

By Erna Adlina Bte Kamarul Azman, Gan Jin Hui, Nahidha Shaikh and Sim Shi Rong

SAC CAPITAL Private Limited is a reputable corporate finance company whose co-founder and chief executive officer, Mr Ong Hwee Li, lives by the motto "Excuses are for losers". He was inspired by the investors who financed the setting up of SAC Capital – they taught him the value of responsibility by guiding him to plan and execute his work conscientiously. SAC Capital focuses on offering reputable companies to the capital markets, earning the trust of its investors.

Before venturing out on his own, Mr Ong, 46, had worked with various financial institutions where he handled corporate finance advisory work. That's where he met the future backers of SAC Capital who were his clients then. They were confident of his potential and advised him to strike out on his own. The founders included two passive investors, and former Member of Parliament, John Chen, who sat on the board of a listed company belonging to Mr Ong's client. Dr Chen has been chairman of SAC Capital since its founding.

After receiving the corporate finance advisory licence from the Monetary Authority of Singapore (MAS), Mr Ong recruited a team of five to kick-start SAC Capital's operations. As he lacked a strong business network, he built the business organically with the little resources he had. Through referrals from his friends in the industry, SAC Capital got the ball rolling for more business opportunities, generating revenue – and survival in the early years.

Unique business model

Operating as an independent corporate finance firm, SAC Capital has a business model that is different from other similar firms. In 2009, SAC Capital received permission from MAS to deal in share placement for Initial Public Offerings (IPOs) and secondary market placements. This was followed in 2012 when SAC Capital obtained a licence to underwrite shares, allowing the firm to have underwriting capabilities for IPOs and secondary fundraising. With these licences, SAC Capital no longer has to reply on brokers for share placements and underwriting.

In early 2017, SAC Capital started a team to conduct economic analyses and gather market information. In mid-2019, Mr Ong planned to invest and add a fund management unit which would help SAC Capital to execute investment strategies and manage portfolios for accredited investors. Being the only independent



The SAC Capital team led by chief executive officer Ong Hwee Li (third from far left, front row), together with its business partners, celebrating its win at the Enterprise 50 Awards ceremony in 2018. PHOTO: SAC CAPITAL PTE LTD



This series is part of the Enterprise 50 Educational Project between the E50 partners and the NUS Business School. SAC Capital Private Limited was among the winners in 2018. The annual E50 ranking is co-organised by The Business Times and KPMG, sponsored by OCBC Bank, and supported by Enterprise Singapore, Singapore Exchange and Singapore Business Federation.



ENTERPRISE 50

Managing a business ethically burnishes reputation

By stressing integrity, corporate finance company SAC Capital builds trust among its partners and clients

corporate finance firm that has both research and fund management functions, SAC Capital is able to maintain a competitive edge over its rivals by offering a full range of investment banking services.

Values which create success

A key factor behind SAC Capital's success is its focus on quality. Mr Ong prioritises quality of work over profit generation. He believes that when quality work is delivered, revenue will flow in. It builds credibility on its brand and encourages referrals from clients who have had good experience with it.

SAC Capital focuses on delivering good companies to the market to protect investors. With this in mind, the company has become more selective and reviews its potential clients' internal processes closely before undertaking work for them. If they do not meet SAC Capital's criteria, it will reject these companies and not bring them to the market.

For instance, SAC Capital did a "major clean-up" when it acquired Canaccord Genuity Singapore Pte Ltd, a Singapore subsidiary of Canaccord Genuity Group Inc, a global investment bank. Over two years, SAC Capital reviewed Canaccord's clients, forcing

it to reject several potential IPOs and asking some of the companies to look for other sponsors. For instance, during its assessment, SAC Capital found several non-compliant companies such as mining companies without an export licence as claimed.

By staying true to its values, SAC Capital has gained trust and burnished its brand reputation among clients and investors.

Motivated and empowered employees

As SAC Capital strives to excel, Mr Ong places a greater emphasis on employees, the company's most valuable asset. "I don't believe in overload-

ing people," he said, indicating that quantity does not equate to quality and good performance. Instead of stretching their attention over several tasks, Mr Ong shared that it is more fulfilling and satisfying to put 100 per cent of their effort into each assignment to ensure quality.

Taking note of each employee's workload is a critical step in ensuring their welfare. He empowers by giving them autonomy. Instead of pressuring them, the empowerment allows them to hone skills and grow.

Expansion plans

SAC Capital is seeking to expand

within the Asean region, especially in Malaysia and Thailand by early 2020. Malaysia has been identified as a potential market where there are a number of good private companies which need to raise funds for their expansion.

SAC Capital aims to offer sustainable solutions and alternatives to such clients in Malaysia. It is confident that it would be able to provide quality financial advice on mergers and acquisitions in these countries.

As part of the expansion plan, SAC Capital will be looking to work with partners of similar size or smaller investment banks as it expands its operations overseas.