CONNECT

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Addressing Industry Needs

- Asian Economic Community
- Keeping your Talents Motivated
- Creating Value Versus Adding Value

Dear Fellow Members

2015 was a year littered with reports on the manufacturing industry's decline – e.g. rising costs, the global economic slowdown, manpower crunch, and many manufacturing companies grappling to stay afloat. As such, this issue of CONNECT runs on the theme 'Addressing Industry Needs'.

A common difficulty Singapore businesses face today is the size of the local market being too small for their business needs. One way to overcome this challenge is to leverage on the recent formal establishment of the ASEAN Economic Community (AEC) on 31 December 2015. A special feature article in this issue will discuss some of the benefits that AEC can bring to our local businesses.

With globalisation, SMEs that typically hold the role of the middlemen, are fast finding their roles being marginalised. To address this, SMF has launched a Business Model Innovation (BMI) masterclass, a programme to assist companies in reviewing their business models to retain competitiveness. In addition, we have also organised a CEO dialogue session on the topic of value creation for businesses.

To address manpower and productivity issues, SMF has also been appointed by WDA to assist businesses to benefit from the newly introduced Lean Enterprise Development (LED) Scheme. I am also happy to announce that we have developed a Lean Enterprise Accelerated Programme (LEAP) aimed at improving the daily operations of businesses.

In this new year, SMF will continue to represent the interest of the manufacturing industry and to aid in its transformation. I believe that 2016 will be an exciting year for both SMF and our members. With our many programmes in the works, we have also included a calendar of events in this issue featuring several upcoming SMF-held events. I hope you will find this calendar useful in planning your future business activities and development.

Thank you, and I wish all a prosperous 2016.

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CONTENTS

VISITORS TO SMF

Visitors to SMF 04

SPECIAL FEATURE

A Look into ASEAN Economic Community 05

NEWS AND UPDATE

SMF Cares: Spreading the Holiday Cheer

SMF Quarterly Networking Session 08

Tapping on China's E-Commerce Market 10

GLOBAL CONNECTIONS

Doing Business in Batam: Batamindo Shipping and Warehousing 11

SMF Collaborates with Indonesia's Biggest Conglomerate 12

Overseas Trade Shows 13

Local Trade Shows 15

INDUSTRY FOCUS

Dialogue session with Minister Iswaran 17

Forging a Culture of Safety in Workplaces 18

Cloud Computing and Big Data Seminar

New Industry Knowledge Series for Medical Technology Sector 19

CENTRES OF EXCELLENCE

A Case Study on Excel Hardware Pte Ltd 21

Launching Business Model Innovation Masterclass 22

Creating Value VS Adding Value 23

Lean Enterprise Accelerated Programme 24

Taking the Next Leap in Food Standards 25

How Employers Ensure Their TalentsStay Motivated 27

Augmenting Global Traceability 28

Enhancing Businesses through E-Commerce 29

SMF CALENDAR OF EVENT

SMF Calendar Of Events 30

NETWORKING

SMF Membership Benefits

Singapore Manufacturing Federation Certificate of Origin 31

Facilities Rental

SMF Welcomes You! 32

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**Information is correct as of Oct 2015.*

Visitors to SMF

15 September 2015
Ms Margaret Hanson (centre), Minister Counsellor, Commercial Service of the Embassy of the United States, was warmly welcomed by Mr Douglas Foo (third from right), SMF President, and Dr Ahmad Magad (second from right), SMF Vice President and Co-Chairman of SMF Global Business Groups Americas Regional Business Group

22 October 2015
SMF welcomed His Excellency Faiyaz Koya (left), Fiji Minister for Industry, Trade and Tourism

28 October 2015
Mr Patrick Chang (first row, second from left), SMF Vice President and Chairman of SMF Global Business Groups, received the South Korean delegation led by Mr Choe Gye Hwan (first row, centre), Director of Jeollabuk-do Investment Promotion Division of Province of Jeollabuk-do

20 November 2015
Visit to SMF by delegation from Huangshi City, Hubei Province, China. Mr Simon Li, SMF Vice President and Co-Chairman of SMF Global Business Groups China and North East Asia Regional Business Group, greeted delegation leader Mr Hu Yong Zheng from Huangshi City Chamber of Industry and Commerce

A Look into ASEAN Economic Community

On 31 December 2015, ASEAN reached its historical milestone with the launch of the ASEAN Economic Community (AEC). It marked the coming together of the 10 ASEAN member nations –Singapore, Cambodia, Brunei, Darussalam, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Thailand, Vietnam – to realise the idea of a single regional market and production base, supported by free flow of goods, services, investment, capital, and skilled labour among ASEAN nations. According to the AEC blueprint, it also envisions a competitive economic region, a region of equitable economic development, and a region that is fully integrated into the global economy.

The ASEAN Secretariat has published a comprehensive ASEAN Integration Report 2015, which details the progress and impacts of the measures undertaken by ASEAN countries towards the formation of the AEC Blueprint since its adoption in 2007. The report features a detailed outline of the four pillars that support the AEC and also comprises an assessment of ASEAN economic integration efforts, including both achievements and challenges.

Businesses seeking regional economic integration to weather the challenging global economic conditions will find the report particularly useful. Through tariff elimination, companies will be able to access larger markets and expand regionally more easily, and SMEs looking for opportunities in the region will be better placed to do so.

The following is an extract taken from the ASEAN Integration Report (AIR) 2015. A full version may be found on the ASEAN Secretariat News section in http://www.asean.org/

To allow ASEAN to compete meaningfully in the global arena, the creation of a single market and production base requires competitive regulatory frameworks and the necessary infrastructure in place. There have been considerable achievements under the second pillar of the AEC, particularly in the creation of a competitive, connected economic region. Highlights for land transport include the construction of 'missing links' and upgraded roads under the ASEAN Highway Network. As for maritime co-operation, the adoption of the Roadmap towards an Integrated and Competitive Maritime Transport in ASEAN sets a framework for progressive development of integrated ASEAN ports and shipping sectors. On aviation, the implementation of the ASEAN open skies policy as part of the ASEAN Single Aviation Market aims at providing competitive space for expansion and opportunities for regional air travel.

Further efforts are required to bring the regulatory frameworks on transport facilitation to their full implementation. To further enhance an integrated, efficient and competitive transport system, initiatives on transport facilitation have been established to simplify and harmonise international transport procedures, reducing time and costs of logistics involved in transporting cargo and passengers. There are three specific initiatives under transport facilitation, namely: (i) the ASEAN Framework Agreement on the ASEAN Facilitation of Goods in Transit (AFAFGIT); (ii) the ASEAN Framework Agreement on the Facilitation of the Inter-State Transport (AFAFIST); and (iii) the ASEAN Framework Agreement on Multimodal Transport (AFAMT). Among the major highlights under AFAFGIT, the ASEAN Customs Transit System (ACTS) pilot project in Malaysia, Singapore and Thailand which will commence in 2016 and will facilitate customs and transport procedures between countries to reduce delays in transiting and/or delivery of goods across borders. As of mid-2015, four protocols under the AFAFGIT have been signed but have not been ratified by all AMS, while Protocol 2 remains to be signed. The AFAFIST has been ratified by, and is in force among, Cambodia, Lao PDR, the Philippines, Thailand and Viet Nam and aims to increase the efficiency of inter-state transport. Finally, the AFAMT has been ratified and is in force in Cambodia, Myanmar, the Philippines, Thailand and Viet Nam. The AFAMT aims to facilitate the development and operationalisation of efficient multimodal transport services.

Energy co-operation has an important role in supporting regional economic growth and security. Guided by the ASEAN Plan of Action for Energy Co-operation, six out of 16 power interconnection projects for the ASEAN Power Grid have been implemented, with an additional six scheduled for completion in 2017, aiming for a regional renewable energy target of 15% in total installed capacity by 2015, as well as promoting development of R&D for renewable and alternative energy initiatives. 15. Considerable progress has been made in the areas of competition policy, consumer protection and intellectual property rights, while business-enabling regulatory frameworks in the region are being strengthened. To date, eight AMS have put in place competition law, and all but one AMS also have consumer protection law in place. Achievements under consumer protection include the establishment of an ASEAN Consumer Portal as well as the development of a strategic ASEAN Action Plan on Consumer Protection to develop a higher common level of consumer empowerment and protection. In this regard, a greater level of consumer confidence is being achieved within the AEC and in cross-border commercial transactions. As to the area of intellectual property rights,

a major highlight is the establishment of the ASEAN TMView, an online platform that provides users with a practical tool to obtain data on trademarks. Currently, there are comprehensive competition laws and competition authorities in place in Indonesia, Malaysia, Singapore and Thailand, while other AMS are in the process of drafting and implementing competition-related laws.

