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Productivity Tips for Small Business Owners

1. Overview of Small Professional Service Businesses in Singapore

1.1 Profile of Small & Medium Enterprises (SMEs) in Singapore

In Singapore, SMEs, are enterprises with operating receipts of not more than \$100 million or employ not more than 200 workers. The profile of enterprises in Singapore in 2015 is shown below.

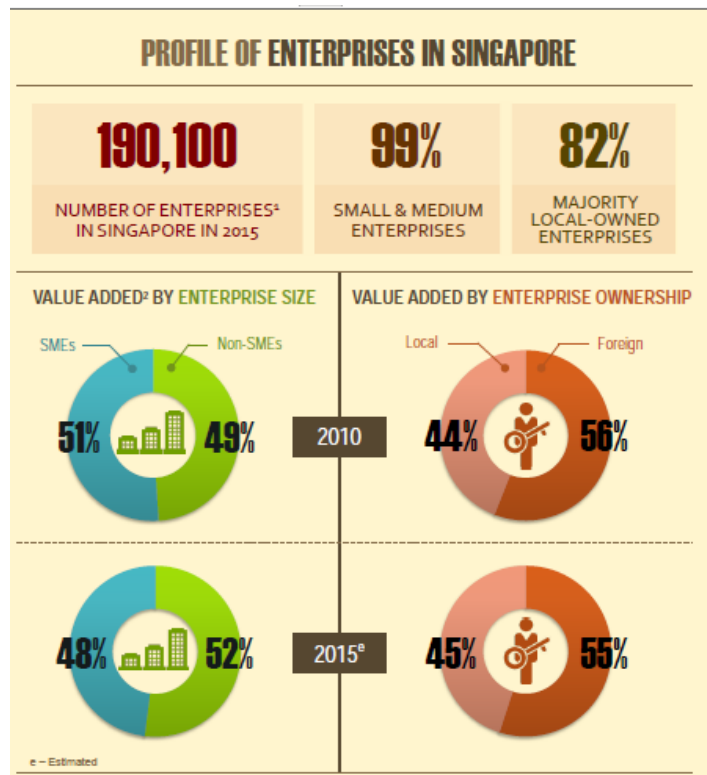


Figure 1: Profile of Enterprises in Singapore (2015)

Source: https://www.singstat.gov.sg/docs/default-source/default-document-library/statistics/visualising_data/profile-of-enterprises-2015.pdf

library/statistics/visualising_data/profile-of-enterprises-2015.pdf

1.2 Outlook of SMEs in Singapore

There's an optimistic feeling among small professional service businesses in Singapore. Six out of every ten professional service business owners with 10 employees or less are optimistic about the future of business in Singapore for the upcoming year. The number reflects responses to an April 2016 survey sent by online services marketplace ServisHero. Over 2,000 Singapore and Malaysia businesses providing services like fitness, home maintenance, and events received the survey. An average six of ten Singapore small business respondents noted a better performance than 2015, while 63 percent realised an increase in their client base.

Johan de Beurs, chief data officer for ServisHero, noted that the local services sector is rarely affected by oil prices, import costs, and other factors that affect construction and manufacturing sectors. The restricted labour market favours small businesses. Slightly more than 56 percent of Singapore small business owners felt the country supports the start and management of small businesses.

Major concerns include the ability to secure financing (57%) and hire employees (63%), although only three out of every ten businesses hired or attempted to hire workers in the six-month period before the survey. Approximately 46% of the small businesses reported the intent to hire during the six months after the survey.

2. Challenges Faced by Small Businesses

2.1 Major Challenges Faced by Singapore SMEs

A 2014 research survey on Singapore's SME community resulted in a record number of responses of 2,836 small businesses! According to 49% of the respondents, the top concern was finding manpower. 48% was concerned about the high cost of labour. Rising competition (45%) and the high costs of rental (31%) ranked 3rd and 4th in the challenges faced by small business owners. Two percent declared there was no major concern in their businesses.

