1-2014

Adapting to Change: The State of Singapore Private Enterprise in China

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Citation

HOW, Wilfred and YEOH, Caroline. Adapting to Change: The State of Singapore Private Enterprise in China. (2014). *The Rise of Asian Firms: Strengths and Strategies*. 123-140.

Available at: https://ink.library.smu.edu.sg/lkcsb_research/3808

CHALLENGES IN A CHANGING LAND:
THE STATE OF SINGAPORE PRIVATE ENTERPRISE IN CHINA

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INTRODUCTION

One of the most affluent and developed nations in its region, the city-state of Singapore relies largely on tapping global resources for economic growth, to ameliorate its tiny land area and accompanying lack of natural resources. Its current prominence is to a great degree owing to an early recognition of the need for such, and a well-documented stratagem of expanding its foreign direct investments (FDIs) as a means to stimulate economic development (Huff, 1995; Murray and Pereira, 1995) and strengthen the city-state's 'external economy' - one which saw the island progress through a number of distinct phases of overseas investment initiatives, each with its own successes and inevitably, failures; the city-state itself taking away, in each case, lessons to be learnt therefrom. Initial ventures in North America and Western Europe, attempting to expedite access to new technology and markets, proved largely unprofitable, suggesting efforts were best refocused elsewhere (Sitathan, 2002). A shift occurred towards regionalization, with a refocus on opportunities within Asia, particularly in China, Indonesia and Vietnam (Tan, 1995; Okposin, 1999); this was embarked upon largely under the aegis of government support, through the vehicle of state-sponsored industrial townships, negotiated upon at a state level and managed heavily through government-linked companies (GLCs). This was to ultimately achieve much more positive, although yet somewhat mixed, results, as described in our older research, and was to also provide a number of invaluable and cautionary lessons as to the exportability of Singapore-styled business practices and systems to foreign cultures (Yeoh et al, 2006; How & Yeoh, 2007) – which, in short, was that wholesale exportability was less than tenable in the long-term.

The city-state was to next expand its aims once more from regionalization to internationalization, with its eyes set on the cryptic Middle East region – at the time possessing a flourishing property development market, fed by a new wave of local investment and international interest. With experiences from China, Indonesia, and Vietnam in mind, Singapore's gambits in this region were thus to reflect a less dominant role from government institutions, and instead a greater emphasis on the company, perhaps also to galvanize private enterprises into a more prominent role in creating self-sustainable economic space. At the base, however, elements of the all-too-familiar strategies of managing strategic co-operations and engaging with private or semi-private enterprises – strategies that admittedly, to date, have had at least some observed success – were to be easily observable; and though ostensibly different, many initial entries into the region were through methods extremely similar to those observable from the era of regionalization. Also all too familiar, then, were the undercurrents of tension and disconnected viewpoints over such business practices – which though at first did not appear to be sufficiently major as to be immediate problems, rapidly grew into such in the wake of the worldwide financial crisis, most notably in Dubai, one of the areas hardest hit by the crisis, and one of the major centres of Singapore's internationalization efforts. Today, Singapore involvement in the region, while still significant, has of necessity evolved to be simultaneously more cautious, as well as more flexible towards the interests of local stakeholders, cultures, and business practices – this, perhaps, being the pertinent lesson from this most recent phase of the city-state's internationalization efforts.

A lesson, however, perhaps not as easily learnt by some. Our recent research, indeed, points towards Singapore's government-linked companies in the Middle East having made a smoother transition – and, indeed, having been more adaptable in general – than the city-state's private enterprises, contrary to common expectation (How & Yeoh, 2013). These findings are reinforced peripherally but on a global scale by official data from Singapore (IE Singapore, 2013) as to the city-state's small-medium enterprises (SMEs) and non-SMEs between 2011 and 2012, from which two findings relevant to this topic surface. The first, that that the intention of Singapore SMEs to venture into various economic regions registered a drop (sometimes a sharp one) across the board for every region but Southeast Asia, suggesting a propensity to stick with safer and more familiar pastures; and the second, that the percentage of SMEs identifying various major export-related challenges as significant factors remained relatively unchanged, while the percentage of non-SMEs doing so dropped by a large extent for many such challenges, suggesting a greater degree of adaptability by Singapore's non-SMEs than SMEs. In the context, then, of Singapore's GLCs almost completely belonging to the non-SME category, and to SMEs comprising much of the private enterprise in greatest need of the economic space internationalization provides, an inferential, if not substantive, observation can be made as to the relative adaptability of Singapore's GLCs and private enterprises.

