprised of 1 – 5 owners and officers, does not have intellectual property, and provides technology consulting or services. Typical company strategy is either an overall cost leadership, differentiation or particular focus. Entry wedge was based on geographical transfer or a new product or service. As a rule, at the start-up phase, business expertise was insufficient. Typically, a sizable part of the team considered critical for the company.

We used Russian company without presence in Singapore mentioned before as a reference.

It is a service company providing information services for retail businesses, private, self-funded Limited Liability Company with jurisdiction in Russia and Headquarters in USA, managed by team between two and five people (owners and officers) with staff of eight in Russia, three considered key employees, critical for the company operations. Company has no IP. The company started by geographical transfer, was funded from the US, and product differentiation is the strategy. Organisational Characteristics of Singapore and Russia-based companies are very close.

Environmental Parameters

Aggregated environment characteristics of Singapore-based companies:

- Direct Competitors: half of the companies have less than five direct competitors; remaining half have between 5 and 20 or more than 20.
- Most challenging factors in Singapore: answers vary and include: lack of understanding of surrounding regions in SEA; difficulty in sourcing reasonably priced lawyers, with the understanding of tech start-ups; insufficient number of angel investors with understanding of internet businesses; high costs of living and high salaries, hidden costs of labour force; strict banking rules; cultural differences.
The results of the study and comparative data

- Most contributing success factors in Singapore: most of respondents named the transparent legal system, business convenience, good business infrastructure, and effective government procedures.
  
  Our reference Russian company claimed to have no direct competitors\(^3\), quoting that both most challenging and the contributing factor for them was the brand building and marketing.

  Moving to review of Environment characteristics that are specific for Singapore, we provide aggregated opinions based on scale of 5 grades from ‘Strongly Disagree’, Disagree’, ‘Neutral’, ‘Agree’, ‘Strongly Agree’.

- Business facilities are easily available: all Strongly Agree [Russia – Neutral]
- Buyers have very high bargaining powers: all Neutral [Russia – Agree]
- Cost of living is too high: mostly Agree [Russia – Neutral]
- Current immigration policy is difficult: variations to both sides, mostly Neutral [Russia - Strongly Agree]
- Entrepreneur network is developed, open and cooperative: mostly Neutral to Agree [Russia – Agree]
- Existing competition is not too high: mostly Neutral to Agree [Russia – Strongly Agree]
- Government procedures are transparent and unbiased: mostly Agree [Russia – Disagree]
- Government regulations are too tight: Neutral to Strongly Disagree [Russia - Strongly Disagree]
- Singapore has high occupational and industrial differentiation: Neutral and Agree [Russia - n/a]
- Industrial base is not large enough: Neutral to Strongly Disagree [Russia – Disagree]
- Infrastructure and supporting services are easy to access: mostly Agree [Russia – Neutral]
- Living Conditions are acceptable: mostly Agree [Russia – Agree]
- Local market is very conservative if it comes to the change of vendor or supplier: variations to both sides, including Neutral [Russia - Strongly Disagree]
- Market is easily expandable to the surrounding countries: variations to both sides, including Neutral [Russia – Agree]
- Market size is too small: mostly Disagree [Russia – Disagree]

\(^3\) The statement I find hard to believe
The results of the study and comparative data

- Suppliers have high bargaining powers: Neutral to Disagree, one Agree [Russia - n/a]
- Technically skilled labour force is easily accessible: mostly Disagree [Russia – Disagree]
- There are big cultural differences that make market difficult: variations to both sides, no Neutral [Russia – Neutral]
- There are many high quality local universities graduates on the job market: mostly Disagree, one Agree [Russia – Agree]
- There is a large industrial base: mostly Neutral, 2 Agree [Russia – Agree]
- There is sizable market and customers for our product: mostly Agree [Russia - Strongly Agree]
- Venture capital is readily available: variations to both sides, including Neutral [Russia – Neutral]
- It is difficult to enter one or more market segment: variations to both sides, including Neutral [Russia - Strongly Agree]
- We cannot succeed in our sales without local agents: mostly Disagree, one Agree [Russia – Agree]

To summarize:

Our Singapore-based respondents have similar positive opinion on availability of business facilities, the transparency, and fairness of the government, large industrial base, accessibility of infrastructure and supporting services, presence of sizable market and customers for the company product, and very good living conditions. All respondents consider the cost of living in Singapore to be high, complain on the lack of technically skilled labour force; do not see the presence of high quality local universities graduates on the job market, and do not consider using local partners to be a critical success factor, and consider market size sufficient.

Environmental factors in Singapore differ from those of the Russian reference company. Most of the differences are in high availability of business facilities, very high bargaining powers of buyers, very high cost of living, transparency, and fairness of the government procedures, accessibility of infrastructure and supporting services, presence of high

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4 Interesting and counter-intuitive result
5 Apparently because these companies are weakly integrated into the Singapore Ecosystem
6 Needless to mention that most of these companies operate outside of Singapore targeting either global customers or markets in South East Asia
The results of the study and comparative data quality local universities graduates on the job market, and the necessity of using local agents for success.

In summary, Singapore is a country with pro-business environment effectively supported by the balanced set of government policies.

**Processes**

Aggregated processes characteristics of Singapore-based companies from the survey:

- **Sales Force:** half of the companies have 10-50% staff in sales, the rest have less than 10%. In one case the company, the branch office has more than 50% in sales and marketing
- **Addressable Market Size:** most of the companies estimate addressable market size to be within range of 50 to 300 million USD, two companies are in the market exceeding three billion dollars
- **Market Share:** most of the companies occupy small portion of the market, less than 1%. One company estimate its market share as 3-5%, and one occupies more than 50%
- **Choice of Business Opportunity:** For most of the companies, the primary area of expertise dictated the choice of business opportunity, smaller portion were created by a calculated business decision. Companies, where business opportunity was based on calculation of business opportunities were founded either by serial entrepreneurs or by entrepreneurs coming from entrepreneurial families.
- **Change of Initial Business Model:** initial business start-up idea/product changed at least once for most of the companies; the choice remained the same for the company which was created based on calculated business decision
- **Influences:** 50% of the companies are primarily affected by local or global regulations. The other half is affected by society demands, government or other miscellaneous factors
- **Business Model:** most of the companies sell either services or customised solutions with the only one exception of the company in product manufacturing
- **Geography:** most of the companies are targeting global markets or markets in Southeast Asia. There is a subset of companies operating out of Singapore to cover markets in Southeast Asia except for Singapore. Only one company was exclusively focusing on the market in Singapore
- **Choice of managerial team is the most important success factor:** All agree
The results of the study and comparative data

- **Government Resources used:** Answers vary. A few companies use only Singapore-based equity financing or basic Singapore tax incentive schemes. Most rely on foreign sources of capital or self-funded.

- **Government Organisations partnering with:** it seems that the collaboration with the government organisation was very limited. Only 4 respondents reported partnering with government programs or organisation, but as two out of these four respondents were not specific in their answers, we doubt the results.

- What was the most challenging in organizing the company: most often mentioned challenge here is in obtaining workforce (i.e. building the team; finding people willing to work in a start-up environment, qualified specialists are difficult to come across and are mostly foreigners). Other answers include: raising funds; training the investment team; understanding Singapore business environment; finding right local people for company registration and administration; lack of business skills when started; necessity to change company entity type in order to comply with policies and regulations. Only in one case there was no challenges mentioned, the process was referred to as lean and easy (the branch office case).

- **Obtaining Workforce:** was the most challenging for majority of the companies. Respondents reported the lack of experts in Southeast Asian digital ecosystem, extreme difficulty of finding local staff for key positions; the lack of loyalty of the local staff to the company, the deficit of sourcing high quality technical specialists among local population. These challenges usually solved by hiring foreign personnel either from local expat community or bringing people abroad, sometimes from Russia.

**To summarize:**

Typical addressable market is estimated to be in the range of US$50-300M; typical market share is less than 1%. Up to 50% of staff works in sales. Founders choose the business opportunity based on their professional expertise.

For a typical company the initial business start-up idea/product had not changed or changed once. The choice of the start-up idea was

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7 Judging from face-to-face interviews, these respondents most likely simply left the default text on the self-administered form. The list included EDB, EDA, MPA, ACRA, MOM, ICA, MAS and ‘Others’ and sometimes was not modified in the returned form.

8 And that is also true for two-three most interesting companies, where professional expertise is in the area of Business Administration.
The results of the study and comparative data mostly influenced by response to a social demand or regulation with plans to address market wider than Singapore. Largest challenge usually is in obtaining highly qualified workforce, solved by reliance in expatriate workers, either Russian or from other countries.

Typical company does not use any assistance from the government, short of tax relieves; does not participate in or take into considerations government programs; and does not receive any Singapore government funding. Foreign funding is common.

Our reference Russian company takes less than 1% of addressable market with the size of US$300M – US$ 1B; having 80% of workforce in sales. Business opportunity came as calculated business decision. The initial business start-up idea/product has been changed; the choice was influenced by a social demand; business model is based on selling customized service solutions and is globally oriented. The biggest challenge in organizing the company was in marketing, making its services known to potential clients. There is no problem in obtaining workforce. The company was funded from the US and does not partner with government organisations.

Major difference between companies from the survey and the reference company is in the availability of the qualified personnel.

**Processes, relevant to conducting business in Singapore**

We found necessary to single out Process Factors relevant the business in Singapore even if they do not formally belong to Environmental factors in Gartner’s model.


- Government financing is not available to us: Neutral to Disagree [Russia – Disagree]
- Government programs and grants helped to develop our business: mostly Disagree, 1 Agrees [Russia – Disagree]
- High percentages of expatriates is beneficial for our business: Neutral to agree [Russia - Strongly Agree]
The results of the study and comparative data

- It is difficult to hire quality people in Singapore: Mostly agree [in Russia – Disagree]
- It is necessary to have local business partner to succeed: Disagree to Neutral, 1 Agree [Russia – Neutral]
- We rely on industry and social connections in Russia for business development: Half/Half [Russia - Strongly Agree]
- Lack of business management skills delayed our development: mostly Agree, one Strongly Disagrees [Russia - Strongly Disagree]
- Our clients are small corporations or individuals: Mostly Disagree/Neutral, one Agrees [Russia – Disagree]
- * We are using government programs extensively to help develop our business: Disagree [Russia – Disagree]
- *We have clients from Singapore Government: Strongly Disagree [Russia - Strongly Disagree]
- We have difficulty raising capital in Singapore: Neutral/Disagree, one Strongly Agrees [Russia – Neutral]
- We have expert knowledge of local markets: Neutral to Agree [Russia - Strong agree]
- We use financing from outside of Singapore: Mostly Agree, two respondents Disagree [Russia - Strongly Agree]

**To summarise:**

Singapore-based respondents unanimously agree on the importance of right managerial team, importance of business skills and on beneficial influence of expatriate community.

Respondents mentioned difficulty in sourcing highly skilled technical personnel, do not use local partners and hardly use opportunities presented by the business ecosystem in Singapore, do not have Singapore government organisations as clients (with one prominent exception of a company that signed a sizable contract with the Singapore Navy).

Russian company in contrary has access to ample local labour market of quality specialists.

**Individual Factors**

Aggregated Individual Characteristics of founders of Singapore-based companies from the survey:
The results of the study and comparative data

- Serial Entrepreneurship: first business for most of the respondents, but not for all
- Perceived Market Risk: majority of the respondents operated at perceived market risk of less than 250,000 USD; minority at the level, not exceeding 500,000 USD, one was at risk exceeding 3 million USD. Two respondents choose not to disclose the information or could not answer
- Perceived vs. Actual Risk: in most cases, the Perceived Risk assessment was conservative, but few evaluated the risk accurately
- Knowledge: most of respondents expressed the wish they have had more business knowledge when they started. Fifty percent of founders, however, had adequate technical and business skills. In one instance the company a company founder had insufficient technical skills and relied exclusively on his business acumen
- Luck Factor is very important for success: No distinct opinion was expressed

Founder related Individual characteristics:

- Age of the Founders: varies between young (before 22 years), middle (26-35 years, the majority) and matured (36-45 years).
- Employment Status: most of founders started working for their company full time, some started part-time and still work part-time.
- First Business: first business for the most of respondents
- Entrepreneurial Education: most are with General Business Diploma, only one has special entrepreneur education
- Education: Bachelor or Master degree; two respondents are Masters of Business Administration
- Education Relevance: as a rule, relevant to the business
- Years of Industry Experience: varies evenly between 16-25 years, 11-15 years, and 6-10 years. In one case, 2-5 years experience.
- Number of jobs held: most have history of 2-5 jobs.
- Last title in the venture: even distribution between a director, a business manager, individual contributor, or a people manager
- Entrepreneur family: fifty percent of the founders came from an entrepreneurial family
- Family Pressure: fifty percent of the founders did not have considerable financial pressure from the family

9 The question about the importance of Luck was included in order to start a conversation to guess risk taking aptitude and the locus of control during face-to-face interview

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The results of the study and comparative data

- Social Connections (Estimated number of LinkedIn, V_Kontakte or Facebook connections\(^{10}\)): Most of the founders actively using social networks having from 200 to more than 900 connections, however three of the respondents had less than 25 connections
- Preferred Role: most describe themselves as managers, others are researchers, inventors or leaders
- Luck (Do you consider yourself a lucky gambler): majority are keen on taking risks
- Character type: even distribution between
  - Makers - practical people who value self-sufficiency; focused on work
  - Achievers - successful, conservative work-oriented people
  - Actualizers - high self-esteem; values taste, independence, and character
  - Experiencers - with lots of energy to pour into physical and social activities

**To summarize:**

Typical successful founder of a company, according to our survey, is a highly educated specialist in the field, related to the business. It is his first business, and the business taken full time. Prior to starting the business, a founder changed a few jobs and has in average 10 years of industrial experience. Founder is well connected and an outgoing person with more than 300 contacts on social networks, does not have high financial pressure from the family, possesses high level of risk taking propensity and high locus of control, and prefers a managerial role.

