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## INTERVIEW WITH AN ENTREPRENEUR

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### FROM THE DESK OF MARVIN

I was having dinner last week with a friend when I told him about the benefits that both my wife and I enjoy when work from our home. We don't have to spend time travelling to work. We can choose our own working hours, taking time off when we need to and working late when we have to. We get to spend 'quality' time with each other 24/7, almost. And the list goes on. By the end of dinner, my friend was convinced that everyone should be allowed to work from home, whether they were running their own business or working for someone else. I totally agreed with him.

Now, fast forward to yesterday. I was working in front of my PC since early morning. It was the kind of work that required my concentration. My wife was taking a day off and it seemed that every hour of so, something would come up that needed my attention. First our 3 days' old baby chinchilla escaped from its cage and we had to spend half an hour hunting down the little rascal. Then it was "Honey... the TV reception is really bad... can you fix it please?" Next, it was "We're out of bread... can you also pick up a can of mushroom soup from the convenient store?" You get the picture.

What did I learn from it? I realised that sometimes, the things that make working from home so attractive (i.e. flexibility of working hours, spending more time with loved ones, etc.) can also be the source of great annoyance! It all depends on how you look at it.

Marvin Ng, Editor

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## **FEATURE INTERVIEW: RUNNING ON PASSION**

INTERVIEWEE: ANIL RATTY

Began: 2001 with 1 employee, now 3 employees  
Business Area: biotech  
URL: [www.chakrabiotech.com](http://www.chakrabiotech.com)

### **TELL ME ABOUT YOUR WORK EXPERIENCE.**

I graduated with a Ph.D. in Biochemistry from the National University of Singapore in 1984. I went on to work in the US as a research scientist at the Buffalo General Hospital and the Roswell Park Cancer Institute. I returned to Singapore in 1993 and continued my research career, first at the Institute of Molecular and Cell Biology and later at the Defense Medical Research Institute. After leaving DMRI, I made the transition into business by joining Fisher Scientific as its regional director.

### **WHY DID YOU MAKE THE JUMP FROM RESEARCH TO BUSINESS?**

It was a natural progression. I had always wanted to do my own things. Going into business for myself gave me with the degree of freedom and flexibility that I could not enjoy while working for someone else.

When I was young, I had imagined that the best job for me would be one that allowed me to make full use of my capabilities, one that was in an area that I was passionate about, one that provided me with opportunities to travel around the world, and ideally, one that I did not have to retire from when I grow old. I found that job in biomedical research.

However, after spending a good part of my career in research, I realized that research environments can become restrictive for your personal growth. For example, an opportunity may pop up in a research area that really interests you, but due to the policies of the research organization that you belong to, you may not be able to go with your heart and fully explore the opportunity.

Coming out on my own gave me more control over the direction of my work. Therefore starting my own business was naturally the next step in my career development. I was basically moving from doing research work for someone else to doing research work for myself.

Surprisingly, the move from research to business was not really a big one. A lot of people may not realize it, but research actually has a fair bit of "business component" in it. When I lead a project for example, I have to worry about budgets, allocation of resources, and the outcome of the project. It is just like running business where I worry about the cost of business and the bottom-line.

When I came back to Singapore, I joined the corporate world to learn the ropes of running a business. The 2 to 3 years that I spent in a corporation was invaluable, as I learnt a great deal about the similarities and differences between research and business.

## **HOW DID YOU RAISE YOUR STARTUP FUNDS?**

The initial funds came from Angel investors. Although these investors were mostly friends and relatives, the process was not easy. It took a while and a great number of presentations before I was able to convince them to invest their money in the business.

Many would-be entrepreneurs complain that startup money is hard to come by. Although I agree with them to a certain extent, I am convinced that a bigger obstacle is actually the reluctance of these people to go out and sell their ideas to potential investors. I think it all boils down to salesmanship, or the lack of.