Given the importance of the fully private enterprise in the long-term sustainability of any internationalization effort, and Singapore's obvious recognition of this importance, this observation may naturally be a cause for some concern for the city-state and its internationalization strategy. It is therefore the purpose of this study to examine a selection of Singapore companies – in this case, Singapore private enterprises specifically – operating in China (which features both a sizeable market attracting considerable international investment, and a highly fluid and changing business environment) so as to obtain a loosely representative impression of the extent to which Singapore private enterprise is actually able to adapt to foreign business environments, and to changes that occur therein. The reasons for, advantages of, and some limitations inherent in, the chosen methodology is outlaid in full in the following section.

METHODOLOGY

Empirical data was first obtained through a series of in-depth and, whenever possible, face-to-face interviews with top management personnel from the case-study companies, taking place over a number of years, with especial emphasis on the most recent such interviews, from 2013, so as to increase the potency and relevance of the information thus gleaned. With this primary data as the main input, secondary resources, including press releases, news reports, performance indicators, and even some degree of anecdotal evidence, are tapped to provide corroborating and/or contradicting data. The case studies are thus constructed from an analysis of this body of available data, with attention paid to the observations, inferences, and conclusions that may be drawn from the abovementioned corroborations and/or contradictions between primary and secondary accounts of the case study companies' experiences in China.

For the purpose of this study, all three chosen case study companies are privately owned enterprises, instead of a mix of private companies and GLCs. The reason for this choice is due to the limitations of a fully comparative study. Owing partially to differences in profiles of the general Singapore GLC and private company – namely, that the former largely are generally much greater in size and in available resources, sufficiently so as to be almost universally counted among non-SMEs (q.v.) and thus tend to be typically involved in distinctly different industries than many of their private counterparts – an exhaustive cross-comparison of Singapore GLCs and private companies in the same industries is only possible to a limited extent, and would, in all possibility, produce highly industry- or sector-specific results. As such, it is more useful in this case to instead examine private enterprises of various profiles, across a number of distinct industries and sectors, with pertinent comparisons to any GLC counterparts (data of which has been obtained, in most cases, in a similar fashion, via interviews as part of our body of data) of these case-study companies incorporated into the construction of the case study at the secondary data level, and referred to where points of interest arise in the text of the case studies.

For a similar reason, all three case studies are based upon the operations of the chosen companies in China. This is to reduce variations in data arising from different local environments and circumstances, whether financial, geographical, or socio-political. In this way, the potency of comparisons between the case study companies, as must be drawn to produce useful analysis, is increased. This is not to say such variations are eliminated. Operations in China in particular have been chosen for this study despite the existence of precisely the same varying local environments and circumstances across the wide area spanned by the country for a number of reasons. Firstly, as just noted, distinct differences exist across China's various regions in consumer tastes, cultural nuances, and other business-affecting minutiae – and any significant utilization of the vast economic space China has to offer must necessarily involve the expansion of operations across some of these various regions, providing a useful and pertinent point of examination as to the adaptive capability of Singapore's private enterprises. Secondly, China, as a yet continually developing and increasingly affluent nation, possesses a business environment that varies not just across geography, but also across chronology – the China of today is a very different place to do business in than it was ten or even five years ago. Many Singapore companies are dealing, today, which a much changed (and perhaps more importantly, *changing*) environment from when they first entered into China – the degree to which, in the present day, these companies are making necessary and profitable adaptations to changes in competitive environments, customer demographics, and other such greatly transformed areas are invaluable towards assessing the adaptive capability of Singapore private enterprise.

THEORETICAL CONSIDERATIONS

In principle, for most enterprises, the internationalization process is embarked upon with circumspection, involving risk minimization and strategic planning (UNIDO, 2006). During internationalization, some duties and tasks are centrally performed to reap integration benefits, while others are performed locally to adapt to local needs (McGee, Thomas & Wilson, 2010). An enterprise may opt to employ differing levels of integration and adaptation in its foreign operations, depending on the enterprise's priorities and expense tolerance; from our previous research, for example, many Singapore companies in the Middle East appear to have initially defaulted to a strategy of high integration and low local adaptation.