Top Business Concerns	2014
Difficulty in Hiring Staff	49%
High Manpower Costs	48%
Increasing Competition	45%
High Rental Costs	31%
Uncertain Global Economic Environment	23%
High Material Costs	19%
Difficulty In Retaining Staff	17%
Lack of Access to Business Opportunities	8%
Loss of Market Share	8%
Cash Flow Problems	3%
Difficulties in Securing Bank Financing	2%
No Major Concerns	2%

Figure 2: List of Top Business Concerns by SMEs (2014)

Source:

http://www.dpgroup.com.sg/Attachments/143_SMEDS%202014%20Media%20Release%20FNL%20FNL%202.pdf

2.2 Singapore SMEs Rethink Business Methods due to Pressures of Cost and Manpower

Nearly two-thirds of Singapore business leaders worry about the adverse effect of growing their businesses. There is a concern that quality and customer satisfaction will be affected if a high level of pressure is placed on operations. Survey responses also indicated that 57% are uncertain about the ability of business IT systems to successfully handle the considerable size of complex business models. It also feared growth will reduce the ability to continue with the comfortable, friendly customer relationships.

The challenge to rethink ways to restructure business and growth was met with animated enthusiasm in the areas of:

- Displaying innovation.
- Improving productivity.
- Strengthening technology.

Trimming dependence on manpower and implementing business strategy without losing customers and/or credibility is necessary to survive in a business environment of completion and change.

3. Productivity Enablers

3.1 Ten Top Productivity Tips for Small Business Owners

1. Effectively organise and schedule. Designate 30 to 60 minutes each day to analyse and update workflow, upcoming projects and tasks. Well-maintained, modern programs and equipment keep projects on track. Keep a competent IT expert on staff. Use programs that are accessible from any location through the cloud. Delegate repetitive tasks to trusted employees and schedule time effectively.



Source: www.priotime.com




Source: www.nestleclub.com.ph

Figure 3: Productivity Tip - Effective time management

2. Avoid distractions by creating a workplace. Make your home office a place of business. Request family and friends respect your time so that you can concentrate on your business. Schedule breaks to allow time to walk away and refresh your mind and body from the pressures of work. Tackle and complete the most important task or project of the day before anything else is done.
3. Control emails by turning off notifications, ignoring personal emails during your work schedule, and designating a time to handle work-related correspondences. Maintain focus and efficiency by delegating responses to a qualified employee.

- Customer relationship management (CRM) and project management solutions are productivity tools to manage businesses more efficiently. Check out the free and open source CRM and project management software for your small business from the source listed below. Record conversations for clear communication. Focus on priorities by sharing project updates, tasks, and ideas.

Free CRM Comparison								
BROUGHT TO YOU BY 								
	FREE CONTACTS	FREE USERS	FREE STORAGE	FREE SUPPORT	EMAIL MARKETING CAPABILITIES	CLOUD-BASED	SELF-HOSTED	UPGRADE FEE
 SuiteCRM	Unlimited	Unlimited	Unlimited	Online Community			✓	\$16.40/user /month
 Capsule	250	2	10 Mb			✓		\$12/user /month
 Insightly	2500	2	200 Mb	Online Community	✓	✓		\$12/user /month
 Really Simple Systems	Unlimited	2		Full Service	✓	✓		\$8 for 200 accounts
 FreeCRM	100000	100	Unlimited			✓		\$24.95/user /month
 Bitrix24	Unlimited	12	5 Gb		✓	✓	✓	\$25/user /month
 Raynet	150	2	50 Mb	Full Service		✓		\$19/user /month
 Vtiger	Unlimited	Unlimited	Unlimited	Online Community			✓	\$10/user /month
 Foxit CRM	Unlimited	10	Unlimited	Full Service		✓		\$12/user /month
 Zurmo	Unlimited	Unlimited	Unlimited	Online Community			✓	\$35/user /month
 HubSpot	Unlimited	Unlimited	Unlimited	Full Service	✓	✓		\$10/user /month
 InStreamio	Unlimited	2	Unlimited	Full Service	✓	✓		\$11.36/user /month
 Highrise	250	2				✓		\$24/month up to 6 users

Source: <http://blog.capterra.com/free-and-open-source-crm/>



Source: <http://www.capterra.com/>

Figure 4: Productivity Tip – Explore CRM and Project Management Solutions

- Recharge thoughts and productivity by taking breaks every half-hour or so. Listen to some music, read a few minutes, or take a short walk. The activity helps restore your ability to focus on the task at hand.

6. Outsource tasks to professionals who can do the job better than you or your staff. Focus on doing what makes your small business a leader in the field.
7. Keep a short daily priority list to give yourself time to clear short, easy tasks.
8. Keep meetings to 30 minutes or less by eliminating non-essential topics. Table stalemated discussions. Participants can mull over what's been presented and be prepared with resolutions the following week.
9. Schedule the most important tasks during the hours you feel most productive and energetic.
10. Work is easier to do if you are relaxed and comfortable. Your good health is essential to doing the best job possible.