There is no distinct age, educational or professional pattern.

The owner of Russian Reference Company is a mature person (36-45 years), working full time. He had multiple businesses before. Perceived and actual market risks were estimated accurately;/ This person has very high locus of control and moderate to high risk taking aptitude. He holds MBA diploma, 16 to 25 years of industry experience, not from entrepreneurial family and no had no high financial pressure from the family and has held between 6 and 10 jobs prior to starting the business and prefers a managerial role.

Singapore entrepreneurs from the surveyed companies usually came from younger and less experienced lot. They are open to

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\(^{10}\) Arguably the exhaustive indication of social activity but easily quantifiable parameter
opportunities, and are willing to take higher risks. There are big variances in age, education, and in family backing.

**Failed Companies**

We also conducted a verbal interview with a founder of a company who cited his experience in Singapore as a failure. He attributed his failure to cultural national differences within the team. The owner declined to submit a questionnaire.

Another “failed” company was organised by a researcher from A*STAR. He received funding from a private equity and used funds to build the product prototype. The company is in a dormant mode due to the following factors: part time involvement of the founder, not permitting sufficient concentration on the company activities and the founder’s visa status (employment pass from another organisation) complicating organisational matters and formally excluding entrepreneurship. The founder, however, plans to open another company and is looking for investors as well as other partners to succeed.

It is near impossible to locate other failed companies in Singapore. Singapore is not a country where a failure considered being a learned lesson, and people avoid talking about failures with the exception of very close friends. Besides, due to the high cost of living, most will either take another employment or leave the country if failure happens. Due the reason stated above, we do not have sufficient data to conclude on other failed companies.

**Conclusion**

The research examines and compares the key success factors, challenges, and issues facing Russian companies in Singapore. In this study, the comparison of Russian and Singapore SMEs is significant in the light of the two country groups having contrasting cultural, economic, and business practices. For example, the Singapore economy has prospered; hence, such factors as costs, shortage of workers, competition, became to be viewed as problem areas or as constraining factors for SME development.

In course of face-to-face interviews, respondents named the problems they faced that were centred around financing, competition, availability of skilled workers, cultural differences, and marketing. Factors contributing to successful SMEs were closely tied to having a timely
financing, good customer relationship, good service and delivery system, effective management, and ability to identify and focus on market niche marketing. Obstacles to success were found mainly in the high cost of doing business and shortage of workers. Competition was not one of the top ranking factors.

With respect to reasons for starting their business, most of the companies rated top the opportunity to use knowledge and experience.

Organisations are not virtually alike and entrepreneurs do not all go through the same process to create their ventures. Our particular interest was focusing on the individual characteristics of the founders and the processes they impose, the way how they utilise the environmental factors.

The respondents could be sorted into three distinctive groups:

1. Companies started by highly educated (MBA from INSEAD, Chicago Booth, etc) and relatively young people from entrepreneurial families with business education, able to grasp technical concepts, and secure solid financial venture capital funding. Business choice is a calculated decision of investing in broader market in Southeast Asia, not necessary including Singapore as a market. Rely primarily on adequate funding poured into technical idea to succeed and grow. Business standing is good and the business is growing, sometimes explosively.

2. Technical people (Masters’ to PhD in science with good grasp of business), targeting mostly Singapore market, either self-funded and or with modest investment requirements to cover immediate operational expenses; providing research-grade services or expert solutions. Do not consider fund raising as the primary vehicle of business development and rely on the new product or service model. Business is stable and incrementally growing.

3. Mature people with industrial background. Mature companies that were created directly or indirectly as result of privatization in Russia. Companies are in wholesale or service oriented business and the business is on the decline due to the market conditions.

Our respondents are active people, around 40 years old, calculated risk takers, mostly self-funded. The respondents rely on their professional experience, have good knowledge of how to conduct business based either on education, or work experience. In majority, they do not use environmental factors, specific to Singapore, in extensive way.
The structure of the business ecosystem in Singapore

Business ecosystem develops in four distinct stages: birth, expansion, leadership, and self-renewal—or death. The complex interplay between competitive and cooperative business strategies remains the same from business to business and is the process of co-evolution. In a classical systematic approach to strategy, a company should be viewed not as a member of single industry but as a part of business ecosystem, that crosses a variety of industries.

In order to describe the business ecosystem in Singapore, we start from the model approach, classifying relevant factors: - understanding the use and the users, evaluating systemic risk, acknowledging the model limitation and establishing the rating system

Detailed per-industry analysis of the ecosystem is, however, beyond the purpose of this study.

Average return on invested capital varies markedly from industry to industry, but the underlying drivers of business profitability are the same for different industries. While there are many factors affecting industry profitability in the short run, in the medium and long terms profitability is defined by five competitive forces shaping the nature of competitive interaction within an industry: industry rivals, customers, suppliers, potential entrants, and substitute products.

Industry structure expressed in ranking of five forces, determines the industry’s long-run profit potential because it determines how the
economic value created by the industry is divided. It drives competition and profitability, disregarding whether an industry produces a product or service, is emerging or mature, high tech or low tech, regulated or unregulated. The strongest competitive force determines the profitability of an industry and become the most important to strategy formulation and the industry growth.

However, the industry growth rate alone does not necessary manifest the attractiveness of specific industry and does not guarantee profitability without accounting for other factors, the power of suppliers, for example. Similarly, innovations alone cannot be sufficient to make an industry structurally attractive due to high switching costs, or high entry barriers.

The only universal factor (not the force) for all industries in a regulated society is the role of government in shaping the country development and shaping the entire ecosystem. Government involvement is not directly related to industry profitability and traditionally is not understood as a sixth force.

Influence of government on competition based on understanding how specific government policies affect the five competitive forces. Government operates at multiple levels and through many different policies, creating general business environment that can be strategized upon.

In Singapore, the government has enormous influence in shaping cross-industrial business ecosystem in order to boost the country economic development.

For example, Intellectual Property law raises barriers to entry; a policy expressed in specific implementation of bankruptcy law can lead to excess capacity; human resource or immigration policy may change profit potential.

We think that good understanding of government policies and leveraging on them can be a key factor to success of SME in Singapore.
Government

General Characteristics

The Wall Street Journal and The Heritage Foundation ranked Singapore’s economic freedom score at 88, making its economy the second freest (after Hong Kong) in the 2013 Index. Its score is 0.5 point higher than last year, with advancement in financial freedom outweighing small deteriorations in five other economic freedoms. Singapore is ranked second out of 41 countries in the Asia–Pacific region.

Singapore’s economy is dominated by services, but the country is also a major manufacturer of electronics and chemicals. Singapore has one of Asia’s strongest intellectual property rights regimes.

The top income tax rate is 20 percent, and the top corporate tax rate is 17 percent. Other taxes include a value-added tax (VAT) and a property tax. No tariffs are imposed on imports.

Singapore’s economic success has often been attributed to the authoritarian or semi-authoritarian political and economic control exercised by the ruling party with the preferred method of governance described as maximizing political cooperation.

The key to continuing success is in a prudent macroeconomic policy within a stable political, legal and a transparent regulatory environment. The government enforces strong anti-corruption measures, and acts of bribery, whether committed inside Singapore’s territory or overseas, are prosecuted by the government. Contracts are secure and the commercial court is efficient. Singapore is open to global trade and investment. Competitive private sector continues to be a source of economic resilience; however, government state ownership and involvement in key sectors remain substantial. Foreign and domestic businesses are treated equally under the law, but foreign investment in some service industries is limited. Singapore is a leading World’s Financial Hub, and its financial sector is highly competitive. Over 100 of 120 commercial banks are foreign.

A government statutory entity, the Central Provident Fund, administers public housing, health care, and various other programs; public debt is equal to a year’s production for the entire economy.
Government Linked Companies

Since the Independence, the Singapore government has deliberated a policy of active participation in the economy by setting up “Government-Linked” companies (GLCs). Most of these companies were established in the 1960s and 1970s to facilitate building of infrastructure and to support economic development. In the 1980s and 1990s, this was further expanded to privatization of government departments and statutory boards in order to compensate for the lack of private sector funds or expertise.

GLCs are investing in key sectors such as railways and telecommunications, strategic goods and services, natural resources and energy, finance, trading, healthcare, politically sensitive business, broadcasting, shipbuilding. GLCs produce as much as 60% of the country's GDP. Government-linked companies are owned by a governmental Holding Agency, Temasek Holding, by far the biggest commercial vehicle of the Singapore government, incorporated in 1974. As of March 2013, Temasek owns and manages a diversified portfolio of US$173 billion. The company is 100 percent owned by the Singapore Ministry of Finance and is one of a few global firms assigned with the highest overall corporate credit ratings of “AAA” by Standard & Poor's and “Aaa” by Moody's.

Government Investment Corporation

Another investment arm of the Singapore government is the Government Investment Corporation (GIC), sovereign wealth fund established by the Government of Singapore in 1981 to manage Singapore's foreign reserves, with credit ratings by both Standard & Poor's and Moody's, of AAA and Aaa respectively. In 2008, Morgan Stanley had estimated the fund's assets at US$330 billion.

The funds managed by GIC are owned by the Singapore Government. Its investment returns supplement the country’s annual budget in areas such as education, R&D, health care and physical environment.

The arrangement of GLCs and the GIC (the Government Investment Corporation, see below) provides the Singapore government and the ruling People’s Action Party, with efficient tools for social engineering and control. The GLCs have tremendous influence over
Singaporeans’ personal savings, housing, job opportunities, business contracts and business strategy\textsuperscript{11}.

**Government Policy**

Singapore is a nominally democratic state that has been ruled by the People’s Action Party (PAP) since Independence in 1965. PAP has embraced economic liberalization and international trade. The power of PAP is very strong even though the PAP won May 2010 elections with the lowest percentage of the popular vote in its history (six opposition members also won seats). Certain civil liberties, such as freedom of assembly and freedom of speech, remain restricted.

Singapore has been criticised for the Government’s Authoritarian Approach by IMF and World Bank. In November 2006, the founding father of modern Singapore, Mentor Minister Lee Kuan Yew, defended Singapore’s financial secrecy with the believe that government involvement is necessary to foster growth. The price that Singapore pays for keeping commanding heights of the economy under the control of “Singapore Inc” is the lack of encouragement for entrepreneurs to take risks in order to restore growth, and the slow growth of entrepreneurial class with its own stakes\textsuperscript{xxiv}.

The Singapore government set about designing a culture based on the top-down technocratic model that incorporates the Confucian core values:

1. Community over self
2. Upholding the family as the basic building block of society
3. Resolving major issues through consensus instead of contention
4. Stressing racial and religious tolerance and harmony
5. Honest government
6. Compassion for the less fortunate

These values include the need for hierarchal structures and a compliant society. Greater emphasis placed at all times on prevalence of the community over the individual. Deep respect for education, a competitive education system, and meritocratic government whose

\textsuperscript{11} Arguably: Pressure of GLCs performance enforces local enterprises to replace Chinese family business model with professionalized directorships and senior managers. (Government-Linked Companies and State-Business Relations in Singapore)
political leaders are also top scholars are leading to the creation of an elite ruling class.

The government considers the technocratic approach as necessity to achieve national goals over a shorter period without too much of sidetracking and unnecessary experimentation. This policy has its side effects. Haley and Low\textsuperscript{xxv} contend that the technocratic approach has resulted in Singaporeans losing its creativity and entrepreneurship spirit that the nation needs.

The top-down government, efficient albeit paternalistic, is having a side effect on people relying too much on the hierarchical structure of the society and competing less.

Numerous reasons have been cited to explain the risk-averse culture in Singapore, such as:

- Young Singaporeans remain cautious because they grow up in a single party dominant landscape;
- The society is compliant and lacks a diversity of ideas;
- The educational system encouraged the study of knowledge and facts and not necessarily encourage students to be creative;
- Singaporeans are too good at academics but less street-smart;
- People led to thinking that the government would be looking after them;
- The social culture considers a failure as an embarrassment. Being \textit{kiasu} worsens Singapore’s entrepreneurial situation. In other countries, failure is more acceptable as it is considered to be a part of a learning a process.

**Specific organisational features of small and medium enterprises in Singapore**

Local SMEs are an important part of the Singapore economy. They comprise 99% of total establishments, employ 70% of the workforce, and contribute nearly half of national GDP\textsuperscript{xxvi}. Nevertheless, their productivity is lower that of the non-SME establishments.

The large number of low-productivity SMEs co-exists with a small number of more productive large local enterprises and foreign MNCs. The key economic challenge is to manage this dualistic structure such that all enterprises can contribute to the growth of the economy.
In order to compete in the new economy of the 21st century, the government attempts to create conditions aimed to encourage SMEs to overcome their structural weaknesses, leading to their poor productivity performance, and to adapt themselves to new paradigm of knowledge-based economy.

Specific concerns include:

- Weak entrepreneurial culture
- Insufficient management know-how and professionalism
- Shortage of professional and technical manpower
- Insufficient use of technology
- Outmoded, unproductive methods of operation
- Limited ability to tap economies of scale
- Small domestic market

By the end of the XX Century, Singapore already had a pro-business environment. However, little or no protection was available for SMEs, making competition with well-established corporations difficult. Even in highly liberalized financial sector, Banks did not focus on the financial needs of SMEs and access to capital was scarce. In Singapore, ranked as the third most “globalized” country, there was no provision to help to compete on global market. Entrepreneurs felt the burden of the high costs of fees and licenses and of overregulation.

