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CXO Summit | Singapore  
14 November 2019



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Westin Singapore

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Left to right: Lien Choong Luen, Charles Wong, Todd Dollinger, Pei Pei Tam, Marc Donnadieu, Yan Phun at panel "Thoughts on Growth: Greenfield or M&A?"

## ASEAN flame draws business leaders

South-east Asia has entered its golden age, a period that will see the region rapidly catch up with developed economies around the world.

While investors are getting cautious over deploying capital in the US and Europe, many believe that South-east Asia remains an attractive location for their funds.

These were the key observations made by some of the biggest fund managers and business leaders in Asia at **CXO Summit: Are You Set Up for Growth in 2020?**, the latest edition of the Asia Investment Conference held in Singapore.

"We have now entered a golden age of affluence in South-east Asia," said Oliver Rippel, Co-founder and Partner at growth equity firm Asia Partners, which invests in technology and technology-enabled companies in ASEAN, which has more than 600 million people.

Part of the optimism stems from the region's population dividend as well as its rising income levels, which have, in turn, fuelled economic growth. ASEAN's GDP growth is set to exceed 5 per cent annually for the next few years, higher than the global average of about 3 per cent.

General Electric Asia-Pacific President and CEO Wouter Van Wersch, Rippel's co-panellist at the fireside chat *Looking Ahead: What Are My Priorities for 2020?*, is aiming for GE APAC to grow with the region.

"If there's a 5 per cent growth on average, we should also grow by 5 per cent," Van Wersch said.

### The ASEAN silver lining in the global grey

Globally, caution is rising. The US-China trade war, which has shown some signs of receding, remains a top issue

for fund managers and investors while the spectre of the impeachment of US President Donald Trump has dominated headlines.

Noting that the trade war could continue to fester, Todd Dollinger, Chairman and CEO of start-up incubator Trendlines Group said that he is looking to stockpile cash.

"The crystal ball is cloudier than it has ever been. We are very cautious in the deployment of capital and prefer to be in a strong cash position that's really defensive and out of fear," he said during the *Thoughts on Growth: Greenfield or M&A?* panel.

To this, Gojek Singapore General Manager Lien Choong Luen replied that he would only add to the confusion, causing many in the 150-strong audience at Westin Singapore to smile in bemusement.

Calling the world "inherently an unstable place", he noted how events such as SARS, the global and Asian financial crises, the September 11 terror attacks as well as the world wars in the earlier 1900s have dominated global discourse.

"Complexity and headwinds have always been the natural course of doing business," Lien said.

But Yang Yen Thaw, Managing Director of management consultancy 2iB Partners, saw the bright side as he moderated the earlier fireside chat, saying: "There's always opportunity in chaos."

Rippel drove home the point. "We see the current macro and geopolitical backdrop as a positive for South-east Asia actually. If you look at the major stock market indices in the past year, there've been some clear trade war winners. It's neither China nor the US, but markets like

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**OLIVER RIPPEL  
CO-FOUNDER AND PARTNER  
ASIA PARTNERS**

marketplace app Carousell recently completed multi-million dollar deals to boost their presence in Indonesia and the Philippines respectively.

99.co Chief Operating Officer Yan Phun said that some teething problems the company is trying to solve in the regional market include assessing buyer credibility, as many potential customers lack credit history. But it is an obstacle worth conquering.

“There are six markets in South-east Asia that are very attractive to us, with a total market size of S\$200 billion in real estate transactions,” he said.

#### **Back to basics**

But while geopolitics has set the agenda for the short-term, panellists at the half-day event, jointly organised by IJK Capital Partners and Merrill Corporation, stressed that establishing good corporate fundamentals remain key to sustainable success.

Among these was the belief that large corporations need to continue innovating, in order to avoid stagnation.

This idea of corporate entrepreneurship had its share of detractors, however, with some believing that the large organisation today is inherently incapable of doing what a small start-up can do.

One critic was Jeanne Lim, CEO of management and marketing advisory NAMA Institute. Citing a Harvard Business Review (HBR) article, she sought to debunk the concept of corporate entrepreneurship due to its low level of risk.

Vietnam, which has been a secondary supply chain.”

Indeed, companies, especially in the technology sector, are doubling down on the region. Property portal 99.co and mar-

“It’s like walking a high wire with a safety net,” she said during the *Corporate Entrepreneurship and Venture* panel.

Tan Chin Hwee, CEO of Asia-Pacific Trafigura, retorted, quoting another HBR study, to laughter from the crowd.

He said: “The key for successful teams is that they are allowed to fail and they know the bosses will give them another chance. These small teams have full entrepreneurial decision-making (power). It can be done, but at the right place and right time.”

Another panel that took place was on portfolio management, *Delivering Alpha: Charting the Roadmap for Value Creation*, where discussion centred on getting employees to perform at their peak.

The importance of building high-performing teams was emphasised again during the final event of the day, a fire-side chat with Member of Parliament Teo Ser Luck, an entrepreneur who has started a few ventures across various sectors such as finance, food, and sports and fitness.

On letting employees take risks, he said he usually allows some leeway for failure – costs he calls “school fees”.

The importance of forming good teams – which include business partners, investors, employees – is also not lost on Mr Teo, who said he spends 80 per cent of his time identifying and persuading people to join him.

“The venture is as successful or as weak as the team I form. I may not be able to form a Barcelona football team, so maybe I form a Tampines Rovers to compete locally,” he said.

The first thing he looks for is attitude. “Definitely not grades, because I didn’t have good grades myself,” he said. “Second, make sure they are high-performing every single day, week and month through quantifiable indicators, to affect the behavioural pattern of staff.

“Every week, we have to be on our toes – we have a match to win.”

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**TEO SER LUCK  
SINGAPORE MEMBER OF  
PARLIAMENT**





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### About Asia Investment Conference

Asia Investment Conference is a series of investor-focused events that brings together business leaders and experts in an increasingly complex and inter-connected economy. The conference is independently produced and curated by IJK Capital Partners, an emerging investment and consulting firm set up in 2016 that is focused on developing cross-border opportunities between Asia and the rest of the world. Since initiating this in 2015, the executive team has successfully put together about 10 such summits in Asia, with Singapore and Shanghai hosting our annual flagship events. All our conferences are carefully and thoughtfully curated to address some of the biggest trends and issues taking place in the world. In particular, we have a strong focus on emerging markets and alternative asset classes such as private equity and venture capital.

This November, about 70 per cent of attendees were corporate CXOs, 10 per cent were private equity and venture capital fund managers, 5 per cent were senior management from the investment banks, while the remaining were from management consulting services, financial and accounting services.

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