

Crowe's Chief Executive shares key insights on Singapore's business environment



When it comes to in-demand business trends, Tan Kuang Hui places his bet on cybersecurity and e-commerce.

Tan Kuang Hui is Crowe Singapore's Chief Executive and Managing Partner with over 25 years of experience in audit and financial consulting services. He is particularly well-versed in PRC business, accounting and tax matters, and for 19 years, has led the Singapore firm that comprises 10 partners and approximately 200 professionals.

Kuang Hui is a member of the Board of Directors of Crowe Global and a Council Member of the Institute of Singapore Chartered Accountants, the national accountancy body of Singapore.

He has vast experience in audit and financial advisory services, providing these services to a broad range of clients, including financial institutions, technology, manufacturing, trading, publishing, and agricultural companies, among others.

Singapore Business Review is honoured to have Kuang Hui share his thoughts about digitalisation, ethnic diversity, investments, cash flow, and business trends in this one-on-one interview.

How has digital transformation affected the way companies are being formed today? And what are some opportunities that businesses should consider to start their road to digitalisation?

In the wake of the COVID-19 pandemic, the level of urgency for businesses to examine the state of their digitalisation efforts and embrace technology has increased tremendously, as we have observed over the past year, with consumers moving exponentially toward online channels. Accordingly, the need to deliver a progressive and enhanced customer experience in the digital sphere - to meet them there - has become a key priority for businesses to address today.

By that same token, these circumstances have also accelerated the adoption of digital technologies by businesses the world over, several years ahead of initial projections. In view of these rapid shifts, business leaders of new enterprises must appreciate the intrinsic value, now and ahead, when setting up, of the investment in digital tools to augment their internal operations and agility to remain competitive.

As such, companies today can be expected to focus on going digital, right from the get-go. Operationally, this would mean looking at employing cloud-based technologies and solutions for scalability, the use of data analytics to measure growth and focus areas, as well as apportioning capital expenditure accordingly to put in place cyber-resilience infrastructure, software, and training. Also, as remote working arrangements become normalised, we can begin to see businesses, where possible, having reduced physical 'face-time' with and among its staff, with greater adoption of collaboration and project-management web applications to facilitate remote discussions and for managing the delivery of tasks.

Businesses should also take advantage of the various schemes pledged by the Singapore government, to enable them to build from a strong digital foundation. One of these is Start Digital, under the SMEs Go Digital programme, which provides newly-incorporated SMEs or those who have yet to begin their digitalisation journey, with foundational and easy to operationalise solutions, including Human Resource Management systems and payroll, digital marketing and cybersecurity solutions, among others.

With Singapore being such a multi-ethnic society (comprising of Chinese, Malay, Indian and Eurasian communities), how does it impact the management and growth of a business?

In a vibrant, culturally rich community as ours, the opportunities for learning from and growing with each other are abundant, as well as invaluable to any organisation. Its people from various diverse backgrounds can bring new ideas, as well as perspectives, that are informed by their

own cultural experiences to help shape an organisation's corporate thinking and enhance their approach to their target markets.

Moreover, this ethnic diversity - or inclusivity - within its ranks, can help organisations to better appreciate target demographics, as well as their convictions and motivations, in serving them, and can also be useful when expanding operations further to regional or international markets.

Looking within, it is key that managing ethnic diversity in an organisation is not overlooked. Organisations should look to encourage working groups or teams to be diverse, as far as possible, to promote the dissolution of preconceived notions or cultural misunderstandings of each other, through greater interaction and active discourse.

Embracing these differences also provides an opportunity to learn from a variety of viewpoints and talents, as a means of amalgamating possible strengths towards the collective growth in the capabilities of an organisation, with its people of diverse backgrounds at the heart of this endeavour.

What are the most in-demand business trends that aspiring entrepreneurs should look into right now?

Technology is poised to remain front-centre, leading the way in business trends today. As it is becoming increasingly paramount to secure operational and information technology systems as digitisation becomes more widely adopted by firms, cybersecurity solutions providers will be very much in demand.

Cybersecurity threats are evolving and are becoming increasingly multi-faceted. This includes the exploitation of cloud computing vulnerabilities, legacy software in use with critical vulnerabilities and an increase in ransomware attacks, among others. Therefore, the providence of cybersecurity consulting, testing and management services, as a greater number of businesses begin to navigate their own digitalisation roadmaps, is expected to continue to be in-demand, now and ahead.

Keeping with the theme of digital, E-commerce is another area of opportunity for aspiring entrepreneurs to consider, especially with consumer purchasing behaviour tilting steadily towards digital, in recent times. However, it is also important to identify a suitable niche market for their business, amongst a myriad of options and competitors, whilst considering popular products like consumer electronics, apparel and even beauty products.

They say that the cost of opening and running a business in Singapore is relatively higher than in other Southeast Asian countries. How can business owners keep their figures down?

One way in which businesses here can manage their cashflow, is to re-evaluate their commitment to office space. Along with high operational costs, rental costs can also further hurt a business' coffers. With several offices at present observing some reduced number of staff working from their premises, it may also be fiscally wise to consider an alternative arrangement like the use of co-working spaces, where possible.

This arrangement provides for flexible leases and hot-desking facilities, and can also prove to be a prudent approach as firms monitor and manage the growth of their headcount ahead. This may also intertwine fluidly with the remote working options that firms may offer, and as such, we may even observe a contracted reliance on traditional office spaces in the future.

Despite global economic headwinds, Singapore continues to attract investments - particularly in the manufacturing and electronics cluster. What do you think are the reasons for this, and how can we strengthen other industries left behind?

Manufacturing remains the backbone of Singapore's economic growth and its sustained attractiveness to investments in these sectors amidst today's challenges, is a strong testament to the efficacy of the foundations it has laid over recent decades, by committing to investing in the research and development of advanced manufacturing and engineering technologies, to promote a robust economy driven by innovation and knowledge, with deep capabilities.

This has led to the development of a broad base of industries and its emergence as one of the world's leading hubs for high-value manufacturing, including one of the most diverse semiconductor industries in the Asia-Pacific region, as well as an important and dependent node in global supply chains amidst disruptions.

Singapore's vibrant, world-class manufacturing ecosystem along with its attentiveness to areas of growth potential today, particularly by developing a strategic roadmap for diversifying into new growth markets and transforming and nurturing its existing electronics manufacturing base, are among several factors that have contributed to leading global firms recognizing the strategic value of setting up of not only their manufacturing facilities, but also their regional centres here, with confidence in positive returns in growth.

Industries worst-hit by the pandemic like tourism, aviation and the arts and entertainment, among several others, have been projected to recover at a much slower rate, due to the nature of restrictions applied that have affected demand, and would still require continued fiscal support from the government, at least in the near to medium term, to be able to be in a viable position to kickstart or resume operations when it is safe to do so.



However, industries like the arts and entertainment at this time, could continue to explore innovative ways of engaging with consumers creatively and sustainably, through various digital media avenues, reducing the reliance on physical presence at entertainment venues, whilst maintaining profitable operations. This can be in the form of government-supported acceleration of digital transformation of the broader arts and entertainment industry here to facilitate these initiatives.

What are your thoughts about this year's competitive awards entries?

I am very impressed by the tenacity, entrepreneurial drive, vision and achievements of all of this year's entrants, and it certainly made the judging process a lot more challenging - for good reason!

It is also truly inspiring to see how businesses, both homegrown and international, are rising to today's ever-evolving challenges, through innovation, keen foresight and a strong desire to be set apart verily, as leaders in their fields of expertise and by contributing to the growth and value of their respective industries.