Enterprises venture into markets that are more familiar and less risky, and commit minimal resources, to first gain experience before foraying deeper into relatively riskier business environment. Enterprises, depending on the conditions of the foreign countries and their level of resource commitment, employ different internationalization stratagems – which includes exporting, licensing, franchising, management contracts, turnkey operations, joint ventures as well as full ownership. Likewise, a stages model demonstrates that an enterprise's level of commitment in its internationalization stratagem is contingent on its stage of expansion. At the onset, the enterprise often seeks to reduce its risk; hence, it is not surprising that initially the enterprise mostly just exports its core competencies (or its existing products) into new geographic markets (Delios, Beamish and Lu, 2010).

In time, however, as the enterprise garners experience, and as circumstances in said new geographic markets change and consequently both new opportunities and threats emerge, it must reasonably follow that the enterprise should re-evaluate its priorities, and adjust its strategies and level of commitment, and thus progress onto a further stage of expansion into these new markets – while continuing in the same vein is a valid option, it is also one which generally does not represent full exploitation of available opportunities. It is at this stage, possibly, at which Singapore private enterprise does not yet fully exercise the options at its disposal.

Thus, the two central hypotheses that need to be examined in the following case studies are clear – the first, that Singapore private enterprises are lacking in adaptive willingness and/or capability in response to changing circumstances, such that they suffer in comparison to their GLC counterparts; and the second, that Singapore private enterprises do not fully exploit available opportunities in their areas of internationalization. Both of the above hypotheses, it is noted, are issues linkable to risk aversion and resource strain, factors previously observed in Singapore companies. The degree to which these hypotheses are proven by an analysis of these case studies, then, serves as strong, although most definitely not authoritative, evidence of the predominance and influence of these factors on Singapore private companies.

CASE STUDIES

Company A – Property Development (Commercial)

One of Singapore's more venerable companies, Company A has a long and storied history as one of the city-state's major department store chains. Growing competition locally in the early 1990s led the company to hasten diversification efforts into various other sectors, and today Company A is more majorly represented by its property development and investment arm than by its original retail business, with said property arm contributing well over 90% of the company's profit margin in recent years. These early diversification efforts, in fact, induced Company A's first forays into China in 1994 – a relatively very much earlier entry than most of, and one which would consequently imply all the ramifications of being, to all intents and purposes, a first mover, both in the positive and the negative; especially given the company's relative lack of appropriation of available Singapore governmental support, being neither by industry or location under the auspices of the Singapore-styled industrial township in Suzhou, at the time the focus of the city-state's regionalization programme.

In other ways, however, Company A's entry into China was fairly typical for a Singaporean company – the company's first ventures were accomplished through a joint venture with a major local developer in Shanghai with ties to the municipal government, an all-too-familiar, albeit effective, strategy; one replicated right down to the majority of both management and technical expertise being provided by the Singapore partner. Building on its experience with the retail industry, Company A's initial development in Shanghai was to be a large-scale retail mall, from which the company would derive rental revenues and establish itself as a significant player in China retail space development. The company, however, chose not to import their heretofore core retail business into China – initially because of a difference in affluence and demographic, with the company's target middle- to high-income groups not yet present in sufficient numbers. To the current day Company A's presence in China lies entirely in the retail property development industry, with major malls in the main cities of Beijing, Shanghai, and Guangzhou, and similar properties on a smaller scale across a number of developing Chinese cities – a result that certainly appears to speak well for the company's performance in its new frontier.

A more contextual study, however, reveals a not-insignificant number of hints towards endemic behaviours not unusual among Singapore private enterprises. A comparison with similar companies – in this case Singapore government-linked companies in the same industry – finds that the government-linked companies expanded more daringly into the China market, with the most similar such company having penetrated some 40 cities by 2008 as compared to Company A's rather more rarefied presence. While a difference in resources and experience is surely a factor, for such a gap to open over 20 years is undoubtedly a sign of a rather more cautious and restrained approach – one which quite arguably represents less than optimal exploitation of available opportunity, supporting the second hypothesis. Signs, too, exist as to an insufficient degree of adaptation to differences in tastes and expectations across even the major cities in China – one of Company A's more major properties in Beijing underwent major renovations as recently in 2009 to adjust better to local needs, having been too similar to one of its Shanghai properties. This is obviously a vital concern for the company, as it expands gradually into China's developing cities – with, one might note, retail malls that show a markedly lower degree of differentiation than those in the three major cities. Too, despite the changing face and rather markedly increased affluence of the Chinese populace in general, Company A shows no signs of importing its as yet continuing retail business into China – understandable, perhaps, given the vastly larger profits from the property industry, yet still curious given the company's expansion of its retail business into other, less affluent countries, and the obvious synergies between its ownership of retail malls and its retail business – especially given the opportunity its current expansion into China's developing cities would seem to offer for such retail business. Evidence, then, points towards Company A's example also providing support for the first hypothesis.

