

A home for Singapore start-ups in San Francisco

Offshoot of Block 71 in Ayer Rajah Crescent aims to help these ventures expand into US

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In San Francisco

For many Singapore start-ups hoping to make a splash in tech mecca San Francisco, a nondescript building tucked away in the city's South of Market area has become a place to call home.

From meeting rooms named after Singapore landmarks like Marina Bay Sands to banners hanging from the ceiling which say "Chope first, chiong later" and "No lepakng", Block 71 San Francisco is bringing a distinctly Singaporean flavour to a city famous for being the spiritual home of entrepreneurship.

The 5,000 sq ft space, set up in January last year, is a partnership between NUS Enterprise, Singtel Innov8, and Infocomm Investments (I IPL), the investment arm of the Infocomm Development Authority.

The facility is named after the original Block 71 in Ayer Rajah Crescent, the heart of Singapore's entrepreneurship scene and home to a thriving community of start-ups, venture capitalists and incubators.

The San Francisco offshoot is a platform for Singapore-based companies keen on expanding into the United States.

The facility also gives US-based entrepreneurs, companies and investors a chance to find out more about Singapore and business opportunities in Asia.

HOME AWAY FROM HOME

A total of 54 start-ups have passed through Block 71 San Francisco since it opened, says Ms Jasmine Ho, 26, the facility's community manager.

Start-ups typically head to San Francisco to raise funds, build a team in the US, or do market research and expand their client base.

Many of these companies eventually move out of Block 71 to their own premises or join start-up accelerators, adds Ms Ho, who has been running the space since March last year.

Mr Spencer Yang, 27, co-founder of KeyReply, says the company moved to San Francisco to be closer to customers and mentors.

The firm designs artificial-intelligence chatbots for online service providers. The bots respond to customer chat enquiries and requests, and can be deployed on commonly used messaging services.

Most of KeyReply's customers are e-commerce, software and hospitality companies, says Mr Yang, who started the company in 2014 with his co-founders Max Xu, 27, and Carylyne Chan, 25.

The trio, all Singapore Management University graduates, started out developing their software in Singapore before being accepted into an accelerator programme in Hawaii and eventually moving to Block 71 San Francisco.

"We moved out of Singapore because, back then, the Singapore ecosystem for software was still developing and it made more sense for us to tap on the networks here," he

adds. "We want to build a global software company and being out here gives us that exposure."

The company is recording revenue of about US\$1,000 (S\$1,340) per month and aims to further expand its client base, says Mr Yang.

For Mr Bruce Wong, 48, the founder of e-commerce site Wusify and crowd-buying platform Wusic, the US market was the first port of call.

"We went straight to the US, because we wanted to be global from day one."

"The ecosystem is a lot more developed, the Singapore market is much smaller," says Mr Wong, who worked out of Block 71 San Francisco between July and September last year, and still has a hotdesking arrangement there.

"The networking and the environment are great. We got ideas and feedback from fellow entrepreneurs, tested our ideas, and met lots of like-minded people," he adds.

Both Wusify and Wusic were launched last September in Singapore and the US.

Wusify has since expanded to Malaysia, Indonesia and the Philippines, and a joint venture is in the works to move into Cambodia and Myanmar. Meanwhile, Wusic will soon be launched in India.

The company is also talking to potential investors in the US, adds Mr Wong.

Another firm gunning for the US market is Sybo Tech Singapore, which has developed a robotic pet companion called Pebby.

The device interacts with pets to keep them entertained, while also delivering a video feed to the owner.

Co-founders Hansen Goh, 27, and Maksim Kolin, 28, intend to base themselves at Block 71 San Francisco from next month, in preparation for the launch of a crowdfunding campaign for their product on the Kickstarter website.

"On average, in San Francisco, there are more dogs per household than babies, which is a staggering fact," says Mr Goh.

"The consumer market here is ready for a product like this."

Pebby will be made by Singapore manufacturing companies with production facilities in China and Indonesia's Batam.

Mr Goh adds that the cost of developing and producing robotics devices is "not low", and Asian consumers might not be willing to pay high prices.

