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COME Thursday, American Express and the Association of Small and Medium Enterprises (ASME) will sign a Memorandum of Understanding (MOU) for a collaborative programme beginning next year for small and medium-sized enterprises in Singapore.

ASME president Kurt Wee described this tie-up as a “big” one that has been cooking for some months. Under it, American Express will fund activities for its merchants who are in retail, online and food and beverage businesses, so they can touch base with ASME. The arrangement will give ASME access to about 15,000 unique merchants.

Mr Wee said: “We’re quite confident that we will be able to create a more targeted approach.”

He noted that the association has been growing organically in the last 12 years, and has gone from 400 to 500 members to between 6,000 and 7,000 today.

“Every time we sign an MOU, it leapfrogs our reach… Already, we’re serving beyond our members, we’re serving SMEs at large. For us, as an association, it’s important that our outreach grows and solidifies in the marketplace because we’re building infrastructure and service capabilities. So we need to make sure we have a throughputs of SMEs.”

ASME has thus far signed MOUs with associations such as the Singapore Human Resources Institute, Singapore Ship Suppliers Association, and Bosses Network.

This MOU is the first with the financial-services company.

In August, American Express launched its five-month long Merchant Sweepstakes Programme, under which it awarded a total of 10 SMEs a $55,000 business grant each.

Under the programme, they also received a one-year complimentary ASME Affiliates membership, which entitles them to courses, workshops and exclusive events run by ASME.

Kevin Alcott, the vice-president and general manager of Merchant Services in Singapore and Thailand for American Express, said: “We value this partnership with ASME, and have been in discussion with them to explore innovative ways to continually help our small and medium-sized merchants thrive.

“This is an exciting milestone for American Express and ASME as we seek to help SMEs strengthen and grow their business in Singapore.”

In addition to strengthening its membership base, ASME has been actively looking for ways to develop SME capabilities.

To that end, it signed a MOU with the Singapore Institute of Technology (SIT) last week to boost the technology and management capabilities of Singapore’s SMEs.

Mr Wee said: “For a lot of SMEs, research and development (R&D) is actually more development than research. They already have their base product or service. Their research, most of the time, involves the development and extension of their current pipeline of know-how, or sometimes, the same know-how but transformed into different applications.”

“The problem for SMEs is they don’t have the time, the full amount of money, sometimes the space, and the manpower.”

“So SIT’s mandate became a heaven’s match for our SMEs.”

The R&D will be done by SIT students, in collaboration with the SME. Each student group will be overseen by a lead professor.

Mr Wee said: “SME research is not like pharmaceutical research or clinical research. Very often, it’s a very practical kind of development work and they probably know what objectives they want to achieve but don’t know how to get there. The university will have the materials and engineer ing knowledge to create that outcome that the SMEs are striving for. So we foresee quite a bit of activity.”

ASME is already in talks with several SMEs which are keen on collaborating with SIT students on projects, he said.

“In the future, ASME might even have a kind of office within SIT to support R&D. If you take the general vision of every SME having SIT as their R&D backyard, imagine, we will create a new additional facet for SMEs to develop.”

And by exposing SIT undergraduates to the workings of homegrown SMEs, the collaboration also “pre-develops” these eventual members of the labour force before they join it officially.

SIT president Tan Thiam Soon said: “There are great opportunities in Singapore’s SMEs for us to tap – whether it is to collaborate on the Integrated Work Study Programme for our SIT students, or for SIT faculty and staff to advise on industry projects and develop training programmes for local companies.”

This venture has a shared-services platform initiative: The Business Times has reported that ASME is looking to roll out a cloud-based platform to offer functional processes ranging from accounting, human resource administration and customer relationship management to inventory and logistics management – tools through which the operations of Singapore SMEs can be improved.

Mr Wee said: “You have to think of ways, with limited resources, of how to create an impact for the larger community. You first must be able to net them in.

“After you net them in, you can roll out programmes with numbers. If my outreach is only 300 to 500 SMEs, I may not have the economies of scale, get the relevant support funding, or have the necessary impact. So scale is necessary.

‘As a generic SME association, we have all trades, in all sizes. That is our strength – our diversity.”