DIGITAL INFLUENCE LAB PTE LTD
SCALING NEW HEIGHTS FOR DIGITAL INFLUENCE LAB

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1 This case study was written based on a face-to-face interview with the founder of Digital Influence Lab Pte Ltd, Sharon Neo.
Digital Influence Lab Pte Ltd (DIL) was incorporated as a private limited company on 26 April 2012 by founder Sharon Neo. DIL offers consultancy and digital marketing services to help businesses get more results online with web optimisation, social media marketing, email marketing and search marketing. The business then moved towards providing digital marketing education as well as technological platforms. In December 2015, Sharon contemplated the challenges and opportunities that lay ahead. She wanted to raise digital marketing standards across Southeast Asia. How could she achieve that?

**Company overview**

The mission statement of DIL is:

“Being born and bred in Singapore, DIL can identify with Singapore Economic Development Board’s objective to raise the country’s standards as a digital marketing hub for the rest of the region. As such, we have taken on the common mission to elevate digital marketing standards in Singapore and Southeast Asia by contributing through consultancy and done-for-you services in digital marketing. We believe that with the strategic implementation of digital marketing, large organisations and especially smaller companies as a whole would benefit tremendously from the increased productivity, increased awareness and allow for real-time feedback from their digital marketing efforts.”

DIL aimed to be a top digital marketing agency in Singapore by consistently testing and keeping up with the most current digital marketing methods, be it informational product launches, filling up events or brand engagement for products and services. Being a small company, DIL kept its overheads low with less bureaucracy and red tape. Hence, it was able to keep the company nimble while focusing on providing value-for-money services to its clients. DIL worked with small and medium-sized enterprises (SMEs), multinational corporations (MNCs), international non-governmental organisations (NGOs) as well as government agencies.

Over the short span of three and a half years, DIL had helped hundreds of companies such as Singapore Management University, United States Embassy in Singapore and The United Nations Children’s Emergency Fund (UNICEF) to gain a competitive edge by digitising their businesses.

**The founder’s journey**

At the age of seven, Sharon embarked on a sticker-selling venture, at a time when stickers were the craze. In those days, almost every kid possessed sticker albums to preserve their extensive collections. While others saw sticker collecting as a mere hobby, Sharon saw it as a “market” – she bought stickers in bulk at a low price and sold them at a small margin in school. After gaining some experience, she began recruiting her friends as affiliates and sold their old belongings for a profit. Soon her “popularity” got the attention of her teacher and she was reprimanded for her entrepreneurial spirit. Thankfully, however, she was not discouraged.
At the age of 14, a new business idea emerged in Sharon’s mind. This time, she ventured into e-commerce where she spent countless hours on websites and in chatrooms about Taiwanese celebrities and superstars. After understanding what fans in Singapore wanted but could not find, Sharon started to source and import various merchandise from Taiwan at a very low cost and then sold them via the internet chatrooms and forums at very high margins. Although the business was profitable, it did not last long. Within a year, competition began to set in and business became very tough. What caused Sharon to give up the business eventually was not the competition but the school rules that prohibited students from getting involved in business. Under pressure from her peers, teachers and parents, Sharon reluctantly decided to focus on her studies.

Looking back, Sharon believed that all her early experiences had added valuable dimensions and perspectives that fueled her passion for business. Although faced with constant disapproval, she was not discouraged. In addition, growing up within the environment of a family business helped enhance her entrepreneurial spirit. All the socialisation processes from a young age were important impetuses that drove her to start her own business right after her graduation. Her early years of involvement in the trading business enabled Sharon to recognise the importance of doing her homework in understanding the consumer’s wants – demand – and knowing the supplier’s sources – supply. Besides that, being a trader taught her to observe the “right timing” to act when the opportunity arose.

Being armed with double Bachelor’s degrees in Social Sciences (Psychology) and Business Management (Finance) gave Sharon the extra confidence that even if her business venture did not go as planned, she had a safety net. In fact, she felt that it was not her education or training that enhanced her entrepreneurial skills or business sense. It was the experience she gained from her business ventures in her younger years that actually gave her the most valuable and indelible lessons in coping with life and business. To deal with stress, Sharon meditated and always remained positive by having a forward-thinking mindset. To her, there was no point in regretting the past or worrying about the future – what was most important was living for the present. That was her philosophy of life.