Pursuit of equitable economic development, the third pillar of the AEC, is undertaken through the Initiative for ASEAN Integration (IAI) for newer AMS, while focusing also on small and medium enterprises (SMEs) development. Varying levels of development and capacity among and within the AMS need to be taken into consideration in ASEAN's economic integration agenda. In this respect, the IAI was launched in 2001 to narrow this divide through a framework of regional cooperation.

The Hanoi Declaration on Narrowing the Development Gap for Closer ASEAN Integration followed this approach. In 2011, the ASEAN Framework for Equitable Economic Development was endorsed by AMS to provide guiding principles for inclusive and sustainable growth for all sectoral and ministerial bodies under the AEC. These initiatives, along with 285 projects and activities amounting to US$20.3 million implemented under the second IAI Work Plan, have contributed to assisting the CLMV in building general capacity to participate in the integration process in a more significant manner. More, however, needs to be done, particularly in reviewing and clearly defining the goals and objectives to be achieved in narrowing the development gap in the region.

Riding on the AEC Wave

– A Dialogue with Douglas Foo

What will the AEC mean for our local enterprises? How can they leverage on this initiative to drive their businesses to the next level? On the flip side, what are some of the potential challenges they may encounter? SMF's editorial team had a chat with Mr Douglas Foo, SMF President, who also sits on board the ASEAN Business Advisory Council, to discuss AEC in the context of Singapore.

As AEC is a milestone in economic integration in ASEAN, drawing on your insights as President of SMF and member of the ASEAN Business Advisory Council, what does this mean for Singapore businesses, SMEs in particular?

Well, the market in Singapore has always been an open economy and businesses can come in to set up and compete with local organisations. With AEC coming together as 10 different countries with free flow of goods and services, there are two ways to look at this – one, the competition will be more keen, and the other way to see this is there are really more opportunities right now because you are reaching out to the entire ASEAN market of about 700 million, with one of the fastest growing middle income range.

Enterprises have to be very open and nimble and go on collaborative mode. For example, if you are a local manufacturer in need of labour, you don't need to set up a factory in, say, Indonesia itself. You can always work with an enterprise in Indonesia where they can provide you with the labour. So, enterprises that are able to collaborate quickly, to be able to create that business model that is useful in the whole AEC context will be the frontrunners.

Are you talking about companies in general? How about the smaller ones?

Companies in general, especially the smaller ones – all the more they should collaborate. If they don't do that, they will not have the capacity to set up their businesses overseas. They must remodel their business such that the value add from Singapore is still relevant and they are able to utilise other countries' resources and production base to complete their manufacturing process.

You said that the AEC will present more opportunities for businesses, but more challenges come with more opportunities isn't it?

For sure it is not going to be walk in the park for business owners. It is going to be challenging because you are going to encounter a lot of relations that you have to build, so the earlier you start building those relations, the better off you are.

The rest of the 10 countries' enterprises are also looking to grow. They are also looking for their place in the global market. Enterprises that are based in Singapore will have the challenge of high cost of real estate and labour, and therefore cannot compete in certain segments. These businesses will be better off collaborating with other countries' enterprises that are strong in those segments.

As the founder of the Sakae Group, do you have any intentions of riding on the AEC wave?

For Sakae, we've always wanted to build a global brand – think sushi, think Sakae. So definitely, all the ASEAN economies are of interest to us. All along we have been thinking of expanding into these markets, so this AEC will make it a bit easier with the harmonisation of various markets. I don't think companies are going to think 'oh because of AEC we are going to embark onto the ASEAN footprint'. I think while many countries are embarking on the footprint, the work that is being done is to create an 'ASEAN talk' – people talking about ASEAN as a community, as an economic community, and ASEAN being a platform for enterprises to start, grow and to be vibrant.

Do you think companies will be very excited about this initiative or do you foresee any resistance to it?

I must emphasise that AEC is a journey – while it is a kind of milestone that we have arrived at, it is just a beginning of a much longer collaborative journey within the ASEAN region. ASEAN started in 1967 with 5 countries coming together with a common purpose. It has come a long way since then and the highlight in 2015 was the signing of the KL declaration for the ASEAN community and that actually signifies a start, a movement. So it is a journey in progress. There will be challenges because the 10 different countries are of various backgrounds, cultures, and of different stages of development. But that is where the excitement comes in because some have already gone through the development phase, some are still going through that, some are about to embark on that. Because of these differences, there will be a lot of sharing and learning where enterprises can help each other and maybe shorten the whole process, and have a more collaborative approach to how the ASEAN economic community can be built upon.

A final question – do you have any advice for SMEs in moving towards this initiative?

I think SMEs should take this positively with a very open mind, and really put an effort to build relations with enterprises in the ASEAN countries for future collaborations. The earlier and faster you start building these relations, the faster you get to create something together. There is no fixed methodology – it is about coming together and learning about each other, and recognising areas where there are gaps in enterprises that we can plug.

SMF Cares: Spreading the Holiday Cheer

There was plenty of holiday spirit going around at Dover Park Hospice on 18 December 2015. As part its efforts to give back to the society, SMF's Metal, Machinery and Engineering Industry Group (MME IG) organised a visit to Dover Park Hospice to bring in some festive cheer for the staff, patients and their family members.

The event was built on the support of the MME IG Chairman, Mr James Wong, and was attended by several MME IG members and SMF secretariat. Over 100 Dover Park Hospice staff, patients and their family members were treated to a sumptuous buffet spread and an entertaining Christmas caroling performance. To further the spirit of giving, MME IG also prepared goodie bags for the patients as well as the staff and volunteers, who are the unsung heroes of Dover Park Hospice. Generously sponsored by SMF members, the goodie bags went a long way towards putting a smile on the patients' faces.

Dover Park Hospice is a non-profit organisation that provides palliative care for terminal patients. This is the third consecutive year that SMF MME IG has organised such a visit to Dover Park Hospice. The inception of the community effort by MME IG was made by Mr John Kong, SMF Council Member, who also attended to this year's event.

Spreading the holiday cheer at Dover Park Hospice

"Palliative care is not something that many are aware of. It is important to raise awareness towards this area in view of the aging population, with many elderly getting sick and requiring different forms of medical and health care. It was heart-warming to see members from not just MME IG, but also other industry groups, generously come forward for this good cause. I'm also thankful for the committee members, who are very supportive; some even brought their family members along. It is my wish that this effort will continue," said Mr Kong, who has shown unwavering commitment to the initiative throughout the years..

To find out about being a part of MME IG's community efforts, please contact
Ms Regina Lim *at* **regina.lim@smfederation.org.sg**

SMF Networking Session

Starting the business year on the right foot were some 100 SMF member representatives present at the networking session on 8 January 2016. The session marked the first of the series of quarterly networking sessions of the year, and it was a timely opportunity for members to not only establish new business contacts, but also to network with existing business partners.

SMF members were treated to drink and local delights as well

"One of SMF's strengths lies in our diversity, our ten industry groups and a wide network of partners and contacts. Members can use these networking sessions as good platforms to generate synergy amongst different industries and collaborate with one another," said Mr Adam Hamid, Chairman of SMF's membership function committee.

Said SMF member, Mr Stanley Cher, Marketing and Regional Manager of Almarc Engineering Pte Ltd: "while I do not expect every session to churn out good business leads, such event is still a good way to exchange information from all the different sectors."

Mr Raymond Wee, Managing Director of Sales Trade Corporation, gained business insights that were valuable for his business needs. "I face problems with setting up our office overseas; I've just met someone with an office in Malaysia so I've managed to get some tips and ideas on how to do so," he said. "I think we should have more of such events, – I will definitely be back for more," he continued.

The session also featured a presentation on e-commerce by Mr Philip Wong from Parade Consulting, whereby topics pertaining to taking a business online and the impact of e-commerce in today's business landscape were covered.

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Tapping on China's E-Commerce Market

Over 80 participants from across industries attended the seminar

The Industrial and Commercial Bank of China (ICBC) Singapore, held a seminar in conjunction with SMF on 12 October 2015, to help Singaporean companies explore potential business opportunities in the Chinese e-commerce market via ICBC's cross-border e-commerce platform – "ICBC E-Mall".

