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**Headline: Ease of doing business makes Singapore attractive start-up hub for Indian technology entrepreneurs**

## **Ease of doing business makes Singapore attractive start-up hub for Indian technology entrepreneurs**

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Last March, just days before he was to present his company's chat messaging service to prospective investors at Singapore's Joyful Frog Digital Incubator, Gaurav Srivastava discovered that the technology they were using would soon be obsolete. His startup Scrollback had built a product which relied on Google Talk technology, which the search giant was phasing out.

"It was a major blow," said Srivastava, who had expected to reach 10,000 communities through his product. Panic stricken, the 30-year-old turned to batchmates and mentors at the four-year-old incubator, which takes in a cohort of 10-12 ventures in every batch. The mentors pulled a 72-hour-shift, helping Srivastava decide to present on the demo day.

Other startups helped them refine the presentation and the final product. Bolstered by this unusual show of support, Scrollback built an instant messaging feature, now used by 700 communities, a third of whom come from Southeast Asia. Srivastava's experience is typical of the welcome that Indian startups are receiving as they flock to Singapore. In the last two years, companies like marketing solutions provider Zipdial, cloud telephony provider Knowlarity, customer engagement company Mobikon, and data analytics company Crayon Data have set up office on the island. Others have chosen to join incubation programmes there, while some have sought funding from Singaporean firms.

Investment firm Temasek has a wide portfolio of Indian companies including Snapdeal, ACC and Godrej Agrovet; while Flipkart has been backed by sovereign wealth fund GIC.

**Top Indian startups in Singapore**

- Practo
- Knolskape
- Milaap
- Zipdial

**Starting up in Singapore**

**Pros**

- TRANSPARENT and efficient processes to set up a company
- ACCESS to multiple government grants and workspaces
- ACCESS to Southeast Asian markets
- LIBERAL foreign direct investment policies

**Cons**

- NO market for products
- FEW Series A investors
- STEEP rental rates and high cost of living
- DIFFICULT to recruit locally due to high employment costs and cultural mindset

**What next for Singapore**

TO TRANSFORM THE ISLAND NOT ONLY INTO A SMART CITY, BUT A "SMART NATION" OVER THE NEXT THREE YEARS

To extend links to other startup ecosystems around the world with an advisory panel of investors, entrepreneurs, researchers from other parts of the globe

**Fun Facts**

- Top startup hangouts in Singapore: JFDI Open House, The Hub, TIE Singapore, Founders Drinks, Entrepreneurs Corner SMU, NUS Enterprise
- 7/10 members on the board of TIE's Singapore chapter are Indian
- It is known as the little red dot because of its miniscule size but grand ambitions
- According to the World Bank, Singapore now ranks #1 in the world for ease of doing business and #3 for starting a business

**We hope that the whole system will be so conducive that Singapore will be extremely appealing for foreign startups to set up here**

— Teo Ser Luck, Singapore's Minister of State for Trade and Industry

"More Singaporeans now know what entrepreneurship is about," said Teo Ser Luck, Singapore's Minister of State for Trade and Industry and the chief mastermind behind the country's entrepreneurial vision.

"That for me is a little success to celebrate." For nine years in succession, Singapore has been ranked as the best place to do business in the world, which, combined with liberal foreign direct investment policies, has made the island nation a hotspot for emerging ventures. India's largest online retail marketplace Flipkart and mobile advertising network InMobi are both registered there.

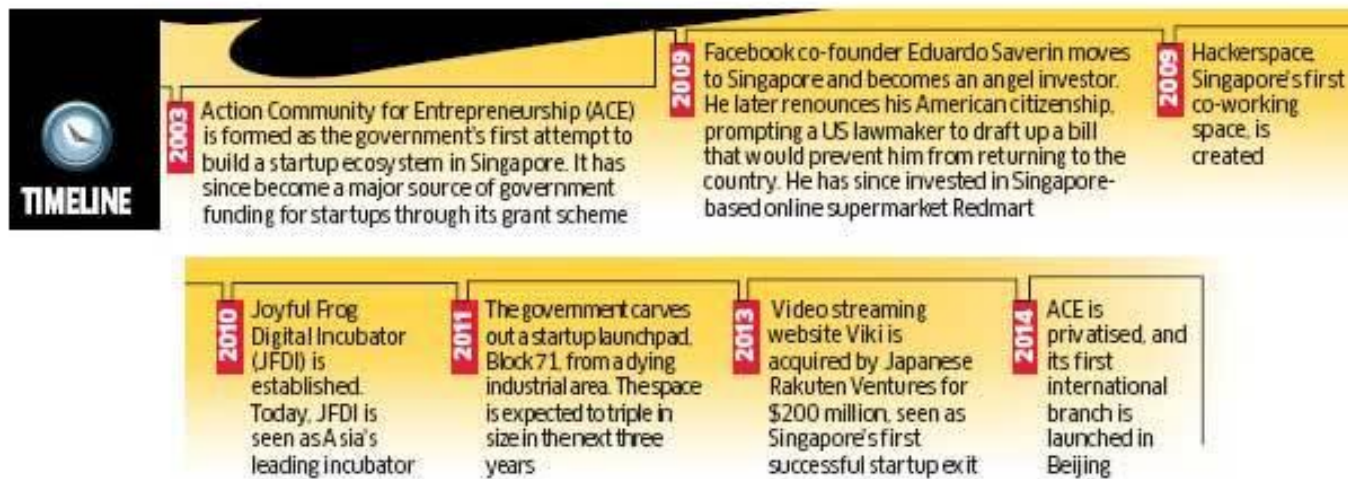
"We hope that the whole system will be so conducive that Singapore will be extremely appealing for foreign startups to set up here," said Teo. For Indian entrepreneurs, starting a business in the city-state where funding and mentorship are readily available and then taking the product to a mass market like India - is proving to be an attractive option.

