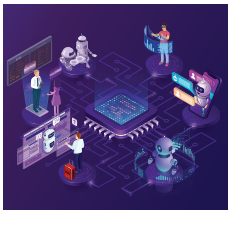
MCI (P) 078/11/2020

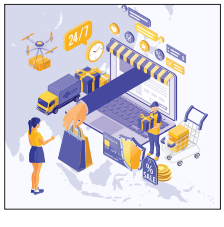
SID
SINGAPORE INSTITUTE OF DIRECTORS

DIRECTORS BULLETIN

Quarter 1, 2021

THE NEW NORMAL





DIRECTOR PROFESSIONAL DEVELOPMENT MAP 2021

Select from SID's comprehensive curriculum of director education depending upon the stage of your directorship journey and type of directorship.

FORUMS

Focus

- 17 Seminars & Conferences
- 16 Current Topics (Talks, Roundtables, Forums) NEW
- 15 Fireside Chats
- 14 AC Pit-Stops NEW
- 13 Board Conversations

COURSES

Advanced

- 12 SID-INSEAD International Directors Programme
- 11 SID-SMU Directorship Programme
- 10 Masterclasses For Directors NEW
- 9 Business Future Series NEW

Essentials

- 8 Listed Entity Director Programme (Mandarin) Core
- 7 Qualified Listed Entity Director Assessment
- 6 Listed Entity Director Programme
- 5 **Enterprise Governance Programme** NEW

Fundamentals

- 4 Director Financial Reporting Fundamentals
- 3 Board And Director Fundamentals
- 2 Startup Director Fundamentals
- 1 So, You Want To Be A Director

Listed Company (International)	Listed Company	Private Company	Startup

18 E-learning Series

Highlights

Business Future Series

- Disruptive Technologies for Directors
- Cyber Security for Directors
- Artificial Intelligence and Ethics for Directors
- Sustainability for Directors

Masterclasses for Directors

- Boards and Political Networks
- Creating Value at Board Level – Markets vs Stock Value
- The Board in Strategy Formulation
- Enterprise and Strategic Risk Management

Current Topics

- Reimagining Your Cyber Security Strategy
- Accelerating Your Digital Transformation
- Design Thinking for Sustainability
- Business Integrity – Leveraging business integrity
- Business Integrity – Transforming the compliance function
- Business Integrity – Crisis management
- Future of Corporate Governance
- Future of Assurance – Digital risks
- Executive and Director Remuneration
- Global Virtual Roundtable series

Scan the QR Code now to download the **PD Guide 2021** or visit

www.sid.org.sg/PD

What Next, in the New Reality?

By **PAULINE GOH**
Chair, SID Bulletin Committee

DIRECTIONS

2020 will go down in the minds of many as the *annus horribilis*, a year of disaster and misfortune.

The Covid-19 pandemic has altered the business landscape, in many cases, irrevocably. Businesses have scrambled to adapt, while others have had to shut down.

If we have learnt anything, it is that major change and disruption can happen anytime, and being prepared is a critical aspect of survival.

How then can businesses prepare for what lies ahead in 2021?

For starters, reimagine work. In one fell swoop, our entire lexicon has shifted to embrace new words and new definitions: work-from-home, hybrid meetings, zoom zombies and remote contactless services. Suddenly, we are all forced to be digital nomads. Howie Lau shines a light on how businesses have undertaken digital transformation, with varying degrees of success (page 28).

Our feature on work and workplaces in the new normal by Peter Andrew (page 14) looks at how office spaces will evolve and adapt to our changing work patterns. Tan Hwee Hoon takes a look at the future of work through the lenses of human capital management (page 20), and suggests ways in which boards can guide management to redesign tasks and build trust, for better employee engagement.

Secondly, companies have to reinvent themselves. Whether it is an over-reliance on global supply chains that have been severely put to the test, or an awkward dependence on a cheap supply of migrant workers, the crisis has exposed systemic weaknesses. Terence Foo et al. looks at how supply chains are being turbocharged through digitalisation (page 42), while Braema Mathi highlights the imbalance in our labour policies with a human perspective (page 24).

Some sectors have been particularly devastated by the travel and gathering restrictions. Arthur Kiong explores the challenges facing the hospitality industry (page 48), while Andrew Phua charts the way forward for the meetings, incentives, conferences and events industry (page 52).

Finally, businesses must work with the public sector and the people sector to rebuild the ecosystem. Kevin Tan and Sikai Chen take a look at how cross-sector partnerships are changing the way we organise our resources (page 60).

Our lead article by Chandran Nair, on The Great Reset (page 6), makes a strong case for building back the economy better and stronger. The environmental, social and governance aspects of stakeholder capitalism are key to transforming the corporate world.