**Business model**

At the inception of the business, Sharon had no formal business plan or feasibility study but intuitively always made clear mental calculations of the potential risks and rewards. Armed with a first contract worth SGD 5,000, Sharon went ahead to register a business entity and then officially started DIL.

From inception, the business model evolved from “tactical” to “strategic” and then to “vision- and purpose-driven” (see Figure 1). Sharon felt that the company could not be sustained with mere tactical and strategic moves and it needed a clear sense of vision and purpose. It was this sense of vision and purpose that drove her to create the company’s corporate mission and its digital marketing methodology.
From a new venture that survived on tactical techniques, DIL evolved and progressed into a company with a defined sense of vision and purpose that eventually brought the business to a higher level of excellence. At the end of 2015, the business was estimated to be valued at more than USD 500,000.

**DIL: Four types of services**

In 2015, the online business was one of the fastest-growing industries in Singapore and the world. Starting an online marketing business or incorporating a supporting infrastructure to make the sale and delivery of a company’s products or services to customers is not an easy task. It requires installing IT systems and business processes to support the various functional areas of the business. Some of the initiatives include web design and development, website marketing and advertisement as well as email and search marketing.

DIL offers four types of services as follows:

- **Web Design and Optimisation** – A website is much more than just an online place to put a company’s information. It can be used to generate sales and further marketing efforts. As a marketing agency, DIL constantly updates its clients on what works in digital marketing. Thereafter, it installs effective marketing tools for its clients’ websites, according to the types of business the clients operate in and the target markets the clients are after.

- **Social Media Marketing** – Managing a Facebook page and planning for a social media marketing campaign consume time, so companies tend to put social media on the back burner because other aspects of the business require more attention. DIL uses a tested digital marketing methodology – a combination of content creation, high-engagement activities and even advertising – in order to drive more sales and traffic.

- **Email Marketing** – This tool gives clients a platform to talk to their customers and also nurture personal relationships with them. This is the best tool DIL’s clients can use to help them convert leads to actual sales. Many digital marketers have rated having a client list as the number one factor for their success. DIL helps its clients to set up and get their lists up to date. Besides attracting new customers, DIL also helps its clients drive higher
conversion rates. Thus, DIL’s clients can focus on their core competencies while DIL manages and builds meaningful relationships with their target audience for them.

- Search Marketing – DIL ensures that its clients are at the top of Google rankings – a pivotal strategy that gets them more leads and sales. DIL focuses on helping its clients drive organic traffic to their websites by identifying profitable keywords and also managing their paid campaigns on their behalf. In the end, DIL’s clients can see their traffic skyrocket – all without breaking a sweat. Their online presence is augmented too.

DIL’s deliverables are:
- Gather more qualified leads who are interested in the clients’ products.
- Get higher return on investment on the clients’ capital.
- Allow the clients to build relationships with their customers.

**DIL: Tested digital marketing methodology**

DIL implemented a tested digital marketing methodology that worked and achieved results for its clients by closely following the seven-step process shown in Figure 2.

![Figure 2: DIL’s digital marketing methodology](image)

- Marketing Positioning – Making sure its clients’ marketing messages were clear
- Traffic Generation – Letting more people know what its clients offered
- Lead Conversion – Converting leads who clicked on its clients’ offers into paying customers)
- Sales – Helping its clients increase sales through upselling
- Automation – Automating its clients’ processes and system setups
- Optimisation – Doubling or tripling the effectiveness of its clients’ systems over time and whenever data came in
• Measurement – Tracking key performance indicators to know how its clients were progressing

The selling of DIL’s digital marketing methodology to its clients would not be possible without external funding. Sharon submitted a proposal to SPRING Singapore to obtain a grant. Besides that, Sharon also conducted workshops to educate the public on the concept of digital marketing and how it could benefit a business.

**Organisation and Leadership**

From 2012 to 2015, DIL grew from being run singlehandedly by Sharon to having three full-time as well as over 20 freelance and part-time staff. The organisational structure was divided into three key divisions as shown in figure 3 below.

![Figure 3: DIL’s organisational chart](image)

Keeping the organisational structure lean greatly reduced unnecessary bureaucracy and red tape. It also contributed to a higher level of efficiency and effectiveness within the workplace. With a simple structure, the fixed and direct costs would be kept low. Most of the business costs were variable expenses directly linked to the sales volume. In terms of financial management, that would keep the breakeven point at a very low level – an essential factor for business survival especially at the inception stage. Sharon’s business philosophy was to “focus on the value creation and the value-add of the business” and the costs would naturally be taken care of.