3.2 Successful Methods to Reshape Small Business Productivity

1. ePay: Has your business adopted ePayment capability? Today's customers enjoy the freedom of paying for products through on-line transactions. Trustworthy electronic payment systems encourage customers around the world to shop with SMEs. Security, safety and convenience provide a global market for consumers and merchants. Setting up a process for accepting online payments, such as plug and play, is inexpensive and easy. Business mobile, web and social media channels are an opportunity to go beyond providing information about products and services to actually conducting the entire process of shopping, ordering, and paying online.



Figure 5: Explore Online and Mobile Payment Options

2. Social media provides a big opportunity to grow business for low marketing costs. Recognised as a vital marketing method, over 50 percent of small business expects to realise the benefit of increased sales within two years.
3. Cloud technology improves productivity, functionality and efficiency of business operations. Small businesses are expected to fully use cloud computing by the start of the next decade because of the low-cost method to share, control, and manage data. Its flexible, scalable platform is already in use for email, social media and online banking.



Source: fizzpopmedia.com



Source: www.spsolinc.com

Figure 6: Explore Social Media and Cloud Solutions

Other benefits include:

- 24/7 security offering data back-up, decreased hacking vulnerability, and the ability to work around the clock with protection from cyber-security threats.
 - Improved collaboration to keep clients informed, share tasks with mobile workers, and the ability to manage and control daily operations. Customer service and business productivity thrive in the cloud environment.
 - All team members have access to the centrally located shared data. Owners, managers, and employees can use Internet access from smartphones, laptops, and tablets to access projects and tasks 24 hours a day.
 - Cloud technology contributes to disaster recovery standards. Layers of secure measures are built into the systems to guard against cyber-threats. Data is secure during a natural disaster because there are no physical barriers, power requirements, or space considerations to affect its retrieval by any mobile device.
4. Chatbots, lightly used for dozens of years, are changing the future of large and small business operations in 2016. This simple computer program uses artificial intelligence (AI) to mimic conversation and enable the chatbots to:
- Produce new sales leads.
 - Simplify the sales process.
 - Sort out and answer customer queries.
 - Boost your overall small business strategy.

Chatbots are an effective consumer resource because the AI remembers information provided by users. Make a person's zip code part of the data provided in response to a question. The bot keeps a record of what human consumers are searching for by location. Clothing retailers use chatbots to ask users to describe their style. The bot searches items and outfits and recommends matches to the caller. It's a 24/7 brand-driven sales advisor that permits human employees to be used in other positions. Facebook's announcement that brands can use chatbots in its beta Messenger platform increases productivity because the bot will:

- encourage prospective customers to access your business page.
- find the products or services they need.
- boost sales and a reputation for quality customer service.

