

**Remarks by SMS Sim Ann at the Turning Passion Into Profits:
Building a Community for Small F&B Businesses on
16 February 2017, 4.25pm at the Joyden Hall**

Key Messages

- 1) Reaffirm the vibrancy of the Food Services sector, but highlight that amidst a highly competitive landscape and manpower constraints, F&B establishments must transform their businesses. This is in line with the Food Services ITM.

- 2) SMEs in the Food Services sector should leverage on partnerships, tailored programmes and support by public and private leads such as SPRING, RAS, Singtel, SPC and SME Centres to scale up and drive productivity

Introduction

- Thank you for coming together to foster vibrant ecosystem to help F&B Micro-enterprises boost their capabilities. It was a good sharing session earlier from the various F&B owners, evident from the lively discussion during the Q&A session.

- We all know that running a business is not easy. In fact, A SPRING-commissioned study showed that the average micro and small food business runs at an annual operating loss of 8%. In spite of the odds, new aspiring entrants continue to enter the

industry, with about 28% of food outlets being replaced each year.

- In such a competitive landscape, **existing businesses must transform and find new ways to become more productive, yet deliver higher value to their customers.**
- This is a key strategy of the Food Services Industry Transformation Map (ITM), which seeks to **help the sector innovate with new business formats, and transform existing models.**
- New entrants into this market must begin their journey “right” by going beyond offering tasty recipes to looking at how to run on an innovative and lean business model. They need to provide a differentiated concept, profitable menu offerings, ensure good sensible workflow and financial management. They should consider starting with productive business formats to have a competitive edge over the incumbents.

1. Partnering others to transform

- F&B entrepreneurs need not face these challenges alone. There is a wealth of F&B experience among our community. To shorten the learning curve of new and existing F&B operators, SME Centres, the Singapore Productivity Centre (SPC), the Restaurant Association of Singapore (RAS) and SPRING

Singapore are working together to foster an ecosystem that seeks to assist F&B small businesses in building productive and sustainable businesses.

The Government also provides strong support and significant resources to bring companies to the next level. There is a wide range of support programs to help our companies in different areas.

I am pleased to announce four new initiatives that will roll-out in May this year.

2a. Mentorship Programmes

- Restaurant Association of Singapore (RAS) will be introducing a new mentorship programme.
- F&B veterans like CEO of 4FINGERS Crispy Chicken, Mr Steen Puggaard, COO of JP Pepperdine Group, Mr Jerry Lim, as well as COO of The Lo & Behold Group, Mr Andrew Ing will mentor aspiring entrepreneurs on business and leadership

2b. New Digital Solutions

- Singtel has also partnered the RAS to offer digital solutions to F&B enterprises to generate new business.
- These include online menus, reservations and takeaway services to help generate more business. With this platform, F&B

micro-enterprises can look forward to integrating their restaurant operations easily with online marketing solutions.

2c. New “Workshop +” programme and Free workshops by SME Centre

- Singapore Productivity Centre will be launching a new “Workshop +” programme in “Workflow Redesign”, “Menu Engineering” and “Financial Management”.
- SME Centre @ ASME has also lined up a series of specially customised workshops
- Topics include branding, marketing and human resource management.
- These workshops are provided free of charge for both businesses and entrepreneurs.

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