Only then, can businesses be future-ready. ■

SID
SINGAPORE INSTITUTE OF DIRECTORS

PUBLISHER
Singapore Institute of Directors
#11-03 Capital Tower
168 Robinson Road
Singapore 068912
Tel: +65 6422 1188
Fax: +65 6422 1199
Email: publications@sid.org.sg
Website: www.sid.org.sg

We are on LinkedIn

EDITOR
Yang Wai Wai

DESIGN
Epiphany Design

PRINTER
Entraco Printing Pte Ltd

For ease of reading, the male gender is used in the Bulletin *to refer to all personnel unless the context specifically requires otherwise.*

CONTENTS

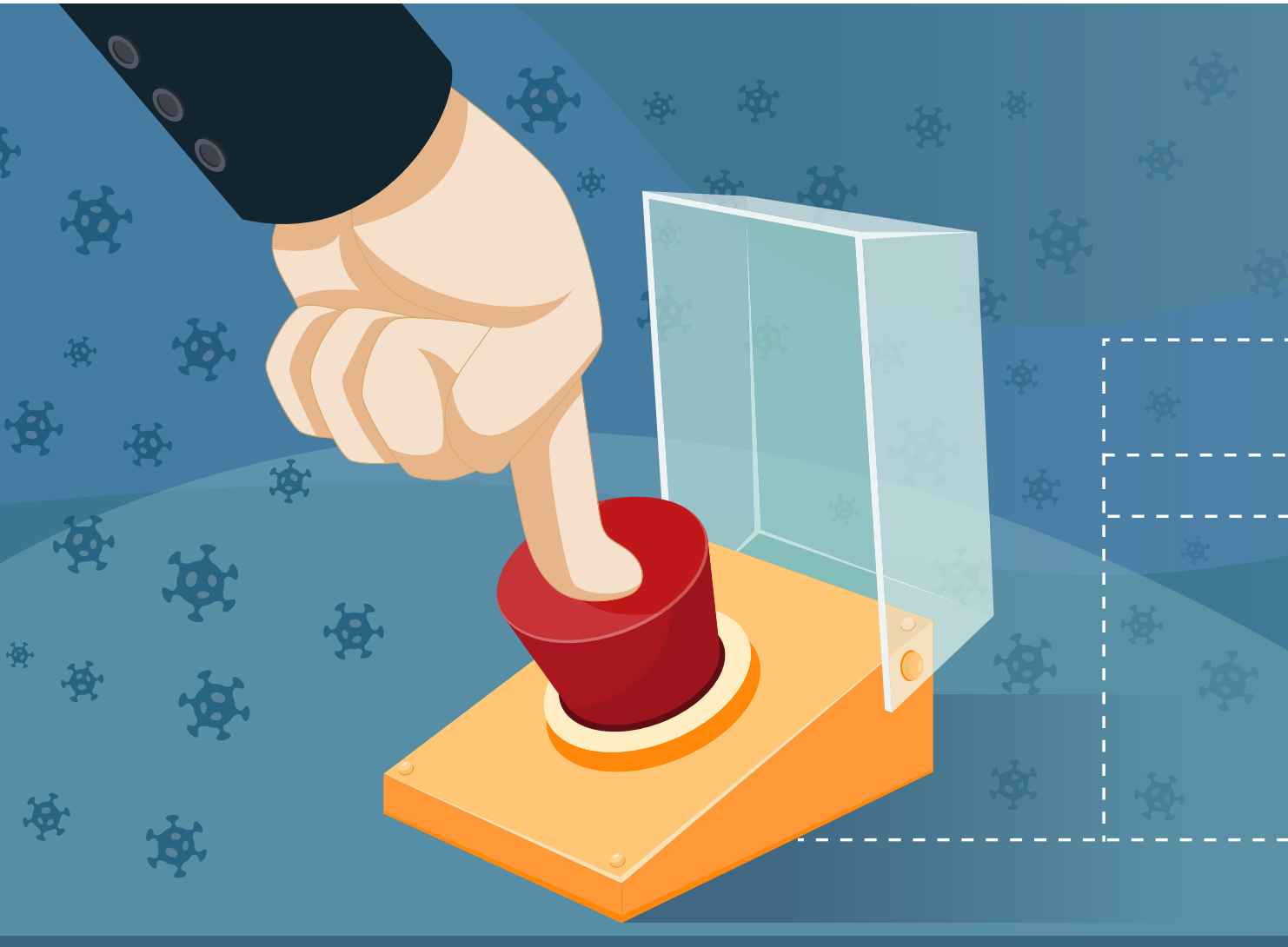
FEATURES

COLUMNS

INDUSTRY NEWS

SID CALENDAR

SID NEWS



THE GREAT RESET

By **CHANDRAN NAIR**, Founder and CEO, Global Institute for Tomorrow

Countless headlines, since the coronavirus pandemic took hold, have used some variation of the phrases "going back to the new normal" and "everything must change". But what, exactly, is this new normal? And what, exactly, needs to change?