Company B – Manufacturing and Retail (Health Products)

A major producer and retailer in Singapore of a wide variety of health products under a stable of different labels, Company B also possesses a significant international presence, with operations across Asia, Africa, Europe, and the Middle East – a resume that suggests a wealth of experience in dealing with varying cultural and corporate norms. As a developer and manufacturer of many of its own products, Company B's methods of international expansion arguably require a greater range of considerations than some companies, needing to juggle research and development with practical manufacturing concerns and promotion needs – a fact which makes the company's wide international expansion all the more impressive, and suggests a rather more voracious appetite for risk and expansion than most of its peers.

Company B's entry into China was in 1994, preceding, in fact, the company's public listing in Singapore – and somewhat atypically of Singapore companies, perhaps owing to its status at the time as a private company, entered in a contractual joint venture rather than attempting to reduce risk through seeking an influential local partner, and in fact would have preferred to utilize a fully-owned subsidiary, as in most of their international operations – and did indeed switch to such full ownership when such became possible, regardless of losing previous incentives. Nonetheless, Company B's initial approach was not without endemic Singapore caution, testing the waters with a single outlet in Beijing. Following outstanding sales numbers from this and subsequent forays into Shanghai, however, Company B discarded its previous approach and embarked on an impressively aggressive expansion strategy, fueled perhaps by new funding from the company's public listing, and as of the end of 2009 was represented by a multitude of outlets across over 50 cities in China. In a similar vein, the minutiae of Company B's operations reveal no reservations towards adaptation towards new paradigms; coherent marketing strategies include a deliberate rarefaction of outlets into higher-end department stores in order to appeal to a higher income group, as opposed to a more general marketing strategy adopted in Singapore and elsewhere, and a purposeful lack of installment plans, in accordance to observations as to the preferences and quixotic tendencies of well-to-do Chinese. Adaptive vigour, too, shows through in the company's response to bootleg products; shortening its research & development cycle in China so as to maintain the technological edge, and offering trade-in deals for not just its own older products, but also bootleg and rival products, at a reduced value. Between Company B's swift and purposeful expansion, and its ready willingness to adopt new strategies in accordance to local socio-cultural circumstances, it is hard to say that the company's experience supports either hypothesis, at least in the short term, and instead stands as a good counterexample.

This is, of course, not to say that Company B does not display some of the more typical habits of Singapore companies in general, and Singapore private enterprise in particular. Even with its rapid pace of expansion, its management staff remains largely comprised of non-locals, the majority being, unsurprisingly, Singaporean – which, like examples of the same in other Singapore companies, are a potential cause for long-term issues, such as integration with local staff, problems with management succession, and availability of importable managerial staff, as suggested by our previous research (q.v.) with regards to the degree of exportability of Singapore-styled business practices. It is worth noting, however, that anecdotal evidence suggests that in the short term at least, this preponderance of Singapore managerial staff actually quells potential tensions from promoting local staff; and as Company B raises few concerns as to staff relations despite the significant length of their presence in China, this may indeed be less of an issue in China than in some other parts of the world. However, quality control staff in China are also heavily Singaporean, and furthermore all exports from China are first shipped to Singapore for additional quality control testing, which, while engendering greater quality assurance, also generates additional logistical costs. Some greater degree of skill and relationship building with local employees, perhaps, might still be on the cards for Company B.

Company C: Retail (Consumer Goods)

A relatively more recent addition to Singapore's stable of private enterprises, Company C is engaged in the design and retail of luxury goods and accessories, most notably shoes and bags. Incorporated in 1996, the company now sports a presence in well over 20 countries in various regions across Southeast Asia, the Middle East, and, of course, China, and has also attracted international attention and investment in recent years. Company C, it seems, appears rather more internationally-minded than might be expected, an observation further supported by the company's appropriation and promotion of various international campaigns in its marketing efforts, and its embracing of the online store paradigm – perhaps evidence to the company's adaptability, given that its international expansion began only in 2004.