Predicting the exponential growth of information and communication technologies, accelerating pace of scientific and technological changes, increasing extent of globalisation and changing patterns of market demands, Singapore government is making policies to shape the economic landscape in order to meet the demands, relying on SMEs as the foundation of:

- A source of entrepreneurship and innovation
- A base of strong supporting industries and strategic partners for foreign SMEs and MNCs
- Manufacturers of high value-added products and global providers of professional services
- Robust domestic services sectors enhancing the quality of life in Singapore

The Ministry of Trade and Industry (MTI) announced a series of measures to enhance support for small and medium enterprises (SMEs) to restructure and achieve quality growth. The additional support arises
SMEs can look forward to enhanced support in three focus areas:

1. **Productivity, innovation, and capability upgrading** (introducing Productivity and Innovation Credit (PIC) bonus including Intellectual Property (IP) in-licensing).
2. **Encourage internationalisation and promote collaboration** between larger enterprises and SMEs (the Government will work with industry players and partners such as Trade Association and Chambers (TACs), to identify sector-wide productivity issues faced by companies).
3. **Simplifying Enterprise Development Centres (EDCs) into one-stop, integrated SME Centres**. SPRING’s assistance schemes for SMEs and enhancing the existing.

Doing business in Singapore is not without some challenges. The open economy attracts suppliers from throughout the world providing tough competition and reducing margins. Singapore is also seeing increased business costs and a tightening labour market. In 2012, the government has made a decision to tighten the inflow of foreign workers and has accepted the policy that might result in slower growth for the country.

**Starting a company in Singapore**

The paperwork to start a business in Singapore is quite simple. Requirements and guidance are available on government-supported web site.

If business does not need an approval from other Government agencies, the procedure of registration takes 15 minutes, otherwise, it will take at least 14 days. Registration is done on-line, through Accounting and Corporate Regulatory Authority’s (ACRA) BizFile website.

Registration fee for local resident is from S$50 to S$600. A foreigner will pay from S$300 to S$1,200. Approval of business name costs another S$15.

Local person or Foreigner staying in Singapore should obtain a SingPass (the common password used for transactions with different
Government online services). SingPass could be set up via on-line request and will be ready within 4 business days. Pre-requisite for the SingPass is having an identification number from Government, such as Citizen or Permanent resident ID, Employment Pass, or Personal Employment Pass ID, EntrePass number, etc.

Business needs to meet Eligibility Requirements. They depend on type of business: Sole-Proprietors, Partnerships, Limited Liability Partnerships (LLP) and Limited Partnerships (LP), or Companies. Generally, the founder of the company should not be a bankrupt in the past.

Checklist

1. Availability of Business Name;
2. Principal Business Activities Descriptions (Finding a Singapore Standard Industry Classification code (SSIC) for the business based on ACRA on-line search engine);
3. Copy of NRIC – Front and Back (Local Director & Shareholder);
4. Copy of Passport;  Proof of Foreign Address (for Foreigner Director & Shareholder);
5. Share percentage for each shareholders;
6. ACRA Paid-up capital amount (S$1-S$10,000);
7. Choosing a place for the business to provide a local address;
8. Checking outstanding Medisave liabilities (not required for foreigners);
9. Obtaining Licences and Permits (if needed); application for licence/permit could be done in the same time as registering the business;
10. Deciding to go with self-registering or to use a professional firm for this purpose. ( For self-incorporation of a company, all the directors, the company secretary and shareholders must be Singapore NRIC holders, Employment Pass holders or Dependant Pass holders. Otherwise, one needs to engage a professional service firm to register on your behalf).

Minimum amount of paid capital is defined by practical consideration – different banks require having certain minimum amount on deposit in order to forfeit monthly service fee.

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12 There can be certain conditions depending on the shareholder visa status
13 Opening of a business account in a bank is one of the longest procedures, subject to the investor’s background check in order to comply with anti money laundering regulations
Foreigners do not have to apply for a working visa if they have no intention to relocate to Singapore; in this case, they need to hire a local professional firm to register on one’s behalf. Alternatively, a foreigner can apply for Employment Pass or Entrepreneurial Pass (note that the later arrangement imposes a requirement of S$300,000 total business spending within the first year in order to qualify for the extension of the pass).

Still, the easiest way is to use one of local professional firms, providing respective services. The fee starts from approximately S$1000 for a package that includes registration with ACRA, Office Address, Company Stamp, first Board Meeting Minutes, Secretary Services for 1 year, and a general advice. The same company can also provide assistance with the employment passes, accounting and can provide service assigning a local director.

**Government Agencies**

Singapore is famed for its smooth-running bureaucracy. The following are some government outfits which one can rely on to support his or her company growth in the Republic.

**EDB**, The Economic Development Board is the lead government agency responsible for planning and executing strategies to enhance Singapore’s position as a global business centre and grow the Singapore economy.

**ACRA**, The Accounting & Corporate Regulatory Authority oversees the registration and regulation of business entities and public accountants and corporate governance practices.

**MAS**, The Monetary Authority of Singapore is the central bank of Singapore.

**IDA**, The Infocomm Development Authority of Singapore; with strategic goal is to cultivate a competitive Infocomm industry in Singapore to sustain long-term GDP growth through innovative Infocomm technology development, deployment and usage in Singapore.

**MDA**, The Media Development Authority, spearheads initiatives that promote industry growth in film, television, radio, publishing, music, games, animation, and Interactive Digital Media.
MPA, The Maritime, and Port Authority of Singapore, with mission to develop Singapore as a premier global hub port and international maritime centre, and to advance and safeguard Singapore’s strategic maritime interests.

STB, The Singapore Tourism Board is an economic development agency for one of Singapore’s key service sectors - tourism.

**Entrepreneurship Stimuli**

Recognising the need to foster the entrepreneurial environment, Singapore government launched wide range and ambitious programmes to promote SME development by creating policy solutions that engage the private sector to meet national SME needs.

In 1998, government introduced the Electronic, Transaction and the E-Commerce Master plan to help build a strong infrastructure and a legal and regulatory framework; in order to support companies in search of a hub for these international activities.

In 1999, government launched the Technopreneurship 21 (T21) program, which was designed to promote entrepreneurship involving technology and innovation with the help of Economic Review Committee, established later to design the necessary goals and strategies.

In 2000, The Enterprise Challenge (TEC) fund was established with $10M to sponsor innovative proposals.

In 2000, government released 10 years strategic Master Plan, named ‘SME21’, aimed at building the capabilities of SMEs. The need to develop and foster an entrepreneurial environment was included in the plan, reflecting the efforts to stimulate high-tech small and medium enterprises (SMEs) moving away from the earlier focus on Multi National Corporations (MNCs) and larger corporations. Plan established three major outcomes of SME 21 for the year 2010:

- Doubling of productivity of the retail sector from $28,000 to $56,000
- Trebling of local SMEs with sales turnover of $10million and above from 2000 to 6000
- Quadrupling of local SMEs with e-commerce transactions from 8,000 to 32,000
SME 21 vision established three strategic goals for the Master Plan and took holistic approach to achieve these (Enterprise-Level Strategies, Sector-Level Strategies, and Broad-Based Strategies):

- Grooming Innovative High-Growth SMEs
- Developing Productive SME Sectors
- Creating a Knowledge-Based, Pro-enterprise Environment

From the perspective of a foreign entrepreneur, it is important to learn that the strategy of the government promoting Singapore as an SME Hub includes:

- Identification and pursue economic twinning programmes with other countries to establish areas for SME collaboration
- Concerted marketing effort to encourage SMEs to use Singapore as the conduit and venue for international transactions
- Positioning Chambers of Commerce and Industry Associations as information and networking platform providers for foreign SMEs to meet up with their local counterparts
- A package of fiscal measures to attract foreign SMEs to locate in Singapore
- Establishing SME community to attract foreign SMEs to start their operations here
- Financing for collaborations between foreign and local SMEs
- Tapping foreign talents through various measures and programmes
- To establish and accelerate “Singapore Connect” publicised widely to more SMEs; linkages with databases of other countries, as well as local and foreign industry associations and chambers
- Promotion of the importance of branding to SMEs and development of a unique Singapore brand image to leverage on as they explore new markets overseas
- To identify promising e-commerce SMEs and develop as role models
- Creation of one-stop SME portal for foreign and local SMEs for the ease of access to required information and services
- Development of Technology Network (TechNet) Programme to facilitate connections between aspiring technopreneurs, innovative SMEs, researchers and experts and venture capitalists
- Establishing Technology Incubator Programme to provide SMEs with access to management assistance, finance, and business and technical support services

The SME 21 plan was implemented jointly by the government, chambers of commerce, industry associations, and the private sector. A
multi-agency SME 21 Implementation Committee, led by the Productivity and Standards Board (PSB) xxx, oversaw the implementation of the SME 21 recommendations.

In 2005, in order to navigate Singapore's transition into “An Intelligent Nation, A Global City, Powered By Infocomm”, Singapore's 10-year iN2015 Masterplan xxxi was developed jointly with the people and the private sectors. Masterplan goals are to grow the Infocomm sector and to use Infocomm technologies to enhance the competitiveness of key economic sectors and to build a well-connected society (iN2015), including:

- To be #1 in the world in harnessing Infocomm to add value to the economy and society
- To realise a two-fold increase in the value-add of the Infocomm industry to $26 billion
- To realise a three-fold increase in Infocomm export revenue to $60 billion and
- To create 80,000 additional jobs

In February 2010, the Economic Strategies Committee (ESC) set new productivity growth goals for the Singapore economy. The basic idea: the more productive the Singapore worker is, the more competitive the overall economy, translating to higher incomes for Singaporeans.

The high-level tripartite National Productivity and Continuing Education Council (NPCEC) convened in 2010 to drive the effort. The initial focus is on 12 priority sectors, picked, and based on their contribution to GDP, employment size and potential for productivity gains. The effort is sustained via a $2 billion National Productivity Fund.

In another initiative, NRF, the National Research Foundation runs Technology Incubation Scheme (TIS) programme funding incubators that in turn seed start-ups.

The NRF is finding ways to attract top-tier venture capitalists to invest in Singapore. NRF will look into increasing quantum amounts for firms in environmental technology, biotechnology, and other technology sectors that have high capital requirements when starting up. The ceiling for these start-ups will be SGD 850k of state money. The first evaluation for TIS wills occur in 2015, seven years after it was started.
In 2013, government published notable document describing budget measures across all the government agencies that influence SMEs, as well as various SPRING program that SMEs and start-ups can tap on. The document emphasised the policy shift in favour of Singaporeans, mostly in the service sector.

There a few changes to be taking into account:

- **Changing Dependency Ratio Ceiling** lowering companies’ reliance on foreign workers by reducing allowable ratio for locals and foreign workers 5 percent to 40 percent. Levies on foreign manpower for all sectors will be increased, with the bulk of it going towards foreign worker dependent industries; It will be more difficult for foreign workers to get the S Pass, which apply to mid-level talent. Qualifying monthly salary will be increased with the introduction of a tiered salary system based on age and qualification, where older and more experienced S Pass applicants would only qualify at higher salaries.

The government will be introducing a 3-year transitional support program to help companies reduce reliance on foreign workers. This Transition Support Package includes the following:

- **Wage Credit Scheme**: The government will co-fund 40 percent of wage increases for Singaporean employees over the next 3 years, at a cost of SGD 3.6B (USD 2.9B). This scheme will apply to salary increments for Singaporean workers up to a gross monthly wage of SGD 4,000 (USD 3,200). There is no need to apply for this scheme, as the funds will be automatically paid out to employers.

- **PIC Bonus**: The government has a Productivity and Innovation Credit scheme in place that rewards companies for investing in productivity, up to 400 percent tax deduction or 60 percent cash payout. Only companies with at least three local employees may apply for the cash payout. In this Budget, the government is introducing a PIC Bonus, which invests a minimum co-matching of SGD 5,000 per year of assessment for qualifying expenditure, up to SGD 15,000 over three years.

- **Corporate Income Tax rebate**: It will be at 30 percent of tax payable up to SGD 30,000 per year of assessment. The program will last for three years.

- **SME Talent Programme**: This scheme is designed to encourage students of polytechnics and Institutes of Technical Education to work for SMEs.
The Finance minister also announced a Future of Manufacturing plan in which the Economic Development Board will devote SGD 500M (USD 404M) to over the next five years.

Strategic Economic Development plan of Singapore presented the vision for both qualitative and quantitative development to become a developed country of the first league.

“Singapore has spent the last 25 years investing heavily in physical infrastructure and today is rated one of the best examples in the world in this aspect. Emphasis needs to be placed on soft infrastructure, which consists of:

- Technological infrastructure, comprising a pool of trained manpower in key technologies as well as a network of technical competence centres and research institutes which enable companies to be effective in design and innovation
- A social climate and institutional structure which supports innovation
- A national system which encourages a high degree of co-operation among labour, business and government

Global City

Being efficiently organised within Singapore is still not enough. With its size constraint, Singapore can only hope to become a developed country if it taps from the world the best of its talent and technology, expands into its markets, and seeks out new business opportunities. In order to do this, Singapore needs to:

- Adopt an immigration policy involving an intake, tentatively estimated at around 0.4 per cent per annum of the population, of high quality professional and skilled persons to augment existing low growth rates in the labour force, as well as to refresh and renew the higher echelons of the talent pool in Singapore. This strategy must continue even beyond the year 2030.
- Encourage Singapore companies to set up operations in different parts of the world, where there are business opportunities and substantial benefits for the companies and for Singapore. For this, the greatest need is in exposing Singaporeans to the international environment and making it interesting and attractive for them to live and work overseas for short periods of time.
- Develop a globalisation plan, whereby the Economic Development Board, along with other government agencies provides support for
local companies to invest internationally and strengthen businesses in Singapore through business synergies.

**Entrepreneurship Assistance**

Enterprise development is on the top of the government’s agenda. Government has created multiple entrepreneurship assistance provisions to encourage local ventures.

SPRING Singapore (Singapore Productivity Innovation and Growth) is an enterprise development agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow, and building trust in Singapore products and services. SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. SPRING is the national Standards and Accreditation body, which develops and promotes an internationally recognised standards and quality assurance infrastructure, and oversees the safety of general consumer goods in Singapore. Services provided include standards and research, patent information, current awareness, online information, and a technical library.