The global pandemic has shone a light on significant domestic and international weaknesses. It also exposed some of the myths and fallacies of conventions used to explain the world. Changes that were already happening have been accelerated, fulfilling in a few months what might have otherwise taken decades.

Yet not every change needs to be a cause for concern. This is the moment for the current and next generation of leaders to make their mark and grab the opportunity to fix these mistakes and allow for a true reset.

The pandemic has highlighted the need to challenge our assumptions and understanding. We need to change what is clearly no longer suited to our times and the future we want in the face of several existential threats. Here are 10 broad areas to consider.

1. Transforming the Corporate World

Before the pandemic, global companies appeared to be incredibly resilient. Interconnectivity was meant to ensure that a problem in one place would shift supply chains elsewhere, and consumers would never see the difference. Goods would remain on store shelves (or, increasingly, on e-commerce sites), with no indication to the shopper of what was happening behind the scenes.

But the pandemic, a truly global shock, exposed the fragility of the global economy and its networks. An interconnected economy, rather than reinforcing resilience, amplified the domino effect – spreading economic pain and disruption around the world, as companies laid off employees.

Governments cannot prevent another global shock from happening, but they can make sure that corporations are ready to meet their obligations to society. This starts with workers, the basis of the social contract between business and society. Policymakers need to think about how to transform corporate incentives to build in actual systemic resilience.

2. Rethinking Monetary Policy for Public Good

To respond to the economic pain and disruption of the pandemic and related public-health measures, governments are passing relief packages of record size, numbering in the billions of dollars. Before the pandemic, governments were sceptical of spending too much money. The question "but how do you pay for this?" was common when discussing massive public programmes in both legislatures and the media.

The pandemic has torpedoed these beliefs. As governments tap into their reserves to unleash public spending, they could invest in necessary infrastructure, pay for the public provision of basic needs and public services, and invest in research and development to prepare society for future challenges.

Providing low-cost housing, for example, would give low-income families security and the means to invest in themselves. From starting their own businesses to improving their health, it would be a long-term investment in expanding the ability of more segments of the population to contribute to society.

3. Reimagining Growth

Before the pandemic, governments relied on continued growth for political legitimacy. Economic growth is a proxy for success. It is common for emerging economies to choose a "growth target": either a targeted growth rate for the year or a targeted economic size by a certain period of time.

The world needs to abandon growth as a target in itself. Perpetual growth pushes society to relentlessly consume more resources. As a result, economic policy is distorted, focusing on accounting and investment gimmicks rather than real economic development and progress. Instead, governments in both emerging and advanced economies need to remember what growth is for: improving standards-of-living for a whole population, and not just segments of society.

If countries abandon economic growth as a metric, they will need more meaningful systems of measurement to guide them. Perhaps some combination of employment numbers, access to basic needs, sustainability targets, and investments focused towards the future.

4. Abandoning the "Free Hand of the Market"

As the pandemic spread, consumers faced shortages of essential products: face masks, hand sanitiser, household cleaning products, toilet paper and frozen food. Hospitals and doctors were short of medical supplies and personal protective equipment.

The pandemic has shown that the market is not able to respond quickly to major crises. But countries with strong governments were able to mobilise and focus the private sector on what is needed for society. For example, China expanded its production of masks and medical equipment, and South Korea was able to dramatically expand testing capacity. The private sector needs guidance, support and, perhaps most importantly, a guaranteed buyer: things the public sector could provide.

Society needs to reassert its control over the market and the private sector, ensuring they are oriented towards the public good. Businesses have a "licence to operate", but when corporates violate that understanding, societies need to ensure that the private sector acts responsibly.

5. Revoking the Free Ride of the Gig Economy

The strains of the gig economy were starting to show before the pandemic, with heavy workloads and tight schedules for couriers. Platforms set strict operating guidelines, penalising any slack in the system. Yet these platforms attract funding based on their ability to scale, offsetting the costs of their model onto gig workers and the rest of society.

For all their faults, the platforms do succeed at what they aim to do: connect providers and customers. A platform that allows a provider – whether a restaurant, a handyman, a driver, an artist, or a small business – to more efficiently provide goods and services to a customer would be a real asset to small- and medium-sized businesses that do not have the resources to create a custom solution.

Governments need to look at which platforms are successful and why, then try to support alternatives that are not reliant on the scale-obsessed model of tech funding.

6. Valuing Work that is Essential

Many countries resorted to "stay-at-home" orders, with the goal of cutting off virus transmission in the community and avoid overburdening the healthcare system. Workplaces and schools were closed, while shops and restaurants were shut. Businesses and whole industries – air travel, tourism, live entertainment – came to a halt.

But not everyone got to stay at home. The pandemic introduced the term "essential worker" to our lexicon: not just healthcare workers and essential public services, but also delivery people, janitors, grocery store workers, farm labourers and factory workers packaging food. These jobs are often underpaid, yet the pandemic has made the social worth of these jobs obvious.

