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SPEECH BY MS SIM ANN, SENIOR MINISTER OF STATE FOR TRADE AND INDUSTRY, AT THE LAUNCH OF THE RETAIL CENTRE OF EXCELLENCE, 10 OCTOBER 2017, 3.15 PM AT SINGAPORE MANAGEMENT UNIVERSITY

Professor Lily Kong, Provost, SMU,

Professor Gerry George, Dean, Lee Kong Chian School of Business,

Professor Kapil Tuli, Director for the Retail Centre of Excellence,

SMU Faculty members,

Ladies and gentlemen,

Good afternoon.

1. I am pleased to join you today for the launch of the Retail Centre of Excellence (RCoE). Housed here at the Singapore Management University (SMU)'s Lee Kong Chian School of Business, the RCoE is a joint initiative between SMU, SPRING Singapore and the Economic Development Board (EDB). As a centre for retail research and insights, the RCoE will position Singapore as a thought leader for the retail industry in the Asia Pacific region.

Driving innovation and productivity through the Retail ITM to improve the competitiveness of companies

2. There are about 23,000 retail establishments in Singapore, contributing almost 1.4% to GDP and 4% of total employment. In today's fast-evolving digital economy, our retailers face a host of new challenges. These take the form of intensified competition from digital marketplaces, integration of

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brick-and-mortar and online operations, as well as skills gaps – in both traditional areas, like retail management, and emerging ones, like mobile commerce and data analytics. As such, it is increasingly important that they are cognisant of wider retail trends in order to adapt and seize new opportunities.

3. The Government and our industry partners are committed to helping companies across the retail sector address the challenges. The Retail Industry Transformation Map (ITM), which was launched last September, maps out plans to support our companies in their effort to innovate, adopt new technologies and omni-channel strategies, and adapt to evolving trends in jobs and skills. The strategies in the Retail ITM were developed in close partnership with the industry, unions, trade associations and chambers (TACs).
4. One such retailer that has successfully adopted innovative retail technologies to transform the customer experience is Commune, a home-grown furniture design business founded in 2011 as the retail arm of local furniture manufacturer Koda. Its flagship retail experience centre in Defu Lane features a 3D floor planner and virtual reality (VR) simulation, which allows customers to recreate their homes and visualise Commune's furniture within their spaces. This has enhanced the customer experience by providing greater assurance to potential buyers that their choice of furniture will fit well in their homes.

RCoE will enhance the local retail ecosystem and develop Singapore as a regional thought leader

5. The launch of the RCoE today will facilitate our retailers looking to achieve similar transformations. Through SMU's RCoE, retailers will have a key resource to learn about and adopt retail best practices from Singapore and

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beyond. The RCoE will play a vital role in enhancing the local retail ecosystem and positioning Singapore as a regional retail hub and thought leader. It aims to achieve this through a focus on retail-specific research and by building the talent pipeline of Asia Pacific retail leaders and professionals. To achieve its mission, the RCoE has adopted a three-pronged approach.

6. First, it will establish thought leadership in the region through networking and knowledge sharing. The global retail industry is estimated to be worth US\$28 trillion by 2019. This is especially true for Asia, with its emerging middle class. As demand from the region swells, retailers must be nimble and attuned to the needs and desires of their potential customers to make the most of up and coming opportunities. In this regard, I am glad to note that the RCoE boasts a distinguished list of Founding Members whose expertise and experience will go a long way to benefit other retailers in Singapore. The RCoE's Founding Members span a number of industries and include the first Founding Member DFS Venture, as well as Microsoft, Harvey Norman, IKEA, Popular, Decathlon, and Tiffany and Co. The RCoE and its Founding Members will share a tight-knit collaboration in research and talent development, as well as jointly lead industry cluster meetings such as SMU's annual Retailing Conference.

7. Second, the RCoE will focus on retail-specific research that will help solve business challenges. Against a backdrop of ongoing disruption, retailers can find it difficult to strike a balance between managing operational business challenges and investment in new strategic initiatives for transformation. To help guide retailers in making more informed choices, SMU faculty at the Lee Kong Chian School of Business will conduct deep-dives into specific retail challenges and synthesise their findings into actionable knowledge. For example, Tiffany and Co, one of the RCoE's

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Founding Members, worked with SMU faculty members to contribute a case study on engaging and connecting with the Asian luxury consumer through an omni-channel strategy. These case studies will be published by SMU's Case Writing Initiative and widely shared in the press.

8. The RCoE's third prong will focus on talent development programmes to groom professionals and students for the retail industry. This will help bridge skills gaps, especially in areas such as digital marketing, data analytics, and management of overseas markets.
9. As any productivity or innovation initiative is only as good as its implementation, it is crucial that retail professionals have a deep understanding of emerging areas such as omni-channel retailing. To help them develop these skillsets, the RCoE will conduct masterclasses and workshops to help both existing retail professionals as well as mid-career switchers. In March next year, the RCoE will conduct the first run of its Asian Retail Leaders Programme, a four-day retail leadership programme targeted at current retail leaders and covering topics such as digital marketing, data analytics, retail innovation and developing strategies for the converging digital and physical media.

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10. The retail industry offers many rewarding career paths, and I am happy to hear that SMU has introduced programmes to help students identify the multiple pathways that they can take. From teaching deep skills in specialised retail fields, to providing avenues to learn about the retail landscape and interact with industry leaders, I hope that SMU and the RCoE will inspire young Singaporeans to consider retail as a professional career.

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Conclusion

11. The launch of the RCoE, with the strong support of the Founding Members, represents a collaboration between academia and industry to address common retail challenges, and to achieve its vision of Singapore as Asia's regional retail thought leader. The RCoE has taken a holistic approach to bring together the strengths of various stakeholders – including retailers, industry experts, academia and the Government.

12. I look forward to seeing the RCoE play a key role in providing thought leadership for the industry. I wish you and your partners success in your mission to spur the retail industry on to greater growth. Once again, congratulations to SMU and the RCoE on your launch. I wish you a pleasant afternoon ahead.

13. Thank you.

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