

Teresa Lim
Managing Director
IBM Singapore

WE believe that SMEs can be empowered to collaborate better by leveraging Web 2.0 tools and technology such as instant messaging, social computing and community-based tools to share content and expertise with MNCs and SMEs in other parts of the world.

These solutions help people work smarter and drive business benefits by deepening client and partner relationships, making smarter and faster decisions, spurring innovation, and reducing costs. A combination of an open and collaborative organisational climate and solutions will help SMEs work more fruitfully with any organisation, regardless of size and location.

To forge stronger partnerships with large enterprises/MNCs, SMEs need to find a niche where their solutions are of value and fit into the overall business strategy of the MNCs. They need to ensure that their unique value propositions are economically attractive and/or offer an effective route to market for the MNCs.

On the other hand, MNCs need SMEs to support them as there will always be pieces in the business strategy puzzle that are better served by SMEs. Most high-growth industries thrive on a strong ecosystem of synergistic partnerships between SMEs, large enterprises and MNCs – locally, regionally and globally.

Jim Li Hui Hong
President
JSB Tech Private Ltd

IN over 15 years of managing and growing my manufacturing companies and interacting with large multinationals in the region, I have seen the outsourcing trend evolve from an aggressive "arm's-length" approach to a collaborative relationship. These changes were driven by the need for interdependency within a competitive supply chain and the necessity of the MNC's subsidiary to survive. Forging a tighter collaborative relationship with MNC customers helped us to move up the product value chain.

In the fast changing macroeconomic environment, speed and effective implementation of a company's strategic intentions are vital to SME business success. It is important for Singapore SMEs with regional perspectives to tap into local networks of SMEs in the region by forming partnerships which will potentially speed up new market access, lower entry barriers and mitigate risk.

Liu Chunlin
CEO
K&C Protective Technologies Pte Ltd

LARGE enterprises including MNCs would like to deal with companies which can provide one-stop services with proper systems to assure quality, business ethics, environmental responsibility, corporate social responsibility, and so on.

SMEs may not always comply or fit into this neatly. Hence one way is for companies to band together in alliance to offer headache-free one-stop services and to

Toh See Kiat
Director
Goodwins Law Corporation

SINGAPORE SMEs must see that it is worth every cent they spend to be part of an association of SME businesses; and these associations should learn to work with each other to open up opportunities overseas. For example, they should join forces to pitch for international contracts; combine resources to market and advertise their capabilities; or link up with similar SME associations overseas to promote mutual relationships and business. In unity is strength.



brush up on standards to gain the accounts of large enterprises.

In terms of dealing with SMEs in other countries, the idea of banding together will certainly hold great prospect as large enterprises would have market foot print in a regional zone. Cross-national SME collaboration to present a consistent mode of doing business will certainly be attractive to large enterprises which want to move fast instead of dealing with myriad parties.

But cross-national SME collaboration will certainly pose a higher level of challenge as one has to deal with cross-national operational and cross-cultural communication issues. I am sure that many of us can testify to such difficulties on a daily basis in our business dealings.

Loi Pok Yen
Group CEO
CWT

IT is inevitable that there remains a certain level of apprehension when two complete strangers enter into a relationship. This holds true whether it is a marriage, a joint venture or a business relationship. Therefore, the only sure-fire way of ensuring an enduring and fruitful partnership is simply build trust.

Pramod Ratwani
President & Executive Chairman
Consilium Software Inc

LOCAL SMEs must be able to offer unique value propositions which will be compelling for large enterprises, multinationals and also foreign SMEs in terms of market knowledge, existing customer relationships; enhancing their product and offerings so that the combined offering gets a competitive edge and

help with execution of go-to-market strategy. The other is cost arbitrage which SMEs offer, acting as subcontractors for large projects, managing outsourced work of MNCs and providing resources on short or long-term basis.

These alliances, if managed with trust and transparency, can lead to bigger initiatives such as joint ventures or even being acquired by a bigger player in future, resulting in a significant jump in value for shareholders of SMEs.

Choe Peng Sum
CEO
Fraser's Hospitality Pte Ltd

IN order to realise their full potential, Singapore's SMEs need to clearly understand the demands of operating in a "global village", that the quantum leap in the development of communications and transportation enables most companies – either large multi-nationals or local SMEs – to choose their partners from any corner of the world.

In business today, there are no geographic boundaries when it comes to selecting business partners or suppliers. So, from the outset, SMEs must have a single-minded vision of working to international standards; and position themselves as competent players on a global stage.

And in selecting partners from other countries, they must ensure that they are working with like-minded individuals or companies that share their quest for excellence in product and service.

Lim Soon Hock
Managing Director
Plan-B ICAG Pte Ltd

SMEs must be able to value add. In the words of

Minister Lim Swee Say at a recent Economic Strategies Committee Meeting, SMEs must be able to offer capabilities and capacities that are "cheaper, better and faster". What this means is that SMEs should continuously invest in human capital as well as systems and processes, so as to make it easy for large enterprises and multinationals to do business with them. It is important that SMEs embrace professional management to be able to work more fruitfully with large enterprises and multinationals to meet, if not to exceed, their exacting standards.

Local SMEs should tap more fully the larger pool of human talent from their counterparts in other countries, through a compete and complementary juxtapositioning, as they strive to be cheaper, better and faster.

They should also capitalise on their local knowledge and customer relationships to expand their geographical foot print and fast-track their regional expansion. In this respect, it is important for local SMEs to think global and act local, and not be overly Singapore-centric in terms of what works for us.

That said, the challenge would be to have a common vision on how businesses ought to be conducted without compromising business ethics and corporate governance, while not leaving money on the table, within the context of a larger geographical foot print.

David Low
CEO
Futuristic Store Fixtures Pte Ltd

AGILITY to change is key. SMEs need to be fast in their policy changes in tandem with the large corporations, and swiftly fill the missing gaps that come with large corporations restructuring, without necessarily profiting monetarily. This direction needs to be communicated very clearly within each SME in order for change to be accepted internally and thus be able to forge vertical links with large corporations. These vertical linkages will result in greater global market access, a long-term benefit that SMEs have to recognise.

In the same light, SMEs here will have to forge horizontal links with SMEs in other countries in order to beef up their international presence. We have the Singapore Brand of trust to bank on, coupled with a talent pool of intellectuals with diverse cultures who are very much regionally if not internationally exposed to complement SMEs in other countries' strengths of human and technology capital.

Bearing in mind that the definition of an SME differs globally, we are still a very small-sized economy in comparison with our American and European counterparts. Hence, humility is imperative when SMEs promote themselves to their peers in a foreign land.

At the end of the day, no matter how small a scale of operation, SMEs here have to adopt a global outlook and form strategic alliances both in local and foreign markets.

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