

DON'T let her fresh-faced youthfulness fool you – Pauline Ng, co-founder and managing director of home-grown beauty and spa brand Porcelain, is no novice when it comes to running a business. The 32-year-old has proven her chops in the past decade, growing the brand from scratch to one of the most sought-after facial chains in Singapore with four outlets in prime locations, including its latest venture at Paragon shopping centre.

Ms Ng – together with her mother Jenny Teng, an aesthetician – started Porcelain after she graduated from the Singapore Management University in 2009 with a business degree. She has been in the industry for 10 years, experiencing its ups and downs – a testament to her staying power in a cut-throat industry with no lack of new entrants.

The business might be best known for its facials, but it also has a range of skincare products that are being sold in over 220 countries. This year, Porcelain is taking the next step to go overseas with its first office in Kuala Lumpur, Malaysia.

Ms Ng tells *The SME Magazine* how she is transforming a traditional business with technology, and what her plans are for the next decade.

ORGANIC GROWTH

Unlike some entrepreneurs, Ms Ng did not come from a family business background, nor was she handed the company on a silver platter. Her mother had previously opened a beauty salon specialising in facials but it closed in 2004, hit by the economic fallout from the Sars epidemic at the time.

Ms Teng decided to try again in 2009, and Ms Ng got involved with the intention of helping her mother out temporarily. “I

originally wanted to do a business plan and help her manage her cashflow so that she won't fall into the same trap (from her previous experience),” Ms Ng says. “My mum is a brilliant aesthetician, but running a business is different.”

But after Ms Ng did some research in the trade and spoke to customers, she saw a huge gap between what people were looking for and what the industry was providing. One key thing which she realised was lacking in the beauty industry back then – and arguably is still a problem now – is transparency.

“This is a traditional industry with a lot of bad habits – one example is hard selling,” she notes. “I try not to put down the industry as a whole, but I felt like that there are things we could do better.” With that, she saw an opportunity for Porcelain to fill this need in the market.

This intrigued her so much that what started out as interim support to get her mum's business on the right foot evolved into a full-blown love affair spanning 10 years and counting, or as Ms Ng puts it cheerfully: “In too deep now!”

She had several job offers that offered “good money” when she graduated, but the lure of running Porcelain in a way that is different from others was too irresistible.

Ms Ng points out that from the business' objective – from when it started, and still is now – is to meet the needs of its customers. It was the customers who wanted products to complement their facials, and that led Porcelain to embark on research and development (R&D) to come up with its own specially formulated skincare line. “This way, it's organic how things grew – it's always been about what customers want,” she says.

The day-to-day operations and leadership

MORE THAN SKIN DEEP

Home-grown beauty and spa brand Porcelain is known for its facials, has a range of skincare products and is now using technology to ramp up the customer experience

BY VIVIAN SHIAO

"BE OPEN TO SHARING YOUR DREAMS WITH PEOPLE AROUND YOU, EVEN YOUR EMPLOYEES. THAT'S HOW YOU ATTRACT PEOPLE WHO BELIEVE IN YOU AND YOUR IDEAS."

— Pauline Ng, co-founder and managing director, Porcelain

of the business is mostly helmed by Ms Ng and her team, now that her mother is semi-retired. But even prior to that, the duo had clearly defined roles so that they would not fight, says Ms Ng amid peals of laughter.

"We still consult her for a lot of the treatments we develop. She can enjoy doing what she loves, which is the treatment of customers, without having to deal with the stress of operations," says Ms Ng. "But I never cross the boundary of doing anything without consulting her, especially when it comes to products and treatments."

At the same time, her mother gives her a lot of room and support to run the business her way, which she says she is grateful for. "Maybe over 10 years, I've proven to her that I can be trusted to run the show without her needing to worry too much," she laughs.

But even so, learning the ropes and managing a business is no walk in the park. "All entrepreneurs know this – the journey is extremely lonely," Ms Ng muses. "We put ourselves through this painful process and sometimes, the returns are not there."

This was especially acute when she first started running Porcelain. She was making about S\$1,000 monthly for the first two years of the business, when her peers were making four times that amount.

But she did not let this distract her from pursuing a grander vision. "Our original intention (to help customers with their skin issues), values and how we choose to do business – these are the things that pushed me forward during a difficult time," she says. "As your business grows and you see things come to fruition, it's very rewarding."

BACK TO THE ORIGINS

Fast forward to today – Porcelain's latest launch is its concept store at Paragon Singapore, which occupies a sprawling 3,450 square feet of space with 14 treatment rooms that combines a café, spa and retail into one.

Unlike typical beauty salons, Ms Ng says, this outlet differs from the rest in its use of technology to ramp up the customer experience. Some of the high-tech features include a digital product retail bar equipped with interactive screens and visual recognition capabilities, consultation rooms with interactive touchscreen tabletops, and "smart mirrors" for customers to order drinks.

While Ms Ng says she was "blown away" when Paragon had invited the brand to take over this space, her immediate concern was

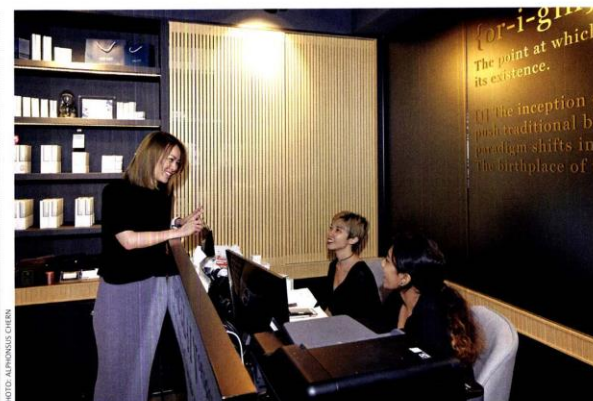


PHOTO: ALFONSO CHEN

whether the cost would justify the operations there. The company started at a nondescript shophouse at Cantonment Road, and she was cautious about proceeding only for the right reasons.