The ICBC E-Mall is a virtual mall that provides an assortment of services such as online payment, financing, online goods trading, information matching, as well as financial value-added services. It was launched in China in January 2014 with great success, garnering more than one million sign-ups within the first month and has since evolved into an integrated e-commerce platform that covers a wide scope of commercial activities that are B2C, B2B and even B2G in nature.

Building on this success, ICBC's E-Mall Singapore access portal was launched to connect local enterprises with consumers in China. The E-mall will offer end-to-end e-commerce solutions that allow retailers to penetrate China's booming e-commerce market, which currently has more than 400 million users.

The session was one of ICBC's first outreach activities to local firms. Representatives from more than 80 SMF member companies, including Hock Seng Food, Litat Import & Export, and Lynk Biotechnologies, attended the seminar. After the introduction to ICBC E-Mall and its benefits, there was also a lively Q&A session during which participants eagerly sought for more information on the e-commerce platform.

Dragon Brand Bird's Nest was among the pioneer batch of companies that joined the ICBC E-Mall after the seminar. "We are pleased to be the first local company to join the ICBC E-Mall platform, given its established reputation among Chinese consumers. As one of Singapore's first bird's nest companies, this is an exciting opportunity for us to expand our global business outreach, and to explore the vast Chinese e-commerce market and its incredible potential," said Mr Allan Tan, Managing Director of Dragon Brand Bird's Nest.

"SMF has been a valued partner and an important source of support for ICBC Singapore, especially during the launch of our cross-border e-commerce platform, ICBC E-Mall. As China's largest bank and Singapore's sole RMB clearing bank, ICBC is constantly exploring meaningful opportunities to contribute to Singapore-China trade and economic relations. We look forward to working more closely with the SMF and its members in the coming year, as we continue to promote the economic growth and development of both countries with our knowledge and expertise in the financial services sector," said Mr Zhang Weiwu, General Manager at ICBC Singapore.

"It is a meaningful event as e-commerce is a thriving market. E-commerce is a viable option for companies to pursue in order to cut some of their cost constraints, such as real estate and labour costs. I would like to thank ICBC for proactively approaching SMF to promote the E-Mall platform that would benefit local businesses," said SMF Secretary-General Mr Lam Joon Khoi.

As an online mall, ICBC E-Mall provides merchants with a free platform through its dual capabilities of e-commerce and financing, which gives it a competitive edge compared to other e-commerce platforms that require yearly fees or transaction fees of up to 10 percent. This feature benefits both merchants and consumers, by allowing merchants to cut down on operational and marketing costs, and relieving consumers of price mark-ups associated with such costs.

The Q&A session saw a flood of queries from interested participants

Doing Business in Batam: Batamindo Shipping and Warehousing

With more than 25 years of operating experience in the industry, Batamindo Shipping and Warehousing Pte Ltd (BSW) is a leading logistics provider in the region. Backed by strong stakeholders such as Sembcorp Parks Management and CWT Limited, the company was set up to support the manufacturers of the Batamindo Industrial Park in Batam, Indonesia. Since then, BWS has grown from strength to strength, providing seamless logistics connectivity and one-stop services that facilitate customers' experience in Batam.

Despite its numerous achievements, including launching a 2,400 sqm logistics hub in Batam, the journey of its Batam office, as described by Mr Thomas Chee, General Manager of BSW, has not been "a smooth passage".

"When moving from one country to another, there will always be challenges. For example, language could be a problem. Differences in cultures and the education level of local labour could be problems too. And of course, there are also different government regulations to comply," he said.

Benefits of moving beyond Singapore

On moving into Batam, Mr Chee highlighted manpower as one of his considerations. "Our company is in the sector that can be labour-intensive. Automation can only get us so far, as we cannot automate a robot to open up the containers and break down the products," he quipped, "so labour is always important."

However, due to Singaporeans moving to high value jobs, it has grown increasingly difficult to find locals for labour-intensive jobs in the logistics sector. Land, too, has become a limitation for BSW. Besides these factors, Mr Chee also cited rising business costs as one of the main reasons that prompted many companies, including BSW, to expand beyond Singapore. Batam, for example, offers competitive costs of land, labour and utilities. It is also a free trade zone which lies on one of the world's busiest shipping lanes between Sumatra and Singapore.

Getting the right local talent

"The labour aspect in Batam is quite favourable," said Mr Chee. When comparing the talent pool in Singapore with the one in Batam, Mr Chee has some keen insights to share: "In terms of diploma holders and university graduates, you may find better ones in Singapore. On the other hand, the local talent pool in Batam may have something else that Singapore employees lack. These talents may be more driven and more 'street-smart', as they may have a more urgent need to feed and support their families. As an employer, you need to manage your expectations and be clear of what kind of talents you are looking for."

He also pointed out that to motivate and attract the talents, the employer must understand what the needs of their employees are. "In Indonesia, there are different groups of talents from different ethnicities. Their varying upbringing can practices will result in different characteristics. As an employer, one must know how to utilize their different characteristics for the right jobs."

Finding reliable partners critical for newly expanded businesses

With more than two decades in Batam, BSW is certainly a veteran company there. To Singapore SMEs with plans to expand their business, Mr Chee has a few nuggets of advice to share.

"No matter where you go, you would want to find somebody who knows the crowd. There are a lot of business consultants around who provide you with the economic numbers and tell you how to do your business, but companies like us are the ground people, who can provide you with the professional advice and the dos and don'ts in local context. It is critical as different areas may have different requirements to do business. For example, something you need to do in Sumatra may not be workable in Java. Hence, it is good to find and engage reliable and proven partners who really know the business environment there," concluded Mr Chee.

**Interview was conducted on 16 July 2015 with Mr Thomas Chee, who was the General Manager at BSW at the time*

SMF Collaborates with Indonesia's Biggest Conglomerate

The forum also drew the attendance of SMF Deputy President Mr Sunny Koh (seated, first row, fourth from left); SMF Honorary Secretary Mr Ryan Chioh (seated, first row, first from left), and SMF Vice President Mr Simon Li (seated, first row, second from left)

Mr Low Beng Tin, Vice President of SMF, delivered the welcome speech at the event

The Salim Group, currently well-established as Indonesia's biggest conglomerate with assets across multiple sectors, signed a Memorandum of Understanding (MOU) with SMF in October 2015 for the purpose of creating a platform to foster collaborations between businesses in Singapore and Indonesia.

One of the outcomes from this MOU is a business forum organised on 9 November 2015, to help local firms leverage on the connections with Salim Group so as to expand their businesses in Indonesia. More than 100 participants from various sectors, including food and beverage, automation, and financial and trade investment, attended the forum.

The largest economy in Southeast Asia and one of the emerging economies of the world, Indonesia has been one of the fastest-growing G20 economy, with an observed 4-6% economic growth in recent years. This, coupled with a raft of policies introduced recently to attract foreign investments, make Indonesia an ideal platform for companies looking to expand their business. Meanwhile, the Salim Group is considered as one of the key pillars to Indonesia's economy, contributing an approximately 5% of the country's GDP. Hence, the conglomerate's vast business network will prove to be a great benefit for Singapore-based companies to tap on.

The guest speakers, including representatives from Salim Group, touched on several topics of interest, such as the complementarity between Singapore and Indonesia, as well as an informative overview on Salim Group and the regional and international markets.

"I find this forum to be very helpful, as I managed to obtain many pointers on the Indonesian market. The information will come in handy when our company ventures into Indonesia in the future," said Mr Song, Business Development Manager of a local logistics SME.

A Q&A session was held towards the end of the event

Guest speakers and representatives from Salim Group, together with Mr Low and SMF Secretary-General Mr Lam Joon Khoi (right)

Overseas Trade Shows

MyanEnergy 2015

The MyanEnergy trade fair 2015 took place from 3-5 December 2015. Drawing over 8,000 exhibitors and visitors from all over the Southeast Asian region, the three day show presented a good opportunity for companies in the electrical engineering, power generation and transmission to come together and be informed on the latest products and solutions available in the market. SMF supported this by organising the Singapore pavilion, allowing a number of Singapore companies to partake in this annual trade show. SMF spoke to some of them to get an insight on their experience.