In terms of leadership and management practices, Sharon was a goal-oriented leader. She granted her staff autonomy as long as they could meet the end goals. Instead of focusing on “people orientation” or “task orientation”, Sharon focused on “goal orientation” where staff were rewarded based on the attainment of their goals. In DIL, staying focused on whatever one is doing is the key to getting results.
Sharon sustained and grew her business by looking into innovation, client retention and knowledge transfer within the team. She also introduced new product lines such as digital marketing education and training as well as launching technological platforms and events. She diligently did extensive planning and strategising before foraying into each new venture. When she started the business in 2012, she did not conduct any formal feasibility study or planning. By 2015, as the scale of the business burgeoned, she realised the importance of extensive planning.

Like many other SME owners, Sharon faced challenges in recruiting local IT professionals, even freelancers and part-timers. She needed people who were both techies as well as marketers. At times, she even resorted to recruiting non-locals when she had exhausted the local talent pool. According to Hays plc, a global professional recruiting group, in the third quarter of 2015, there was an increased demand for temporary and contract IT professionals amongst MNCs in Singapore. According to Hays plc, some of the key reasons for recruiting contract IT staff were flexibility and performance effectiveness.

Sharon also felt that schools did not produce professionals who were job ready. Although local polytechnics and universities supported the training and development of technopreneurship, the larger question remained: Was it enough to meet the demands of the IT industry? Since 2006, National University of Singapore has been offering a Minor in Technopreneurship programme for the management degree while Singapore Management University’s Bachelor of Science In Information Systems teaches students how to leverage IT business solutions to drive innovation in different projects. At Nanyang Technological University, the Minor in Entrepreneurship programme is offered to undergraduates to imbue them with basic entrepreneurial competency and acumen. The university’s post-graduate Master of Science in Technopreneurship and Innovation programme was introduced in 2002, designed to help students turn novel ideas into successful ventures.

**Business competitive environment**

Singapore has a small economy and market for digital businesses. Although Singapore has been ranked by the Economist Intelligence Unit, The Global Competitiveness Report and The World Bank, just to name a few, as one of the easiest places to conduct business, the level of competition remains a challenge. Digital and e-commerce companies need to continuously reinvent themselves in order to stay relevant in the industry. One of the key challenges for Singapore’s digital sector is the recruitment of talents in a small country. In order for technopreneurship to grow in Singapore, the local talent pool needs to be nurtured.

In a paper-chase society like Singapore, certain social values are a norm and individuals feel more comfortable operating in structured situations that promise a higher degree of certainty. This has resulted in a lack of creativity and risk taking amongst Singaporeans. This was what CEO of Creative Technology Mr. Sim Wong Hoo described in his book entitled “Chaotic Thoughts from the Old Millennium”, published in December 1999, as “No U-Turn Syndrome” (NUTS). NUTS describes a culture of unquestioning compliance. To overcome the cultural barrier, an innovative technopreneur needs to outgrow this syndrome.
To Sharon, the biggest challenge in the digital business is the dynamic environment where the pace of change is fast. Low barriers to entry have resulted in the ease of setting up a digital business. The industry also teems with a large number of players, so monopolistic competition is common. In early 2010, digital businesses in Singapore were in a growth stage. In fact, from 2012 to 2015, Sharon’s business increased by several folds a year. Her key edge over her direct competitors was the focus on content creation for clients.

**The macro environment**

Over the past few decades, Singapore had provided an adequate platform and environment for the development of technopreneurship. There were two key macro-environmental factors that directly influenced digital businesses in Singapore – SPRING Singapore’s grants and the Fair Consideration Framework. Sharon raised concerns about local SMEs’ overreliance on the government’s incentives when going digital. In addition, the tightening of foreign talent employment posed as another challenge to DIL.

**SPRING Singapore’s Grants**

SPRING Singapore (SPRING) is an agency under the Ministry of Trade and Industry, responsible for helping Singapore’s enterprises grow as well as building trust in Singapore’s products and services. As an enterprise development agency, SPRING works with partners to help enterprises with financing; capability and management development; technology and innovation; and expanding market access. As the national standards and accreditation body, SPRING has developed a set of internationally recognised standards as well as a quality assurance infrastructure. The agency also oversees the safety of general consumer goods in Singapore.