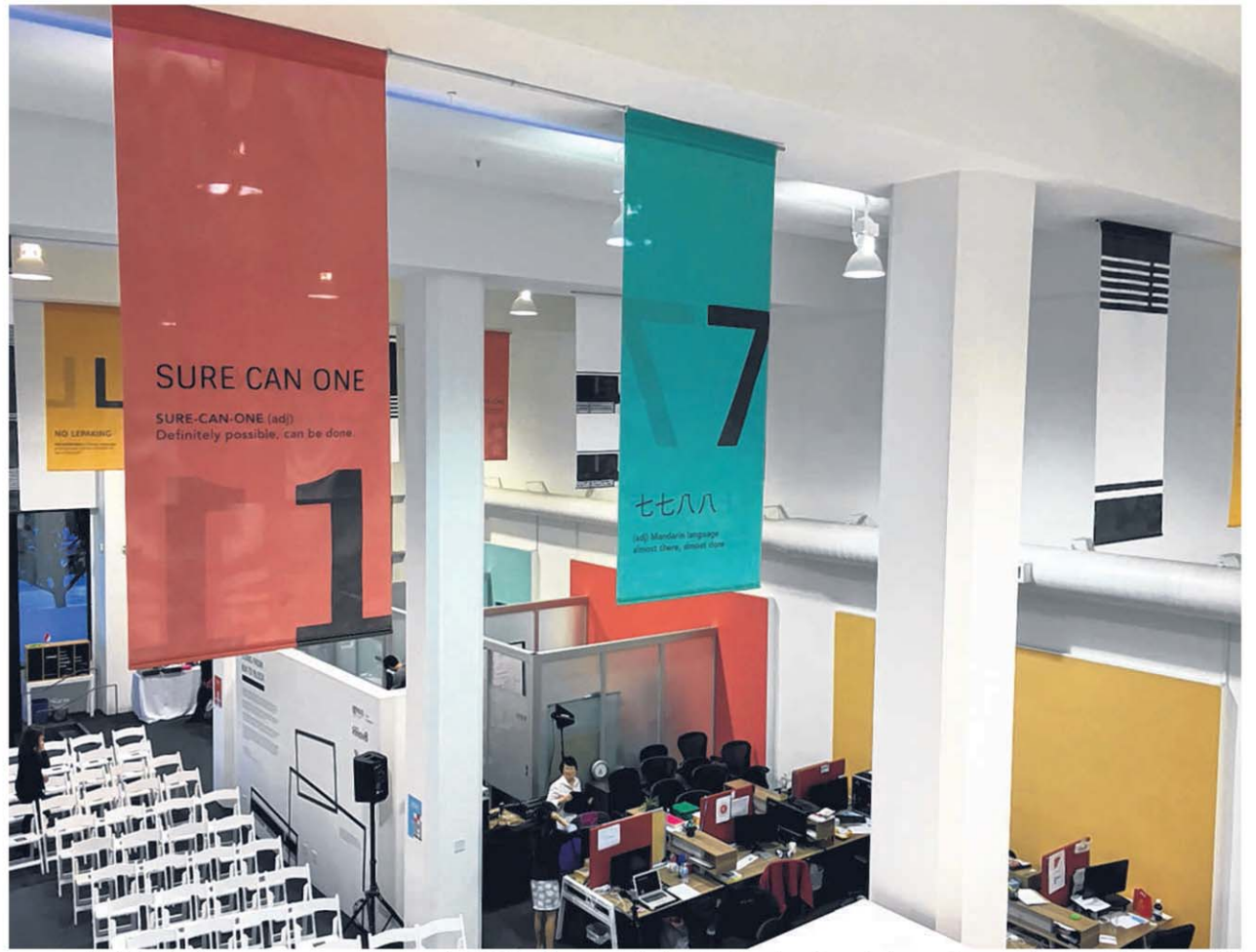
"In the US market, consumers are more in tune with buying gadgets that are innovative and trending, and have a bigger risk appetite when it comes to trying out new gadgets."

Start-up founders say Block 71 has been an essential base for their US growth plans.

