

SINGAPORE HUMAN CAPITAL SUMMIT

Talent hub another strong selling point for S'pore

Being a talent hub – not just low-cost site – will keep drawing investors

Reports by CHUANG PECK MING

MAKING Singapore a home for talent is the next push to ensure Singapore stays attractive to foreign investors, according to Trade and Industry Minister Lim Hng Kiang.

Speaking yesterday at the final panel discussion of the two-day Singapore Human Capital Summit conference, he said that it is getting more difficult to bring in foreign investments. Multinational corporations and others are no longer drawn simply by a low-cost environment.

Singapore's move to be-

come a talent hub is to keep in step with this change, Mr Lim said.

As a talent hub, he said, Singapore would not only offer a ready pool of talent for companies to tap, but also what is needed to develop the talent they require – yet another unique selling proposition (USP) for the Republic.

His comments came just a day after Prime Minister Lee Hsien Loong unveiled the Economic Development Board's (EDB) new initiative to anchor Singapore as the regional centre for developing talent and leadership training.

Called the Singapore Leadership Initiative for building Networks and Knowledge (Singapore LINK), the move will see a cluster of business schools, research houses and corpo-

rations formed at One-North in Buona Vista. "This clustering will strengthen the links between research, management and training, encourage corporations and academia to work together on real-world challenges and facilitate the eventual adoption of new best practices," Mr Lee said at the conference on Tuesday.

Mr Lim yesterday said that the government would pour more resources to build the infrastructure and provide the software and programme for the development of human capital. Singapore has to work fast in this area to tap Asia's rapid economic growth, according to him.

At the corporate level, DBS Bank chairman Koh Boon Hwee stressed the need to groom talent within

a company to keep up with growth.

He said companies should seek out young talent in the global market and nurture them as their future leaders. This would make it easier to imbue them with the company's culture and vision – factors critical for success that take a long time to get into any employee's system, and even tougher to sustain.

Mr Koh urged that more attention be given to hiring and retaining talent because, at the end of the day, this is the single biggest factor that makes a difference between the success and failure of a business.

Deborah Henretta, group president for Asia at Procter & Gamble, said that to attract and keep talent among the new generation – Generation Y – of employees, companies must have

a purpose to inspire them; the flexibility to let them work anywhere and anytime; and be tech-tolerant to allow them to fiddle with their gadgets at work.

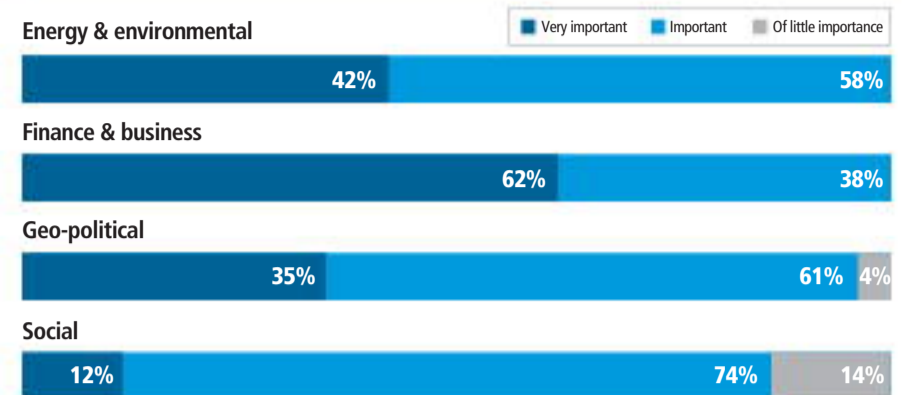
Robert Sutton, professor of management science and engineering at Stanford University, called on human resource practitioners to challenge old and conventional assumptions in their work.

These include the need for a great performance review system; identifying high performers and pay them whatever it takes to keep them; hiring and developing the very best people; and copying best practices of others.

The Human Capital Summit, which is in its second year, was organised by the Ministry of Manpower and the Workforce Development Agency.

Critical factors

How important is the issue for business in Asia?



Source: Asia Business Council

Asia Business Council members more upbeat

By UMA SHANKARI

A SURVEY by the Asia Business Council has found that its members – who are the chairmen and chief executives of leading Asian companies or multinational corporations – are significantly more optimistic about the economy.

Some 67 per cent of respondents believed that business conditions in Asia would improve, compared with only 6 per cent in 2008. However, from this group of respondents, a third also feared that recession would be the biggest economic problem in Asia.

The survey was conducted from June to August, and saw a response rate of 74 per cent from the body's 70 members. The council's members control companies with a valuation of over US\$1 trillion and di-

rectly employ more than 1.5 million people.

Factors that contributed to the positive outlook include the GDP of China, Indonesia, South Korea and Singapore growing by an average annualised rate of more than 10 per cent in the second quarter, improved US manufacturing data, and milestones in the equities market such as the Dow index shooting past 9,000.

