

SMEs to 'Re-learn' for Growth & Innovation

Today's fast-changing world has made it increasingly difficult to follow a prescribed path towards success. Four experts share with us key ingredients for growth and innovation in this new digital environment.

The world is changing at an unprecedented rate and in ways that few could have ever predicted. Traditional proponents of globalisation such as the United States have turned their backs on global trade pacts; robots have moved beyond manufacturing into professional spheres such as accountancy and law; and the value that companies offer is no longer based on the physical assets that they own, but on their ability to connect customers to goods and services.

Through all these rapid changes and disruptions, companies are facing the reality that if they do not innovate, they risk becoming obsolete. Dr Lee Kwok Cheong, Chief Executive Officer, Singapore Institute of Management Holdings, says that incumbents of many industry sectors are becoming vulnerable to newcomers who can disrupt their business models, levelling the playing field for innovative small and medium-sized enterprises (SMEs) with less resources.

It's a sentiment shared by Ms Susan Chong, Founder and Chief Executive Officer of Greenpac. "Today, business is no longer just about looking at incremental change, but how to be a disruptor to stay ahead of the game," she says.

Mindset and Culture

In business, disruption occurs when new innovations introduced in the marketplace change the value proposition of traditional industries. In the past, major disruptions, as seen in the first three industrial revolutions, took decades or centuries to realise. Today, however, new technologies such as cloud computing, artificial intelligence and blockchain are emerging at lightning pace, forcing us to adapt much more quickly and adopt new mindsets.

Ms Chong says that today we live in an era where we don't even know what we don't know. "It's important therefore that there's a place where we can continually go back to, to learn new skills and stay relevant," she says.

One area where a paradigm shift is needed is in workplace culture. Inflexible hierarchical structures put companies at a disadvantage especially in an era where junior staff may know more about emerging technologies than their superiors.

Mr Dirk-Peter Van Leeuwen, Senior Vice President and General Manager of Red Hat Asia Pacific, says that companies need to start creating an open environment where employees can safely contribute in. "Companies need to support people to speak up, as in many organisations, people don't speak up unless they're senior enough. This inhibits people's ideas and potential growth solutions. Creating a platform for people to voice their ideas, debate and share feedback helps foster innovation."

Additionally, allowing employees to make mistakes and learn from their failures is also vital in fostering an environment of innovation. As Ms Chong puts it: "You must have room for people to make mistakes. If not, no one will step up to try something different."

Collaborative Learning

In this disruptive climate, SMEs could potentially be the new engines of growth and innovation needed to drive the economy forward. However, in order for them to succeed, a tripartite approach involving government, industry and learning institutions is necessary.

Fortunately, regional governments recognise that they have a part to play and are getting on board to help small businesses. Policymaking agencies such as Enterprise Singapore, SME Corporation Malaysia and Ministry of Cooperatives and SMEs in Indonesia collaborate closely with SMEs to help build capability development and provide financing.

Mr Patrick Tay, Assistant Secretary-General, National Trades Union Congress, adds: "Over the past year, Singapore has been running a national SkillsFuture for Digital Workplace Programme to get everyone from union leaders, business owners and individuals to be equipped with the mindset and basic functional skills to prepare for the future economy. It provides individuals with an understanding of emerging technologies and how they impact work, interpret and use data, and adopt a positive mindset for change, innovation and resilience. Businesses will obtain a fundamental knowledge of how their businesses are being disrupted, as well as help them deal and take advantage of the changes that are happening."

In terms of education, collaborations are also needed. Dr Lee explains: "The future of education is no longer about an educational institution producing a graduate who then goes on to work, but it is about creating a lifelong learning environment. At SIM, we intend to be an open platform for learning where students can even learn from their peers after they have graduated. We look forward to collaborating with companies, the union movement and government agencies in the new age of social learning."

While the fact lies that we are living in a volatile world where disruption can

happen at any time, it is also equally true that change brings about new opportunities. So what will it take for SMEs to stay ahead with in-demand skills and be agile to move across different areas, while being adaptable in an unchanging and uncertain economy? One possible pathway is for SMEs to 're-learn' for growth and innovation.

written by Rufus Tan



Panellists
(from left to right)

Dirk-Peter Van Leeuwen
Senior Vice President and
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Patrick Tay
Assistant Secretary-General
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Dr Lee Kwok Cheong
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Susan Chong
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Teymoor Nabili
Moderator

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Hear from our panel of experts as they talk in greater depth about the need for integrated lifelong learning among ASEAN entrepreneurs for business success.

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