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"It is super easy to register a business - it takes about two days, whereas it took us a couple of months to register in India," said Amit Ray, cofounder of travel startup Go!Places. "The government has made the startup process near perfect, anybody can register and it can be 100% foreigner-owned." Also a big-draw is the attractive tax regime for young companies.



"You don't have to pay tax if you make below \$100,000 (Rs 48 lakh) in earnings," said Charu Mehrotra, whose data crowdsourcing startup Earngo was incubated at Singapore Management University's Institute of Innovation and Entrepreneurship. She too plans to bring the venture to India in the near future. Another Singapore company founded by an Indian, Knolskape, simulates management lessons for organisations like Schneider, Cognizant, and Microsoft.

"Singapore has become a veritable test bed for entrepreneurs especially in domains like gamification, social, and mobile," said Rajiv Jayaraman, chief executive of Knolskape. He first launched his gamification product for enterprises in Singapore and the company is now on target to reach revenue of `100 crore in the next two and a half years. Entrepreneurs are of the view that such growth is due in large part to customers being more technology savvy and demanding in the Southeast Asian markets.

"The users are much more evolved and the feedback is of a higher quality than in India," said Shashank ND, founder of online medical appointment scheduler Practo, who shifted base to Singapore two years ago. He believes his company's product - used by 10,000 doctors in Singapore - has seen vast improvement. "Flights between India and Singapore are the best place to meet fellow entrepreneurs," said 26-year old Shashank, who graduated from the National Institute of Technology in Suratkal and has raised funding for his startup from Sequoia Capital.

The Joyful Frog Digital Incubator receives more applications from India than anywhere else, said cofounder Hugh Mason. Out of the 50 startups JFDI has incubated, 12 are from India. But it is not all rosy in the "little red dot," as the city is affectionately known. The cost of living, high salary

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standards, and access to growthstage capital can be tough for certain companies. While seed money is easily available, it is the later stages that pose a challenge.

"The bar becomes very high at the million-dollar level, that's where people are really struggling," said Ray, who received a \$50,000 government grant last year to build travel app Wotabout. And there are restrictions on how startups access and spend the government grants that are aplenty. One can't get access to it unless the company is 30% Singaporean-owned.

And the money must be spent in Singapore - which may pose considerable constraints to entrepreneurs who wish to bring their ventures to other countries. "It's much more costly. Our head of sales (from Singapore) had to take a massive pay cut," said Zipdial founder Valerie Wagoner, whose company's operations moved to Singapore a year ago. She had to, she said, compensate her colleague with "a lot of Esops".

Currently, about 110 brands across the world use Zipdial's missed-call-based services to reach 55 million users. Investors are taking note of the Indian entrepreneurs' rising interest in the Southeast Asian market. Rebright Partners, whose portfolio includes Indonesia's ecommerce site Bukalapak, said its newest initiative is to look for startups in India that aim to cater to this region.

"I have spoken close to 100 founders and my gut feeling is that more than two-thirds have had working experience in global tech companies, and have a very high-level of tech skills," said founding partner Takeshi Ebihara, at the end of his first trip to Bangalore last week. He is currently in talks to close a funding deal for Rebright with an Indian startup. "This kind of talent is not present in Southeast Asia." Mason of JFDI said there is a strong commitment to innovate and make Singapore a living laboratory. "You're building a business for an economy that's ten to 15 years ahead of the rest of Asia, but in the long term, it can empower the region."