

UOB-SMU institute to serve needs of SMEs

It will equip SMEs with information they need to expand regionally

By **ZEINAB YUSUF SAIWALLA**

LOCAL enterprises looking for additional skills and expertise to grow and thrive domestically and regionally can now turn to a new institute launched by United Overseas Bank and the Singapore Management University.

Called the UOB-SMU Asian Enterprise Institute, it is hailed as Asia's first institute set up specifically to serve the needs of small and medium enterprises (SMEs).

The institute builds on a seven-year partnership between UOB and SMU.

"A core focus of the institute will be to equip SMEs with the information they need to deliver upon their regional expansion ambitions. The institute will also give them access to expertise to address challenges such as business planning, productivity issues and employee development, often seen as barriers to growth," UOB and SMU said in a joint announcement.

UOB has donated \$3 million to the new institute and an additional \$2 million has been pledged by UOB's business banking, commercial banking and corporate banking customers.

A matching grant from the Ministry of Education will bring the total donation to \$10 million.

"We donated the money

because we have a long and steep history with SMEs and it is true that if the SMEs are performing well, the bank performs well too," said Eric Tham, managing director and head, group commercial banking, UOB.

According to a survey conducted by UOB in December last year, more than a third of businesses had plans to expand into other Asian countries this year, hence the timeliness of this development.

"The institute also plays an important role in the development and contribution of young talent by enabling them to experience the realities of business sooner," said Wee Ee Cheong, deputy chairman and group chief executive officer of UOB Group.

"Our ambition is for the institute to become the centre of excellence and learning for SMEs in Asia."

Not only will the institute provide business consulting for SMEs, it will also conduct Asia's first biannual business intelligence survey. This will provide SMEs with in-depth commentary and analysis of the global and Asian economic outlook of SMEs in the region; expansion strategies of SMEs in Asia; and insight into the reality and opportunities found when SMEs venture beyond their home countries.

A third focus of the institute is creating knowledge by launching an online resource centre for SMEs to exchange ideas and to equip them with the right knowledge and tools for

productivity enhancement and regional expansion.

The interactive portal will be launched next year.

The partners set up the UOB-SMU Entrepreneurship Alliance, the forerunner of the new institute, in 2005. More than 560 senior-year SMU students have provided consultancy services to over 170 companies.

The students provided consultation on projects relating to marketing, branding, human resource, operations management, customer satisfaction and business expansion.

One such SME, Dynaforce, a supplier of fitness and wellness products and services in South-east Asia, implemented the recommendation to relocate an inter-generational fitness club from Hougang to Dakota.

The students spent 10-12 weeks working on the project and took into consideration traffic conditions, user demand and the demographic of Dynaforce's customers before providing recommendations.

"When we first came in, we were not expecting much. It was like cheap labour but we got much more than we thought we would," said Jimmie Lee, founder and chairman of Dynaforce.

SMEs which choose to participate in the consultation programme are required to submit a request sheet and upon approval, based on the institute's committee's criteria, will have to pay between \$500

and \$1,500 for the consultation.

According to Ang Ser-Keng, director of the UOB-SMU Asian Enterprise Institute, the consultation fees are a fraction of what SMEs would have to pay if they engage a consulting company.

Project advisers, consisting of SMU faculty and industry players, take on the role of quality controllers for the consulting projects and provide practical advice to students such as on the feasibility of their recommendations.

"It is clearly a win-win for both our students and the SMEs. The SMEs receive professional service at a highly subsidised rate, while our students gain new perspectives about local businesses and industries," said Arnoud De Meyer, the president of SMU.