Members rated finance and business issues as crucial to business in Asia and also perceived an impact on their businesses. The marked increase in the significance of these issues relative to last year is an indicator of members' emphasis on ensuring the stability of their balance sheets and liquidity positions, said the council.

Members' emphasis on the availability of credit indicates their intent on being ready for business opportunities, it added.

The second area of concern was energy and environmental issues – specifically the prospect of higher oil and gas prices, which members felt would increase their operating costs.

The survey also found that in the last four years, the largest proportion of the council's members invested in China and India. But an increasing proportion also invested in Indonesia, ranking it as the third top investment location, surpassing Vietnam for the first time. The largest foreign investments were in the telecommunications sector, followed by pharmacy, construction, metal, and electronic industries.

Accenture does it well and gets it right

ACCENTURE India's submission for its winning bid for the first Asian Human Capital Award could fill the whole volume of a management bestseller.

Its talent management practices embrace every aspect of the firm's fast-growing business which covers business consultancy, technology and outsourcing. And they touch every one of its staff – all 40,000 of them.

Talent management is built into Accenture's recruiters, trainers, managers, career counsellors and all other staff. Recruiters know what competencies the company wants – and know where and how to hire the talent. And these are deployed precisely where they are wanted.

"We look at talent management in an integrated fashion," says Prithvi Shergill, Accenture India's senior vice-president for human resources.

Managers and trainers spot in advance what competencies are needed to grow the business – and hire or retrain staff to meet them.

Every leader in Accenture, which has been consistently picked as among India's best employers, see themselves as a student, teacher and mentor, according to Mr Shergill.

The competencies are linked directly to the company's business strategy – and its bottom line.

Accenture's HR people,

who play a guardian role in the company's talent management, speaks the business lingo and are well-versed in the company's business and performance. They can translate staff competency directly into the company's earnings.

Many of the people practices Mr Shergill described in Accenture are familiar and found in bestselling management tomes. What makes the company different from less successful companies is in the execution of these practices – in carrying them out and doing it right.

And this requires some fundamental shift in the key elements that go into making a human capital strategy, Mr Shergill says. They are:

- ◆ a shift from a mindset of talent being only high potentials or leaders to a mindset of talent being skills and capabilities needed to execute the business strategy;

- ◆ a shift from a culture in which talent is managed to one in which talents need to be nurtured and grown;

- ◆ a shift from C-suite executives, functional leaders

and line managers being accountable for people development to all people managing people being visibly engaged in nurturing and developing talent.

It also requires a mindset focused on boosting human capital value embedded in the company's strategies, processes and practices demonstrated by targeted business outcomes.

A journey of success forged in steel

Nam Leong has established a significant domestic presence. For FY2007, it posted sales of \$70m, report CHARLES LIM JUN LIE, FABIAN PHUA and YUE RUI SHENG

FOR a company that split into two just 10 years after it was formed, Nam Leong has recovered remarkably.

It started out as a small partnership comprising eight members in 1958. In 1968, the partners of the company separated into two. Poh Boon Say, the late father of Nam Leong's current chairman, David Poh, continued to oversee the company's operations. Mr Poh, who joined Nam Leong in 1974 and worked his way up from the bottom, has since taken over the reins of the company.

In the beginning, Nam Leong was a licensed moneylender turned supplier of sanitary ware and bathroom accessories. This remained Nam Leong's mainstay until the mid-1980s, when the need for fire protection systems in buildings became important because of increasingly stringent safety regulations.

Mr Poh was quick to recognise this opportunity to expand Nam Leong's business into steel products. Besides fitting out buildings with sanitary products, Nam Leong would also supply the steel pipes used in the installation of the fire protection systems. Mr Poh's younger brother, Mark Poh, stepped up to the challenge. The managing director of Nam Leong said: "I had to actively approach contractors whenever I heard about upcoming projects to introduce our product features and prices to win over more customers."

In 2000, Nam Leong further diversified its steel business by expanding its scope beyond the construction industry to the marine, and shipbuilding industries.

Today, Nam Leong's steel inventory is extensive, encompassing products such as carbon steel pipes, valves and fitting steel products. The company is also a manufacturer of Butt Weld Fittings, which is a pipe fitting widely used in the building and construction, oil and gas, and shipbuilding industries. Another highly-acclaimed product is its GLENSUL Factory Pre-insulated Piping that is commonly used in both aboveground and underground water refrigeration and heating systems.

Under the leadership of the two brothers, Nam Leong has established a significant domestic presence. In FY2007, Nam Leong had a sales turnover of \$70 million. The company aims to continue to build on its annual sales turnover, says Mr David Poh: "The sign of a great business is that it is able to build on



YEN MENG JIIN

and achieve better figures the next year and the year after that."

