

How Singapore breeds start-up success

Tanya Thomas

31 March 2014

Unlike the National University of Singapore (NUS) — the city-state's sprawling, hyper-connected ode to college education with 37,000 students — its off-campus incubator, Plug-In@Blk71, is where the mood gets grungy. The multi-storeyed unassuming white building still looks more like the abandoned industrial block it used to be than where some of the university's most successful start-ups sit down to write code.

Blk71, one of the three NUS incubators, currently supports about 30 companies with founders from 12 countries. The floor right above the wide open halls for the start-ups has offices of venture capital funds, giving entrepreneurs and their potential investors 24-hour access to each other. Over a 100 start-ups have graduated from Blk71's incubation programme since it started in 2011.

Back on the NUS campus is N-House, an 'enterprise-themed residence'. A joint dormitory for entrepreneurially-minded students, the university hopes business ideas can be born here by making residents live and study in close proximity. Most residents here are part of the university's overseas college programme, where select undergraduates spend anywhere between a few months and one year at foreign universities or entrepreneurial hubs, such as Silicon Valley, New York, Shanghai, Stockholm, Israel and India.

Lily Chan, CEO of NUS Enterprise (which manages both Blk71 and N-House), explains both projects: "If you're not in Silicon Valley, communities like these need to be created, architected and sustained."

IGNORING THE DETRACTORS

Singapore is intent on becoming Asia's entrepreneurial hub, ignoring comments that the country is far too straight-laced for innovation and disruption. Possibly the most famous among those commentators was Steve Wozniak, Apple's co-founder, who said in a 2011 interview that innovation cannot happen in "structured societies like Singapore, where bad behaviour is not tolerated".

The country isn't letting its obsession with order come in the way of creativity. Its rise up the ladder of global entrepreneurial success is akin to the way it does everything else — by synthesising the right environment and picking the right people, never mind the costs involved.

This devotion to identifying high performers permeates all aspects of Singapore's carefully organised public life. The school system is known for streaming primary students into courses they are more likely to succeed at; academically brilliant 10-year-olds are set on the university route, others head to vocational education. The

Publication: Business Line (The Hindu)

Date: 31 March 2014

Headline: How Singapore breeds start-up success

sports and science education systems are, likewise, carefully constructed to pick those most likely to succeed in the future as athletes and researchers.

Those picked for entrepreneurial training are on the path of near-certain success. Chan says Singapore's national innovation council, the RIEC, has allocated S\$16.1 billion (over \$12 billion) for research and entrepreneurship from 2011-15.

The university incubator not only provides students with access to funding but also with mentorship, test markets, infrastructure, management and accounting, asking for precious little in return.

MANY ADVANTAGES

Of course, there are the more traditional benefits. It has an unchanging stable political climate, setting up business is easy, and taxes corporate and personal are low. Start-ups and small businesses get exemptions and capital gains are completely exempt. Added to all this is an almost ferocious protection of intellectual property. Singapore topped the World Bank's Doing Business Report for 2013. (India is ranked at 132.)

Even businesses that don't technically operate in Singapore find it easier to use it as base. Milaap, a micro-lending firm, and Ourhealthmate.com (targeted at Indian expats who want their folks back home to see a doctor), both Blk71 graduates, are run by Indians and operate primarily in India but are based in Singapore. Sourabh Sharma, co-founder of Milaap, had lost \$66,000 of NUS funding when his first start-up, a video-sharing app on the Symbian operating system, went belly up. Sharma says he was nervous about approaching NUS with Milaap, "but they encouraged me to start again".

Hagglr, an online start-up that gets shoppers group discounts, was founded by NUS engineering graduates Arnav Kumar and Kiran Chari and is currently incubated at Blk71. Both spent time at overseas colleges and say the NUS programmes are "super-effective" and show that start-ups are run by "normal people trying to figure things out one at a time." Chari says he came up with Hagglr during his exchange semester in Sweden after seeing Groupon's success. All universities and technical colleges here have active, well-funded incubators and two of Singapore's most well-known start-ups, flash sale Web site Reebonz and online grocery store Redmart, he points out, emerged from Singapore Management University's and Insead's entrepreneurial programmes.

With its three incubators, Chan says NUS generates about 300 new start-up ideas every year; less than half of those progress into companies. But even that is a good number of new businesses for a university in a given year.

Clearly, Singapore is doing the best it can to prove Wozniak wrong – that even without the benefits of counter-culture, a structured state can be a place for innovation and, possibly, even disruption.

Publication: Business Line (The Hindu)
Date: 31 March 2014
Headline: How Singapore breeds start-up success

(The writer was in Singapore at the invitation of the Singapore government.)