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Singapore's startup scene a big draw for wannabe China entrepreneurs

In the 10th part of a special series on Singapore's burgeoning start-up scene, Philip Morgan delves into why some Chinese nationals decide to pursue their entrepreneurial ambitions here.

By Philip N Morgan Posted 01 Jul 2016 09:16



Tuitui co-founders Ju Chaoran and Zhao Liang. (Photo: Linette Lim)

SINGAPORE: It's his guilty secret. He had spent half an hour explaining to me how he was building his start-up company. Then he casually mentioned that he was delighted to attend job interviews.

I was taken aback. Had this bright young man from China abandoned his entrepreneurial dreams and started searching for a regular job? He laughed at the notion and explained that as he had never worked in a company before, he was just trying to understand recruitment. He admitted that he sometimes gets job offers but said he always rejects them.

"I've fallen in love with this lifestyle," Zhao Liang, the co-founder of local start-up Tuitui cheerfully reassured me.

This was a useful insight into the savvy approach of young Chinese nationals who stay on to create new ventures after they graduate in Singapore. And this young man is not alone.



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John Chen came to Singapore from Guangzhou 15 years ago. After completing his studies he worked in the National Cancer Centre but resigned to pursue his entrepreneurial ambitions. In 2014 he became Founder and CEO of Accufind Technologies, which provides location based solutions, and in 2015 he also became CEO of eBeeCare, an online booking platform for home care services.

In big organisations he found it was difficult to actualise innovations and felt stuck in a career bottleneck. Willing to take a salary drop for the upside of ownership, it was still a shock to step out on his own.

“Your networks cannot help you with commercial deals. You are viewed as a 'previous' friend. You must still go through the proper channels”. Chen stressed that you must also understand market requirements. “Good technology is not enough, 80 per cent of business is to find the right channels and partners.”

So, what are the qualities that Singapore provides which keeps these new entrepreneurs here, rather than venturing back to their home country, which has its own start-up scene and a much bigger market? Many of the Chinese entrepreneurs I’ve spoken to mentioned a number of things.

With an ecosystem that includes access to financing and Government support for the start-up scene, Singapore provides an environment that helps entrepreneurs to test-bed and develop new products, and to adapt and pivot their business models along the way.

And with the wider Southeast Asian market on hand, it is also easy to see that some of these founders are poised to create innovative ventures that will eventually have the scale to make a real impact. That scale, plus the ties of kinship and language skills that these founders possess, might unlock an intriguing possibility: That they can eventually springboard their companies to compete in that vast market which is their China homeland.

However, for some of the Chinese entrepreneurs, cracking their home market is a much longer-term goal.

Li Guangda is CTO and Co-Founder of ViSenze which is pioneering visual search and image recognition. With a doctorate in such a competitive field he too often receives offers to join bigger companies but he has always declined. “I’m passionate about building something myself,” he told me.

He sees his company as potentially a global player. But he considers China as a “separate market. The China market size makes it interesting and it has a tremendous level of competition”, but he laments that he sees “no advantage for any foreign company in China, there are so many start-ups and no one cares where you come from.”



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Such issues are of a secondary concern for 25-year-old Zhao Liang, the co-founder of Tuitui, a shopping mall promotions application. He arrived in Singapore to study Information Systems at NUS and settled on the ambition of being a technology entrepreneur when he was just 20. When I spoke to him recently, he whipped open his laptop screen to reveal the long list of ideas that he carefully curates as soon as they pop into his head.

He started Tuitui 18 months ago. “I don't want to wait, I must start right now. It is now or never,” he said. Zhao confided that his friends graduated with good qualifications and are much in demand. “Some can earn S\$4,000 to as much as S\$8,000 per month - they live comfortably.” But he sees danger in this, as once someone gets used to a comfortable life, it is difficult to move out.

Having studied in Singapore – and usually having left China when they were teenagers – all of the young entrepreneurs I spoke with are well rooted in the city state and feel attuned to its business culture, start-up infrastructure and funding sources.

It is encouraging that these young founders shun lucrative jobs in established organisations and instead take the plunge to start their own ventures. This creates more job opportunities for others and also helps to underpin Singapore's ambition to be a high-tech hub in Asia.

With many of these start-ups needing to pivot their business and travel widely to secure eventual success it may be appropriate to recall the old Chinese proverb: “A young branch takes on all the bends that one gives it.”

Philip N Morgan started his career at the BBC and spent over 25 years in broadcasting technology, production and senior management roles in Europe and Asia. He also served for ten years as the Chief Operating Officer of Singapore video software company muvee Technologies. He is a Core Mentor in Mediacorp's incubator programme, the Mediapreneur (<http://www16.mediacorp.sg/themediapreneur/>), which provides start-ups with seed funding, a working space, mentoring, networking opportunities and attractive media packages to speed up their growth and development.

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