Mr U Tin Ngwe, Deputy Minister of Livestock; Fisheries and Rural Development of Republic of The Union of Myanmar (2nd from left) at their booth in the Singapore Pavilion

First up was G-TEC Asia Pte Ltd, a provider of power supply products and solutions for Asia Pacific and the Middle East market. Since their establishment in 2004, the company now boasts a team of experts in the fields of energy management, project sales and services. They were present at MyanEnergy 2015 to showcase some of their new products and solutions, which included the high efficiency three phase UPS system – an environmentally friendly, and hot swappable, scalable, modular UPS.

"We hope to leverage on this trade show to bring attention of Myanmar's local industry to our products and solutions. We are targeting industries such as the medical and healthcare industry, telecommunications, and the manufacturing industry – particularly food and beverage, and garment companies," said Mr James Tan, General Manager of G-Tec Asia Pte Ltd. They are also looking at how they may work with the data centres and server rooms. "The reception of visitors and exhibitors to our products is encouraging, and we look forward to similar shows in developing countries as it gives us a chance to showcase our solutions," he added.

SMF also spoke to Director of Apex Fire Systems Pte Ltd, Mr Richard Cheng. Coming into inception in 2006, the company is a distributor, designer, and supplier of fire protection and detection equipment. They also offer fire engineering solutions and technical design for Wet Chemical fire suppression, foam fire, gaseous fire, and more.

Mr Cheng shared one of his reasons for his company's participation in the trade fair was to look for potential long term business partners in Myanmar. He sees a great business potential for fire systems in Myanmar as their economic development has been on the rise and they have been opening their doors to foreign investment. Because offices and buildings will require reliable fire systems to protect their premises and investment, they have been seriously contemplating setting up an office in Myanmar within the next five years.

Mr Cheng (2nd from right), together with his colleagues at their booth in the Singapore Pavilion

Said Mr Cheng, "We have a dedicated team of trained Fire Engineers and reliable fire protection systems from reputable manufacturers to offer to Myanmar's open market economy. Participating in trade shows will allow us to engage in the infrastructure of a developing country like Myanmar".

Other Overseas Trade Shows

Vietnam Oil and Gas 2015 – Ho Chi Min, Vietnam; 21-23 October 2015

Defense and Security 2015 – Bangkok, Thailand; 2-5 November 2015

Medica – Düsseldorf, Germany ; 16-23 November 2015

World of Food Beijing – Beijing, China; 18-20 November 2015

For information on how to participate in such trade shows, please email ***contact@smfederation.org.sg*** *or call* ***+65 6826 3000***

Local Trade Shows

BuildTech Asia 2015 Features Latest Technologies

SMF successfully organised the Singapore Pavilion for BuildTech Asia 2015. Into its 5th edition, the three-day trade show brought together players across the building and construction industry, where business professionals could showcase, share, and learn more about the sector in the region. In the face of the current manpower crunch and increasing pressure on companies to be more innovative and productive, the exhibition presented an opportunity for companies to leverage on the latest developments of the industry in order to cope with such demands.

SMF spoke to a member company, Acme Pte Ltd, a construction equipment supplier to find out the latest product development they were featuring during the trade show. Since their establishment 30 years ago, their core business is now centered on concrete-related products, specializing in batching and mixing pumps, concrete pumps, screed pumps, amongst other equipment they offer. They were there to promote VSE500, a sand and screeding machine pump that produces and transports wet concrete mixtures.

A project in Jurong, using VSE500 to pump materials up to 10 stories high

Explained Mr Calvin Ang, Business Development Manager at Acme, it is a two in one pump, with a built in mixer and pump, and works by mixing materials (such as sand cement and water) in the machine before it will be pumped to its intended location. What is unique about this machine is that it can pump materials up to 36 stories high and underground, making it suitable for use in both high rise and underground construction projects. "Even as construction projects are approaching its final stage they will still be working without lifts as that will be built in the later stages. It is impossible to bring products up in the absence of elevators or cranes. This is how VSE500 can come in to mix and deliver materials to the exact location," said Mr Ang. Moreover, this is in line with the national movement to build a better productivity culture at workplaces. "(With the machine) we save on using an additional mixer or cranes to hoist products. Using manual labour in the past, we could only transport approximately 100 bags (of materials) a day, but with the pump we can now transport up to 400 bags", Mr Ang continued.

Mr Ang, with VSE500

Mr Chee (far left), with his staff at their booth

Furthermore, while cranes may be able to carry materials up in high rise projects, this is not possible in underground construction. Recalling how VSE500 is able to pump materials underground, it thus eliminates this difficulty. It therefore comes as no surprise that Acme Pte Ltd is targeting more underground projects having found their niche in the underground construction market.

Another member company, Richee Engineering Enterprise Pte Ltd, a supplier of building products, was exhibiting at BuildTech Asia 2015. Promoting various system formworks, such as Aluminium System Wall Formwork, and Noise Barrier Systems, Mr Richard Chee, Managing Director of the company, shared that these formworks feature lightweight materials, and with the Building and Construction Authority (BCA) encouraging the use of lightweight products, they have seen a great number of enquires on these.

This is part of the national plan to improve productivity and the BCA has come up with a grant which encourages businesses to use such solutions. Furthermore, such solutions will allow manpower to be scaled down by approximately half as the lightweight material means that far less people are required to transport materials from one place to another, thus also saving on construction time.

"There are many businesses trying to find out if there are better alternatives to what they are currently using. For example, if they are using steel or such similar materials, it is very heavy and the BCA grant has encouraged many to move to lightweight products", said Mr Chee. "Many exhibitors at this show have approached us to learn more about our products. This tradeshow is also useful as it creates awareness of our presence in the construction industry to visitors as well. We have met some of our regular customers during these three days, and it is a good opportunity to have some face to face communication and further explore future business opportunities," he continued.

Dialogue session with Minister S. Iswaran

The dialogue session was held at SMF auditorium

SMF was honored to receive Mr S Iswaran, Minister for Trade and Industry (Industry), on 29 October 2015 for a dialogue session with SMF Council Members.

"Manufacturing continues to be a core component of Singapore's economy, but it is also a sector that faces a lot of challenges," opened Minister Iswaran. He and accompanying officials from the Ministry of Trade and Industry were hence interested in hearing feedback and suggestions from SMF Council Members on how to tackle these challenges and to find ways to broaden avenues of opportunities for local companies.

During the dialogue session, Dr Michael Teng, SMF Assistant Secretary-General, gave an overview of the Federation's existing value-enhancing efforts that helps the manufacturing community to remain its robustness. These activities and initiatives are anchored on four strategic thrusts – Collaboration, Innovation, Productivity, and Talent Management (CIPT), which are essential factors for SMEs' continued survival in an increasingly competitive environment.

Council Members then took turns to present their views on the economy and the various sectors. Mr Sunny Koh, SMF Deputy President and Chairman of SMF's Food and Beverage Industry Group, also highlighted the Working-in-Partnership (WIP) Programme, which helps local food SMEs to internationalise and sell their products in overseas supermarkets in an easy and affordable way.

On the topic of internationalisation, Minister Iswaran agreed that firms must indeed embrace a regional and global view, as the domestic market is becoming too small. The question that trade associations must now answer, is what role they can play in this, and, from a Singaporean perspective, how to on one hand help local companies gain international exposure while on the other hand, make sure Singapore's value proposition is also enhanced.

The dialogue session came to a successful close after numerous insightful exchanges between Minister Iswaran and SMF Council Members. On behalf of SMF, Mr Douglas Foo, SMF President, expressed his appreciation to the Minister for this visit.

Minister Iswaran with Mr Douglas Foo, SMF President

Group photo after the dialogue session

Forging a Culture of Safety in Workplaces

As a response to reports that occupational diseases have risen in the past year, and the manufacturing sector making up a bulk of noise-induced deafness, a Workplace Safety and Health Forum was held on 28 October to address this issue.

Said Mr Birch Sio, Chairman of SMF's Heath, Safety, Security, Environment Function Committee, "With a substantial part of our day spent at work, I am sure we agree that we want our workplace to be as safe and healthy as possible for our own wellbeing, and the onus is on us all to ensure just that. We therefore have to constantly relook into our organisations' safety culture profile and implement measures to prevent the numbers from escalating any further."