Some would-be entrepreneurs have great ideas and a good plan, but they are not willing or are not confident to share those ideas and plans with potential investors. They are afraid of giving presentations and answering 'hard' questions from investors. They think that if they blotch up the presentation or if they are unable to answer certain questions, they may come across as stupid. This keeps them firmly planted at square one and they never go anywhere. Personally, I think that simply not trying is stupid. My advice for these people is: practice your presentation, meet with potential investors, answer their questions, learn from your mistakes, revise the business plan if necessary, practice some more, meet more investors, answer more questions, repeat as many times as necessary.

There is one more thing that I like to share. The funny thing about Angel investors is that many times, they pay more attention to the person who is starting the business and selling them the business idea than the actual business idea itself. They will perform a certain amount of due diligence on your proposal, but more importantly, they are looking at whether they can trust you with their money. Therefore, integrity and honesty are important personal traits to cultivate and maintain.

## **WHAT DO YOU THINK IS THE KEY TO A SUCCESSFUL STARTUP?**

Two things – preparation and passion.

I want to emphasize the importance of proper planning. For example, I spent over a year planning for the start up of the business and I seek out the advice of experienced business mentors who provided me with invaluable guidance. A well thought out plan is one of the best risk management tools available. A person who takes the risk of starting a business but does so without a proper plan, is gambling with his future.

Good preparation work should cover not only the business plan but also various aspects of your personal life as business failure is always a possibility and will definitely have an impact outside your business life. For example, getting the support and endorsement of my family was important to me. I was very lucky that my family, especially my wife, was behind me all the way.

I feel that the most important success factor however, is passion. You must have passion for the work that you do. Finding and following your passion is what provides you the motivation for long term success. I truly believe the adage "do what you love, and the money will come".

## **HOW DO YOU SEE FAILURE?**

Like everyone else, I do not like to fail. However, like other entrepreneurs, I do not let my fear of failure stop me from doing the things that I believe in.

Many would-be entrepreneurs, before they even start their businesses, are so preoccupied with the worry of failing, that they are paralysed. I think we have a lot to learn from children and babies when it comes to handling failure. Look at how babies learn to walk. They will fall down initially, but they always pick themselves up. Eventually, they will learn to stand, then walk, and then run. Some people have forgotten about our innate ability to learn and adapt. They see failure as the end of the road. They do not realize that so long as they are alive, even if they fail, they can still stand up and try again.

One of the ways to overcome this fear of failure is to look beyond the material comforts that seem to be the measurement of success in our society. I look at what I want to do in my life and my career and work backwards from there. I know that even if I fail, it is only material losses. Material losses can be recouped so long as you are still alive.

## **WHAT MAKES RUNNING YOUR OWN BUSINESS WORTHWHILE AT THE END OF THE DAY?**

Simple. Being able to do what I like to do everyday. If I can go back through time, I would have come out on my own earlier!



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## **FEATURE INTERVIEW: FROM PROJECT TO PROFITS**

**INTERVIEWEE:** LIM TECK SIN

**Began:** 2000 with 10 employee, now 11 employees

**Business Area:** bioinformatics

**Turnover (2001):** approx. S\$1 million

URL: [www.kooprime.com](http://www.kooprime.com)

### **TELL ME ABOUT YOUR WORK EXPERIENCE.**

I graduated from the National University of Singapore in 1990, following which, I did a post-grad in knowledge engineering. After my studies, I worked at Hewlett Packard for 2 years before taking up a position at the Centre for Natural Products Research.

While working at CNPR, I applied and obtained a grant from Glaxo Wellcome to fund a datamining project. This project eventually evolved into what was to become KOOPrime.

### **WHAT DOES KOOPRIME DO?**

We have developed a technology, called the KOOPrime platform, which allows organizations to integrate different systems, such as software, hardware, and human processes. Our technology enables the seamless flow of data from one system to another, thereby allowing the systems to 'talk' to each other easily and effectively.