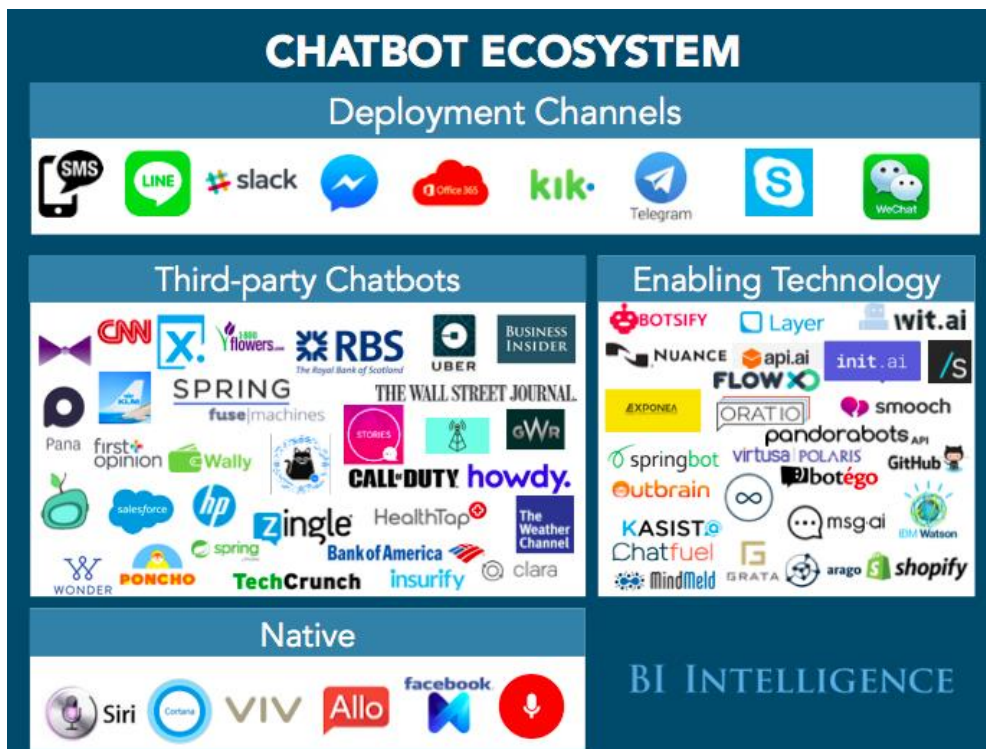


Figure 7: Chatbot Ecosystem
Source: www.businessinsider.com

Case Study

Case Study (Local): Easing the Manpower Crunch – Koon Bak Kut Teh

It required a great deal of research and thought for Mr Moses Chong to redesign work processes for his new business venture. Moving in 2012 from a stall in a local coffee shop selling specialty soups to owning and operating a bak kut teh restaurant was notably different in several ways. Mr Chong referred to customers who accept self-service standards at the coffee shop while expecting personalised service at a restaurant, including being seated and having orders delivered to the table.



Figure 8: Koon Bak Kut Teh

Source: <https://www.facebook.com/koonbkt/>

Similar to many food and beverage operators, manpower shortages and increasing rental fees affected operations. Business was good, but workers were struggling because they had to take and serve orders as well as collect payment. Busy hours caused mistakes and unhappy customers. Written orders were not always legible, leading to delivery of the wrong food.

Mr Chong turned to the SME Centre at Singapore Manufacturing Federation for advice about better manual work processes and improved profitability. Bernard Tan, the centre's business adviser, and productivity manager Siew Ying Choy recommended adding a dishwashing machine in the kitchen. The economical idea started a phased approach to increasing technology in the restaurant's productivity while significantly decreasing the kitchen workload.

The cost was partially covered by the PIC (Productivity and Innovation Credit) scheme. Mr Chong said the machine is easy for staff to use. Even during peak periods, kitchen staff is able to prepare food and fill orders quickly.

Productivity benefits from automation resulted in Koon Bak Kut Teh deployment of a paging system and a mobile app for ordering that runs on tablet computers. Mr Chong reported that they have increased efficiency and reduced reliance on manpower. Frontline staff is more responsive to customer requests through the paging system, while the tablet application has reduced ordering errors and misplaced complete orders.

After improving the restaurant operations, he considered improving the product offerings. The Spring Singapore's ICV (Innovation & Capability Voucher) program enabled a customer insights consultancy project to increase marketing and customer engagement capabilities. Mr Siew helped identify menu items with higher margins. A revised menu focused on signature dishes and provided foods that catered to different tastes.

Koon Bak Kut Teh is implementing Mr Siew's re-organisation suggestions in the kitchen and storeroom. Less time will be needed to locate items, upgrading productivity. Payroll and other human resources processes have been automated. Staff can now participate in strategic planning. Stable revenue and productivity have led to the opening of another new restaurant and a study for overseas expansion.

Case Study (Global): Collaborative Machines and Panek Precision Inc Change the Way America Works

Robots have worked their way into small factories like Panek Precision Inc. in Northbrook, Illinois. Recently 21 collaborative machines were implemented to reduce labour costs and increase productivity.