Safety culture -– defined as an organisational atmosphere where safety and health is understood to be, and is accepted as, a high priority, was therefore the focal point of discussion during the forum. A CultureSAFE programme by the Workplace Safety and Health Council (WSHC), which aims to cultivate positive values, behaviours, and attitudes in every employee, was introduced during the session. Mr Edmund Low, Head of Audit Department from Concorde Associates Pte Ltd, expounded more on the programme, wherein he highlighted that participating organisations will go through a CultureSAFE cycle, during which they will be able to identify strengths and areas for improvement in their workplace safety and health culture. He also encouraged the attendees to question the level of maturity of their workplace safety culture and attempt to identify which stage they are currently at. Respect, an element in developing a safety culture, is imperative, according to Mr Low. Other elements include good leadership, fairness, and proper dissemination of information to staff. "It is an ongoing training process that requires commitment at all levels. It is an investment," said Mr Low.

The topic of noised-induced deafness was addressed later that afternoon. Prevention, as well as regulations in place to counteract the upward trend of this occurrence was reiterated with the introduction of products such as hearing protectors.

Wrapping up the forum was Mr Sio, who said "It is important that we have one safety culture that the whole organisation adopts. This is the purpose of the Workplace Safety and Health programme."

Mr Sio (centre), with his team and staff of SMF's HSSE function committee

Mr Sio delivered the opening address

Dr Ronald Fajardo, Head of Consultancy, Concord Associates Pte Ltd gave an overview of the Hearing Conservation Programme

Speaking to Mr Leong, Risk Manager of FCI Asia, on why he felt the need to attend the forum and what he took away from it, he said: "As I am in charge of the environmental health and safety, I wanted to learn about the Culture Safe funding and also see how it can be implemented at my place of work. As the Risk Manager, it is my responsibility to identify areas that poses danger to the workers and work to eliminate it. It is an issue of culture. At times people just take things for granted and safety is not their priority. They have to look out for one another. Also, if anything (untoward) happens at our workplace, it is not good for workers, not good for our company, and not good for our reputation".

Applications for WSH Awards will open soon. For more information, please contact **Mr Ferguson Loy** *at* **Ferguson.loy@smfederation.org.sg**

Cloud Computing and Big Data Seminar

Mr M. Malik, General Manager of Asia Pacific Everteam Intalio Singapore, spoke on how to accelerate business transformation using Business Process Management

SMF's Electrical, Electronics and Allied Industries Industry Group (EEAI IG) organised a seminar on Cloud Computing and Big Data cum networking session for its members. With the aim of learning about the latest trend in Cloud Computing and how to leverage on that to achieve operational excellence, some 60 participants turned up on the morning of 9 November at Microsoft Operations office.

Kick starting the first of the presentations was Mr Alfred Wu, National Technology Officer from Microsoft Office, who addressed the digital revolution of manufacturing. Introducing Industrie 4.0, he mentioned that the first three industrial revolutions came about as a result of mechanism, electricity, and IT. Now, with the introduction of Internet of Things (IoT), into the manufacturing environment is ushering a fourth industrial revolution. "We are now on the brink of exponential change," he said, urging participants to consider their readiness for this, and how they will build new capabilities required to maintain or even excel in the digital revolution.

Dr Tao Yao Sing, Assistant Director of the National Cloud Computing Office, Infocomm Development Authority (IDA) then covered the issue of cloud security, stating that it is the top cause of concern amongst businesses and IT professionals. From there, he spoke on how to tackle this concern using a holistic approach that includes developing cloud security standards and guidelines in Singapore, and creating an awareness to educate both supplier and consumer on cloud services.

The speakers actively interacted with the participants during the panel discussion

Wrapping up the session, Dr Anton Ravindran, SMF Vice Chairman of EEAI IG, and President of Global Science and Technology Forum, said: "cloud computing is to make everybody's life easier – everyone of us is in the cloud; we are all backed up in iCloud, including users of smart devices. In short, today's cloud computing is a vision of having an infinite amount of processing power. It is about consume processes as and when you need, and pay only when you need, making things much easier".

New Industry Knowledge Series for Medical Technology Sector

The Medical Technology Industry Group (MTIG) under SMF will launch a new series of knowledge seminars in January 2016 for the local medical technology sector.

Titled the SMF MedTech Industry Development Seminar (MINDS) Series, it aims to equip the local workforce with latest industry knowledge for higher value jobs with increased productivity. The series is also part of SMF's ongoing efforts to help industries address challenges and create value amid intensifying regional competition and the ongoing economic restructuring.

Supported by the Singapore Workforce Development Agency (WDA), SMF MINDS will equip Med-Tech companies with critical and much-needed skills across the medical device product life-cycle from product development to distribution. The series is relevant for both SMEs and non-SMEs, and is targeted at business entrepreneurs, middle management professionals and technical specialists and other occupations.

Through SMF MINDS, companies will be empowered to develop a better skilled workforce to conceptualise and introduce innovative medical devices and enhance their competitiveness in both regional and international markets. The seminar series featured a strong pipeline of speakers from overseas and local industry experts, such as design control in medical device product development, quality management system ISO13485, Singapore product registration know-how 101 as well as product distribution and business strategy.

"The seminar series will help boost the growth and competitiveness of our local enterprises in the MedTech industry. With the support of WDA, we envisage more such seminars will come to fruition to bridge the gap between technological advancement and existing industry practices, and to help companies raise their productivity levels," said Mr Albert Lee, Chairman of SMF Medical Technology Industry Group (MTIG).

Mr Ang Chai Soon, Director, Manufacturing Division, WDA, said: "MedTech is a fast growing and rapidly evolving sector. There is a need to ensure that the local workforce has the relevant skills to meet the sector's ever-changing needs. Through the SMF MedTech Industry Development Seminar Series, WDA will work closely with SMF to help companies obtain insights from industry experts on the latest developments and best practices for the MedTech sector. We will also continue to work closely with employers, trade associations, unions, and other key stakeholders to introduce more skills upgrading initiatives to address the sector's current and future manpower needs."

For more information on the upcoming MINDS series, please contact **Ms Cherie Ong** at **cherie.ong@smfederation.org.sg**

A Case Study on Excel Hardware Pte Ltd

Starting in 1998 with only two people at the helm, Excel Hardware Pte Ltd, a wholesale distributor of furniture hardware for commercial and residential use, has since come a long way with its current staff strength standing at 70 and with 5 offices littered over Asia. In the process of developing the business and managing it, certainly various processes or practices have to be altered. SMF's editorial team sat down with Mr Kaden Choa, Excel Hardware's Marketing Director, for a chat on how SMF has contributed in easing some of his company's challenges in their business expansion.

"We are very lucky to have assistance from SME Centre@SMF", said Mr Choa. Having worked with SME Centre's officers since he first joined the company seven years ago, he shared that the most valuable take-away from this partnership is the close relationship he has forged with the officers. Naming Mr Raymond Wong as someone he has worked with closely, he said, "There is this relationship of understanding where he knows my business needs. For example, when my business was expanding, he recommended certain assistance plans. He also introduced the ICV voucher to me, something that will not cost a bomb, yet will increase the rate of productivity for my business. Even now, he regularly introduces programmes or schemes he thinks will be helpful to my company."

The Innovation and Capability Voucher (ICV) that Mr Choa refers to is a funding programme to encourage SMEs to develop their business capabilities. It offers consultancy services and supports SMEs in the adoption and implementation of simple solutions to improve business efficiency and productivity.

On improving their inventory system

Whilst expanding their business overseas, they faced the challenge of accessing overseas accounts from Singapore. When it came to invoicing, they had to issue about 120 invoices to various locations using a computerized system which required a physical server. It became extremely tedious work issuing invoices manually when the server was down, and it became clear that they needed a central system whereby access to invoices from various locations could be easily obtained. SME Centre then introduced a vendor who helped build a web-based inventory, payroll and accounting system. Now, three years on, they have not looked back since and are still using the same software. "Although this is common nowadays, four years ago it was not so. I think we must have been the first in this industry to use it," said Mr Choa. While he acknowledges that it was a hefty sum of money to build the system, the cost was defrayed by a grant that SME Centre introduced.

On improving their warehouse system

Mr Choa also shared that via an introduction to SiPi – another centre of excellence in SMF – they completed a 6-month long project to enhance their warehousing system. Initially finding themselves frequently out of warehouse space and looking to expand it, SiPi's consultants diagnosed the issue as them not having proper zoning instead of a space constraint problem. We are more familiar as to the most appropriate placement of our warehousing, but with the consultant's knowledge and expertise, they were able to advise how to prevent product wastage, and therefore improving our productivity," said Mr Choa.