The KOOPrime platform is extremely versatile. Our solutions are currently used by companies in both the financial and life sciences sectors.

### **WHAT CHALLENGES DID YOU FACE DURING STARTUP?**

KOOPrime was born out of the work done for multiple parties, namely Glaxo Wellcome, CNPR, and NUS. So when we, the founders, decided to come out on our own, we had to go through a rather tedious negotiation process. It took us more than a year to get everyone to come to an agreement. The fortunate thing was that all parties involved wanted to see KOOPrime work, so I did not have to do much 'facilitation'. But personally, I found that patience, a lot of it, helped.

KOOPrime had its fair share of challenges when we got started, but we had a good team and was able to overcome most of the hiccups that we encountered along the way. I would like to emphasize the importance of building a united, resourceful, and effective startup team. We were lucky because our team had already established a good working relationship when we were all working at CNPR.

### **WHAT ARE SOME OF THE CHALLENGES NOW AND HOW ARE YOU DEALING WITH THEM?**

The IT industry moves very quickly and success comes to those who can rapidly maximise the value of their intellectual assets. There are now potential competitors, in India and US, that occupy similar commercial space as KOOPrime. We must move faster than them.

The pioneering team consists of mainly techies like myself. Now that we have proven that our product is commercially viable, it is imperative that we go out and market it to potential clients ASAP. My challenge now is to

quickly build up the business and marketing capabilities of the company. We are also forming strategic partnerships with established companies like IBM and Mitsui, and leverage on their marketing prowess to help us reach our target market.

### **WHY DID YOU GO INTO BUSINESS FOR YOURSELF?**

Twofold – opportunity and personal challenge.

While working on the datamining project at CNPR, I came to understand the complex environment that life science researchers work in. For example, to conduct an experiment, a scientist is likely to use half a dozen or more different instruments that may not be communicate directly with each other. What this means is that the scientist will probably have to spend a large amount of time re-formatting the information or data as the experiment progresses. I basically saw the need for the creation of a platform that will unify such a heterogeneous environment. And given that this problem is universal in research labs all over the world, I was excited by the potential scale of the opportunity.

I also saw the establishment of KOOPrime as a personal challenge. I want to see if I can build a company from scratch and turn it into a global business. I like to think of the world as a big pond and our company as a small fish that can potentially grow into a huge one.

Incidentally, the timing could not be better when we started the company, as the dot-com craze was at its peak. We had a good team, a much needed product, a ready investor, and a very favourable investment climate. The stars were aligned!

### **WHAT MAKES RUNNING YOUR OWN BUSINESS WORTHWHILE AT THE END OF THE DAY?**

KOOPrime is my first company and setting it up has been a great adventure. Moving from being an employee to building your own business is like moving out of a rented apartment and building your own house. It is heartening to see the progress that the company makes and there is a great sense of pride and joy that comes with the experience.

Running your own company is both demanding and exciting. Everyday is a new day with new challenges. There is always hope that something interesting or unexpected will pop up. I look forward to those occasions as I will surely learn something new.



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## **EXPERT TIPS – CHOOSING AN ACCOUNTANT**

Working with a good reliable accountant or accounting company is important. Besides making sure that you are filing your taxes properly, your accountant is the one that monitors the financial health of your business and notify you of potential finance-related issues. So how do you choose the right accountant to work with? Here are some characteristics of accountants and accounting companies that our experts look for:

### Target Market

Like any business, accounting companies have their specific target market. For example, a large accounting company usually services their largest clients first as they generate the most fees. So make sure your accounting company has selected your size businesses as their target market.

### Expertise and Experience

Evaluate the accountant or the accounting company's expertise and competence. Beyond qualifications, you should also look at the number of years' experience that the accountant or the company have in your industry.

### Fixed-fee Billing

It is best to hire an accountant or company that provides fixed-fee billing for a defined scope of work. Clearly define the scope of work that you need and find out exactly how much it will cost. Ask whether you will be charged for phone consultations or in-person sessions, and the associated rates. Fixed-fee billing usually includes these items.