"We don't want to raise prices just to do a vanity project. We want to make sure that this is something aligned with our business goals," she says. "It must have value, otherwise it doesn't make sense for us as a small business." She also did not want a concept that would replicate what the other Porcelain stores have.

It was after many learning trips to other countries such as China where she observed how other brands are transforming their business that helped her nail down what she wanted to showcase in the latest outlet. "For this concept, we decided to incorporate technological aspects, but also retain the human touch which cannot be compromised," she says.

For example, the digital experience console at the front of the store introduces customers to the products in an unobtrusive way to learn about skincare. But they will still be assisted by skincare consultants who will further elaborate and explain if needed. "It's in line with our philosophy of transparency, education and no hard selling," she says.

The outlet in Paragon – known as Porcelain Origins – pays homage to its

humble beginnings and the original intention for the business. But that's not all. "It has a double meaning to the name – we also want this to be the place of origin for ideas to be given birth to, to test out some of these things so we can move forward," she says.

Even before the genesis of its latest store, the company has long embraced technology and innovation in its processes and products. It recently launched the latest version of its Porcelain consumer app in the fourth quarter of last year for customers to track their skincare progress, book appointments, chat with staff and even purchase products.

With technology advancing so quickly, Ms Ng says that one benefit is that digital tools have become much more affordable and scalable compared to 10 years ago. "As the company grows, it's about streamlining the operations so that there will be less margins of error caused by humans," she explains. "It's been like this since day one – we always see how we can leverage on technology to make our lives easier without compromising on privacy and cost."

Innovation also extends to product development. Ms Ng herself heads the R&D team, with laboratories for their products located mainly in the US and Taiwan. But the company's edge comes from not just its R&D, but also its capabilities in-store as Porcelain



"INNOVATION IS A CULTURE THAT MUST BE BUILT INTO THE COMPANY."

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ties. Our expansion plans are stuck," she says. "We can automate as much as we can, but in the service industry like ours, humans still form a large part. The minds and the people executing it is still very important. We can only transform the role that is being performed, but it doesn't take away the role."

Business cost is another issue that she is keeping an eye on. According to her, costs have "gone up tremendously" in the past five years. This includes rental, cost of goods, logistics and wages.

But even with all the challenges that she faces, Ms Ng says that the biggest lesson she has learnt as a business owner is the need to find balance. "You have to have a great level of self awareness to be balanced both mentally and emotionally," she says.

It entails keeping an open mind so that you can keep going towards your goal without spiralling into negativity, she adds. "I've seen a lot of business owners become jaded by situations or by people," she says. "Our role is to invigorate our team – if you're feeling down, the team will also be affected."

To keep herself balanced, Ms Ng swears by regular time outs for her to recharge. She enjoys activities like diving, skiing or simply just heading to the mountains. But without the luxury of doing that, she says just taking a few hours for yourself to disconnect helps.

"I think business owners push themselves very hard, and they are their own harshest critics," she says. "Give yourself a time out and cut yourself some slack – you need to keep your sanity as this is for the longer road ahead."

At the same time, she advises young business leaders to dream big but start with baby steps so that they can accumulate small wins to build confidence. She feels that they should remain humble and pay it forward when they have a chance. Many people have helped her along the way in her journey, and she believes that entrepreneurs should not be afraid to ask for help.

As Singapore is so small, she says, businesses should not view others as competitors but as potential collaborators to share ideas. "Be open to sharing your dreams with people around you, even your employees. That's how you attract people who believe in you and your ideas," she says. "Our grand vision is to be a business that creates not just the best skincare solutions, but to do what is right in the industry." ■

TOTAL CARE ►

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Now, it is also deploying a machine learning system, or artificial intelligence, to more accurately diagnose customers' skin issues as well as to prescribe what is most suitable. This, in turn, helps refine its R&D to design even better formulations, she says.

"As a treatment-driven business, we drive our products," she explains. "With our customers, we get this recurring feedback loop."

Ultimately, innovation is about a change in mindset for the entire staff, she maintains. It also involves accepting the likelihood of failure, which can add up in terms of costs for small businesses. It's about encouraging the team to "fail fast and fail cheap" so that they can find out if something works or not, she says. "Innovation is a culture that must be built into the company. It's very hard for it to be top-down," she says.

FACING THE FUTURE

Beyond Singapore, Porcelain is looking to spread its wings overseas. This year, the company will be starting its first Kuala Lumpur office, with plans to open an outlet by the end of the year. Ms Ng says that the company is looking into China and South-east Asia as possible markets. It will be opening a pop-up store in Shanghai at end of 2019, if things go according to plan.

But as a company with limited resources, especially when it comes to manpower, she says that they are mindful about how they dish it out. "We want to be ambitious, but at

the same time, we also have to be realistic," she says.

The company is also intending to open two more stores in Singapore, but this might be delayed thanks to further tightening of foreign manpower ratios announced in Budget 2019. Ms Ng thinks that there is still room to grow in Singapore, but the business needs to relook how it operates with the looming restrictions.

Manpower remains her biggest challenge. "Without the right people, our hands are