"San Francisco is one of the most expensive places in the world to get an office to work in, and we needed to be there for at least two to three months," says Mr Wong.

Adds Mr Yang: "The great thing about this location is that everything is a 10-minute walk or five-minute Uber ride away."

Block 71's Ms Ho says one of the highlights of her job is being a "con-



Banners with distinctly Singaporean messages decorate the 5,000 sq ft space at Block 71 San Francisco. Set up in January last year, the venture is a partnership between NUS Enterprise, Singtel Innov8 and the investment arm of the Infocomm Development Authority. ST PHOTO: CHIA YAN MIN



Sybo Tech Singapore's co-founders Hansen Goh (left) and Maksim Kolin. The firm has developed a robotic pet companion called Pebby. ST PHOTO: CHIA YAN MIN



Co-founders of KeyReply (from left) Max Xu, Carylyne Chan and Spencer Yang. The firm designs AI chatbots for online service providers. The bots respond to customer chat enquiries and requests. PHOTO: KEYREPLY

GREAT INTERACTION

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MR BRUCE WONG, founder of e-commerce site Wusify and crowd-buying platform Wusic, on the US market being the first port of call.

connector between the US, Singapore and South-east Asia tech scenes".

"I get to collaborate with key influencers and leaders of both tech ecosystems on a regular basis."

"Working with all these up-and-coming Singaporean and US cross-market start-ups and witnessing their moments of failure and eventually, triumph, is really heartening," she adds.

IN SEARCH OF EL DORADO

San Francisco's tech-friendly culture, pool of engineering talent and extensive network of angel investors and venture capitalists have long made the city a mecca for entrepreneurs.

But I IPL head Alex Lin cautions Singapore start-ups against diving in head-first.

"Over the years, Silicon Valley has achieved cult status. It's seen as El Dorado, a city of opportunity," he says.

"Some Singaporeans think this place is full of money. They constantly see deals being done, companies being acquired... They think: In the Valley, I'll make it."

"This is not necessarily wrong. But start-ups have to be aware that it's a very different market and culture from what they're used to back home."

The most important factor to consider is whether the business can be scaled up for the US and, eventually, the global market.

Dr Lin notes: "If your business has nothing to do with the US market, investors here won't invest in you."

Mr Jeffrey Paine, a founding part-

ner of venture capital firm Golden Gate Ventures, says start-ups keen on seeking their fortunes in San Francisco "have to be global from day one".

The company has offices in Singapore and San Francisco, and invests in tech start-ups.

"Some start-ups think they are global, but their clients are in Singapore and they operate from Singapore," Mr Paine adds.

"They start out thinking they're the best from Singapore, but that's before they go to the US to talk to people and realise they're nowhere near the top."

It is also essential that founders spend time in the Bay area to get to know the lay of the land.

Investors in San Francisco tend to be more willing to take risks, "but the trick is, do they know you?" says Mr Paine.

"If you're from Singapore, you need to have a product that's interesting, and you need to already have got some traction."

Says Dr Lin: "In the Valley, it's very crowded. You have to hit many, many venture capital firms before you find one that's interested in you. It's a numbers game."

For all its challenges, however, San Francisco is still the best place to be for tech firms.

"As long as you're touching tech, you have to go to the Bay area," says Mr Paine.

"You need to have the best people possible, you need capital, you need influencers and early adopters to try you out. And usually these people are in the US."

He adds: "You can become a global company anywhere, technically. But if you try to operate a global company from Singapore, the speed to scale will take longer and your competitors are likely able to grow much faster."

In the long term, I IPL hopes to make Singapore a key part of a global start-up ecosystem with links to major nodes around the world such as San Francisco, London, Israel and Taiwan, among others, says Dr Lin.

For instance, I IPL is working with partners in other countries to get overseas start-ups to Singapore. In exchange, Singapore start-ups get opportunities to work with mentors and gain access to new markets in these countries.

"We want to be able to straddle the US, Europe and Asia," adds Dr Lin. "The ultimate objective is to build a global start-up ecosystem so people can move between cities and scale up their companies."

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