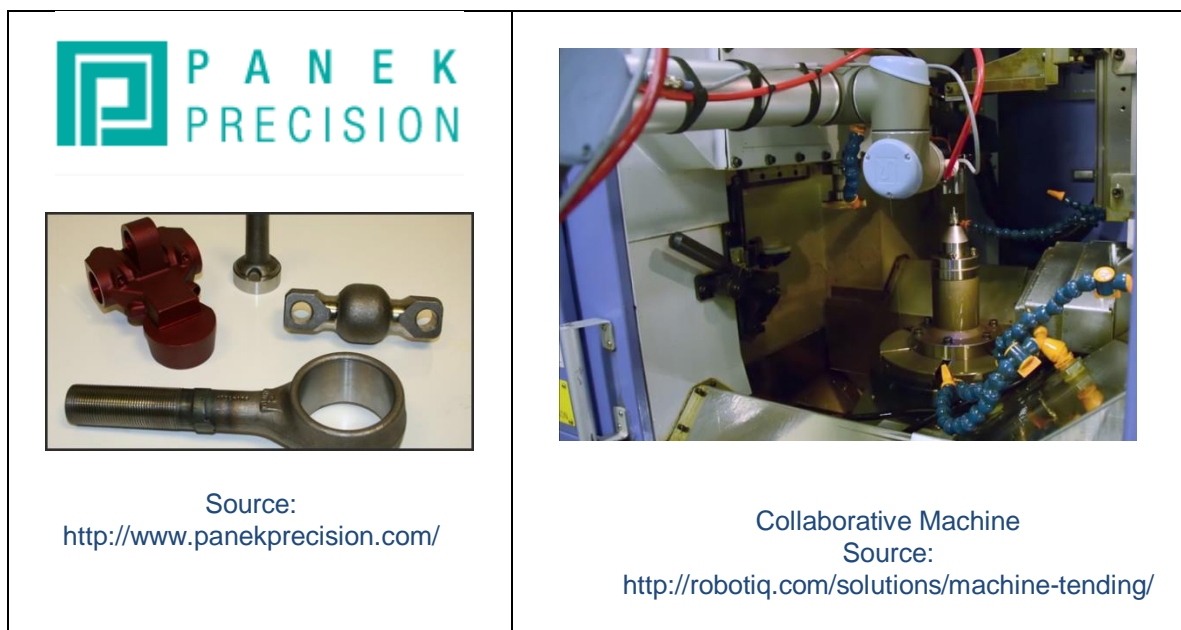


Figure 8: Panek Precision and Collaborative Machine

The machines are designed to work effectively with people in close settings. They can be set to do a task like packaging pieces from an assembly line one day, and set to do a different task the next. Mobile units that move through the factory are programmed to stop or reposition themselves if they are in the way of a human.

Tasks include placing and removing metal parts in cutting machines. Robots do not get bored doing repetitive tasks. The only break required is for routine maintenance. Gregg Panek, president of Panek Precision Inc., is impressed by their ability to work 24/7 when there's a large order that needs immediate attention. As an example, he referred to the performance of one robot that doubled a machine's output as compared to its human operator simply because it had the ability to continue working without a break.

The collaborative machines provide safety features that benefit traditional employees. Some have single articulated arms that allow them to hold a part while it's being cut. There is no danger of injury to human workers.

The average cost ranges between \$50,000 to \$60,000. Improved technology continues to improve robots and their skills while the price decreases. Employees' concern over the possibility of robots taking over their jobs must be addressed to avoid hostility at technology adoption. Robots have worked their way into small factories like Panek Precision Inc. in Northbrook, Illinois. Recently 21 collaborative machines were implemented to reduce labour costs and increase productivity.

6. Conclusion & Immediate Next Steps

Analyse the ways technology can increase productivity and help your small business work more efficiently. Avoid making a specific change to your business practices just because it is working for other companies. Good ideas are not always useful in every situation.

Maintain customer relationships to demonstrate their importance, respect and keep their loyalty. Artificial Intelligence and robotics help your businesses but are not your clients.

Invest time to explain to employees that computers, technology, and robotics are not replacing humans. Instead, they are handling repetitive, dangerous, and time-consuming tasks. It frees up time for human workers and supervisors to do tasks in which they excel.

Train your employees and staff so that they can understand programs designed for your business. Encourage their input about how to expand productivity and growth for your small businesses.

Recommended Readings

Title	Big data for small business
Author(s)	Bernard Marr
Publisher	Chichester, West Sussex, United Kingdom : Wiley, 2016.
ISBN	9781119027034
Call Number	658.4038 MAR -[BIZ]
Remarks	Please log-in via http://search.nlb.gov.sg/

Title	All thumbs : mobile marketing that works
Author(s)	Michael Dru Kelley
Publisher	New York City : Palgrave Macmillan, 2014.
ISBN	9781137279279
Call Number	658.872 KEL -[BIZ]
Remarks	Please log-in via http://search.nlb.gov.sg/

Title	The art of war for small business : defeat the competition and dominate the market with the masterful strategies of Sun Tzu
Author(s)	Becky Sheetz-Runkle.
Publisher	New York : AMACOM--American Management Association, 2014.
ISBN	9780814433812
Call Number	658.4012 SHE -[BIZ]
Remarks	Please check availability via http://search.nlb.gov.sg/

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