Much like how governments need to rethink the goods that are strategically essential to an economy in a crisis, they also need to rethink what labour is truly essential, ensuring that those working in these positions are properly compensated and protected so they can help sustain the rest of us.

7. Reframing Development Priorities

The economic story of the past two decades has centred around digital opportunities and the internet. Development priorities have shifted to accommodate the rise of the internet and deepen smartphone penetration. This was despite the lack of any real evidence that this was what people truly want.

There was underinvestment in infrastructure that would have helped to fight this current pandemic and reduce the risk of the next crisis: clean water, better nutrition, improved sanitation and broader public health infrastructure. Basic services are not the only development priority that have gone ignored. Millions around the world still lack safe and secure housing, stable access to electricity or important public services like education.

Society should constrain the use of any development or public money towards digital technology unless an independent body – and not one dominated by the tech companies – can make a compelling case as to why it would improve development outcomes.

8. Rebuilding the Collapsed Food System

The pandemic has led to two very different stories about the food industry. On the one hand, empty store shelves and panicked shoppers; on the other hand, distressed farmers dumping excess produce.

The fundamental instabilities in our food systems: the need for migrant labour blocked by closed borders, chokepoints in factories and ports, and reliance on a few large institutional consumers. The pandemic also reveals the dangers of long-term social choices around food. Poor diet arising from the global proliferation of junk food has increased rates of non-communicable diseases, which also contribute to poor outcomes from infectious diseases.

Governments will need to radically rethink how we approach food systems. First, governments need to develop better systems for distributing food, especially in poorer communities that lack options. Secondly, governments need to ensure that grocery stores have enough stockpiles of essential goods. Finally, governments need to invest in local food production, especially in staples.

9. Start a Managed Retreat from Nature

One silver lining to humanity's retreat indoors has been environmental repair, from wildlife returning to public spaces to improved air quality. In many countries, environmental damage has been cast as a necessary consequence of growth – a sort of collateral damage for a greater good.

But the environmental repair and regeneration of wildlife seen throughout the lockdown is proof that nature is more resilient. The decline is not irreversible. Thus, we can and should invest in large-scale restoration, repair and conservation.

Governments should see this as an encouragement to be bolder in their environmental strategies. Can air pollution not be minimised, but eradicated? What about solid waste? Can we limit suburban sprawl and expand natural areas? Human society can start to restore certain areas, drastically limiting human activity and scaling back the sprawl of human habitation. If the pandemic is any indication, we might start to see the natural benefits of this sooner than we think.

10. Geopolitics Beyond Western Supremacy

The world's botched response to the pandemic will affect international relations. Asia quickly tightened controls and contained the outbreak. The response of China, Japan, South Korea, Vietnam, Singapore and Taiwan, contrasted starkly with that of Europe and the Americas.

The West's soft power has also been significantly damaged by the pandemic. Far from being China's "Chernobyl", as *The Financial Times* suggested when the disease first emerged, Asian governments have been swift and decisive in their response to contain the pandemic. With Europe and the US deeply divided and struggling to control the pandemic, this has raised serious concerns about the system of governance in the West.

A post-pandemic world will be one with many different powers: China, India, Russia, Europe, Africa, Brazil and the US. Tensions will exist between these different countries, and the boundaries of their influence will be contested. But there are also significant global problems that can only be managed through close cooperation between them.

If there's one thing that the Covid-19 pandemic has taught us, it is that the old assumptions no longer apply.

Countries, corporations and individuals must adjust to the pending new normal.

Countries need to engage with other powers, even those they have severe disagreements with. Otherwise, the global problems will be unresolved and global society will suffer.
The Covid-19 pandemic shows that the global system falls flat on its face when confronted with a global problem.

Corporations need to deal with the new realities for resilience in the interconnected economy, and what growth means in an increasing digitalised world.

Individuals, much as we each yearn to return to life as it was before the pandemic, have to adjust to a life that has greater restrictions on what we can do, and most importantly, in harmony with nature.

Leaders, especially, should make their mark and grab the opportunity to fix the mistakes of the past and allow for a true reset. ■

Work and Workplaces in the New Normal

By **PETER ANDREW**, Executive Director, Asia Pacific, Workplace Strategy, CBRE

The world's most massive experiment in remote working has opened the eyes of leaders around the world. This has unlocked the path to reimagine the way people work and reinvent the places that people work in – on a permanent basis.

Humans generally do not like change. Yet some of the most significant changes any of us have seen in a lifetime have happened this year. The question is, when some degree of normality returns, which of those changes will be sustained and which will be tossed aside. This is particularly pertinent for how we work and the places we work in.

What will future workplaces look like, and to what degree will working from home (WFH) become commonplace?