Enterprise Development Centres (EDCs), located at the Chinese (SCCCI), Indian (SICCI) and Malay (SMCCI) Chambers of Commerce and Industry, the Association of Small and Medium Enterprises (ASME) and the Singapore Manufacturers’ Federation (SMF) have business advisors to diagnose and provide information, and advice to SMEs in areas of financial and human resources management, branding and overseas expansion.

EnterpriseOne – managed by SPRING Singapore is comprehensive portal containing government information and e-services help and answers questions on how to start, grow, and sustain business.

SGentrepreneurs – acquired by Tech in Asia in September 2013, is an online blog dedicated to the Southeast Asia start-up and entrepreneurship scene serving as an online ecosystem for entrepreneurs, investors & venture capitalists, technologists, developers and business plan competition organizers.

IE Singapore – International Enterprise Singapore is responsible for driving Singapore’s enterprises to the international markets, leading international traders, and making Singapore a business hub with Globally
Competitive Companies and with global network of overseas centres in over 35 locations.

A*STAR - Agency for Science and Technology Research (A*Star) is the lead agency for fostering world-class scientific research and talent in Singapore. A*STAR oversees 14 biomedical sciences, physical sciences and engineering research institutes, and six consortia & centres, located in Biopolis and Fusionopolis and around. A*STAR also supports scientific research in the universities, hospitals, research centres, and, with other local and international partners, fosters transfer of technology through incubators. A*STAR supports Singapore’s key economic clusters by building tree types of capital:

1. **Human Capital** – supporting researchers to keep Singapore’s R&D at the cutting edge by providing manpower training and development in the areas of science, engineering and technology to scientists at all levels and stages, and offering fellowships and scholarships to the best minds from around the world to pursue scientific research in top universities and research institutes.

2. **Intellectual Capital** – supporting and overseeing R&D in science, engineering and technology by its research institutes and grant recipients, engaging in numerous collaborations with academia and industry both locally and overseas, including joint research programmes and student exchanges.

3. **Industrial Capital** – pursuing world-class research to translate scientists’ findings into meaningful and profitable outcomes for Singapore, supporting the commercial application of scientific knowledge and technologies through industry engagement and collaborations, promotion of R&D investment, and a legal framework to protect the intellectual property. A*STAR has a commercialisation outfit to help researchers bring their products and technologies to market, and to help businesses implement scientific ventures and projects.

ACE – Action Community for Entrepreneurship, in 2012 re-focused on supporting aspiring Singaporean Entrepreneurs in taking their first steps towards starting up through mentorship and building of networks. ACE concentrates on entrepreneurship education and technology transfer; facilitating discussion and debate on the regulatory framework; changing culture and mindset; improving access to finance.

SVCA – Non Profit Organisation; The Singapore Venture Capital & Private Equity Association (SVCA) was formed in 1992 under the
patronage of the Economic Development Board to promote the development of the venture capital (VC) and private equity (PE) industry.

**Entrepreneurship Incentives**

Singapore-based start-ups can benefit from the optimally structured business environment, excellent infrastructure, low-tax system, lack of bureaucracy, strong legal environment, a readily available workforce.

The government has spent considerable amount of money, time, and effort in devising a support ecosystem for entrepreneurs in Singapore. There is the whole range of incentives, government-financing programs for entrepreneurship. To list just a few:

There are schemes, where the government subsidises directly or by matching funds from third-party investors or deducts investment losses against taxable income (Start-up Enterprise Development Scheme (EDB SEEDS), Enterprise Investment Incentive (EII) Scheme, Growth Financing Program, ACE’s Action Crucible for Financing Scheme, Home Office Scheme, Local Enterprise Technical Assistance Scheme, and Patent Application Fund Plus).

Government of Singapore has rolled out several initiatives to enable start-ups to gain access to funding. These funding initiatives include cash grants, government backed equity financing schemes, business incubator schemes, debt financing schemes, and tax incentives.

The start-up scene in Singapore was attracting a lot of interest from both locals and foreigners new to the country or new to start-up funding. A few small and big incubators and accelerators are active in the country. In the last three years, $500m has come online from the government, lean start-up methodology has been articulated with understanding of how start-ups should launch and grow. A widely respected Map of Money for start-ups in Singapore is produced and maintained by JFDI.Asia’s co-founder Meng Wong.

Meng Wong’s Map of Money is an extremely good source of information to understand the modern scene of entrepreneurship in Singapore. However, it is equally if not more important to understand the underlying structures, such as:
Government

- **Equity Financing Schemes**

  Government-backed equity financing schemes include:

  SPRING SEEDS is an equity investment scheme where SPRING SEEDS Capital, a subsidiary of government agency SPRING Singapore, co-invests in commercially viable Singapore-based start-ups along with independent third-party investors taking equity stakes in the company.

  Business Angels Fund (BAF) Scheme is where SPRING SEEDS Capital co-invests in growth-oriented, innovative Singapore-based start-ups along with pre-approved business angels matching dollar-for-dollar up to a maximum of S$1.5 million, taking equity stakes in the company.

  Early-Stage Venture Funding Scheme (EVFS), administered by the National Research Foundation (NRF), is a co-funding scheme where selected venture capital firms who raise at least S$10 million from third-party investors will receive dollar-for-dollar matching from the NRF up-to a maximum of S$10 million in order to invest in early-stage technology start-ups.

- **Cash Grants**

  Entrepreneurs can gain access to business grants disbursed by different government agencies to fund start-ups across various industries.

  ACE Start-ups Scheme is a financial assistance scheme where ACE will match S$7 to every S$3 raised by an entrepreneur for up to S$50,000, without taking equity in exchange for the financial grant.

  Technology Enterprise Commercialization Scheme (TECS) jointly administered by the Infocomm Development Authority (IDA) and SPRING Singapore spurs the formation of new technology start-ups in Singapore by addressing their early-stage funding needs towards the commercialization of proprietary technology ideas.

  iSTART:ACE (Accelerate & Catalyse Entrepreneurship) grant scheme that is administered by the Infocomm Development Authority (IDA) aims to encourage and assist Singapore-based start-ups to accelerate technology commercialization and catalyze go-to-market activities by leveraging internationally proven technologies.
Meng's Map of the Money
Startup Funding in Singapore
October 2013

Singapore MedTech Accelerator

Angel Capital

JVC Asia Capital

Mid-career entrepreneurs enjoy the advantage of wealthy classmates and friends.

Dentists, Doctors, and …

In general, it is useful to have many investors, since they can provide valuable advice and connections.

friends, family, and fools

Taking money from friends and family is a good way to end up with neither.

funding from product

funding from idea

funding to revenue

funding to prototype

funding to pro/fitability

funding to expansion/exit

Early Stage

Seed

Growth Stage

Late Stage

Alternatives

Bootstrapping: The old-fashioned way to raise money, by earning it, one dollar at a time. Who needs external financing when you’ve got tens of customers?

Strategic Corporate Investment: A big company might find you intriguing, by contacting the venture arms of established players in your industry.

Meng's Map of the Money
Source: Meng Meng Weng
Available at mengwong.com.sg/capital/mapofthemoney.pdf
Placement on map is approximate.
Not all funding sources are listed; not all listed sources are active.
Industry-specific grants may be available.
Investor appetites vary constantly.
Comments and corrections welcome at mengwong@jfdi.asia
version 20130926
iSPRINT (Increase SME Productivity with Infocomm Adoption & Transformation) covers improvements through packaged solutions, such as for accounting and payroll, to more complex customized solutions for areas such as customer relationship management and supply chain management.

ComCare Enterprise Fund (CEF) administered by the Ministry of Community Development, Youth & Sports (MCYS) provides seed funding for social enterprise start-ups (strictly from the social services sector) that train and employ disadvantaged Singaporeans.

New Initiative Grant (NIG) by the National Volunteer and Philanthropy Centre (NVPC) provides seed money for Singapore-based start-ups with new initiatives that meet community needs in Singapore and are strong in volunteerism and/or philanthropy.

- **Debt-Financing Schemes**

  Fixed interest rate programs - Local Enterprise Finance Scheme (LEFS) and The Micro Loan Program (MLP).

  Variable Interest Loan Scheme (V-Loan) and the Loan Insurance Scheme (LIS).

  Local Enterprise Technical Assistance Scheme (LETAS), a scheme to defray the cost of engaging an external expert; the Overseas Enterprise Incentive (OEI) to encourage and support local enterprises to penetrate new markets; Overseas Investment Incentive (OII) to provide tax incentive for international operations.

- **Tax Incentive Schemes**

  The Government introduced a slew of tax benefits for businesses, covering areas from equipment and technology to business development, R&D and intellectual property, headquarters management, and industry development, including:

  - Tax exemption for start-ups for 3 years under certain qualifying criteria;
  - Double Tax Deduction (DTD) for Market Development, offered to Singapore companies to expand their overseas markets;
Government

- Development and Expansion Incentive (DEI) that encourages Singapore-based companies to move into high value-addition business activities;
- Investment Allowance: Companies may claim capital allowance on plant and equipment used in connection with their trade or business, subject to meeting certain conditions;
- Pioneer Incentive Scheme (PIC): Companies from the manufacturing or services sector engaged in activities that raise overall industry standards may be eligible for full corporate tax exemption on qualifying profits for up to 15 years. Businesses can use up-to 400% deduction or allowances on up to $400,000 of expenditure qualifying activities including Research & Development; Intellectual Property registration and Property acquisition; Design activities, Automation through technology or software; and training of employees.

Full information is available at the Economic Development Board incentives page.

Additionally there are Industry-specific tax incentives:

- Tax Incentives for Financial Services Industry on Trading Income, Fee Income, OTC financial derivatives payments;
- Tax Incentives for Banks;
- Tax Incentives for Fund Management Industry;
- Tax Exemptions for Offshore Funds (Is not 100% beneficially owned by Singapore investors) and Tax Exemptions for Onshore Funds;
- Enhanced Tier Fund Management Scheme;
- Tax Incentives for Global Trading Companies;
- Tax Incentives for Shipping & Maritime Industry;
- Tax incentives for Tourism Industry;
- Tax Incentive for Event Organizers;
- Tax Incentives for e-Commerce Industry;
- Captive Insurance Tax Incentive Scheme;
- Specialized Insurance Tax Incentive Scheme;
- Tax Incentives for Headquarters Activities;
- Tax Incentive for Processing Services Company;
- Tax Incentive for Legal Firms.

Note that there are a few tax changes xxxv in 2013 budget, including: co-funding 40% of wage increases given to Singaporean employees earning a gross monthly wage of up to $4,000, Corporate Income Tax Rebate in 2013 -YA 2015; Productivity and Innovation Credit Bonus in 2013 -YA 2015 including Intellectual Property in-licensing etc.
Business Incubation Schemes and Entrepreneurial Education

Singapore has developed a network of business incubators available for start-up entrepreneurs not only for funding but also for guidance and knowledge dissemination, offering a physical space for the new business to operate along with access to cost-effective shared services, business guidance, and financial assistance during their early-stage of development.

Some of the incubation schemes:

- **NRF Technology Incubation Scheme** for fifteen selected technology incubators to nurture high-tech Singapore start-ups by mentorship and funding;
- **Incubator Development Program** by SPRING Singapore provides grant support to incubators and venture accelerators who actively introduce programs that help nurture start-ups for the cost of hiring mentors, market services/events expenses, incubator managers hiring, staff training etc.;
- **Incubator for Disruptive Enterprises and Start-ups (IDEAS) Fund** launched by Innosight Ventures Pte. Ltd. a Singapore-based venture capital firm and the National Research Foundation (NRF) is an incubator fund for early-stage start-ups with disruptive innovation potential, providing guidance including funding;
- **Fast-Track Environmental and Water Technologies Incubator Scheme (Fast-Tech)** by EDB offers start-ups in the environmental and water technology sector funding, mentorship and guidance;
- **The IDM (Interactive Digital Media) Jump-start And Mentor (i.JAM) scheme** by the Media Development Authority’s inter-agency Interactive Digital Media Programme Office appoints incubators to technically competent start-ups. Incubators will advise start-ups on the uniqueness of their ideas, aggregate start-ups with similar ideas, offer networks, and provide guidance on securing additional funding.

General Entrepreneur Education is available from major universities in Singapore:

- Entrepreneurs Resource Center (ERC);
- National University of Singapore (NUS) Entrepreneurial Center;
- Institute of Innovation and Entrepreneurship (SMU);
- The Nanyang Technopreneurship Center.
Features of the national business

It has to be stated that Singapore is a country that is developing with unbelievable dynamics, significant changes becoming visible in years rather than decades, not only in economic development but in culture as well. Relatively small size of the population permits the government to apply corrective implementation to already effective policy engineering. Ineffective or counter-productive policies are being reversed or replaced by new ones almost immediately. In a sense, the phrase “Singapore Inc.” often used to describe Singapore accurately reflects the way it works.

There are a few limitations to keep in mind when describing national culture. Apparently, the averages of a country do not relate to individuals of that country. Even if generalizations are quite often correct when applied to the general population, not all individuals or subcultures fit into the mould. Any generalization can be only used as a guide to understanding the difference in culture between countries, not as a law; there are always exceptions to the rule.

As such, a narrative on the cultural subject is not cut in stone and unavoidably reflects the authors’ personal opinion, based on experience, subset of available to the author information and is biased due to the authors’ own cultural background, idiosyncrasies, prejudices, and knowledge. Even data collected through questionnaires does not reflect all aspects, due to the selection bias, effect of the context of the question to a respondent and the respondent’s individual sincerity. The data can also be obsolete due to culture of a country change over time, either by internal or external influences.

People from different cultures are not just randomly different from one another; they differ in very specific ways, based on the prevalent way of thinking attributed to each culture, values and beliefs, and different preferences placed on a variety of different factors.