When asked what sort of advice he can give to fellow companies facing similar issues, he said: "There are still a lot of traditional companies or traditional bosses who have the mindset that they know their business the best and do not require external help, whether it is in the form of schemes or grants, or advice. In a sense, there is some skepticism towards third party 'interference'. However, there are really some good officers out there who can fill you in on the best practices, and

Mr Kaden Choa has benefitted from SME Centre @ SMF's business advisory service

I am lucky that I found a good one when I first joined the company. So, source for the good one, build a good, strong relationship with him/her, and from there listen to what the officer can suggest for you to level up your business. The officer will have enough knowledge or experience to advise, but you will still have to filter these on your own. My experience with them has been really helpful, and to this day I am still working with them to explore possible areas where I can further enhance my business.

Launching Business Model Innovation Masterclass

Dr Teng, welcoming the business representatives

In this day of disruptive business models and constantly evolving technologies, businesses are fast finding it a challenge to compete on cost alone. SMEs, in particular, playing the role of middlemen and traders are being sidelined in place of such emerging trends. To top that off, rising costs, a manpower crunch, and global economic slowdown have left many companies grappling to stay afloat. Finding a strong need to get out of this fix were some companies, which embarked on a business model reworking journey with SMF on 19 November 2015.

Launched by SMF's Singapore Innovation and Productivity Institute (SiPi), the Business Model Innovation (BMI) class was developed to assist companies in relooking their business models. Through seeking innovative means to capture, create and deliver value to their customers, the session also offered insights into how to retain competitiveness in the current challenging business climate.

Kick starting the first of two phases, Dr Michael Teng, CEO of SiPi, gave examples of how BMI is already taking place, not only in manufacturing but in other industries as well, including the energy, finance, and transport industry. Case studies of businesses such as AirBnB, and Amazon were shared. While modeling their businesses after these companies will not be practical as different businesses have their unique set of challenge, Dr Teng urged them to learn how they have successfully created a niche in their industry to capture and deliver a unique service or product to the customers.

"What we are witnessing today is an explosion of business model innovation that is not only changing the rules of the game but the entire game itself," said Dr Teng. It is thus imperative that companies adapt by carefully realigning the organisation.

The importance of building a strong corporate culture struck a chord with Ms Joyce Chan, Director of Four Seasons Durians. Facing challenges such as high manpower turnover and downward trend sales, she sees the need for innovating their business model and one way is through instilling a strong company culture in the staff. "Although revenue sustains the company, we have to first establish a strong culture so that our staff will want to stay on. I have to go back and share this idea (with my business partner)," shared Ms Chan.

SiPi's consultants had a one-on-one session with companies to assist them in mapping out the niche areas of their industry and business

"We want to know what we can do as a company to progress with the rest of the world and see things in a different light, and see how we can take advantage of the changing technologies and the environment around us. This session has definitely benefited us in terms of the sharing, for example the case studies. These are not what we will normally be exposed to or even think about. It also helps us organise ourselves in terms of planning to have a clearer idea on what our plans should be in future," said Ms Almy Goh, Marketing and Research Manager, Fong Yit Kaya Pte Ltd.

The BMI masterclass consists of two phases – phase one is catered for CEOs or senior managers wherein they will be encouraged to identify the gaps in their current business model. This is then followed by the second phase where SiPi's consultants will engage key staff and draw out a roadmap with milestones, investments, areas for development, and risks involved.

Participants and Sipi consultants during the launch of the BMI masterclass

Creating Value vs Adding Value

It was a highly engaging session for participants and SiPi's consultants alike

On 20 November 2015, SiPi organised a dialogue session titled 'Creating Value versus Adding Value'. With the government emphasising value creation as one of the key strategies to Singapore's economy, it is clear that 'creating value' is now the current buzzword in the business climate. The economic slowdown that has hit many local businesses, and manufacturers' now facing rising business costs and slow productivity growth, has left business grappling for survival. Coupled with the advancement in e-commerce that has made it easier for buyers to bypass the middlemen and find their sellers directly, thus marginalising many SMEs, businesses must constantly transform to keep up with such changes and cope with these challenges.

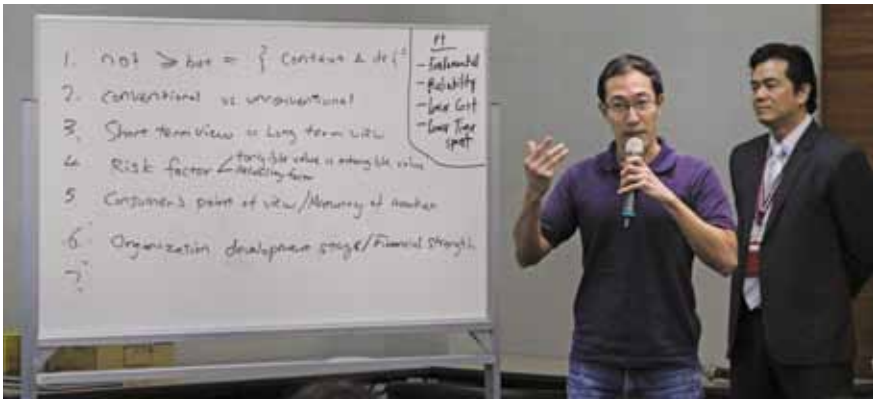
Is creating value the answer to these challenges? This set the tone for the dialogue that afternoon, where more than 80 participants from various SMEs attended the session.

Dr Michael Teng, CEO of SiPi, started out by stating the difference between 'adding value' and 'creating value'. Value adding, he said, involves taking something with a value and adding on to it for a customer. This may take the form of incentives, loyalty programmes, giveaways etc and is expected in the course of regular business. Creating value, on the other hand, goes beyond simply adding value. To effectively create value, one must first identify a unique quality and deliver this original value to the customer. The uniqueness of what is offered – whether it is an experience, product, or service – ensures an exponential growth.

There are advantages to both adding and creating value, Dr Teng emphasized. Different businesses having differing needs and at differing stages of their business growth may see value in adding or creating value and there is no fixed route a business can take. Participants were then encouraged to question whether their businesses was more suited to value creation or value adding. This was facilitated by a debate towards the end of the session where participants engaged directly with each other to discuss the positives and drawbacks of both methods.

The dialogue ended with an interactive panel discussion during which further questions on how to embark on the value creation journey were addressed. It was mentioned that one of the primary ways for businesses to start creating value is through Business Model Innovation (BMI), which is defined as an innovative way to capture, create, develop, and deliver value to the customers and market.

Participants found the dialogue to be highly engaging and interesting. Mr Wong, who works as the general manager of a local manufacturing SME, said: "The debate session provided new insights to the topic and some food for thought that I could bring back to my company. I found the dialogue to be quite informative."



A participant arguing his case during the debate session

A participant getting to know more about the BMI programme from SMF's consultants

NEW

Lean Enterprise Accelerated Programme

SMF Centre for Corporate Learning

SMF Centre for Corporate Learning (SMF CCL) has developed **LEAP (Lean Enterprise Accelerated Programme)** to improve companies' daily operations. LEAP is an effective solution to enhance productivity, specially conceived for service and manufacturing industries. LEAP curriculum is designed to support the four manpower priorities, namely: becoming more manpower lean, building a strong Singaporean core, ensuring quality workforce, and developing future readiness.

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- Introduction to Business Model Innovation (BMI) and job redesign
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- Companies can include LEAP in the Ministry of Manpower's (MOM's) pilot Lean Enterprise Development (LED) Scheme proposal

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LEAP Program Outline			Duration	Course Fee	Nett Course Fee*
Modules	Unit 1	Overview of Lean and Supporting Manpower Priority Outcomes	1 Day	$900	$90*
	Unit 2	Implement Lean Six Sigma	2 Days	$1,050	$105*
Productivity Improvement Project	Workshop 1	Project Scoping	0.5 Day	$6,000	$600*
	Workshop 2	Value Stream Mapping & Genba Analysis	0.5 Day		
	Workshop 3	Root Cause Analysis (RCA) & Improvement Plan	1 Day		
	Workshop 4	Review Improvement Results & Control Plans	1 Day		
		TOTAL	**6 Days**	**$7,950**	**$795***

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Taking the Next Leap in Food Standards

The event drew the attendance of more than 100 food industry practitioners, academia, and government agency representatives at Furama Hotel

Dr Allan Lim, Chairman of SMF-SDO's Food Standards Committee

What are the emerging trends in the food industry? How will standards help sharpen the competitive edge of a food business? How does international and regional standard harmonization impact local businesses? These were several of the many important issues raised and addressed during the annual Food Standards eXchange event organised by SMF-Standards Development Organisation (SMF-SDO) on 23 October 2015.