Amid economic uncertainty and financial pressure, immediate attention has focused on the potential to reduce cost. Optimising real estate costs by encouraging long-term WFH was an obvious area to explore, but savings are more difficult to achieve and not as significant as might first be imagined.

With time, conversations have broadened to consider how supporting more fundamental shifts in the way people live and work might increase corporate agility. This has the potential to open up workforce and work process opportunities, optimising costs in a sensible way.

What have we learnt from WFH?

It is frequently stated that most employees report greater productivity from WFH arrangements. This is generally attributed to higher individual productivity through less distraction and commute time. On the other hand, people also report many more calls and video meetings that replace the more casual interactions they have in the office.

Leader and manager conversations, however, reveal broader productivity challenges. Innovation has slowed, both incremental and big ideas. Learning has been compromised, particularly for younger people and new joiners. It is more difficult to identify quickly when a colleague or team is "off track" and might be doing redundant work. And it is too early to understand the long-term mental health challenges from extensive WFH.

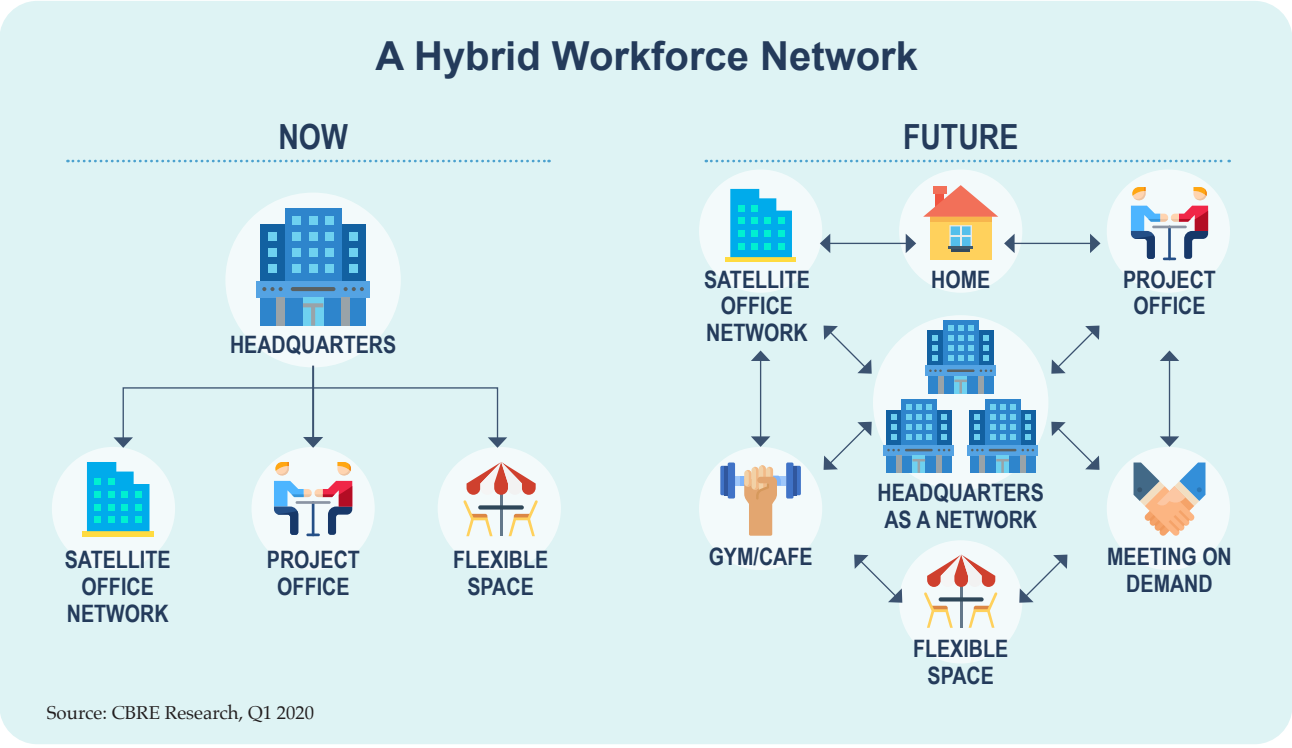
Real estate survey specialist Leesman compared the workplace performance of a typical office against the typical WFH situation globally. Essentially the average home supports work better than the average office.

Whilst this certainly indicates that WFH can play a big role for some corporations to support work in the future, it also indicates the failure of our existing workplaces to support work adequately.

As many organisations put in place plans for expanded WFH options, they also need to tackle age-old issues, such as open-plan offices where people can neither focus nor collaborate effectively and desk sharing workplaces struggle to enable teams to come together easily. Best-in-class organisations are building better workplaces, but it remains to be seen whether the broad spectrum of the market will follow suit.