It needs to be reiterated, that in today's global environment, people can be influenced by many different cultures and these models do not take into account people's personal experiences or differences between sub-cultures within the country. Market place and workspace in Singapore is extremely multicultural and diverse and one needs to exercise a caution to avoid jumping to an unverified conclusion.
Singapore is diverse and multicultural society. To understand and classify the cultural differences, to work out the business tactics, one should always target specific strata of target population based on national origin, education level, industry and income level.

In order to reduce inaccuracy of the assessment one can chose a model framework and map available information to the framework structure, taking into account default factors identified within selected framework when interacting with national groups in business.

**Simple Activity model**

In the simplest framework, to understand basic differences in ways of doing business in Singapore, we can start from the approach of grouping cultures, according to work of Richard D. Levis (2000). In this approach, cultures are classified either as “Linear-Active” for task oriented planners like Americans; “Multi-active” with people-oriented cultures that are more focused on interactions, such as the Spanish, or “Reactive”, more introverted cultures such as the Japanese and Chinese.

In this network, Singapore is likely to be classified as “Reactive”, introverted culture.

**The Seven Dimensions of Culture model**

More thorough classification methodology was proposed in The Seven Dimensions of Culture model by Fons Trompenaars and Charles Hampden-Turner, published in their book, "Riding the Waves of Culture". Trompenaars and Hampden-Turner concluded that what distinguishes people from one culture compared with another is where these preferences fall in one of the following seven dimensions:

1. Universalism versus particularism

   Characteristics for Singapore: universalism is prevalent; people place a high importance on laws, rules, values, and obligations. Rules come before relationships.

   Strategies according to Trompenaars: Help people understand how their work ties into their values and beliefs. Provide clear instructions, processes, and procedures; keep promises and be consistent, give people
Features of the national business

time to make decisions and use an objective process to make decisions yourself, explain your decisions if others are involved.

Note: Russia considered being a typical particularistic culture.

2. Individualism versus communitarianism

Characteristics for Singapore: communitarianism is prevalent; people believe that the group is more important than the individual is. The group provides help and safety, in exchange for loyalty. The group always comes before the individual.

Strategies according to Trompenaars: Praise and reward group performance; do not praise individuals publically and allow people to involve others in.

Note: To some extent, the Singapore government, led by the first and second generations' leaders, Lee Kuan Yew and Goh Chok Tong respectively, are not in support of the individualistic behaviour. A National Ideology Committee was established to develop Singapore’s ideology using the traditional cultures of the Chinese, Malays, and Indians. The first ideology ‘Nation before community and society above self’ exemplified the Singapore values, one that advocates self-sacrifice and social harmony. Based on the Confucian principles, the government prescribes to a hierarchical system centred on the society, the government, and the family before others.

To get over the people’s unhappiness over the lack of freedom of expressing their interests, the government compensates this with the freedom to seek opportunities by raising the economic potentials of the individuals. The government supports the meritocratic principle, which essentially rewards those who are relatively more willing and able to pursue the opportunities.

3. Specific versus diffuse.

Characteristics for Singapore: highly diffuse; people see an overlap between their work and personal life. They believe that good relationships are vital to meeting business objectives, and that their relationships with others will be the same, whether they are at work or meeting socially; people spend time outside work hours with colleagues and clients.
Strategies according to Trompenaars: Focus on building a good relationship before you focus on business objectives, research about the people that you work with and the organisations that you do business with; be prepared to discuss business on social occasions, and to have personal discussions at work; avoid turning down invitations to social functions.

Note: Typical diffuse cultures include Spain, Russia, India, and China.

4. Neutral versus emotional

Characteristics for Singapore: neutral - people make a great effort to control their emotions; reason influences their actions far more than their feelings. People do not reveal what they are thinking or how they are feeling.

Strategies according to Trompenaars: Manage your emotions effectively. Watch that your body language doesn't convey negative emotions. "Stick to the point" in meetings and interactions. Watch people's reactions carefully, as they may be reluctant to show their true emotions.

Note: Russians considered affective, sociable, with emotions that often prevail over mind and passions prevail over material interests.

5. Achievement versus ascription

Characteristics for Singapore: ascription; people believe that you should be valued for who you are. Power, title, and position matter in these cultures, and these roles define behaviour.

Strategies according to Trompenaars: use titles, especially when these clarify people's status in an organisation; show respect to people in authority, especially when challenging decisions; don't "show up" people in authority; don't let your authority prevent you from performing well in your role.\(^\text{14}\)

Note: Russia is on the crossroads of western and eastern cultures, and takes intermediate position in achievement – ascription parameter, but with a level of preference to ascription.

\(^{14}\) In my opinion, some partners in Singapore will try to follow less formal attitude to copy more casual, “western” style if social status is close enough (YA)
6. Sequential time versus synchronous time

   Characteristics for Singapore: synchronous time;\textsuperscript{15} see the past, present, and future as interwoven periods. They often work on several projects at once, and view plans and commitments as flexible.

   Strategies according to Trompenaars: Allow people to be flexible on tasks and projects, where possible. Highlight the importance of punctuality and deadlines if these are key to meeting objectives.

   Note: Russians are more inclined to discuss the traversed path than to make plans for future. Real life with its constantly changing circumstances is more important than different agreements and schedules.

7. Internal direction versus outer direction

   Characteristics for Singapore: Outer Direction. People believe that nature, or their environment controls them; they must work with their environment to achieve goals. At work or in relationships, they focus their actions on others, and they avoid conflict where possible. People often need reassurance that they are doing a good job.

   Strategies according to Trompenaars: Provide people with the right resources to do their jobs effectively. Give people direction and regular feedback, so that they know how their actions are affecting their environment. Reassure people that they are doing a good job. Manage conflict quickly and quietly. Do whatever you can to boost people's confidence. Balance negative and positive feedback. Encourage people to take responsibility for their work.

   Note: Russian business culture considered outer-directed.

To summarize the above, the national cultures of Singapore and Russia can be generally characterized by the following features:

\textsuperscript{15} It really depends on the social circle; in business, punctuality is important, especially if you're a foreigner. Your contact will be insulted if you arrive late to a meeting or appointment, people place a high value on punctuality, planning, and staying on schedule (YA)
A rival approach, The Cultural Dimension Theory was developed by Geert Hofstede as a framework for cross-cultural communication, describing the effect of a society’s culture on the values of its members.

Cultures are evaluated along five dimensions on a scale from 1 to 100.

1. **Power Distance (PD or PDI).** It is the extent to which less powerful members expect and accept unequal power distribution. High PD cultures usually have centralized, top-down control. Low power distance implies greater equality and empowerment. (High in Singapore)

2. **Individualism versus Collectivism (ID or IDV).** In an individual environment, the individual person and their rights are more important than groups that they may belong to. In a collective environment, people are born into strong extended family or tribal communities, and these loyalties are paramount. (Low in Singapore)

3. **Masculinity versus Femininity (MAS).** It focuses on the degree to which "traditional" gender roles are assigned in a culture; i.e., men are considered aggressive and competitive, while women are expected to be gentler and be concerned with home and family. (High in Singapore)

4. **Uncertainty Avoidance (UA or UAI).** It defines the extent to which a culture values predictability. UA cultures have strong traditions and rituals and tend toward formal, bureaucratic structures and rules. (High in Singapore)

5. **Long- versus Short-term Orientation (LTO).** It is the cultural trait that focuses on to what extent the group invests for the future, is persevering, and is patient in waiting for results. (High in Singapore)

Cultural Dimension Theory framework has a slew of practical applications in quantitative analysis of the cross-cultural interaction,
and is even more interesting. However, it is outside of scope of the current review.

A few general facts

Singapore consists of 63 islands nestled between Malaysia and Indonesia. The main island is Singapore Island, and most business is conducted here. Many of the smaller islands are uninhabited but the most notable artificial island it that of Jurong\textsuperscript{16}.

As of 2009, about 40\% of Singapore's residents were foreigners, one of the highest percentages in the world.

People of Chinese descent make up the majority of population in Singapore (about 74\%); there are also Malay (about 13\%) and Indian groups (9\%), as well as a mix of people from across the world (3\%). The three main ethnic groups are religiously and culturally diverse.

There are four official languages: English, Mandarin, Malay, and Tamil. For business and politics, English is the language of choice. Most people speak very good English. (Some people speak what is known as "Singlish", which is a mixture of English with words from other languages).

In 1968, Singapore introduced the Employment Act, which outlines employment terms and working condition guidelines for most workers. However, some people, including government workers and people in executive or managerial roles, have different protections from those in the Employment Act.

Under the Employment Act, employers must give written notice to terminate someone's job if the employee has not breached or violated the terms of her contract. If an individual has worked for the organisation for five years or more, four weeks' notice is required.

Maternity leave is also protected under the Employment Act: women are given up to 12 weeks' paid leave, and men are granted one week of paid paternity leave. Dismissal during this time, or immediately afterward, is not allowed.

\textsuperscript{16} Located to the southwest and is home to many petrochemical companies such as ExxonMobil, DuPont, Mitsui Chemicals, Chevron Oronite, Shell, Singapore Petroleum Company and Sumitomo Chemical. Access to the island is limited to staff and visitors.
Singaporean workers are entitled up to 14 days' paid sick leave each year, although this can be extended to 60 days if they are hospitalized.

People who are covered by the Employment Act are guaranteed at least seven days paid leave each year, in addition to public holidays. For every year of employment, another annual leave day is granted, up to a maximum of 14 days.

Singapore's public holidays are:

1. New Year's Day – January 1
2. Chinese New Year – two days in January or February (January 31 and February 1 in 2014)
3. Good Friday – March or April (April 18 in 2014)
4. Labour Day – May 1
5. Vesak Day – usually in May (May 13 in 2014)
6. Hari Raya Puasa – date changes each year (August 8 in 2013 and July 28 in 2014)
7. National Day – August 9
8. Hari Raya Haji – date changes each year (October 15 in 2013 and October 4 in 2014)
9. Deepavali – usually in October or November (November 2 in 2013 and October 23 in 2014)
10. Christmas Day – December 25

**A few random recommendations**

Singaporeans are very sensitive to retaining face in all aspects of their lives. Face is a mark of personal qualities such as a good name, good character, and being held in esteem; it can be greater than the person is and extend to family, school, company, and even the nation itself.

Singaporeans claim they are an egalitarian society, yet they retain strong hierarchical relationships. This reliance on hierarchy is drawn from Confucianism, which emphasizes respecting age and status, even blind obedience to one’s elders.

Singaporeans are group dependent and rely on facial expression, tone of voice and posture to tell them what someone feels. They trust
non-verbal messages more than the spoken word. Watch your body language and facial expressions.

Singaporeans are non-confrontational. They will not overtly say 'no'; likewise, their 'yes' does not always signify agreement. Rather than say 'no', they might say, 'I will try', or 'I'll see what I can do'. Avoid losing your temper or you will lose face and damage your relationship.

Personal relationships are the cornerstone of all business relationships. Business is a matter of being tied into the proper network, which is the result of long-standing personal relationships or the proper introductions. This is a group-oriented culture, so links are often based on ethnicity, education or working for the same company.

Business Meeting Etiquette - appointments are necessary and should be made in advance, whenever possible. Do not try to schedule meetings during Chinese New Year (late January/early February), since many businesses close for the entire week. Always send a list of people who will be attending the negotiations and their title well in advance.

Never disagree or criticize someone who is senior to you in rank as it will cause both of you to lose face and may destroy the business relationship.

Silence is an important element. Pausing before responding to a question indicates that they have given the question appropriate thought and considered their response carefully. Do not start speaking too quickly or you will miss the answer.

Singaporeans are tough negotiators on price and deadlines. Be prepared with a list of concessions you would be willing to make that would not injure your own business.

Language
Singapore is often described as 'Asia Lite'. It is not less Asian than its neighbours are, but when it comes to the Language barrier there is none. English is the official language of Singapore and is widely spoken. There is no need to translate core marketing and operational materials into the local Asian language but it is not uncommon to hear several languages spoken in one day.
Marketing barriers
Perceptions at the cultural levels may have repercussions on marketing; cultural norms can also be affected by factors, such as the high cost and limited availability of retail space in Singapore.

Legal barriers
Singapore legislation follows British law with certain enforcement on specific topics like racial or religious discrimination. Tax laws, customs laws, import restrictions, corporate organisation, and agency or liability laws are transparent and clear, and are not stumbling blocks. Technology transfer laws and foreign investment laws may force a given business relationship to be essentially a joint venture, when it was originally intended as a master franchise or license.

Access to raw materials and human resources
If your company requires highly trained specialised technicians, you may need to locate these resources in a different country with lower cost. Be aware of the imposed quotas on foreign employees. Singapore rarely poses a problem when it comes to cultural identity for immigrants as strong minority communities of different Asian ethnicities exist.

Social costs per employee are much lower than in Japan or Europe. Overhead is usually around 20% in Singapore. The whole working environment is not heavily regulated.

Singapore has very high real estate prices. Prices for commercial real estate, even in industrial hubs, are on average far above what we expect.

Entrepreneurship
Entrepreneurial success is socially regarded as a good thing and people respect wealth accumulated through hard entrepreneurial work and success. Materialism has a much higher place than in Europe or US. Easy financial backing to expand quickly right away not necessary available.
Cooperation of Republic of Singapore and Russian Federation

Singapore is a major trading hub; importing and exporting all kinds of products from consumer goods to high technology and industrial goods for re-export to third countries. Companies will find attractive market opportunities in the following best prospects sectors: electronics, oil and gas equipment, aircraft and parts, pollution control equipment, medical devices, laboratory and scientific instruments, computer hardware and software, telecommunication equipment, university education services and franchises.