SPRING’s grants defray up to 70 per cent of qualifying project costs related to consultancy, training, certification and equipment. A company can take on large-scale upgrading projects in areas like productivity, process improvement, product development and market access.

The Singapore government provides grants and funding to reduce certain expenditures such as costs of website and software development as well as training and registration of intellectual properties, just to name a few. The government also provides grants to businesses that

- have at least 30 per cent local shareholding;
- provide a solid and/or innovative product or service;
- and look to tap on digital marketing for expansion purposes.

The grants serve as an incentive for local companies to digitise their businesses and also enable companies like DIL to gain an edge in marketing their services. But are such grants a blessing? Will both local and digital marketing companies become overly reliant on these incentives? Although financial assistance from the government can contribute to the success of entrepreneurship and technopreneurship, it is not the only factor of success. Other
factors, from business locations to ideal business milieus and a wide pool of creative talents, come into play as well.

In the past one to two decades, there were several innovative digital players that had emerged, such as HungryGoWhere, Glints and Grab, just to name a few. Since the early 1990s, Singapore had been actively promoting technopreneurship via the Agency of Science, Technology and Research. Being strategically located and recognised as a centre of east-west culture, Singapore may one day evolve and progress into a prominent IT hub like Silicon Valley or International Tech Park Bangalore (ITPB), the latter of which is a joint venture between the Indian and Singapore governments. Since 1994, the park has been providing facilities for multinational giants such as General Electric, International Business Machines Corporation, Delphi and Oracle to set up their plants. The ITPB was India’s IT success story and can be considered the nation’s Silicon Valley. One of the key success factors for India was a large pool of young, talented and English-speaking IT professionals.

The Fair Consideration Framework
Since 1 August 2014, under the Fair Consideration Framework, Singapore firms that submit applications for Employment Pass are required to advertise their positions on Jobs Bank. In so doing, employers are able to access a large pool of potential candidates and Singaporean job seekers would be exposed to wider opportunities. According to the Tripartite Guidelines on Fair Employment Practices, the job advertisement has to be open to Singaporeans and run for at least 14 calendar days. After the advertising period, the firm would be allowed to hire the most qualified candidate regardless of nationality. The exceptions are:

- Jobs in firms that employ 25 employees or fewer.
- Jobs that pay a fixed month salary of SGD 12,000 and above.
- Jobs on a temporary basis (period of employment is less than one month).
- Jobs need to be filled by intra-corporate transferees.

With the Fair Consideration Framework, the Ministry of Manpower (MOM) encourages all firms to advertise their job vacancies before hiring non-locals. The purpose of the Fair Consideration Framework is not to stop employers from hiring non-locals; it is to avoid any form of biased hiring where employers consciously choose non-locals over Singaporean candidates. Some of the reasons why local firms prefer non-locals include:

- Non-locals are more willing to accept a lower salary.
- Employers hire their own kinsmen.
- Non-locals are more qualified with better qualities or work attitudes.

The Fair Consideration Framework implores firms to give sufficient consideration to local hires before looking abroad. This would also help increase the employment probability of young graduates and older professionals, managers and executives (PMEs). Due to economic restructuring, some of the older PMEs have found it difficult to re-enter the job markets as they face competition from non-locals. Firms are required to provide a reason why they were unable to employ a local. The insights help MOM better identify the existing skill gaps that Singaporean employees are unable to bridge.
With the implementation of the Fair Consideration Framework, hiring of non-locals has also become an uphill climb. With tighter foreign talent controls, employers face issues when sourcing for candidates with the right skills and talents, especially after they have exhausted the local talent pool.

**Global IT and IP hub in Asia**

More than three decades ago, the Singapore government identified the IT industry as one that had the breakthrough potential to further augment the economy in the digital age. Besides carrying out various initiatives to strengthen Singapore’s favourable business environment and positioning her workforce as a global talent pool, the government had erected a world-class IT infrastructure and undertaken various transformational endeavours such as the Intelligent Nation 2015 masterplan.