Survey data suggests that leaders expect to spend more of their time working from the office in future than the typical employee. Whilst some suggest that this is because they have an older/more traditional mindset, a better explanation is that leaders feel the need to be physically accessible by staff – and if different staff attend the office on different days, then the manager feels the need to be in the office most days. Team members love their freedom and independence; managers worry about losing control.

On a positive note, leaders and managers have had to pivot to management by performance rather than management by presence. This is an important change anyway to enable better performance. It is also a critical necessity to implement large scale, long-term increased WFH and more flexible office designs that empower employees to self-organise their work processes.



What will future offices look like?

WFH has taught us that we can work from almost anywhere. For corporations, this opens up a broad range of portfolio options that is broadly described as the Agile Office:

- Reduce the size of the "main office" – and focus on activities that particularly need people to come together.
- Add satellite working locations, or even "near home" options – for those that want to avoid the commute to the central location but struggle to perform well in a home setting.
- Rethink the mixture of owned real estate, leased real estate and "on demand" real estate (such as co-working).

As most people have found WFH highly productive, they are likely to expect more of their corporate workplaces in the future – be they central or satellite.

Number one on the agenda will be the ability to work without distraction. This contradicts the general view that the future office will be for collaboration only. Demand for rooms (allocated offices or "on demand" rooms) and other space for deep focus work may increase. Protocols about how and when we interact and disrupt one another may change. WFH should not have to be the only place that a person can work without distraction.

Equally important will be the role of the office to support the activities that are most difficult to replicate virtually. Building community and relationships, collaboration, brainstorming, expressing corporate culture and helping people to learn, will take on more importance. Do not assume that WFH will only be about focused work and work from office will only be about collaboration. Both of these critical work activities will need to be well supported at home and in the office.

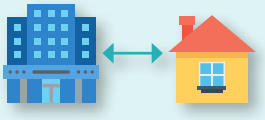
What may disappear from some offices are the rows of open workstations. The activities usually performed in these "one-size-fits-nobody" workplaces are the most likely to move to the home office. Future offices will see community

space, collaborate-and-make space, as well as places to work secluded and with deep focus.

Expect to see more desk sharing. As work becomes more transient and can happen anywhere, it will no longer make sense to have dedicated workplaces in an office for people who are rarely there. Desk sharing will be key to the way that organisations recoup savings from a workforce working extensively from home. Even during the pandemic, the ability to share desks gives organisations much more flexibility to easily implement split team solutions without radically reconfiguring offices.

Three Choices for the Future Office

The role (and design) of a future office will likely vary according to what proportion of the week employees are spending in the office. See graph on next page, "What's Happening in APAC - Right Now?"

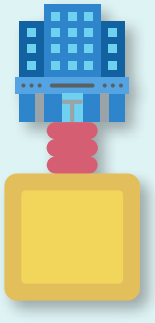


1. Office as an Attractor

Whilst teams may have a key day of the week where they try and all be in office on the same day, generally different team members WFH on different days. When people start WFH one to two days a week, then the office is competing with the choice to WFH. Expect to see more staff amenities, community spaces and a focus on making the office a great place to work.

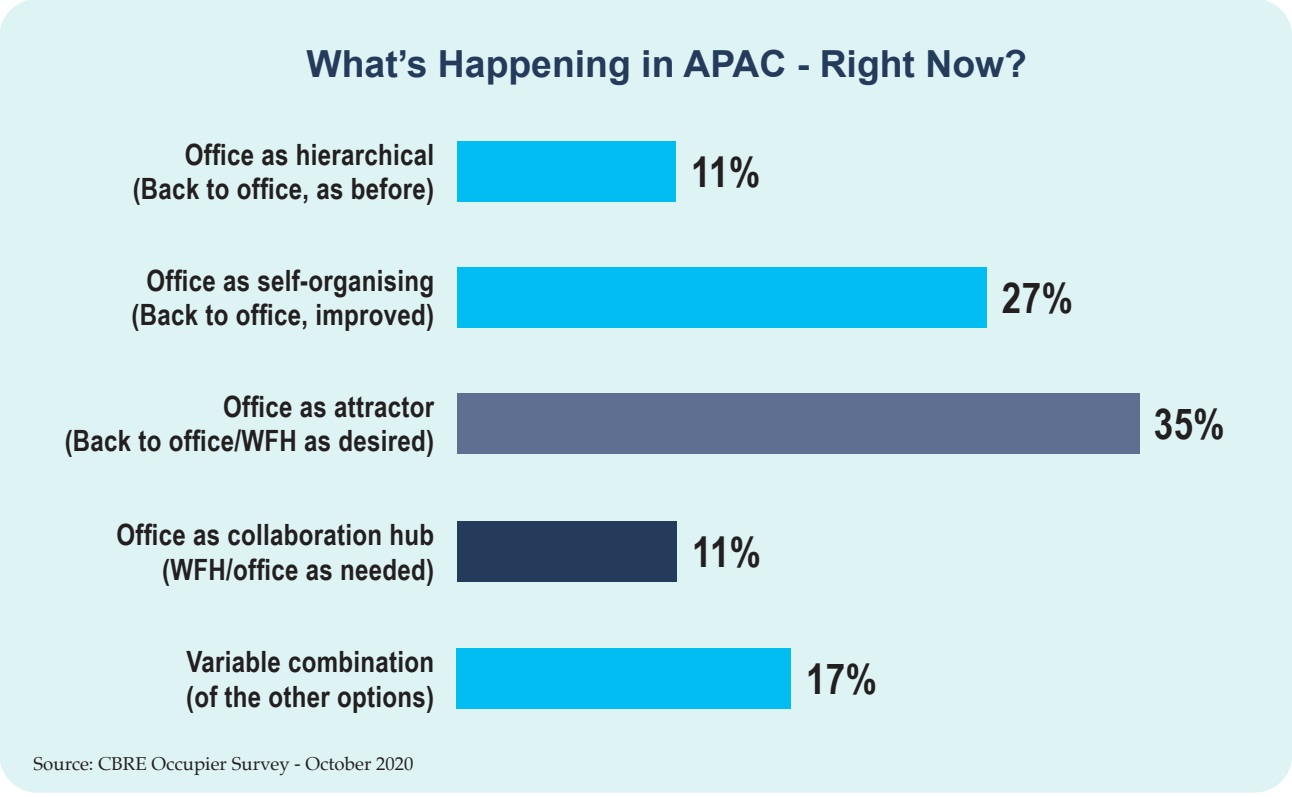
2. Office as a Cultural/Collaboration Hub