The company's success in its steel business has also enabled Nam Leong to make the list of winning companies in the 2008 Enterprise 50 Awards for the second consecutive year.

Every product at Nam Leong undergoes a series of meticulous quality-control checks before it is allowed to leave the company's factory or warehouse. In 2003, the company was awarded the ISO 9001:2000 certification for its outstanding quality management system. As Mr David Poh said: "Our products are of superior quality and hence customers always return to purchase from us."

Nam Leong also makes it a point to stock products that are already brand-name quality products in their own right. For example, the company is a stockist for the Bowling brand – a range of high-grade malleable iron pipe fittings – which is a big favourite among customers. This is also said to be Nam Leong's trademark brand. Other similar high-quality products include BON and GLENSUL, both of which are wholly-manufactured by Nam Leong and certified under the PSB Product Listing Scheme in Singapore.

Its two factories spanning over 260,000 sq ft and using machinery from Sweden and Korea are able to

customise products according to their customers' needs. Providing additional insulation to steel pipes and customised welding services give added value to its customers. Nam Leong's customised engineering also extends to include fabrication and machining services.

Nam Leong has clinched major contracts at the two integrated resorts – Marina Bay Sands and Resorts World Sentosa. Besides private contracts, government bodies such as JTC Corporation also form a major part of the company's clientele.

Over the years, Nam Leong has successfully overcome several crises through a strategy of active customer-sourcing and fair product pricing. With lower supply prices, it has also expanded its range of products and widened their specifications. For example, it has introduced high tensile material for pipe and fittings. "Nevertheless, we seek to undertake this expansion with caution and prudence," said Mr Mark Poh.

The company is trying to expand beyond the local market. Apart from operations in Malaysia, mainly involving trading with a network of hardware shops, the company has invested in steel fabrication companies in Europe and America. A global journey has begun.

The writers are students of the NUS Business School

All in the family: Brothers David Poh (left), and Mark Poh have successfully overcome several crises through a strategy of active customer-sourcing and fair product pricing



Published every Tuesday and Thursday, this series is part of the Enterprise 50 Educational Project between the ESO partners and the NUS Business School. Nam Leong was one of the ESO winners in 2008. The annual ESO ranking is co-organised by The Business Times and KPMG, sponsored by OCBC Bank, and supported by Spring Singapore, IE Singapore and Infocomm Development Authority.



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Bagging the win

The Business Times turns 33 today and we kick it off with an exclusive offer just for our readers. It's our way of saying thank you for being a part of us

By SITIZALIZA WARTI

REIGNING world champion Lewis Hamilton has it in the bag – and it's not just his recent Formula One win in Singapore.

The 24-year-old Briton (above right), who claimed victory from pole position to finish in the second SingTel Singapore Grand Prix night race last Sunday, is the poster boy for Samsonite's new Black Label range along with McLaren team mate Heikki Kovalainen (left).

The luggage maker has teamed up with McLaren to produce a line of luxury travel bags dubbed the McLarenSport Samsonite Black Label. They are finished in black nylon with distinct rocket red accents, typical of the McLaren design and come with perforated leather carry handles, black nickel metal hardware and linings in grey and rocket red.

Get any one of the McLarenSport Samsonite Black Label bags and you will receive a Molton Brown Traveller Kit worth \$110 when you present this copy of The Business Times at the point of purchase.

Be sure to grab this offer fast though – it is available only at TANGS Orchard and is limited to the first 33 customers from now till this Sunday.

This is the first of five promotions exclusive to readers in conjunction with BT's 33rd Anniversary

Helping SMEs on Apec's agenda

HELPING small and medium enterprises access global markets and overcome trade barriers will be the focus of discussions among Apec ministers and senior officials who are meeting in Singapore next week.

Top of the agenda for the 29th Apec SME Working Group and 16th Apec SME Ministerial Meetings, will be to find ways for the 21 Apec economies to jointly help their SMEs position for growth post-crisis, as well as develop market research and market access capabilities. They will also discuss the implementation of the Apec SME Strategic Plan, adopted and endorsed by last August's SME Ministerial Meeting in Peru.

Spring Singapore chief executive Png Cheong Boon will chair the Working Group meeting, while Minister of State for Trade and Industry and Manpower Lee Yi-Shyan will chair the SME Ministerial Meeting. Both are part of Apec Singapore 2009, the climax of which will be the Leaders' Week in November.

The week-long programme begins this Saturday, with a seminar organised by Singapore. At the seminar, findings of a feasibility study done on how SMEs' access to global markets could be accelerated via a common training framework will be presented to the 300 SME representatives and Apec officials who are expected to attend.

Two other seminars on SMEs' access to credit and flu pandemic preparedness, organised by New Zealand and the United States respectively, will also be held next week.