

Debate ensues over the kind of startups S'pore needs

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A DEBATE took place between industry players on Tuesday about what lies around the bend for startup companies in Singapore.

One camp plumped for “unicorns”, that is, startups valued at more than US\$1 billion, and also “deep science” startups, that is, those entailing intensive research and trials.

The other said unicorns are passe, and that startups in the information and communications technology (ICT) still have steam left in them.

At a panel discussion organised by TechSG, NUS Enterprise and Endeavor Insight, Spring Singapore's Lim Sew Hui said the Republic would like to see fewer “me-too companies” and more innovative startups such as a “Garena-type unicorn”.

Garena, a Singapore-based Internet company, is reportedly South-east Asia's largest unicorn, privately valued at US\$3.75 billion.

Ms Lim, deputy director for innovation, internationalisation and entrepreneurship at Spring Singapore, added that Singapore will also continue supporting “deep science” startups – increasingly, those in biotech, cleantech and advanced engineering.

But fellow panellist Shirley Wong said support for startups in these nascent areas has led to a government “pullback” in support for ICT startups – which in the last five years have contributed to a vibrant startup ecosystem.

The managing partner of TNF Ventures said: “Can I disagree with the government? The next unicorn is not necessarily a deep-tech or deep-science startup. Even with so many ICT startups, the best of them should get more support from the ecosystem and the government to accelerate their growth.”



Panellists (from left) NUS Entrepreneurship Centre director Professor Wong Poh Kam, TNF Ventures' managing partner Shirley Wong, Spring Singapore deputy director for Innovation Internationalisation & Entrepreneurship Lim Sew Hui, Zopim co-founder Lim Qing Ru and Endeavor Insight associate Lili Torok.

Ms Wong also downplayed the concern over a proliferation of “me-too companies”, saying that the market will instinctively weed out non-innovative, under-performing startups.

Lim Qing Ru, co-founder of live chat software startup Zopim, said during the discussion that unicorns were “not exciting”, and instead urged aspiring founders to start up companies that can “make the society a better place”, by making it their vision to eradicate inequality or to serve people who do not use banking services.

The panel discussion was held after a presentation of the findings from a joint research project on Singapore's tech startup ecosystem by TechSG and Endeavor Insight. The project had polled more than 200 entrepreneurs, who founded over 335 Singapore startups. It emerged that

startup activity in Singapore started to burgeon between 2009 and 2012; Garena, RedMart and Frontline Technologies are the largest employers among the startups.

Singapore founders are mostly between the ages of 21 and 28 when they set up their companies. This makes them younger than their London counterparts, who are between 27 and 32; in the US, founders are on average 31 years old.

Only 14 per cent of the Singapore startups have female founders, and more than 60 per cent of these new companies were started by founders educated overseas.

The JTC LaunchPad@one-north emerged as the densest of three startup hotspots; the other two are downtown and in Paya Lebar. Physical clustering and co-location thus appear to

have facilitated entrepreneurial network connectivity.

Khoo Wee Lin, director of the info-comms, media and startup cluster at JTC Corporation, told *The Business Times* that LaunchPad hosts a “vibrant community” of 48 incubators, accelerators and partners, and more than 700 startups.

But Wong Poh Kam, project lead and director of the NUS Entrepreneurship Centre, said more dynamic linkages can be built within the Singapore ecosystem, especially among large local enterprises, government-linked companies and startups.

He said: “A startup's greatest challenge is scaling up, and having strong network connections to the right investors with global reach. But big companies here don't partner startups, and the government procurement process still looks at track record.”