Panel discussion featuring the speakers

Dr Allan Lim, Chairman of the Food Standards Committee (FSC) under SMF-SDO, welcomed the participants in his opening remarks. Taking the opportunity, Dr Lim briefly introduced the participants to the number of Singapore Standards (SS) on food under the purview of FSC, such as SS 583:2013 (Guidelines on Food Safety Management for Food Service Establishments) and SS 219: 1979 (Specification for dried noodles and pasta products). He also revealed some of the upcoming outreach activities FSC is planning in 2016. The activities will focus on three key areas: sectorial-based food safety standards; regional and international food standards, and competitive advantage via food standards.

In view of the golden jubilee year, Dr Lim also cast his visions for the food industry in SG100. He said: "Will we be eating anything different in the next 50 years? Most of the food we are eating will likely still remain the same. Then what will change? In the future, more focus will be on the safety of the food we eat and its production method."

Indeed, with globalised food supply chains and reports of food safety scares, the increasing demand from consumers is not for more varieties of food, but for greater transparency in knowing how the food is made and where it comes from. This is where standards can play a major role in upholding the safety of food preparation and delivery processes. Hence, aptly titled "Food Standards eXchange: The Next Leap", the event featured a series of pertinent topics on food and nutrition standards and trends, so as to help local food companies prepare for the future and take the next leap forward. Topics of interest included "Food Industry Outlook"; "WHO Experience on Risk Assessment and Food Safety Standard Setting", and "Food and Nutrition, Asian Trends".

Participants were also treated to another interesting presentation on the harmonisation of food safety standards in ASEAN countries. Presented by the Director of the ASEAN Food and Beverage Alliance (AFBA), Dr Siti N. Abdul Malek, the topic was well-timed in anticipation to the buzz generated around the establishment of ASEAN Economic Community (AEC) in December 2015. With AEC seeking to create an integrated economy in the region, AFBA aims to support this goal by contributing to the harmonisation process. This includes the harmonisation of food safety standards across the region. In her insightful presentation, Dr Malek emphasized the importance of standards harmonisation, and what are some of the food standards in ASEAN countries.

In addition to these interesting presentations, the event also featured a panel discussion, which provided an ideal platform for the participants to further engage the speakers.

Participants were impressed with the depth of topics. One of them commended SMF-SDO's continuing efforts to promote the adoption of standards amongst local enterprises: "One way to combat the increasing competition that [local SMEs] face is to adopt standards in our operations. It will enhance our brand and also make our customers trust us more. I hope to attend more such events in the future."

How Employers Ensure Their Talents Stay Motivated

Talent attraction & retention pertaining to local SMEs

Two out of three graduates regret accepting job offers as soon as they start the new role, according to a report by CEB, an advisory firm, and one in four say they expect to leave their first employer within the year. The difficulty of finding and retaining talent often boils down to employee motivational issues, and every so often, calling HR practices into question. "Today's graduate recruitment market is stuck in a vicious circle. Graduates are struggling to wade through generic company messaging to find their way to the right job while businesses are wasting millions chasing high numbers of graduates who leave within the first year," said Eugene Burke, chief science and analytics officer at CEB. "Organisations and the recruitment industry have a simple choice – carry on with the same old practices that do not work yet expect things to change, or adopt a more intelligent model that will drive a stronger return and build a more effective brand as the graduate employer of choice."

Do employers these days understand what makes today's graduates tick? Understanding their concerns and addressing them is a step in the right direction and it has become more apparent that employers must engage best practices that enable their companies to gain competitive advantage and achieve a high performance work system. Three aspects to this can be explored - Performance Management, Employee Relations, and Training & Development.

A performance management system typically comprises the processes to identify, encourage, measure, evaluate, improve, and reward employee performance at work. Performance management can aid companies to uphold or improve performance, provide better consistency in performance appraisal, and provide high-quality feedback. Performance management also helps associate evaluations to employee development and to a merit-based compensation plan.

Employee relations involve work-related concerns and maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. The quantifiable benefits from employee relations are the amount of money companies can save from a low turnover. Employee relations have a direct contribution to reverse job dissatisfaction, hence motivating employees to be enthusiastic for their work.

Finally, training and development are often deployed by companies to harness employees' potential and to show employees of the companies' vested interest in them. Additionally, training and development can enable companies to develop potential successors to be promoted from within the company for key positions through a systematic evaluation process and training. This ensures that employees ready for promotion can be thoroughly equipped for the unknown challenges and not be overlooked.

To conclude, having good HR practices will motivate the employees, hence adding economic value to companies based on human capital and creating a high performance work system.

The SME Talent Programme aims to assist SMEs to attract and recruit talents into their workforce by matching businesses with talents from Institute of Technical Education (ITEs), Polytechnics, and Universities. These talents will get to experience industry exposure and secure career opportunities with local SMEs through internships, study sponsorships and fresh hire training, while businesses will be provided with granted a training grant coming onboard the programme, thus benefiting all parties.

SME Centre@SMF

SME Talent Programme

To find out more details on the STP, please contact the STP team at:
stp@smecentre-smf.sg or ***6826 3148***

Real or Fake: Brand Protection through Global Traceability

As the world races towards advancement and with many cities on the cusp of industrialisation, products are proliferating at a rate so swift that keeping up with them is becoming increasingly challenging. In this competitive landscape, product owners must meet the consumers' demand for quality, and this is how standards must come into play. Using GS1 standards is a proclamation that one complies with a well-accepted globally recognized standard, thus assuring the security of the product. Furthermore, GS1 standards not only allow for a unique identification of trade items, it enables transactions to be recorded, ensuring an accurate exchange of information between trading partners and facilitating a streamlined traceability process.

This is why GS1 maintains a Global Traceability Standard. A business process standard, it improves the ability to track movement of products along the stages of the supply chain and trace the history, application, and/or location of products. It serves a variety of business needs, including supporting product safety, complying with regulatory requirements and guidance on recalls, reducing business risks, and more. Supporting this is the Global Traceability Conformance (GTC) programme that has been designed to review traceability systems to ensure that companies correctly implement GS1 Standards. The intention is therefore to create a generic framework that is expected to be used by any business, industry sector, organisation, and by any country to develop specific implementation guidelines or additional requirements.

In line with this, GS1 Singapore has launched a solution app that allows consumers to authenticate and trace a product's supply source. The app, Authenticateit allows consumers to scan the barcode of a product to access detailed information –such as recall status, product ingredients, product origin from their source to the point of production – and verify its supply source and authenticity prior to purchase. This simple check provides consumers and brands complete confidence in the authenticity of each transaction, and ultimately stops the sale of illegitimate goods at the most critical point in the supply chain.

Besides brand protection, Authenticateit also helps to enhance consumer engagement through Product 360 module and data analytics. Every time consumers scan a product, they gain access to additional information tailored to that specific product. Understanding how consumers utilize this information empowers brands and provides them with the necessary tools to refine how and what product information they can provide their consumers about their products. Brand owners can therefore customise their marketing programmes to reach their target customers more effectively.

Said Mr Liew Wai Leong, CEO of GS1 Singapore, "This solution will benefit brand owners and consumers alike – consumers will be assured of the authenticity and supply traceability of the product, and brand owners can ride on this faith to build consumer trust and further boost their brand image. The solution also helps businesses better engage its customers and ties in with the advent of the digital age wherein savvy consumers are increasingly desiring readily accessible product information - made possible by the escalation of smart device ownership."

The new GS1 authenticating and traceability solution is particularly useful for brand owners and stakeholders in Retail, Healthcare, and Food industries allowing businesses to take their engagement with customers to a new level.

Codes for Apple *Codes for Android*

Scan to download the free app.

For more information, please contact
Mr Andy Siow
+65 6826 3081 *or* **andysiow@gs1.org.sg**

Enhancing Businesses through E-Commerce

Big smiles on the faces of the speakers and GS1 Singapore team at the end of the successful event

With the e-commerce industry quickly growing and challenging traditional retail landscape, more and more retailers are eager to jump onto the online shopping bandwagon. To help local companies launch their e-commerce business, GS1 Singapore, one of the Centres of Excellence under SMF, organised a seminar on 4 December 2015 for some 50 participants.