The Infocomm Development Authority of Singapore (IDA) was the government agency tasked with positioning Singapore as the hub for companies that wanted to expand into the Asian market. To do so, Singapore needed to have creative people brimming with lots of ideas. The training of such talent lay with the tertiary and research institutions that imparted computer, design and other related digital skills. Such training armed students with the right skills and enthusiasm to embark on the journey of going digital. To evolve into an IT hub, Singapore needed to depend on her connectivity with the world and the connections of her citizens, regardless of where they were.

In addition, over the years, Singapore had been actively positioning herself as a global intellectual property (IP) hub in Asia. In order to materialise this, Singapore had put in place a comprehensive legal and tax framework supported by financial incentives and other regulatory bodies. This framework was aimed at attracting and encouraging MNCs across industries to set up their research and development arms as well as launch IP-related activities in Singapore. As the global economy became increasingly driven by knowledge and innovation, it formed an important impetus for Singapore to move forward in the next one to two generations.

**The challenges and opportunities ahead**

Sharon was very optimistic about the future of digital businesses in Singapore – she believed the country could serve as the gateway to the other nations in Southeast Asia. Already, intra-industry trade and economic cooperation amongst the ASEAN nations was buoyed by the progress of the ASEAN Free Trade Area as well as establishment of the ASEAN Economic Community at the end of 2015.

In the digital age, online business is one of the fastest-growing segments in Singapore and the region. Starting an online business requires some marketing research on the target customers’ needs and wants; educating oneself on how to start and incorporate an online business into the core business; and investing time, effort and finance into building online infrastructures. On one hand, an online business can provide tremendous opportunities for
many other businesses. On the other hand, success in the realm of online business requires proper planning, significant financial commitment, lots of creativity and a legal framework.

Singapore has provided the right regulatory regime with tax and financial incentives for online businesses to take off and flourish. Within the Asia-Pacific region, much more has to be done for online businesses so they can reap long-term benefits.

DIL has a long-term goal of raising digital marketing standards across Southeast Asian nations. Sharon has mulled over what she can do to turn the goal into a reality.
End-of-Case Questions

**Question 1**
To what extent does the development of a technopreneur or a keen business sense depend on one’s socialisation process? What are some of the traits or qualities a technopreneur should possess? Are these traits acquired during one’s early childhood years? Where and how can one develop these qualities? Can Singapore’s tertiary education provide students with the right environment to become a technopreneur?

**Question 2**
What is the purpose of preparing a feasibility study or business plan? Is it an essential step before starting a new venture? Why?

**Question 3**
The Singapore government supports the digital marketing industry by offering grants that motivate SMEs to go digital. Discuss some of the pros and cons for the government in taking such an initiative. To what extent should digital marketing agencies tap on this government initiative to advance their businesses?

**Question 4**
How does the implementation of the Fair Consideration Framework serve as a challenge for hiring non-locals to fill IT positions?

**Question 5**
What should Digital Influence Lab do when facing the challenge of growing and sustaining the business in Singapore?

**Question 6**
What will be the opportunities and challenges for digital businesses in Singapore and Southeast Asia in the next five to 10 years?
References


About Nanyang Technopreneurship Case Centre

With funding from both the National Research Foundation of Singapore and Nanyang Technological University, the Nanyang Technopreneurship Case Centre (NTCC) was one of the initiatives of the Nanyang Technopreneurship Centre (NTC) to enhance the quality of entrepreneurship education through the case pedagogy. These are part of NTC’s efforts to foster, promote and nurture enterprising mind-sets, skills and knowledge in entrepreneurship education.

There is a plethora of business cases but a general paucity of cases highlighting the specific problems faced by technopreneurs in growing their ventures. NTCC adds value to Technopreneurship education by developing a pool of cases on technology-based local and international enterprises. Through the cases, NTCC hopes to share the experiences, success stories and challenges faced by entrepreneurs/intrapreneurs in growing their organisations and how they overcome their problems to sustain growth.

The theme of this first compendium is “innovation through technology”. It features Singapore-based and global companies confronting issues and challenges due to technological shifts in the industry and changing market and competitive dynamics; when introducing new products in the marketplace; and in using technology to drive organizational change.

Online versions of these cases are available for complimentary downloads at www.ntc.ntu.edu.sg/ntcc.

Teaching notes are also available to faculty members for use as reference, reading and/or teaching materials in various academic and professional programs. For further information, please contact Ms. Denise Lee (deniseleecw@ntu.edu.sg) and Mr. Wu Chong Chuan (wucc@ntu.edu.sg).

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