Singapore economy is compact but wealthy. Being a smaller market of five million people, it is a perfect starting point for investors and companies as a place to park the money in order to access much bigger markets of 650 million people in South East Asia, such as Indonesia, Malaysia and the Philippines or Viet Nam. Singapore can be used as a country of jurisdiction due to transparent pro-business policies, low corporate tax rate, developed banking systems, infrastructure and geographic position.

Much of the society and education in Singapore is now geared towards management and entrepreneurship. Technical schools are less developed. Universities have numerous specialist courses focusing on how to start a business. Angel investors and venture capital funds alike are noticing start-up companies.

Singapore’s real GDP grew 4.9% in 2011, but the growth slowed down to 2.5% to 3.5% in 2013; the economy grew by 3.8 per cent on a year-on-year basis in the second quarter of 2013. Foreign investments, combined with investments through Singapore government-linked corporations (GLCs), underpin Singapore’s open, heavily trade-dependent economy. The World Bank Report “Doing Business 2011” cited Singapore as the world’s easiest place to do business. The World Economic Forum Global Competitiveness Report 2011 – 2012 ranks Singapore as the world’s second most competitive country and having the best protection of intellectual property.

In 2011, Singapore was the 11th largest export market and 15th largest trading partner of the United States. The U.S. is the number two supplier of Singapore’s total imports just behind Malaysia. Singapore’s
other top import sources include China, Japan, Taiwan, Indonesia, South Korea, Saudi Arabia, India and United Arab Emirates.

From 14 firms in 2004, there are now more than 400 Russian companies operating in Singapore today. Singapore trade with Russia reached US$6.1 billion and is still very low compared to that of USA, China, Japan.

Recent ACE STEPS Survey that was conducted among companies that have been in operation for up to three years, showed an average profile of entrepreneur in Singapore: 65% are 40 years or younger, highly educated, with up to tertiary education, 63% achieving profitability within 3 years (and 35% within 12 month). The typical Singaporean entrepreneur starts small with 73% of respondents investing less than $100,000 in their new venture.

While the government has done a great job of loans and grant programs, Singapore is risk averse and very materialistic culture, it is very difficult to push entrepreneurship very quickly.

Singapore government agencies are highly structured and have multitude of sponsored financially and politically programs aimed on the economic development of Singapore locally and globally. Government programs focus on innovation technologies, scientific research, and technology transfer to become highly. There are multiple incentives available for the companies willing to participate in these programs.

Outside of the government-supported areas of economic development, opportunities for venture capitalism are relatively limited. There is also the issue of due to the large number of government-linked and multinational corporations and multinationals; attracting quality workers. Competition can be difficult for start-ups and competition is high. Despite Singapore’s access to foreign markets, its own market is relatively small and local, which can make the initial stages of growth difficult.

Bilateral trade has more than tripled since 2007 and the Singapore Business Federation said the growth in trade has been seen in oil, metals and electronics products as well as vehicles and ships. The number of Russian companies in Singapore has jumped four-fold to over 400 in the past five years.
Since 2009, a Russian-Singapore political dialogue gained intensity. One of the major results of the State Visit of the Russian Leaders to Singapore was the establishment of the High Level Russia-Singapore Inter-governmental Commission. First three sessions took place in Singapore, Moscow and Singapore in September 2010, 2011, and 2012 respectively. The fourth session was held in conjunction with joint business mission of International Enterprise (IE) Singapore and Singapore Business Federation (SBF) led to the Russian Federation (Moscow, Saint Petersburg, and Kazan) from 17 to 22 June 2013 to explore rising opportunities and collaborative partnershipsxliv.

The Commission is co-chaired by the First Deputy Prime Minister of Russia Igor Shuvalov and Deputy Prime Minister, Minister for Finance and Minister for Manpower of Singapore Tharman Shanmugaratnamxliv.

IE and SBF mission comprised nine companies from the architectural, education, electronics, information communication technologies, and urban solutions sectors.

In an interview given to the Russian news agency ITAR-TASS, Russian Ambassador to Singapore Leonid Moiseev said, "[Russian] regions are becoming increasingly interested [in cooperation with Singapore]". "They are especially keen to adopt Singapore's experience in creating highly productive and effective enclaves inside vast territories that use advanced methods of administration and export-oriented productionxlvi.

Singapore evolving cooperation with Pskov, Tomsk and Kaluga regions and deepening ties with Moscow: Singapore is ready to assist with master planning of the areas recently incorporated in Moscow's city limits. By the end of the year, a major delegation from St Petersburg should visit Singaporexlvii to adopt best practices of municipal management.

Recent development:

- IE Singapore signed an MOU with the Ministry of Information and Communications of the Republic of Tatarstan to facilitate information exchange and boost collaboration on the facilitation of Singapore companies to participate in the development of Innopolis, one of the newest and innovative techno-parks in Russia.
- Educare International Consultancy (Educare), a Singapore education company, that has been providing professional development training to
Cooperation of Republic of Singapore and Russian Federation

teachers in Tatarstan since 2011. Previous programmes conducted in 2011 and 2012 were well received and have trained 480 teachers.

- IDA International signed an MOU with the Ministry of Information and Communications of the Republic of Tatarstan to develop and improve collaboration on ICT.

- ST Electronics signed a MOU with the Ministry of Information and Communications of the Republic of Tatarstan, outlining three key areas of potential collaboration:
  - intelligent transport system;
  - mission-critical decision support systems for government and enterprise;
  - airport systems, communications, mobility systems, security, and smart utilities.

- Jurong Consultants signed a management consultancy contract with the joint stock company SEZ Moglino to provide consultancy and management services to the Moglino SEZ in the Pskov region for a period of six months (19th July 2013).

- RSP Architects Planners & Engineers (Pte) Ltd signed a MOU with Amtel Properties to develop a conceptual site plan and architectural design for a 30 hectare mixed-use development project in St. Petersburg (18th June 2013).

- Singapore helped to build a new airport \(^{xlviii}\) in Vladivostok for the APEC 2012 Summit, and is prepared to take part in similar projects to develop the airport infrastructure in Russia's North Caucasus.

- Jewish Autonomous Area looking to develop joint agricultural projects.

According to co-chairman of High-Level Russia-Singapore Inter-Governmental Commission Igor Shuvalov, Russia's interest in technology exchange particularly focuses on cooperation with Singaporean businesses specialising in medical technology and in the management of communal facilities and infrastructure. The Russian government is very serious about developing trade with Singapore, which is seen by Moscow as a key gateway to Asia for the Russian business.

**Singapore is becoming a gateway to the region for Russian Firms\(^{xlix}\)**

Small, Medium & Micro Enterprises (SMMEs), employ more than half of the Asia-Pacific's workforce.

Russia is developing greater economic ties with the East Asia region through the Asia Pacific Economic Cooperation (APEC) process -
Cooperation of Republic of Singapore and Russian Federation

Cambodia, Laos, Myanmar and Vietnam, Indonesia, Malaysia, and the Philippines, with notable efforts of the Russkiy Mir Foundation and MGIMO University.

APEC’s initiatives, including conferences, workshops and capacity-building activities, target established SMEs. Others are designed to help start-ups and new entrepreneurs, whose innovative and forward-thinking ideas can contribute to economic growth, for example the APEC Start-up Accelerator (ASA) Initiative, aiming to connect newcomers with “mentors” such as well-known entrepreneurs and successful businesses around the region so that they can exchange information, advice, and expertise on scaling up and seizing market opportunities. APEC economies are set to work together to host events to strengthen this network, which will also link new businesses to angel or venture capital funds, increasing their access to finance.

Such initiatives help young entrepreneurs around the region. At a first meeting of the APEC Young Entrepreneurs Network, in St Petersburg, Russia in August, successful entrepreneurs from different economies exchanged experiences and knowledge. Information sessions were also held with relevant government officials, including on how to stimulate innovative start-ups, promote education in economies about entrepreneurship, and increase access to finance.

Latest meeting was held in September 2013 in Bali, Indonesia. APEC Small and Medium Enterprises Ministerial Meeting Regular meetings of this network are now set to be held, following on from a similar summit in Kuala Lumpur, Malaysia in 2011.

Inter-parliamentary and interregional relations have progressed for the last years. The ASEAN-Russian summit is held annually where leaders of member states meet with the Russian President. ASEAN-Russia Dialogue Partnership are traced back to July 1991 when the then Deputy Prime Minister of the Russian Federation attended the Opening Session of the 24th ASEAN Ministerial Meeting (AMM) in Kuala Lumpur as a guest of the Malaysian Government. Russia was subsequently elevated to a full Dialogue Partner of ASEAN at the 29th AMM in July 1996 in Jakarta.

A number of joint activities have been undertaken in science and technology, energy, SMEs, tourism and human resource development. ASEAN-Russia cooperation projects are funded by the ASEAN-Russian Federation Dialogue Partnership Financial Fund (DPFF) established in June 2007 with initial contribution of US$ 500,000. In keeping up with
the growing ASEAN-Russia cooperation, Russia has increased annual contribution of USD 1.5 million to the Dialogue Partnership Financial Fund for cooperation projects.

In science and technology, ASEAN and Russia have adopted a Plan of Action of the ASEAN-Russia Working Group on Science and Technology (ARWGST) 2007-2011. The Plan of Action provides for enhanced cooperation between ASEAN and Russia in S&T including in the promotion of dialogues among S&T officials, scientists, and researchers, and encouragement of technology transfer and exchange. Currently, ASEAN and Russia are developing a new draft Plan of Action of the ARWGST for the next term. ASEAN and Russia are exploring cooperation in other areas including pandemic diseases, sustaining natural resources, environmental conservation, food security, agriculture, education, transport, and Initiative for ASEAN Integration (IAI).

Russia is an Important Partner to ASEAN Secretary-General of ASEAN, Le Luong Minh noted that ASEAN and Russia maintains cooperative political and security relation, expressed the hope that the planned third ASEAN-Russia Summit will give impetus to enhance the long-standing ASEAN-Russia cooperation.

**Russian Activities in Singapore**

According to the Ministry of Economic Development, most of Russia's investment activities in Singapore are linked to the operations of the oil giant Lukoil, including programmes to finance the company's hydrocarbon supplies to the Asian country.

- The Singapore trading arm of Russia's largest gas producer, Gazprom, expects to double its revenue by 2015 as it grows trade volume of liquefied natural gas (LNG) and non-gas liquids, while delaying expansion of its Asian crude business.
- St Petersburg-based Transas Group, a global leader in the development of electronic cartography software, operates a 60-strong office in Singapore.
- Singapore-based Food Empire Holdings has opened an instant coffee mix factory in Moscow Region's Dmitrovsky District and bought the Russian owner of the Petrovskaya Sloboda coffee brand, which holds about 6 per cent in the local market of instant coffee mixes.
- Wilmar International, one of the world's largest palm oil producers, has purchased 37.5 per cent in Nizhny Novgorod Oil and Fat Combine.
- Olam International Ltd in 2012 bought 75 per cent in the Russian dairy producer Rusmolco for $75 million.
- Olam plans to build four dairy farms and buy crop lands in Rusmolco's native Penza Region with a view of expanding its grain producing operation, last year, Olam's Russian subsidiary Outspan International purchased Azov Grain Terminal with an annual capacity of 1 million tonnes of grain.
- Singapore is the fourth largest customer for the Russian crude transported along the East Siberia – Pacific Ocean pipeline.
- Russia's largest pharmaceutical company Pharmstandard is reportedly planning to spend $630 million to buy Singapore-based Bever Pharmaceutical Pte Ltd, which has up to now been pretty much under the radar of the Russian market.$v.

Very important role belongs to the Russia-Singapore Business Forum (RSBF).

The Russia-Singapore Business Forum (RSBF) is an annual B-to-B forum that takes place in Singapore. This forum was initiated in 2006 by Michael Tay, then-Singapore Ambassador to Russia, and Troika Dialog, Russia's top investment bank. The first forum was called “RSBF 2006 – Demystifying Russia” and the Eights, held in Singapore 23-26th September 2013, “RSBF 2013 – Connecting Markets, Linking Businesses”.

The representatives of public and private sectors of Russia, Singapore, the Commonwealth of Independent States, and the Asia-Pacific Region participated in the forum.

In his speech at the RSBF 2013 Singapore Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam said the emerging market economies will remain the main contributor to global economic growth over the next five to 10 years despite recent volatility in the financial markets and challenges. "We are also engaging Russia at the regional level, very importantly. Many of these projects and investments go beyond the federal cities of Moscow and St Petersburg, and are located in some of Russia's fast-growing and dynamic regions, such as Pskov, Krasnodar, Tatarstan and Tomsk, and also in the Russian Far East such as Primorsky$v.

One example is the partnership between Russian sports retailer Sportmaster and the Nanyang Technological University (NTU) in Singapore to set up an innovation centre to develop innovative sportswear and equipment. With a starting budget of S$5 million over the
next three years, the centre aims to pioneer breakthrough sports technology for Sportmaster. The new centre will be housed under the Institute of Sports Research at NTU. It will focus on developing innovative sportswear and equipment for sale in Sportmaster's retail chain. Sportmaster has 368 outlets in over 80 cities worldwide.

Deals like this are likely to help develop bilateral trade volume between Singapore and Russia.

New at RSBF 2013 was a pitch session. Ten start-up companies were afforded time to pitch their projects. From Vanity Trove, a new way to discover beauty products, to DocDoc, revolutionary new healthcare software, from LoveByte, couple app startup, to ZelRealm, an interactive game developer, there were a variety of unique investment opportunities, in Asia specifically. Among the panellists at the pitch session were Dmitry Levitt (Digital Media Partners), Sergey Belousov (Acronis), Ana Shell (Media Press), Steve Beauregard, (GoCoin).

Other important speakers at RSBF 2013, among others, were Alvin Tan, Assistant Managing Director, Singapore Economic Development Board (EDB) and Steve Leonard, Deputy Chairman, Infocomm Development Authority of Singapore (IDA), who are directly involved in designing and implementing strategic directions of Singapore economic development.