Company C's expansion into China, however, was to occur only in 2009, long after the affluence of the average Chinese citizen had begun to climb meteorically, and when the industry had long been established in the country. The actual entry, by this time, was a simple affair – legislation had long shifted to more business-friendly configurations, and Company C already had manufacturing and distribution centres located in China. The most notable characteristic of Company C's initial entry, in fact, was its small scale, in only the single city of Shanghai – a choice made, apparently, due to both an unsurprising measure of caution, and to the need to sufficiently establish the brand name locally before embarking on a larger scale of expansion. Similarly to Company B, however, the company's rate of expansion since its initial foray has been rapid and fierce – today some 45 stores bear the company's brand name across a large number of cities, a development enabled somewhat by the company's already heavily China-based operational structure, with design, research & development, quality control, procurement, manufacturing, and distribution all already occurring to a great degree in China. So well does the company appear to be performing in China, in fact, that the question arises as to why the company chose not to tackle this verdant market earlier. Company C's example in relation to the first hypothesis, then, is a rather mixed bag – the rapid rate of expansion arguably points against it, but the long delay in tackling the market appears to support it, and in either case the relatively short span of the company's operations in China render attempts to measure the company's adaptability over time in China moot.

However, the company's odd delay in tackling the China market is not the only question to arise. Anecdotal evidence ascribes an initial reluctance to engage in Company C's usual franchising strategies in the company's initial entries in Shanghai, ostensibly due to quality control concerns and to reduce chances of replication by competitors – a precaution understandable, perhaps, due to the need to establish the brand at the time, but nonetheless rather curious given the proportion of the company's value chain already located in China at the time. The company's current preponderance of storefronts suggests that these reservations have been long allayed, but their existence in the first place may suggest some degree of the familiar risk-averse Singapore mindset creeping in. Taking this into consideration, together with the abovementioned delay in entering a lucrative market where much of the company's main operational activities were already located, there appears to be circumstantial, though not strong, support for the second hypothesis. As well, the company's management remains highly centralized in Singapore-based managers and executives; a phenomenon less justifiable than it is for Company B, given the multinational composition of most of the company's value-producing sectors (most significantly Singaporean, Malaysian, and Chinese). While no internal pressures are as yet in evidence, this is no guarantee that such may not be an issue in the future; certainly, as our previous research suggests, there have been more than a few Singapore firms who can attest to the same.

Company D: Manufacturing (Industrial/Pharmaceutical)

Engaged in the production of medical cables and assemblies, Company D, too, counts among Singapore's relatively newer private enterprises, having been incorporated in 1998, but similarly sells its products worldwide, with a significant presence in Europe, America, Japan, and China, and counting among its clients a good number of well-known multinationals, such as Siemens AG and GE Healthcare. Company

D, however, differs from its peer, Company C, in two distinct ways. The first, and more obvious, of these differences lies in the nature of the company; being manufacturing-based and in a rather more rarefied industry to boot. The second difference is, simply, a disparity in experience; Company D's founder having previously been involved with a company in a similar industry that spent some years with its manufacturing activities centered in Shenzhen, as far back as 1985, and which enjoyed a fair degree of success before being sold some time later. In this context, then, Company D's immediate choice of Shenzhen as a manufacturing base following its incorporation is highly unsurprising.

Interestingly, the circumstances of Company D's entrance into China were, besides the familiar joint venture vehicle, the exact opposite of those of many other Singapore companies. Shenzhen's status as the first Special Economic Zone of China made the region already a favourable choice for Company D, with a conglomeration of locational advantages ranging from ready availability of materials, to logistical conveniences, to the various and sundry incentives extended to companies operating in Shenzhen. It was, however, the location of the founder's previous company in Shenzhen that was cited as a major factor in the decision to locate the company's manufacturing activities in the region; specifically, it was stated that continuity of business relations with suppliers and other relevant stakeholders in the region – in effect, the eponymous *guanxi,* built through the previous company's years in the region and a partnership with a local firm – was a great, and perhaps even deciding, influence in the choice of location. Company D, thus, was in effect providing the locational advantages; while the joint venture partner, an Australian medical technology firm, was to provide the technical and technological expertise, as well as a line into the client base, which, for this industry, is rarefied and highly established. Atypical as it was for a Singapore company, the partnership proved an effective one; reaping first mover advantages both from the cheaper costs of production in Shenzhen compared to the at-the-time majority production in developed countries, and from a burgeoning of the medical device industry, a paradigm to which China itself contributes. Company D today holds a sizeable percentage of the market share for the products it manufactures, with as much as 80% of the market share for one particular type of cable, and enjoys a reputation for safety, reliability, and cost-effectiveness. This ability to identify potential trends and opportunities, and to capitalize on said trends and opportunities, would seem to suggest that Company D is another counterexample as far as the first hypothesis is concerned.

