

Singapore Management University

## Institutional Knowledge at Singapore Management University

---

Perspectives@SMU

Centre for Management Practice

---

3-2021

### Growing startups in Asia

Singapore Management University

Follow this and additional works at: <https://ink.library.smu.edu.sg/pers>



Part of the [Entrepreneurial and Small Business Operations Commons](#)

---

#### Citation

Singapore Management University. Growing startups in Asia. (2021).

Available at: <https://ink.library.smu.edu.sg/pers/552>

This Magazine Article is brought to you for free and open access by the Centre for Management Practice at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Perspectives@SMU by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email [cherylids@smu.edu.sg](mailto:cherylids@smu.edu.sg).

# Growing startups in Asia

31 Mar 2021

*Localisation matters, but would-be startup founders should focus on customer needs rather than being fixated on being the next unicorn*

The websites that serve e-commerce platform Shopee Southeast Asian markets—Singapore, Malaysia, Thailand, Indonesia, Vietnam, The Philippines—look noticeably different from one another. Other than the obvious language differences, the layout from one website to the other are clearly not uniform.

Is this a case of cross-border expansion gone awry?

“Right from the start we had seven versions of the app,” explains **Santitarn Sathirathai**, Group Chief Economist of SEA Group, parent company of Shopee and Garena. “These apps do not just have different languages, they have different tabs, and some features are specific to individual markets that cater to the entrepreneurs and consumers in that market.

“There are about 650 million people in Southeast Asia but each market is very different from the other.”

## LOCALISE TO GROW

Sathirathai made those remarks at a recent webinar panel discussion titled “Changemakers Conversations: Growth in Asia”, organised by the SMU Institute of Innovation and Entrepreneurship (IIE) as part of the 10th Lee Kuan Yew Global Business Plan Competition (LKYGBPC). While some observers believed SEA Group came too late to the regional e-commerce scene, pointing out competitors such as Lazada and Tokopedia that had already gained large followings when Shopee was launched, Sathirathai says it underlined how SEA Group operates.

“We just listen very closely to what the customer says they want, and how those needs and wants evolve over time,” he elaborates, pointing out how the company’s start in games publishing led to the realisation of the importance of localisation. “We’ve learnt in the markets that we operate in that there are gaps. For example, around payments, and that’s when we started the digital financial business to solve some of the pain points.

“A lot of this evolution was just listening and understanding customer wants, which sometimes shift very drastically. You want to be able to pick up on those changes very quickly and react to that.”

Fellow panellist **Michele Ferrario**, Co-Founder & CEO of online investment management company StashAway, acknowledged the need for “localisations driven by language, regulations or even certain specific demands of clients”. “But in general, my point of view is that brands sometimes over-localise, which leads to increased costs and disruption. If you have a recipe that works, 90 percent of that should work in all countries and you should just localise 10 percent of it.”

He adds: “We try to keep it as standard as possible. I believe we live in a very globalised world where successful global brands are the same everywhere, and the experience is the same everywhere. We try to keep it as consistent as possible.”

While StashAway is primarily an online business, co-working space provider JustCo is on the other end of the spectrum. Co-Founder & COO **Lu Liu** stresses the importance of hiring capable local

managers and empowering them to make decisions. “That’s how we roll out locally, making sure that once the clients are in our workspaces the hospitality and services are coming from locals who know the customers best.

“It’s also important to have strong local partners. We have GIC and Frasers who are not only our investors but who also bring value to us as property developers. When we go into a new market, they can help us with property selection, provide networking and local know-how. That’s one of the success factors for us ramping up so quickly across eight countries.”

## FROM STARTUP TO UNICORN...OR NOT

All three speakers represent startups that have since gained unicorn status, i.e. privately held company valued at over US\$1 billion, with SEA Group having listed on the New York Stock Exchange in 2017 and gone on to become the world’s best-performing stock in 2020.

So how do you build a startup and make it a unicorn?

“You can’t build a company thinking about its value,” Ferrario says. “You need to think about, one, your clients—listening to them, trying to solve their problems. And two, your team members. As a founder, your job is to maximise value for these two sets of stakeholders. Everything else comes with that.”

Echoing Ferrario, Liu listed improvements in JustCo’s working spaces after listening to clients’ feedback over tracking office crowdedness during COVID-19, and catering to the need for [barista/bartender service without a human](#). But people, she adds, are key to the company’s success.

“We have a visionary CEO and founder who are supported by a team of young and ambitious people who are able to commit,” she recounts. “We had people who started with us eight, nine years ago but we’ve grown to about 300. We have a lot of external hires that give us fresh perspective and diversity to roll out innovations very quickly.”

“You want to solve problems for your customers,” Sathirathai says, echoing Liu and Ferrario. “You also want to make sure the problems are big enough and hard enough. If you solve a small problem, it’s nice but you get to the finish line and that’s it. In our case, we want to connect people around the world using games, and we want to connect SMEs and consumers using e-commerce.

“Despite all the growth we have seen in e-commerce in Southeast Asia in the past few years, the penetration is still very low – it’s still about five to six percent of total retail sales. Same thing in digital financial services – more than two-thirds of people in this region are still either unbanked or underbanked. There are massive pain points that need to be solved using technology.”

Whatever the case might be, Ferrario urges would-be startup founders to be realistic about the time frame it would take to build a successful company. “Don’t think it will take six, 12, or 18 months,” he warns. “It’s very rare that it happens in that time frame. If it does happen that quickly, it wasn’t because you planned for it.”

“Plan for a long journey, make sure you have the right set of motivations, and those do not include ‘building a unicorn’.”

Liu advises: "Entrepreneurship is a long and difficult journey, and if you don't enjoy what you do, you won't be able to do it day in and day out. Treat it as a journey. You can't be too fixated about the result, you just have to enjoy the process. That comes with passion and commitment to whatever you choose to do."

*Organised by SMU [Institute of Innovation and Entrepreneurship](#), the 10th Lee Kuan Yew Global Business Plan is Asia's leading university startup competition with the finals, BLAZE took place on 18 and 19 March 2021 virtually.*