The 3Gs for next-generation business leaders

In between rounds of golf, SME bosses learn how to grow and globalise.

Philip Yeo, chairman of SPRING Singapore, and Professor Annie Koh, dean of executive education at the Singapore Management University, had a rather public "argument" with golf. "We don't mind giving up our golf if you have something relevant to tell us," she said, repeating what some course participants said to her. "We know [the choice] is between golf and us. So, we must forgon our golf to sign up!"

This response underscores a fact that everyone — SPRING, SMU and the course participants (Singapore Inc's next generation of business leaders, perhaps?) — is aware of: that Singapore needs its SMEs to develop, thrive, generate income and provide jobs. The country's economy cannot rely solely on the investments brought in by MNCs, which can easily uproot and relocate to other countries, attracted by the very things that brought them to Singapore in the first place.

Getting into the 3Gs

SMU and SPRING Singapore recently organized the first SMU-SPRING SME Leaders Advanced Management Programme. Over a period of nine weekends, course participants were given structured training on how to run their businesses better. The curriculum included topics in strategies and management, organisation and people, as well as finance — the fundamental aspect of running a business.

Koh says the first G stands for Glow: how SMEs can compete and win in the marketplace, build their brand, generate awareness, and retain customer loyalty. They also learn how to detect the intricacies of financing and cash flow.

Next is Grow: how to formulate, develop and execute strategies that will bring them high growth, how they should keep a tight lid over costs, and how to attract and retain employees in a marketplace where "talent" is an issue for companies big and small.

Finally, there is Globalise: a stage that SMEs should aspire to attain, given the limited domestic market. SME leaders will learn how to build international markets, generate demand from overseas, manage international operations, negotiate favourable terms, and, ultimately, bring their companies public. The last involves the awareness of issues such as corporate governance — that come with being a public-listed company.

Benefits of SMU's courses

To be sure, SMU is not the only university offering such executive education courses for SME leaders. So, what does SMU hope to gain by conducting these classes for working adults? Shouldn't the university focus its resources on undergraduate education? What is SMU's motivation? "Initially, it was more to earn a bit of revenue but, later on, I realised that this was such a great experience," says Koh, in an interview with Management@Work.

The university's interaction with these entrepreneurs has opened the doorway to a wealth of local case studies that SMU can build on and use as teaching material for other courses, instead of relying on cases developed by foreign universities, based on relatively unfamiliar companies.

"We can grow our IP [intellectual property]," notes Koh. For example, Low Cheng Kee, managing director of Home-Fix, readily shared his experience of starting and growing his chain of retail shops carrying all manner of home improvement products.

Next, through the contacts built with these business owners, SMU undergraduates will thus have a wider choice of internship opportunities with these SMEs. While many students still prefer to do their internship at top-name large corporations, there is growing interest from students who are keen to experience the workings of an SME. Here, they will be exposed to a complete picture of doing business — from the initial proposals, to negotiations, to execution and delivery — instead of being limited within the silos of large corporations. There, at best, they would be only "specialists" within a single job function at this stage of their career, says Koh.

Finally, SMU professors who help facilitate this programme benefit too. "Having such courses can result in learning value for faculty members. Don't highlight this too much, in case [the course participants] want to charge us instead," quips Koh. Faculty members tend to have been trained and conditioned in traditional big business models of Western companies. "So, by exposing them to Asian SMEs, the faculty will gain a new perspective," she explains.

Fine-tuning for relevance

Based on feedback from the pioneer class, SMU is refining the curriculum to better cater to the needs of the participants for the second run of the programme in July.

For example, many of these entrepreneurs run what is essentially a family business. Thus, for the pioneer class, SMU introduced a course on family business, touching on the complexities involved and the continuity issues. What SMU found, however, was that the participants of that class did not quite need such a course.

So, for the second class, says Koh, SMU plans to add new topics like Internationalisation and Media Strategies — how to respond to and interact with the media — as well as International Operations and Negotiations, to provide them with the foundation for tackling the complexities of running businesses overseas, as growing beyond the limited domestic market is not a luxury but a necessity.

Koh dismisses suggestions that these entrepreneurs sign up for such courses only because their businesses are not doing well. If they were already growing their businesses well, why would they need to invest time and money by sitting in a classroom and listening to academics who probably have less real-life business experience than they do?

For Koh, the answer is simple. "They want to do even better. These entrepreneurs never rest. Their minds go tick-tick-tick-tick-tick. They are always looking for opportunities and they are like walking salesmen. They have the energy and the drive."

They are also on the move, learning how to bring the whole team together. "I am ready for change but most of my staff have been here since the company's inception. The challenge is for the old and new to get and work together as a team," says course participant Haryati Borhan, managing director of Summit Plastics, a chemicals fertiliser trader.

And, of course, there is the mutual-learning and networking element that is so essential for these entrepreneurs. "We traded so many ideas and I met so many energetic and creative people. I now feel like I can do so much more for the company," says Valerie Tan, managing director of car trader Pinnacle International (see accompanying stories).

On SMU's part, this programme is very likely to be just the start of many new ideas and activities. For example, when the number of alumni from the programme is sizeable enough, a so-called SMU-SME Fellow grouping might be formed to allow them to gather for topical discussions and seminars on issues like coping with inflation, currencies movements or rising business costs, says Koh.

"Leadership needs to be honed, and we think we are doing something right," she says. — With additional reporting by Kung Wai Kuen