For the second hypothesis, however, perhaps not so much. Interviews and financial reports intimate that proceeds from the sale of the founder's previous company in Shenzhen provided far more capital than was actually reinvested in Company D, suggesting that the capacity existed for a larger scale of operations in Shenzhen that was actually embarked on. This is supported by two further observations as to the company's initial strategy. Firstly, the company's initial product choice consisted of two types of cables that are used in more common health diagnostic equipment, and thus require relatively low technology bases for their production; a rather light tapping of the technological expertise of the Australian partner firm, which arguably proved to have consequences in the present day, as we note later. Secondly, the maximum monthly production capability of each cable was half of that of the previous firm's – a decision perhaps justifiable from a risk reduction perspective, given the need to break into a new market as opposed to selling to an established market, but one which had immediate consequences, as the surge in demand in the late 1990s proved larger than expected, and had Company D scrambling to keep up, increasing production capacity substantially over the next few years.

The early limitations (and likely risk aversion related) on product selection, too, may arguably be now imposing their own limitations upon the company's future expansion. Company D expressed an intent to expand into the production of another kind of cable, one experiencing a surge in demand and which the company is well financed to expand production into. However, said cable also requires a higher standard of technical and technological knowledge, one enforced by major potential clients in the healthcare equipment industry – requiring a technology transfer which Company D may, at this time, find difficult to negotiate from its Australian partner, given the potential for leakage of intellectual property from employees. This is an issue acknowledged to be an ongoing and present problem for the company, which, while not having much proprietary technology of its own, relies heavily on blueprints from its clients; the company itself appears to have only a limited idea of how the deal with this issue. Certainly, then, some degree of evidence exists in Company D's example to support the second hypothesis. Further, the company appears to have no intention to venturing their manufacturing capabilities further than Shenzhen, despite rising competition from less location-bound local and international competitors, and constantly rising wages in Shenzhen, which already has the fourth highest minimum wage per hour in China. This particular caveat not only provides evidence supporting the second hypothesis, but also shores up the first hypothesis, weakening the degree to which the case of Company D may count as a counterexample to said first hypothesis.

Analysis

Examining the above four case studies vis-a-vis the stated hypotheses, then, produces an interestingly mixed range of observations. At a glance, while Company A's case supports both hypotheses, Company B's case instead provides a strong counterexample against both hypotheses. Company C and D's cases both provide weak-to-middling support for the second hypothesis, but Company D also presents a weak counterexample to the first hypothesis, while Company C's case is inconclusive either way with regards to the first hypothesis. On a general level, then, it appears that not enough evidence exists to support the first hypothesis – that Singapore private enterprise is not sufficiently adaptive in response to changing circumstances – and that it would thus seem to not generally the case, although most definitely far from an imaginary issue; whereas the second hypothesis, that said private enterprise does not fully exploit available opportunities in its areas of internationalization, does in fact appear to be more generally the case, with rather more support for it derivable from this set of case studies, albeit with some heartening exceptions.