Teams have pre-agreed days when they WFH and work from the office – although a few may choose to work from office when most are at home (and vice versa).The office is a place to meet, build community and a place to escape the distractions at home and to focus. Expect these offices to look significantly different from the typical office pre-Covid. For instance, exercise and socialisation will happen in and amongst their home community, so there will be less need for corporations to provide these in smaller offices.



3. Pop-Up Office

Will we see entirely virtual organisations -- without an office at all? Some already exist in some countries. Whilst these companies do not have a permanent office, they may leverage pop-up offices. Temporary offices for a day, a few days or even a week, to create opportunities for colleagues that rarely meet face-to-face to come together, socialise and build culture and community. But these pop-up offices are more likely to happen at an amusement park or a farm or a cinema – rather than anything that resembles a traditional office.



People may also bring back to the office expectations about a more casual culture, more domestic/less corporate environment, better technology. Multi-participant video calls have created a new and more equal dynamic about how we meet and interact; this may change how, when and why we use rooms in the office in the future.

The office of the future

It is clear that the technology platform that exists in most organisations today (or soon will) enables most of us to work with geographic freedom. But just because WFH is possible, and people can do so, this does not mean that they should, or will.

It would be dangerous to make decisions today that mean corporates need to enforce the discipline of people working from home in the future because they have run out of office space. Yet many organisations are making some big bets right now on the basis of fairly limited information.

Organisations need to be careful not to over assume the space efficiency savings of introducing WFH. Workplace capacity is determined by the peak number of employees expected in the office on a particular day. If no structure or system is put in place to ensure that roughly the same number of employees come to the office each day, then peak attendance may not vary much from what it is today, and savings would be minimal.

Also, any savings through more WFH may be counterbalanced with increased desk spacing/capacity in offices to accommodate physical distancing. And of course, space savings can only occur if organisations introduce desk sharing – and many may choose not to do this.

Guided by business culture

How much WFH should happen in the future should be led by decisions around the right culture and work practices, rather than technological capability or even staff preference to WFH. This must be a people and performance decision not a real estate decision. ■

Managing for the Future – Remotely and Effectively

By

TAN HWEE HOON

Associate Professor of Organisational Behavior and Human Resource Management,
Lee Kong Chian School of Business, Singapore Management University

The need for employees to now work from home (at least some of the time) means organisations have to rethink their management strategies. More importantly, they must change both employees' and managers' mindsets on how work is carried out.

Covid-19 has sparked off a global health and economic crisis. The virus has disrupted the way people work – and the way managers, organisations and boards manage their workforce. In the brave new world of mask-wearing and social distancing, being physically co-located is reduced to a luxury that few organisations can afford.

A fundamental mindset shift has to accompany the structural reset that has been triggered by the workplace disruption. And the board has to lead and facilitate such changes.

Coping with multiple roles

Understandably, for employees, the need for focus on work in the face of multiple roles (as spouse, partner, caregiver, parent, etc.), given the home location, poses unique challenges. This is particularly so for women who, in addition to the role of an employee, are likely to assume the role of a caregiver in a physical home context. Children and elderly parents may not effectively differentiate one's multiple identities when one is physically home.

