



EYE ON SINGAPORE

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In an innovation-driven economy that rolls out new products and services constantly, business leaders and citizens need to be ready to fail, and to learn fast from failure.

To succeed, fail fast and learn quickly

“IF AT first you don't succeed, try, try, try again.”

This 19th-century saying by British educational writer William Edward Hickson has been adapted for use by technology entrepreneurs in Silicon Valley and elsewhere today.

They call it “fail fast, learn quickly”.

The emphasis is on learning quickly, rather than failing, for it would otherwise be insane to seek out failure, said innovation management guru Scott Anthony.

The Singapore-based managing partner of global innovation consulting firm Innosight said: “Every innovative idea is partially right and partially wrong, so the goal is to learn which is which and what to do about it.”

This notion of failing and learning fast was raised by Prime Minister Lee Hsien Loong during the launch of the Smart Nation programme last November. Singapore schools need to imbue students with tech skills as well as the Silicon Valley mindset of “fail fast, learn quickly” so that they can create the technology of the future, he said.

A Smart Nation Programme Office has been set up. Headed by Minister for the Environment and Water Resources Vivian Balakrishnan, it aims to get citizens, government and industry players to use technology and smart solutions to make life better.

Examples include using sensors to monitor the movements of the elderly at home for illness or falls, and developing 3D maps layered with information.

As PM Lee said: “Imagine if we can tap on everyone's local knowledge and anyone can contribute data: animal sightings, traffic incidents, potential hazards for cyclists, even the best mee pok or nasi lemak!”

Dr Balakrishnan said: “There will be many failed projects, but we need to learn and persevere in the face of these failures, not give up in despair. Our attitude to success and failure must change.”

Start-up culture

FAIL fast, learn quickly comes from the lean start-up movement pioneered by Silicon Valley entrepreneur Eric Reis.

His 2011 book *The Lean Start-up: How Today's Entrepreneurs Use Continuous Innovation To Create Radically Successful Businesses* is the bible for those wishing to build sustainable businesses through innovation.

It applies to start-up entrepreneurs and corporate executives who have to penetrate the fog of uncertainty when building new technologies, products or services.

Lean methodology means focusing on continuous experiential



tion and validating business hypotheses with customers to find out what works.

It means getting a quick viable product out the door that customers can use and give feedback on, and using that feedback to improve the product.

Businesses these days have to adopt this concept because “customer demand is relentless and product life cycles continually shrink”, said Mr Anthony. “Companies therefore need to continually innovate or lose out to more nimble competitors.”

As serial entrepreneur Ong Peng Tsin noted, start-ups create new technologies, products or services. In such an environment, “it would be foolish to assume you know things that it's not possible to know until you build it”.

People who attempt to create new things “must be willing to fail again and again” until they find the right mix that will “win in today's competitive business envi-

ronment”, he added.

What does “fail fast, learn quickly” look like in the real world of business?

The pivot

TAKE bemyguest.com. It started in 2012 as an online portal for people to buy travel packages and book local tours and activities. Co-founder Clement Wong tracked the business but found that six months later, travellers had not picked up on the idea.

He recalled: “We quickly assessed the situation. We realised we're up against the bigger portals like Airbnb which was selling accommodation. So we pivoted, focusing on selling local tours and activities. Within three months we changed our portal, and soon business picked up.”

Today, bemyguest.com is the largest Asian portal selling tours and activities. It is an example of a product that failed at first be-

cause customers were cool to the idea. But there was nothing wrong with the underlying technology.

A smart entrepreneur can adapt a product using an underlying technology, and “pivot” or change direction.

Start-ups often go through a few “pivots” before they hit the nail on the head – as Mr Wong's bemyguest did.

Fail fast, learn faster

ENTREPRENEURS like Mr Wong never say die. A common trait among them is grit and self-belief because they need to plough ahead when everyone tells them they are wrong.

But this can also be a double-edged sword, warned Professor Desai Arcot Narasimhalu of the Singapore Management University. Some entrepreneurs believe in their ideas so deeply that they cannot let go even when the market rejects their businesses.

Therefore “fail fast” is a way to create awareness among entrepreneurs that if the market does not accept their product, they must stop at the earliest possible opportunity, said Prof Desai, director of SMU's Institute of Innovation and Entrepreneurship.

Quick failures save money, time, effort and emotional anguish for the entrepreneur and his team.

Tech entrepreneur Vinod Nair discovered this with his first start-up, an online property search portal called homespace.sg which he co-founded in 2007.

He had applied to a government agency for a grant of \$50,000 but was rejected because his subscription-based business was considered not innovative. The founders went back to the drawing board and introduced a more complex payment model. They got the grant.

“Our form of validation was the funding, which I realised was

wrong. We were doing everything around the grant instead of focusing on creating a viable business model,” he said.

But by then, competitors like Property Guru had gained market share. By the end of one year, the co-founders were tired, money had run out and Mr Nair had no choice but to close homespace.sg.

He has applied the lesson he learnt to his current start-up, an online financial services firm called Moneysmart.sg. Founded in 2009, it provides online price comparisons for financial products such as housing and car loans, insurance and credit cards.

Moneysmart is available in Singapore, Indonesia and the Philippines. Mr Nair received funding of \$600,000 for the project and bootstrapped for five years. Only this year is he raising \$3 million for business expansion.

Fail first, then improve

BOUNCING back from failure like Mr Nair did is part of the fail fast, learn quickly concept. Failure is not the end, for it provides lessons for a new start.

Singapore's largest bank, DBS Bank, discovered this.

In one of its innovation training sessions for staff last year, one team worked on a credit card activation issue.

The problem it wanted to solve: Many customers forget to activate their credit cards and so cannot use them. Dissatisfied, they ring the customer call centre to give their feedback.

Their solution: Send reminders to activate cards via text messages to mobile phones. But this drove up the number of calls to the call centre. When the bank checked with some customers, they said the text messages did not identify which credit card needed to be activated.

DBS' chief innovation officer Neal Cross said: “So we tweaked the text message by including the last four digits of the card to be activated and the complaints went down.”

Lesson for DBS: While its assumption that text messages would be welcome was not wrong, it did not understand the customer's behaviour until after it had rolled out the text messaging solution.

Trying out a solution that may fail at first, then getting feedback to modify it helps a business make continuous improvements to create a better product or service.

This is radically different from wanting everything shipshape before rolling out a new product or service.

Instead of a “fail safe” culture, a “fail fast, learn quickly” culture requires Singapore to embrace a culture where it's safe to fail, and where one learns quickly from failure and tries again.

For students, tinkerers, software developers and engineers waiting to build the next big project, business idea or technology, it is worth noting what American comedian W. C. Fields said: “If at first you don't succeed, try, try again. Then quit. There's no point being a d*** fool about it.”

I would add: Try, try again. Then quit. Start something else. Repeat. Till success comes.

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