
INTERVIEW WITH AN ENTREPRENEUR

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FROM THE DESK OF MARVIN

Last week, a friend told me a story that he read, about a guy who envisioned himself as an entrepreneur. He could not decide what he wanted to do and over time his expertise changed, he evolved from a HR specialist to an accounting expert to a marketing guru. Unfortunately he was not very good at any of these and therefore, his clients were few. He managed to make a living by taking temporary jobs and giving tuition. He loved what he was doing because it gave him an excuse from taking on a full-time job and he felt free. However, success was always one step ahead of him.

I guess to be successful takes more than having enthusiasm and passion for what you do. The adage "do what you love and the money will follow" may not hold true in all cases. The key is in figuring out what you enjoy doing, determining how that can contribute to your success in life and then incorporating it into your career or business plans.

In others words, doing things that you enjoy makes you happy. Doing things that you enjoy and doing it well enough that people are willing to pay you makes you happy and RICH!

Marvin Ng, Editor

FEATURE INTERVIEW: PROFITING FROM A PROBLEM

INTERVIEWEE: RONALD TENG

Began: 1993 with 2 employee, now 27 employees
Business Area: computer peripherals and hardware distributor
Turnover (2002): approx. S\$43.5 million
URL: www.banleong.com.sg

HOW DID BAN LEONG TECHNOLOGIES COME ABOUT?

The business was actually born out of a problem back in 1993! Back then, my father owned a speaker distributorship business and on one occasion he had trouble selling off a container load of multimedia speakers. He roped me in to help him 'dispose' the speakers.

You have to understand that back in the early 90s, most people did not think of speakers as computer peripherals. In addition, computers were seen more as a business tool than an entertainment system. Because of this, the audio retailers that my father had approached did not think that the product had much potential and were therefore unwilling to carry it.

However, at that time, multimedia was becoming more popular. With the introduction of computer peripherals like sound cards and CD-Roms, computers were increasingly being used as entertainment systems for playing music and games. Therefore I decided to take a different approach and instead of targeting audio retail shops, I tried selling the speakers to computer retail shops.

I went to Sim Lim Square, which is one of the most popular IT malls in Singapore and tried to convince the shops there to sell my speakers. Most of them turned me down but one decided to give it a try. The owner gave me some retail space in his shop and let me sell the speakers on a consignment basis. Fortunately, I was able to sell all of them in a very short time. Seeing how popular they were, the shop owner agreed to carry our speakers after that.

After this initial success, my father gave me a \$100,000 to set up the business and that was how the Ban Leong Technologies got started.

In a nutshell, I took my father's problem and turned it into a business!

TELL ME ABOUT YOUR START UP EXPERIENCE.

Starting up the business was pure hard work. It started out as a one man show and I had to do almost everything myself to keep costs low. During the day, I would be handling marketing, sales, supplies and delivery, so I was running all over the place. Furthermore, work did not end when the sun set. At night I would be doing paper work like the accounts and the business orders. And sometimes, I would be talking late into the night with our suppliers in the US. There was little time for sleep and rest especially when the business grew, but that was a good problem to have.

During that period of time, passion for the business and perseverance were very important.

DID YOU HAVE OTHER BUSINESS EXPERIENCE BEFORE STARTING BAN LEONG TECHNOLOGIES?

Actually, almost immediately after I graduated from the university, I started a computer game shop with some friends. The business was short-lived and we had to close it down after only 3 months. However, I was glad that we recognised the problem early and pulled the plug on the business before we got too attached to it.

Knowing when to fight and when to cut your losses is key to business success. The lessons that I learnt from this misadventure were well worth the 'school fees' that I paid. I came out of it wiser, but more importantly, it did not extinguish my desire to start and run my own business. I was able to stand up and try again.

WHY DID YOU DECIDE TO START YOUR OWN BUSINESS?

I think family has been a big influence. My father has always been a business man. Since young, I had always joined him in the dinners with his business associates. It was very interesting to see how business was conducted over these occasions

When I graduated, I wanted to do something on my own. Come to think about it, I had little to lose and a lot to gain. Even under the worst case scenario, I still had my university education and I felt that I could always go back to work force if necessary.

HOW ARE YOU EXPANDING YOUR BUSINESS?

To grow our business, we have to stimulate our customers to buy. One of the ways that we are doing it is by continuously expanding our product line-up. We are always sourcing for new products and new ideas so that we can give our customers wider and better choices.

Beyond this, I am also looking at opportunities outside our current industry. In the dot-com era for example, we invested in a few promising technology start-ups.

CAN YOU GIVE AN ASPIRING ENTREPRENEUR SOME ADVICE?