**Main areas of strategic development in Singapore**

RIEC, the Research Innovation and Enterprise Council has allocated a total of S$1.55 billion to establish Strategic Programmes in the following areas, with other emerging areas to be identified in future:

- Biomedical Sciences (BMS) Translational & Clinical Research (TCR)
- Environmental and Water Technologies (EWT) including Clean Energy
- Interactive and Digital Media (IDM)

All three strategic areas are ones that Singapore has a unique competitive edge to gain a leadership position in by 2015. RIEC aims for R&D efforts to result in economic benefits. Attention would be given to market and commercial development in bringing scientific knowledge from the lab to the market.

A high-level Steering Committee and an Executive Committee comprising representatives from public sector agencies, industry and academia, have been formed in each of these Strategic Research
Cooperation of Republic of Singapore and Russian Federation

Programmes to oversee and coordinate the programme from a multidisciplinary and holistic sector-wide perspective.

Conclusions and recommendations

Singapore presents good opportunities for the venture investment in technologically advanced areas, innovations, technologies for research, education, and transfer of technologies.

Result of our survey demonstrates that available resources from the Singapore Development programs are underutilised, their use limited primarily to the tax benefits and reliefs. Many foreign (not Russian) companies make full use of local sources of funding, incorporating into local government-supported structures, starting joint ventures and benefit in fast company growth and market share increase. As such, these companies are not using any advantages of Singapore besides geographical position in access to Asian markets, and transparent business environment. Perhaps, entering innovation arena without utilisation of all factors can be more profitable in Silicon Valley.

This conclusion is based on the analysis of companies participating in the survey and not necessary reflect the whole picture. There might be a few reasons why generic approach is used:

1. Company main business does not fit the strategic interests of the government structures in Singapore, as company was not started with the goal to utilize those programs.
2. Utilisation of government support program requires that at least 30% of company shares belong to either Citizens or Permanent Residents of Singapore. The majority of the respondents belong to self-funded companies and would not benefit from diluting equity at the late stage.
3. Grants, offered by the Government of Singapore often target generic start-ups at the proof of concept/proof of value stage and are not sizable enough to justify administrative overhead associated with the reporting over the use of the received funds, still present even in effective Singapore bureaucracy.
4. Company, being domiciled in Singapore, covers markets in Southeast Asia excluding Singapore for a few reasons.
5. Russian Speaking Community in Singapore is neither organized around business interests, nor accustomed to dwell on any support from any government due to historical reasons. People are connected based on personal interests and trust only. The existing forum: Russian Singapore Club, is a nonprofit organisation, mostly focused on cultural exchange but not business ventures.

The commercial section of the Russian Embassy in Singapore, responsible for bilateral cooperation in the trade and economic fields is extremely knowledgeable and helpful in promoting business ties between government agencies and private companies, sharing information about business climate in countries, trade and investment opportunities, and business contacts if contacted. An internet search for “Russian Trade Representation Office in Singapore” does return an address and a telephone number, but not any web site can be found and as such, no information is available online. There is no Russian Trade Representation in Singapore from 2006; the situation with the web site is expected.

We must also mention the link, provided by Wikipedia article “No documents found” is the message on the “Documents on the Russia–Singapore relationship at the Russian Ministry of Foreign Affairs” web site.

There is little to none information in the open on how other foreign (non-Russian) SMEs are using opportunities to collaborate in the fields of strategic interests of Singapore Economic Development. It is well known, however, that the government of Singapore successfully engaged large multinational corporations forming a number of partnerships to achieve specific goals, for example creating incentives for companies like IBM or HP to create research centres and partake in the economic development projects\(^\text{11}\). One of the examples being HP Labs headquartered in Fusionopolis, Singapore and opened in 2010.

Taking into account the experience of formerly socialist Russia and similarity of former planned economy to the hierarchical organisation of Singapore, coupled with existence of developed scientific centres in Russia, there seems to be a unique opportunity to draw support from big industrial clusters and government structures in order to collaborate with the government in Singapore, even on a grass-root level. The incentives may be not as significant in the monetary value, given the considerations above (30% Singapore ownership and relatively small grants) but can create favourable cooperation environment. Recent Memorandum of Understanding (MOU) between iDA International and the Republic of
Tatarstan is the example of this sort of cooperation, though pursuing goals of Tatarstan Development\textsuperscript{lvii}. We also believe in the possibility of finding of opportunities to pursue the interest of Singapore development by offering expertise of Russian companies.

Possible entry can be in the form of participation in multilateral collaborative projects similar to recent Social Analytics (SA) for Business Enterprises Call-for-Collaboration (CFC) by iDA\textsuperscript{lviii} in the field of Big Data.

**Opportunities**

There are a few opportunities to cooperate in areas of incumbent as well disruptive technologies.

Russia can offer substantial scientific potential and markets, both as a supplier of qualified entrepreneurs, scientists, and highly qualified workforce and as a consumer of goods, services, and technology transfer on an enormous market.

To list just a few of the emerging business programs that Russian ventures can participate in:

- **Automotive**: in related R&D electronics, info communications and mechanical engineering
- **Space**: Office for Space Technology and Industry established by the Singapore government in August 2012, opens very wide doors to the Russian entry
- **Nanotechnology**, with about 50 nanotech companies with the combined strength of 1,000 researchers, scientists and engineers in Singapore
- **Natural Resources**, on sustainability technologies
- **Safety and Security**, supplying security solutions ranging from biometrics, maritime and aviation security; SSIPo welcomes more safety and security companies to locate their operations in Singapore.
- **Big Data**, and standards for utilisation of real-time data
- **Lifestyle**: visual and performing art
- **Financial Technologies**, Algorithmic and High Frequency trading

Dipping into these programs can start from entering the corresponding industrial clusters under A*STAR and related agencies utilising foreign funding and local incubators, establishing necessary connections for cooperation and cooperating with research centres at national universities.
With the usual due diligence required to approach the market entry by industry, business ecosystem and market\textsuperscript{17} analysis it is possible to devise a penetration strategy to obtain a competitive edge over a typical Singaporean entrepreneur on the available funding.

Based on the lessons learned from the study of success factors of companies participating in this survey, optimal tactics may include the creation of a management teams, combining high business entrepreneurial skills and industrial knowledge; making the market entry based on well-devised business strategies build over technical ideas with 3-5 years forecast based on adequate funding.

Singapore firms are aggressive when it comes to representing new products and usually respond enthusiastically to new opportunities. Most Singaporean companies are open to joint venture proposals, and many are interested in manufacturing under license.

However, foreign companies face barriers in certain service sectors such as pay TV, basic telecommunications, audio-visual and media services, legal services, banking and education. Entry in this field would be quite different without cooperation from the government through the strategic programs.

Interesting opportunities are presented by Call-for-Collaborations and Call-for-Collaboration ("CFC") initiatives\textsuperscript{lix}, issued jointly by Development Authority of Singapore (iDA) and other government agencies inviting participants to submit proposals to provide comprehensive and cost effective solutions.

To name just a few:

1. Sectoral Productivity Call-for-Collaboration (Submission Closing Date: 14 October 2013) is a multi-agency effort led by iDA to step up the collective adoption and innovative use of infocomm technology by SMEs, within their respective sectors;

2. iSPRINT Packaged ICT Solutions for SMEs Call For Proposal (Submission Closing Date: 30 September 2013) is a part of iDA's efforts to accelerate the infocomm adoption amongst SMEs to sharpen their competitiveness and enable their expansion in market reach beyond Singapore for the provision of Enterprise/Sector-Focused/Application Solutions and Specialised Software;

\textsuperscript{17} not limiting addressable market to Singapore only
3. Smart Cities Capability Development (Stage 1) CFC (Submissions Closed) is an initiative in support of its smart cities with the intentions to develop prototype solution(s) in support of its smart cities initiatives.

4. Social Analytics (SA) for Business Enterprises Call-for-Collaboration (CFC) (Submissions Closed) is an initiative to invite proposals from consortia on the development and deployment of Social Analytics (SA) for Business Enterprises in selected sectors.

**Recommendations**

Singapore has significant value to offer for venture investments. There is a vacancy on Singapore Map of Money that can be taken by Russian venture capital firms.

A distinct opportunity exists to create a network of professional entrepreneurs with interest in business collaboration between Russia and Singapore focusing in high-tech start-ups and SMEs. The goal of such network could be to facilitate collaboration, provide information, and assistance, establish partnerships and connections with the business community; tapping on government funding support and tie-ups with technology initiatives providein order to explore opportunities for invest in increasing number of high-tech start-ups formed in Singapore, including start-ups established by foreign entrepreneurs.

Educational activities are in great demand in both Singapore and Russia. Russia has enormous pool of scientific and technical talents. It is a question of finding the direct match, establishing links between universities in areas of technology innovations.

The search for opportunities may start from the regular and post-doctorate students in major Singapore Universities and researchers working in A*STAR programs, matching commercial interests of Singapore organisations and the capabilities of Russian Universities and science clusters. Such search requires a separate study and planning.

Networking, Branding and Information:

In discussion with successful entrepreneurs in Singapore, the following success factors were emphasised:

1. Primary importance of team’s business experience over the technical expertise and start-up idea.
2. Importance of having a trusted mentor and timely advice.
3. Utmost importance of networking, especially the kind of networking that helps to source required specialists, connect to perspective clients, and solve technical issues. This kind of networking is less available in Singapore in comparison with Silicone Valley and likely to be obtained through being an alumni of a good business school (INSEAD or Chicago Booth) or obtained through the years of industry experience.
4. Right sizing the addressable market. Market can cover the whole Southeast Asia, not necessary including Singapore or being global or agnostic to geographical location in the modern connected world

Entrepreneurs in Singapore need a “daemon investor” providing
in order of importance:

1. Networking, professional and financial as well as social; assisting with the access to the pool of highly qualified specialists in requested area. Search for these specialists can be quite daunting in Singapore.
2. Timely business advise, connection to experienced business managers.
3. Friendly environment to facilitate friendly exchange of ideas.
4. Investment.

We recommend creating a sponsored non-profit group focusing on promoting small business enterprises related to Russia and Singapore, facilitating networking and information exchange and SME image and promoting RVC brand, possibly other brands.

A small part of the first step to facilitate networking is done: LinkedIn Group “Singapore-Russia Venture, High Tech Innovations” was created.

At the first stage, the non-profit networking group in question can be an open group, a meet-up event in Singapore, in a form of monthly informal gatherings complimented by invitation of investors, lecturers; start-ups to making sales pitches. The event can take an organisation model similar to or a mixture of SMU Entrepreneurs’ Corner and SVCA networking events, but with particular focus on specific subjects and unifying program thought out for each event. The group can offer affordable membership, subject to approval.

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18 The word coined in order to accurately describe the entrepreneurial ecosystem we suggest to create
19 In conversation with the attendees of RSBF 2013 it became clear that RVC brand is not widely known to Singaporean business people
Conclusions and recommendations

On the second stage the group would establish connections with Singapore Incubators and governmental agencies including iDA, EDB, A*STAR, SBF, researching the strategic areas in high tech innovation and exploring collaboration.

On the final stage, the group can become an accelerator for the Russian start-ups, utilising well-explored model of start-up accelerators used by Y Combinator, TechStars and JFDI. Such accelerator can become a basis for establishing a Russian Enterprise Development Center in Singapore, becoming a one-stop integrated SME Centre for Russian, performing a function similar to existing Enterprise Development Centres (EDCs) in Singapore.

The idea of creating such a hangout was preliminary discussed during RSBF 2013 with Carsten Fritz (Ecosys Ventures Pte. Ltd) and Michael Tay (RSBF Executive Director). Practical next step is to create business plan and detail the strategy with approval and involvement of RVC. It is believed to be easy to attract mentors interested in doing business with any start-ups and Russian start-ups in particular. Mentors from SMU, NTU, NTUC, INSEAD as well as founders of Incubators such as Red Dot Venture, JFDI, IncuVest and others, including Venture Capitalists from Russia active in Singapore will be sufficiently interested to take part in the events.