The seminar was started by Mr Andy Siow, Assistant Manager of GS1 Singapore. After highlighting the promising online market, Mr Siow proceeded to introduce the participants to the benefits of GS1 Standards and how they could better help customers find, evaluate, and purchase products online with ease. With GS1 Standards endorsed by online giants such as Alibaba and Suning.com, once used efficiently, they could become a powerful tool for companies to boost their businesses.

Aside from the informative talk on GS1 Standards, participants also enjoyed two presentations by local online solutions provider Shang Commerce and online shopping company GoBuyLah Group. Mr Clement Burghart, Senior Manager in Shang Commerce, gave a talk on e-commerce and omnichannels for businesses, highlighting the value of the omniscient customer experience. This was followed by Mr Mike Loo, CEO of GoBuyLah Group, who illuminated ways to use e-commerce to expand to regional market places.

The talks received positive feedback from the participants. Dr Khin Sandar Lynn of OZ Primitive Bioscience Pte Ltd said: "We tried to move into e-commerce a few years ago but did not succeed. This time, we would like to find out more about GS1 Standards and how they can help our products to international platforms. The presentation by Shan Commerce also provided a lot of relevant and useful information."

Leading the Retail Industry through GS1 Barcodes

Having executing barcode workshops for more than 400 participants thus far, the relevance of barcoding is becoming more apparent for the retail industry in recent years. Not only does barcoding enable a more efficient customer service and improve inventory systems, thus minimising the rate of human error, barcodes are effective in reducing costs as well, amongst other advantages

The following details the benefits of using barcodes:

Operational Efficiency

According to a case study conducted by NTUC FairPrice, item accuracy increased from 85% to 97%, order fulfilment lead time was cut from 24 hours to 15 hours, and staff productivity improved by 50% with the introduction of carton barcode, and later, by another 50% with the automated sortation system.

Manpower Savings

In the same study, it was found that there was an 83% reduction in manpower required for stocktaking, with increased accuracy. The automated sortation system allowed manpower reduction by 50 men.

Verification Advantage

Barcodes (2D) not only enables more data to be encoded on a smaller space on instruments or devices, it reduces the likelihood of errors.

With barcodes playing a vital role in supply chains, GS1 Singapore regularly conducts workshops on barcodes throughout the year. During which, participants will understand the workings of GS1 Keys and learn how to effectively use the barcode system, to avoid costly human errors. During the workshop, participants will also be briefed on the guidelines of GTINs allocation, and get a hands-on opportunity to test out the barcode verification process.

For more information on barcode workshops, please contact ***contact@gs1.org.sg***

FEBRUARY	**Chinese New Year Lo He Lunch Celebration**	***Date:*** **16 February** ***Time:*** **11am – 2pm** ***Venue:*** **SMF House**
	GS1 Singapore Seminar	***Date:*** **17 February** ***Time:*** **2pm – 5 pm** ***Venue:*** **SATO Asia Pacific Pte Ltd**
	LoHei 2016 with Mayor Dr Teo Ho Pin (organised by SME Centre@NorthWest with NW CDC)	***Date:*** **18 February** ***Venue:*** **Bukit Panjang CC**
	BeautyAsia 2016 Trade Show	***Date:*** **24-26 February** ***Venue:*** **Suntec, Singapore International Convention & Exhibition Centre**
	SMF–SDO Launch of Singapore Standards for Good distribution practice for medical devices - Requirements	***Date:*** **29 February***
MARCH	**Design Control in Product Development for Medical Device (MTIG MINDS Series)**	***Date:*** **2 – 4 March**
	Last Mile Fulfilment Asia 2016 Trade Show	***Date:*** **3 – 4 March** ***Venue:*** **Singapore EXPO**
	SMF-SiPi – Creating Value through Business Model Innovation	***Date:*** **9 March**
	SMF–SDO Launch of Singapore Standards for: **1. Prescription labelling for traditional Chinese medicine** **2. Herbs, medicine and standard concoctions nomenclature for traditional Chinese medicine**	***Date:*** **13 March***
	GS1 Singapore Food Safety Forum 2016	***Date:*** **29 March** ***Time:*** **9am – 1pm*** ***Venue:*** **SMF House***
APRIL	**SME Centre Conference 2016**	***Date:*** **1 April** ***Venue:*** **Grand Copthorne Waterfront Hotel***
	Food & Hotel Asia 2016 Trade Show	***Date:*** **12 – 15 April** ***Venue*****: Singapore Expo**
	LabIndonesia 2016 Trade Show	***Date:*** **13 – 15 April** ***Venue*****: Jakarta Convention Centre, Jakarta, Indonesia**
	Lean Enterprise Symposium 2016	***Date:*** **20 April**
	Enterprise Europe Network Singapore Centre Inauguration cum Networking Brokerage	***Date:*** **21April** ***Venue:*** **Hotel Jen Tanglin**
	Cards and Payments Asia 2016 Trade Show	***Date:*** **20 – 22 April** ***Venue:*** **Suntec, Singapore International Convention & Exhibition Centre**
	CosmoBeaute Vietnam 2016 Trade Show	***Date:*** **21 – 23 April** ***Venue:*** **Saigon Exhibition & Convention Center (SECC), Ho Chi Minh City Vietnam**
	SEMICON Southeast Asia 2016 Trade Show	***Date:*** **26 – 28 April** ***Venue:*** **Spice Arena, Penang, Malaysia**

** Subject to changes*

SMF Membership Benefits

To thank you for your support, we have sourced the following exclusive deals specially for you!

Seminars, Conferences, Workshops, Networking and Business Matching Events	Up to **50%** discount
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Trade Exhibitions & Business Missions	Savings of up to **77.5%** on trade exhibition administration fees and reimbursements of up to **50%*** for participation by eligible members under the International Marketing Assistance Programme (iMAP) from IE Singapore
Certificate of Origin	Up to **25%** discount on endorsement fees of manual CO and **37.5%** discount on electronic CO, with GST fully absorbed
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Preferential rental rate for training rooms at SMF House	Up to **20%** off rental rate
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SMF Institute of Higher Learning	Up to **10%** rebates on academic programmes
SME Centre@SMF	Receive complimentary business advisory service on understanding of the various Government Assistance Schemes and Productivity Programme for your business needs
Publications	Receive an annual Tradelink Directory with Free Company Listing on Tradelink! And a quarterly CONNECT magazine

**Subject to approval by IE Singapore*

Singapore Manufacturing Federation
Certificate of Origin

Singapore Manufacturing Federation
新加坡制造商总会

We are committed to delivering fast and quality services at a competitive rate to our customers

About Us

Singapore Manufacturing Federation is authorized by Singapore Customs, pursuant to Regulation 23 of Imports and Exports Regulations (Cap.272A, R1, 1999 ed.) to issue the following:

Certificate of Origin (CO)
Electronic Certificate of Origin (ECO)

On-Site Express Services

Endorsement of CO within 20 minutes

Photocopying Services

Typing Services for CO Form

Operating Hours

Monday to Friday
9:00am to 5:00pm

Open during lunch hours

Contact Us

Ms. Christie Chua 6826 3067
christiechua@smfederation.org.sg

Ms. Surina Chua 6826 3091
surina.chua@smfederation.org.sg

Fax: 6826 3022 Website: www.smfederation.org.sg

Online Certification

The Electronic Certificate of Origin (ECO) is also available at:

www.certoforigin.com

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Scan the QR Code for more information

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Looking for a place to host your events? Singapore Manufacturing Federation (SMF) caters to your business needs by offering the perfect facilities for seminars, conferences, and workshops.

SMF members enjoy a 20% discount!

For more information, please contact conference@smfederation.org.sg

SMF Welcomes You!

SMF is pleased to welcome the following new members* as part of our family.

1. 3D Matters Pte Ltd
2. Alpha 7 Consultancy
3. Arefcue Pte Ltd
4. Chong Ngai Engineering Pte Ltd
5. Fassler Gourment Pte Ltd
6. Golden Importers Pte Ltd
7. Iceworks Communications Pte Ltd
8. Legrand(S) Pte Ltd
9. Multistor Storage Solution Providers Pte Ltd
10. SC Soft Pte Ltd
11. Steel Storage Asia Pte Ltd
12. Sysmex Asia Pacific Pte Ltd
13. Terumo Singapore Pte Ltd
14. Wheat Baumkuchen Pte Ltd
15. YHS (Singapore) Pte Ltd

**Listed in alphabetical order and information accurate as of 31 January 2016*

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