### Rapport

When you interview the accountant that you will be working with, ask yourself if you can develop a rapport with this person. He will be a critical member of your financial team. Therefore, you must be able to work well with him.

### Availability and Response

Find out the 'working hours' of your accountant and how quickly he can response to your calls and emails. You cannot expect 24/7 availability, but a response within 24 hours is a reasonable expectation.

### Delivery Schedule

Accounting information has a shelf life. Accurate and timely information is critical in helping you make good business decisions. Therefore it is important that the accountant be able to deliver key reports and information regularly and punctually. Typical expectations are that monthly information be delivered within 10 days, quarterly information within 20 days, and annual information with 30-40 days.

### IT Savvy

The accountant or company should preferably be knowledgeable about computers and accounting software, especially software that you are using.

### Partners

No accountant or accounting company can claim that they know it all. Find out if the accountant or company has an active network of experts (e.g. other accounting experts, bankers, lawyers, investment advisors, etc.) that it can tap on.

### Understandable

A good accountant will communicate with you in plain English rather than try and overwhelm you with jargon. He will take the effort to highlight potential business issues and help you understand the financial implications.

Look out for these characteristics when you choose your accountant or accounting company!

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## **NUTS AND BOLTS -- EXTENDING CREDIT AND COLLECTING DEBTS**

Getting paid for our efforts is why most of us go into business for ourselves. However, making sure that our clients pay us promptly is also the one thing that many business owners dislike doing most. In some cases, business owners may put off the task of chasing after their clients for payment until their own businesses are affected by growing debts. Therefore it is important that you plan ahead and spend time to develop a credit and collection system for your business. The following are some key considerations.

### Decision to Offer Credit to Clients

Some of the things that you should consider when deciding whether to extend credit to your clients include:

- ? Industry Norms - Is it a common practice in your industry?
- ? Economic Environments - Are your clients creditworthy?
- ? Size of Transaction - Is the size of the transaction large?
- ? Your Business' Financial Strength - Can you afford to extend credit?
- ? Repeat Customers - Do your clients buy regularly from you?

If the answers to the questions above are mostly positive, credit extension may make sense. However, you should extend credit only if business conditions demand it. You have to look at the overall costs and benefits of extending credit. If the potential benefits (e.g. increased sales) outweigh the potential cost (e.g. risk of non-payment) then extending credit might be a good move, and vice versa.

### Types of Credit

The following are types of credit that you can make available to clients:

- ? Credit cards - Least risky option as most of the risk is with the card company.
- ? Checks - More risky as you are bearing the risk that the check will bounce.
- ? Credit terms - Riskiest option as you rely completely on clients' creditworthiness.

To decide which type of credit to offer, you should consider the industry practices as well as your business' financial strength.

#### Collection Process

Effective debt collection involves two key steps - tracking overdue accounts and the actual debt collection process.

The key to tracking overdue accounts is to develop an efficient system that notifies you when accounts are due and that shows you who pays and who does not. If your credit terms are fixed and straight forward, you may use a simple spreadsheet to track the clients' names, account due dates, amount due, and other pertinent information. If you have different terms for different clients, the task will be more complicated and you may want to consider using specialised software that simplifies the task.

You should also set up a system to determine which overdue accounts to handle yourself and which ones to turn over to a specialist e.g. a collection agency or a lawyer. The deciding factors are cost and effectiveness. However, if you collect your own debts, make sure you are familiar with the regulations that govern debt-collecting practices.

#### Bad Debts

Eventually, some of the debts will become uncollectible. If, for example, your debtor skips town or declares himself bankrupt, then you are out of luck. However, if you take the effort and put in place a system as described above, you will be able to better manage the risks of bad debts.

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## **CONTACT AND SUBMISSION**

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Marvin Ng, Editor

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