Always keep your eyes open and be ready to adapt to market changes. For example, when we first started the business, about 50% of sales came from software and 50% came from hardware. The margin at that time for software was about 40% but it was slowly being eroded. Nowadays it is now only about 20%. We adapted to the market changes by dropping the less profitable software and focusing only on the more profitable hardware. Always listening to the market and adopting the appropriate strategies like this allowed us to make good use of our resources and grow rapidly.

WHAT KEEPS YOU COMING TO WORK EVERYDAY?

I am a workaholic and I enjoy my work!

But seriously, running and growing the business is an exciting challenge. Also, there is tremendous satisfaction when you are able to meet the challenge and reach specific milestones. For example, when we were recognised last year as one of the top 50 enterprises in Singapore, I was filled with the pride and joy that no promotion or pay rise can ever provide!



FEATURE INTERVIEW: BEADING THE ODDS

INTERVIEWEE: TANJA SADOW

Began: 1995 with 1 employee, now 7 employees
Business Area: jewellery design
Turnover (2002): approx. S\$1 million
URL: www.beadhub.com

WHAT DOES BEAD HUB DO?

Education is our primary business. We teach people to design and make their own jewellery. We also travel the globe to source for the best jewellery-making materials for our customers.

WHAT WORK EXPERIENCE DO YOU HAVE?

I am a jewellery designer, jeweller, and gemmologist by training. I was an instructor with the Gemmological Institute of America (GIA). I taught the very first GIA resident Jewellery Design program in Singapore and was later commissioned to write the Gemmology curriculum for the Jewellery Industry Training Centre of Singapore (JITCS). I stayed with the centre for two years before finally setting up my own business.

HOW DID BEAD HUB COME ABOUT?

I visited Singapore on various occasions since 1987. In 1994, I decided to settle down here for good. Based on my experience, I realised that there was a demand for instruction in the field of gems and jewellery here. Subsequently, I took a year off to write and set up a series of intensive seminars on jewellery making and in 1995, I set up JusTanja, which is the predecessor of Bead Hub, to conduct these seminars.

In 2001, I created Bead Hub to serve the needs of my retail customers and my students. Today, Bead Hub offers the largest selection of the finest gem-quality materials and jewellery making equipment in Singapore while JusTanja continues to develop new workshops, seminars and short courses. These often take place within the Bead Hub premises.

Essentially, JusTanja evolved from a one person show in my bedroom in 1995 to a 7 person strong operation in 2003.

WHY DID YOU START YOUR OWN BUSINESS?

While teaching at the JITCS, I already had my own ideas on how best to teach jewellery making. So, when my contract with the centre ended, I saw the opportunity to put some of these ideas to work. Since I was already putting in long hours and working very hard at the JITCS, I simply put all that effort into my own business.

Coming out on my own and setting up JusTanja was a breath of fresh air. I had complete control over what I was doing and where I was going.

WHAT MAJOR OBSTACLE DID YOU HAVE TO OVERCOME WHEN STARTING UP?

I started the business from scratch in my bedroom. Like a lot of entrepreneurs when they started their business, I had a good idea of what I wanted to accomplish but I was short of resources. Furthermore, I was not able to secure a business loan from the banks and because of that I had to start the business with my own personal money, resulting in it being greatly undercapitalised.

I had to bootstrap the business to move forward, drawing resources from various sources. For example, when I wanted to move the business out of the bedroom, a friend offered me some retail space in his shop. Basically the business grew steadily but slowly as it very much depended on the profits that I re-invested in the business.

From my friend's shop, I moved to a retail shop in Chinatown and finally to our current retail location at Emerald Hill over the span of 10 years. On hind sight, if I had more money to start with, things might have moved a lot faster. On the bright side, Bead Hub is a good example of how one can start and grow a business from almost nothing.

WHAT ARE YOU DOING TO COPE WITH THE CURRENT ECONOMIC DOWNTURN?

We have been fortunate. Even with the current downturn, our business is still growing.

In these gloomy times, customers are looking for value. I believe that our customers see the value in our services and products. For example, instead of spending money buying expensive gifts for friends and family, our students can make use of their jewellery making skills to create items that are unique, personal and valuable. In fact, some of my students have even gone on to sell their creations at fairs!

I think that in these times, it is especially important for a business to offer good value so that it can continue to retain its current customers and attract new ones.

WHAT ARE YOU DOING TO EXPAND YOUR BUSINESS?

Aside from our retail presence, we are also using the Internet as a channel to reach wider to even more customers. You can easily obtain information regarding our classes online and even order materials from our website. Technology is a great leverage, especially for small businesses like ours.

We are also preparing a franchising package that will allow us to efficiently bring the Bead Hub brand name abroad. We are already talking to interested parties in countries like Malaysia and France. Some of them are former students who recognise the potential of the business and the opportunity to grow with us.

WHAT MAKES YOU COME TO WORK EVERYDAY?