And last but not least, we would advise Trade Representation Office in Singapore to engage in a small-scale programme to create sufficient internet presence; to make and maintain informational web site promoting the image of business in and from Russia and maintain a blog with the recent news, involving specialists in Search Engine Optimisation.
Appendix 1: Questionnaire

Company Information: (choose a value from drop down list or type over)

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<th>Company Name</th>
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Vital Statistics

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<td>Employed team size</td>
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<td>Local Internal team</td>
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<td>Sales Force</td>
<td>Size of the team engaged only in Sales and marketing</td>
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<td>Addressable Market Size</td>
<td>Estimated size of the market in Asia for the company product</td>
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<td>Market Share</td>
<td>Size of the market share that company occupies</td>
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<tr>
<td>Number of Patents hold</td>
<td>Number of patents procured or owned by the company</td>
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<tr>
<td>Direct Competitors</td>
<td>Number of competitors with direct product equivalent</td>
</tr>
<tr>
<td>Key Partnership and Suppliers</td>
<td>Name key Partnerships essential for the company operations</td>
</tr>
<tr>
<td>Company Valuation Standard</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Company Valuation</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Profitability</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Growth Momentum</td>
<td>-- Select --</td>
</tr>
</tbody>
</table>
## History

<table>
<thead>
<tr>
<th>Company age</th>
<th>-- Select --</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice of the Business Opportunity</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Serial Entrepreneurship</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Change of the business model</td>
<td>-- Select -- Did working on the original idea presented new opportunities?</td>
</tr>
<tr>
<td>Source of Capital</td>
<td>-- Select --</td>
</tr>
</tbody>
</table>

### Capital

<table>
<thead>
<tr>
<th>Stage</th>
<th>Months after start</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed Funding</td>
<td>3</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Early Stage</td>
<td>6</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Growth</td>
<td>12</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Second Round</td>
<td>24</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Mezzanine Financing</td>
<td>36</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Exit Stage</td>
<td>48</td>
<td>-- Select --</td>
</tr>
</tbody>
</table>

### Perceived Market Risk
What were the risks of starting the venture: -- Select --

### Perceived vs. Actual Risk
-- Select --

### Knowledge
Were business or/technical skills present at the start phase sufficient? -- Select --

### Momentum
Describe Initial and Current Momentum of the Company related to the Market Condition
<table>
<thead>
<tr>
<th>Initial</th>
<th>-- Select --</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>-- Select --</td>
</tr>
</tbody>
</table>

### Influences
Describe Environmental Factors that affected the Company most:
-- Select --
## Organisation

<table>
<thead>
<tr>
<th>Metric</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Business Models</td>
<td>e.g. Selling Services, Product, Customised Solutions</td>
</tr>
<tr>
<td>Strategy</td>
<td>What is the primary focus on organisational strategy</td>
</tr>
<tr>
<td>Entry Wedge</td>
<td>The new product or service; Parallel competition; Franchise entry;</td>
</tr>
<tr>
<td></td>
<td>Geographical transfer; Supply shortage; Tapping unutilized resources;</td>
</tr>
<tr>
<td></td>
<td>Customer contract; Becoming a second source; Joint ventures; Licensing;</td>
</tr>
<tr>
<td></td>
<td>Market relinquishment; Sell off of division; Favoured purchasing by</td>
</tr>
<tr>
<td></td>
<td>government; Governmental rule changes;</td>
</tr>
<tr>
<td>Technology</td>
<td>Main area of activity -- Select --</td>
</tr>
<tr>
<td>Geography</td>
<td>Addressable market -- Select --</td>
</tr>
</tbody>
</table>

## Processes

<table>
<thead>
<tr>
<th>Metric</th>
<th>Notes (overwrite tips when answering)</th>
</tr>
</thead>
<tbody>
<tr>
<td>What was most challenging in organising the company?</td>
<td>Please describe 3 - 5 most important factors</td>
</tr>
<tr>
<td>Was it obtaining Workforce?</td>
<td>What challenges in staffing do you have and how you are solving it?</td>
</tr>
<tr>
<td>Which Government Resources have you used?</td>
<td>-- Select --</td>
</tr>
<tr>
<td>What Government Organisations are you partnering with?</td>
<td>e.g. EDB, IDA, ASTAR, NRF, SPRING, SVCA, Other</td>
</tr>
<tr>
<td>Name the most challenging factors in Singapore</td>
<td>Please describe 3 - 5 most important factors</td>
</tr>
<tr>
<td>Name the most contributing to a venture success factors in Singapore</td>
<td>Please describe 3 - 5 most important factors</td>
</tr>
</tbody>
</table>
## Singapore Environment

<table>
<thead>
<tr>
<th>Questions (1 – strongly disagree, 2, disagree, 3 – neutral, 4 – agree, 5 strongly agree)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyers have very high bargaining powers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Careful choice of managerial team is the most important success factor</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Cost of living is too high</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Current immigration policy is difficult</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Entrepreneur network is developed, open and cooperative</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Existing competition is not too high</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Government procedures are transparent and unbiased</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Government financing is not available to us</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Government programs and grants helped to develop our business</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Government regulations are too tight</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Singapore has high occupational and industrial differentiation</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>High percentages of expatriates is beneficial for our business</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>I wish we had more business knowledge when we started</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Industrial base is not large enough</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Infrastructure and supporting services are easy to access</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>It is difficult to hire quality people in Singapore</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>It is necessary to have local business partner to succeed</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>We rely on industry and social connections in Russia for business development</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Lack of business management skills delayed our development</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Living Conditions are acceptable</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Local market is very conservative if it comes to the change of vendor or supplier</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Luck Factor is very important for success</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Market is easily expandable to the surrounding countries</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
<tr>
<td>Market size is too small</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☒</td>
</tr>
</tbody>
</table>
My company was lacking Business knowledge when started
Our clients are small corporations or individuals
Suppliers have high bargaining powers
Technically skilled labour force is easily accessible
There are big cultural differences that make market difficult
There are many high quality local universities graduates on the job market
There is a large industrial base
There is sizable market and customers for our product
Venture capital is readily available
We are using government programs extensively to help develop our business
We have clients from Singapore Government
We have difficulty raising capital in Singapore
We have expert knowledge of local markets
We use financing from outside of Singapore
It is difficult to enter one or more market segment
We cannot succeed in our sales without local agents

The Founders

Founder 1.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Notes (overwrite tips when answering)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age of the Founders</strong></td>
<td>Age, when the company started;</td>
</tr>
<tr>
<td><strong>Employment Status</strong></td>
<td>Did the founders start full time/part time?</td>
</tr>
<tr>
<td><strong>First Business</strong></td>
<td>Was it a first business for the Founder?</td>
</tr>
<tr>
<td><strong>Entrepreneurial Education</strong></td>
<td>Business or Industrial Education?</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Highest Education Level</td>
</tr>
<tr>
<td><strong>Education Relevance</strong></td>
<td>Related to the Company?</td>
</tr>
<tr>
<td><strong>Industry Experience</strong></td>
<td>Years of experience</td>
</tr>
<tr>
<td><strong>Number of jobs held</strong></td>
<td></td>
</tr>
<tr>
<td>Metric</td>
<td>Notes (overwrite tips when answering)</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td><strong>Age of the Founders</strong></td>
<td>Age, when the company started;</td>
</tr>
<tr>
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<td>Highest Education Level</td>
</tr>
<tr>
<td><strong>Education Relevance</strong></td>
<td>Related to the Company?</td>
</tr>
<tr>
<td><strong>Industry Experience</strong></td>
<td>Years of experience</td>
</tr>
<tr>
<td></td>
<td>Number of jobs held</td>
</tr>
<tr>
<td></td>
<td>Last title before the venture</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td>Entrepreneurial parents?</td>
</tr>
<tr>
<td><strong>Family Pressure</strong></td>
<td>What were Family or financial pressures to hold a traditional job?</td>
</tr>
<tr>
<td><strong>Social Connections</strong></td>
<td>Are you an outgoing person with many connections? Estimate number of LinkedIn, VK or FB connections?</td>
</tr>
<tr>
<td><strong>Preferred Role</strong></td>
<td>-- Select --</td>
</tr>
<tr>
<td><strong>Luck</strong></td>
<td>Do you consider yourself a lucky gambler?</td>
</tr>
<tr>
<td><strong>Character type</strong></td>
<td>Chose one that describes you most</td>
</tr>
</tbody>
</table>

**Founder 2.**

---

**Appendixes**

---
a lucky gambler?

<table>
<thead>
<tr>
<th>Character type</th>
<th>Chose one that describes you most</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founder 3.</td>
<td>-- Select --</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metric</th>
<th>Notes (overwrite tips when answering)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age of the Founders</td>
<td>Age, when the company started; -- Select --</td>
</tr>
<tr>
<td>Employment Status</td>
<td>Did the founders start full time/part time? -- Select --</td>
</tr>
<tr>
<td>First Business</td>
<td>Was it a first business for the Founder? -- Select --</td>
</tr>
<tr>
<td>Entrepreneurial Education</td>
<td>Business or Industrial Education? -- Select --</td>
</tr>
<tr>
<td>Education</td>
<td>Highest Education Level -- Select --</td>
</tr>
<tr>
<td>Education Relevance</td>
<td>Related to the Company? -- Select --</td>
</tr>
<tr>
<td>Industry Experience</td>
<td>Years of experience -- Select --</td>
</tr>
<tr>
<td></td>
<td>Number of jobs held -- Select --</td>
</tr>
<tr>
<td></td>
<td>Last title before the venture -- Select --</td>
</tr>
<tr>
<td>Family</td>
<td>Entrepreneurial parents? -- Select --</td>
</tr>
<tr>
<td>Family Pressure</td>
<td>What were Family or financial pressures to hold a traditional job? -- Select --</td>
</tr>
<tr>
<td>Social Connections</td>
<td>Are you an outgoing person with many connections? Estimate number of LinkedIn, VK or FB connections? -- Select --</td>
</tr>
<tr>
<td>Preferred Role</td>
<td>-- Select --</td>
</tr>
<tr>
<td>Luck</td>
<td>Do you consider yourself a lucky gambler? -- Select --</td>
</tr>
</tbody>
</table>

Appendix 2: Aggregated Survey Results

Link to Singapore SME Questionnaire Answers

Appendix 3: Government Links
Appendixes

- Ministry of Communications & Information Technology
- E-Commerce Hotbed
- Infocommunication Development Authority of Singapore
- Infocomm Industry Database
- Singapore Computer Emergency Task Force
- Singapore ONE Network
- Ministry of Finance
- Board of Commissioners of Currency
- Inland Revenue Authority of Singapore
- Monetary Authority of Singapore
- Ministry of Trade & Industry
- Economic Development Board
- Firefly Human Resources
- National Science & Technology Board
- Productivity & Standards Board
- Trade Development Board
- Department of Statistics, Singapore
- Singapore Exchange

Government-Linked Companies

- Temasek Holdings
- Port of Singapore Authority
- SembCorp Marine
- Neptune Orient Lines
- CapitaLand
- Singapore Telecoms
- MediaCorp
- Development Bank of Singapore
- Singapore Power
- Chartered Semiconductor
- Singapore Technologies Engineering
- Singapore Mass Rapid Transit
- Government Investment Corporation
- National Trades Union Congress
- Fairprice Co-ops
- NTUC Income
Appendix 4: Russian Organisations and Communities in Singapore

- Russian Embassy in Singapore – Official website of the Embassy of the Russian Federation in the Republic of Singapore (in English/Russian)
- Embassy of Singapore in Moscow
- Russian Business Council Singapore
- Russia Beyond The Headlines ASIA

Forums

- Russia-Singapore Business Forum
- ASEAN-Russia Conference

LinkedIn Groups:

- Singapore-Russia Venture, High Tech Innovations
- Singapore-Russia Co-Founders and Start Ups
- Russian professionals in Singapore
- Russian Women Professionals in Singapore
- Global Singapore Associates Pte. Ltd
- LION Open Network ASIA India China Singapore Hong Kong Malaysia Indonesia Pakistan Russia

Facebook

- The Singapore-Russia Connection
- Embassy of Russia in Singapore
- Global Singapore Associates - Business and Tourist Visas
- Russian Singapore Business Council
- Russia Singapore Business Forum LO Team

Other Links

- Russian Club in Singapore - Forum of non-profit organization - Russian Club in Singapore
- Russian Singapore Meet up Group (Singapore)
- Russian language and business opportunities
- InterNations - the Community for Expatriates and Global Minds
- Russian Singapore magazine - a glossy, Russian-language magazine about Singapore for Russian visitors and expats
Appendixes

- Russian Asia magazine - another Russian-language glossy magazine by the same publisher with a wider focus on Asia
- 103d Meridian East Magazine - Singapore's first magazine on business, culture and lifestyle of Russia and Singapore (in English/Russian)
- Nash Dom Singapore - Forum of Russian-speaking community in Singapore - Our Home is Singapore
- Buyan - Russian restaurant in Singapore
- Rasputin - Russian Bar and Restaurant

Appendix 5. List of references

i Doing Business 2013 data
ii Bilateral Collaborations between Singapore and Russia
iv Survivorship_bias
vi Key Small Business Success Factors
x ASA Business Valuation Standards - American Society of Appraisers
xii Asking questions: the definitive guide to questionnaire design—for market research, political polls, and social and health questionnaires / Norman M. Bradburn, Brian Wansink, Seymour Sudman.—Rev. ed. ISBN 0-7879-7088-3 2004 by John Wiley & Sons
xiii Techniques for Preventing Response Bias
xiv Question Wording
xv 28 Measures of Locus of Control, Rita Halpert and Russ Hill, ISBN 978-0-9833464-3-2 WILL TO POWER PRESS, Beach Haven, NJ

http://www.youtube.com/watch?v=DRL4PF2u9XA


BizFile, The Accounting & Corporate Regulatory Authority

Predators and Prey: A New Ecology of Competition, James F. Moore

The Five Competitive Forces That Shape Strategy. Michael E. Porter

2013 Index of Economic Freedom

Ministry Of Finance - FAQs


Performance Indicators

Government Enhances Support for SMEs to Achieve Quality Growth

EnterpriseOne – Starting a business

Bizfile - ACRA's one-stop business services portal

SPRING Singapore

iN2015 Masterplan

2013 Budget Measures for SMEs

The Strategic Economic Plan: Towards a Developed Nation

Map of Money in Singapore

Singapore Budget - Overview of Tax Changes

When Cultures Collide: Managing Successfully Across Cultures, Richard D. Lewis . 2000. 3rd Ed.


Understanding and Managing Cultural Differences


Hofstede, Geert, Cultures and Organisations: Software of the Mind, 1997
“Hofstede’s consequences: The impact of his work on consulting and business practices” An Executive Commentary by John W. Bing

Tharman Shanmugaratnam At The 8th Russia-Singapore Business Forum

IE Singapore and SBF lead joint business mission to explore rising opportunities in Russia


Russia courting Singapore for closer business ties

St. Petersburg to cooperate with Singapore

Vladivostok: a year on after the APEC summit

S’pore becoming gateway to region for Russian firms

2013 APEC Small and Medium Enterprises Ministerial Meeting

ASEAN-Russia Dialogue Relations

ASEAN SG: Russia is an Important Partner to ASEAN

Gazprom Singapore aims to double revenue by 2015

Pharmstandard Sees Bever Deal, OTC Spinoff Complete by Year End

Emerging economies will remain main contributor to global growth:

Tharman

Lecture “The Innovation Implementation Experience- A Perspective from the Silicon Valley”, July 23rd 2013, SMU, Dr. Vincent Yip

Singapore company inks landmark infoComm MOU with Russian state

Social Analytics (SA) for Business Enterprises Call-for-Collaboration (CFC)

Collaboration and Initiatives