A comparison taking into account the demographics of the case study companies reveals a number of interesting nuances. It is not altogether surprising to find that neither Company B nor Company C, the two companies engaged in retail and thus arguably the most likely to have a hand on the pulse of the local environment, would provide evidence against the first hypothesis, albeit in the case of the latter, only to a limited extent and only after actual entry into the market, while Company A, despite (or perhaps because of) its long presence in and experience with China, proved rather less dextrous with respect to adjusting to the changing local environment. Company D's case is slightly more complicated, with mixed signals from the company's past largely accurate burst of foresight and from its current issues going forward; however, the picture becomes possibly clearer when considered in the context of Company D's predecessor, which was in partnership with a local Chinese firm, and from which Company D derived many of the locational advantages it provided. The implication then becomes that Company D was initially quite well-appraised of changing conditions and opportunities in China due to its predecessor's connection with a local firm, and later grew dissociated from the local environment, being in partnership with an Australian firm with little local input. Peripheral support for this theory emerges when one considers that none of the other three companies – not even Company A, arguably the most similar to its government-linked peers in industry and in strategy – identified any particular issues with personnel, while Company D's issues with intellectual property leakage from personnel appears to be a major limiting factor going forward. The counterargument, of course, is that Company D is more vulnerable to intellectual property leaks than the other companies – however, considering Company B's actual possession of proprietary technologies, that argument proves less than convincing. These findings, then, would appear to reinforce the need for a local connection to keep in tandem with a fast-changing business environment.

It must be acknowledged that the full exploitation of available opportunity alluded to in the second hypothesis is, in fact, reasonably subjective with respect to risk concerns. The case of Company D illustrates this – while the company's initial risk reducing strategies do appear to have complicated or even limited the company's current avenues for growth, it is also a fact that, as stated in the case, the company's current reputation is for 'safety, reliability, and cost-effectiveness' – the first two of which would logically be of critical importance in the healthcare industry, and which would potentially have suffered had the company initially overextended itself either in terms of production capacity or in technological expertise. Certainly, this is an industry-specific concern, one which the other three companies in this study would find much less a factor, if at all; but it must be noted that it is exactly such specific conditions, whether specific to an industry or to a specific company, that must be considered by an individual firm in the formulation of its strategy. It is also a fact that, given Singapore's small size, many Singapore private enterprises do in fact tend to suffer resource constraints, an observation alluded to and supported by our previous research on Singapore firms in China; in this context, a balance does often have to be struck with risk management. That being noted, the apparent affirmation of the second hypothesis by this study does suggest that, on a more holistic level, Singapore private enterprises could stand to be somewhat less risk averse and hungrier in their internationalizing strides than they currently appear to be – especially, one would imagine, in the midst of the continually burgeoning market than China provides.

CONCLUSION

For the immediate future, at least, China's rate of hyper-development shows few signs of abating significantly; even while slowing it outpaces many other regions of the world. As the general affluence of the Chinese populace in general and the metropolitan populace in particular continues to rise, that there remains a wealth of opportunity for the daring company to seize. The observations in this paper, then, return a somewhat positive, but still uncertain, picture when attempting to frame the Singapore private enterprise in the silhouette of such a daring company; that while, unlike what our previous research centering on the Singapore firms in the Middle East would suggest, Singapore firms in China at least do not appear to suffer overmuch from adaptive sluggishness, they do however appear to lack generally on the 'daring' front. Given the need for, at a time when competition both international and local is on the rise, such a hypothetical daring company to expand at a similarly rapid pace to not be left in the dust, that lack of daring should understandably be a reason for concern.

Of the two main probable causes for this, the relative resource constraints of Singapore companies vis-a-vis their international counterparts (most especially those from the United States, Japan, and Korea, as well as a groundswell of local Chinese firms) has been alluded to, in our previous research, be at least partially due to the spreading of resources across various high-development regions, such as China and the Middle East –a more concentrated approach, as some of the companies in this study have arguably taken, might be a more practical solution for the company with more limited resources. Indeed, the latest IE Singapore Internationalisation Survey (q.v.) finds that many Singapore non-SMEs appear to be consolidating their resources on selective markets with higher potential; perhaps smaller private enterprises, likely to suffer even more from resource constraints, might be well-advised to follow suit. The other main probable cause – the endemic Singaporean risk-averse mindset – is unfortunately a stickier issue, with less clear potential solutions.

It is clear either way that there is still much room for improvement for Singapore private enterprise as a whole, to become the carrier of the city-state's sustainable international development, even in China. It is a fact that the face of China – its business environments, demographics, and financial influence on the countries around it – have changed remarkably in less than a decade, and will continue to do so as the country attempts to further improve and expand its economy. A possible interesting direction for future research, then, would be to track over time the experiences of, measures taken by, and successes and failures of, Singapore companies; alternatively, more specific studies might be undertaken to compare the experiences of said companies in particular regions of China. In any case, however, it appears clear that adaptation will remain the keyword for Singapore companies in China – successful, or otherwise.

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