I love teaching. I look forward to teaching and I am never bored with the classes. It is different everyday!

When students show up for class, they are usually unsure of what they want. This is where I come in. I help them discover their own unique style and preference, and motivate them to create something that is pleasing to the eye and fun to make. These interactions make the process challenging and exciting everyday!



EXPERT TIPS – EFFECTIVE NETWORKING

Many entrepreneurs know that networking is an important form of personal marketing that if properly executed, can result in business opportunities. It is especially important if you want to develop a prosperous word-of-mouth-based business. Networking events like business functions are great opportunities for us to make ourselves known to potential clients, referrals or vendors. Even so, some of us are still uncomfortable when it comes to attending these events.

Networking does not have to be a traumatic or frightening experience, here are some tips to help you overcome your shyness and improve the effectiveness of your networking efforts during a business function:

Act the Host

Forget that you are a guest and pretend that you are the host of the function. The host plays an active role and is expected to do things for the guests. For example, you are more likely to introduce yourself to people that you do not know, to let them know where the refreshments are, to make small talks and to introduce the guests to one another. Bring along a cheerful attitude and smile, it makes the networking experience more pleasant. Forcing yourself to playing this active role will help you overcome the initial inertia and kick you into action.

Set Goals

Set a realistic goal for the number of people that you will meet during the function. Make sure that you get the business cards of people that you meet. Do not allow yourself to leave until your goal has been met.

Name Cards

You can write notes on the back of the business cards you collect. Jot down information that are useful in helping you remember each person or make notes of things that you have to follow up with the person.

Manage Your Time

Time is always limited, so spend no more than 10 minutes with each person you meet. If you find someone especially interesting, you can always set up an appointment at a later date.

Avoid 'Hard Selling', Be Helpful

Do not try and 'hard sell' to people that you meet. These events are seldom meant for you to market your services or products to potential clients. Instead, treat your encounters as starting points for new relationships and follow up with these potential clients after the function at a later time. On the other hand, if the people you meet ask for your help, you should provide leads or referrals whenever possible. Effective networking involves helping others.

Follow Up!

Following up is the most important part of networking. If you do not follow up, you will have wasted the time you spent at the function. You should therefore drop an email or call each person you have met and fulfil any promises that you have made. Your follow-up efforts will help you generate business leads.

As an entrepreneur, you should take every opportunity to network. Do not limit yourself to business functions. Opportunities may present themselves while you

are waiting in a queue at a supermarket, taking an elevator, or chatting at a party. Take the leap, network for success!

NUTS AND BOLTS – REGISTERING AND SETTING UP A DOMAIN NAME

You decide to set up a website for your business and you think that `nameofmybusiness.com` is a great (domain) name for the website. So, how do you register it and stake your claim on the name? Here is a quick run through:

Choose a Registrar

The Internet Corporation for Assigned Names and Numbers (ICANN) is an international organisation that coordinates the assignment of domain names. Although, ICANN manages the master database of domain names, you can only deal with it indirectly through a third party call a 'registrar'. The registrar updates the domain names in the master domain name database that is maintained by ICANN.

ICANN has a complete list of all the accredited registrars on its website at

<http://www.icann.org/registrars/accredited-list.html>.

Registering the Domain Name

After choosing your preferred registrar, simply follow the instructions on the registrar's website. Good registrars have very comprehensive instructions that will guide you through the entire registration process. At the end of the exercise, you will be the proud owner of a new domain name.

However, do note that when you register a domain name you are buying the rights to use the name for a fixed period of time. You are not buying the name. It is therefore important for you to re-register the name when it comes up for renewal. If not, you risk losing the name permanently if someone else takes it up. Also, domain name registration and usage are subjected to trademark laws. Therefore, even if a name is available for registration, it does not mean that it can be used without risk.

Hosting the Domain

After you have registered your domain name, you will have to find a provider to host your domain. Hosting the domain is similar to renting a post office box. A domain name has to point to a particular computer in order to communicate with other computers on the Internet. The hosting provider will configure such a computer so that it can receive all email sent to your domain. The provider will also allocate space on the computer to store your web-pages, so that others online can access your website.

Setting up the Website

The hosting provider should give you instructions explaining how to access the space that has been allocated to you for your website. If you are hiring someone to do up your website, you should pass the instructions to that person. Web-pages are usually transferred (uploaded) to the host computer using the File Transfer Protocol (FTP). When web-pages are properly uploaded, they will be accessible to people online who enter your domain name in their web browser.

Setting up the Email Account

Just as with the website, your hosting provider should also give you instructions explaining how to send and receive emails from your domain. The instructions will depend on the type of package that you have selected as well as the email program that you are using.

With this information, you should now be able to take your first step towards establishing an online presence for your business!

CONTACT AND SUBMISSION

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