In addition, being removed from the office also means that access to resources such as information becomes layered with privacy and confidentiality concerns. The lack of interaction can also deepen the sense of social isolation for employees living alone.

On the other hand, organisations may still expect their employees to be present physically, for, if not, they would not be assured that work is being done. How do organisations "see the unseen", such that in the absence of physical co-location, they can believe that their employees are productively and gainfully engaged in work?

As Covid-19 forces organisations to allow their people to work from home, such a disruption can be the catalyst for a mindset change and also a chance to implement behavioural change. For it is not merely about changing our skillsets in managing in the new environment, but that of changing the way we think about people and work.

In this respect, boards will also need to rethink their role in facilitating this adaptation to the new normal in working arrangements. Boards set the tone for the culture of the organisation. And this is a cultural change that is necessary for organisations to align with, as we move towards the gradual relaxing of distancing guidelines in the reopening of the economy. As one function of boards is to oversee performance, one critical area for change is the conversation on how performance is evaluated.

Building trust

Organisations should ask themselves a fundamental question: What is their assumption about their employees' motivation? Do organisations believe that employees come to work and shirk, or do employees want to come to work and do a good job? Changing one's assumptions about employees' motivation and believing that they want to do a good job is fundamental to the new normal.

More than changing one's assumption about the motivation of employees, trusting employees is key. That is, trusting that employees have the capability to get work done, trusting that employees want to do good to the organisation and trusting that employees' values are closely aligned to those of their organisations.

These three factors are key to the trust equation. This trust, however, has to be built over time. A recent study by Sharon Parker, Caroline Knight and Anita Keller, published in the *Harvard Business Review* in July 2020, found that almost one-third of the managers surveyed do not trust that their employees have the required knowledge and skills to do their work.

While it may appear to be a tad late to build one's trust in employees at this point, organisations should continue to provide the necessary support in the form of coaching and stretch assignments to employees for them to continually upskill and be proficient. Boards certainly have to work on

setting the tone, not just in terms of the change in mindset, but also in instituting processes to better help organisations and managers build trust with their employees and direct reports.

Changing mindsets is the first step to effective remote working. In terms of strategies, one fundamental challenge is that of managing by outcomes instead of managing by processes. This is of particular concern in the area of performance management. One could draw a sharper differentiation between effects and outcomes.

In this respect, boards need to take charge by first recalibrating strategic goals and more importantly, rebalancing short-term with long-term goals. This change from the top can then cascade down to the different levels of the organisation in terms of goals and key performance indicators.

Redesigning tasks and functions

Rather than continuing to work in the same manner, organisations have to be flexible and change how work gets done by allowing experimentation, via trial and error. As experimentation comes with risk and potential failures, organisations have to recognise that there will be failures. More than allowing people to fail, they should encourage people to fail and learn quickly so that new and different ways of work can emerge.

Redesigning tasks and functions is another way of working differently. Organisations can examine the extent to which tasks and workflow are interdependent such that redundant task interdependencies can be eliminated. Where there is a need for task dependence, they should support that critical link with resources and clear rules of engagement.

Moving to the interpersonal aspect, without constant physical proximity, communication becomes even more critical. Organisations can never over-communicate. In fact, organisations should do "redundant communication" via different channels: online and offline; high-tech and high-touch.

This increases engagement and provides a means by which organisations can check-in with employees, both socially and for work. In fact, one key area that is missing with work from home conditions is the water-cooler moments that employees are used to; the serendipitous meetings where information is exchanged and where folks who do not usually meet in the course of everyday work can connect.

Thus, organisations should think of deliberate ways to enable such meetings so that organisational life can continue to flourish. In this respect, boards have their work cut out for them.

Boards are social constructs, and they lead in fostering an inclusive culture where social and mental well-being are prioritised, manifested in deliberate ways of communications. These "redundant communications" in turn signal to employees the care and involvement of management. In contrast, such issues were not seen as key, in the face-to-face environment of the past.

No one knows when the pandemic will end, but one thing is for sure, the way we work will change. Hence, our mindsets with respect to what is productive and non-productive work need to change as well. Boards should lead in continually transforming organisations in this new Covid-19 environment. ■

Recalibrating on the Abnormality in Singapore's Migrant Workforce

By
BRAEMA MATHI
Founder of Transient Workers Count Too and MARUAH
(Singapore Working Group for an ASEAN Human Rights Mechanism)

Systemic weaknesses are laid bare during a crisis, and in Singapore, the plight of the country's migrant workers came to the fore at the height of Covid-19 infections. How society addresses this thorny issue will determine how we grow as a nation.

A quarter of Singapore's resident population are migrant workers from Bangladesh, China, Indonesia, India, Malaysia, Myanmar, Philippines and Sri Lanka. Working in manufacturing, construction, maritime, healthcare, carework, hospitality, landscaping and cleaning, they come to earn a wage to support their families, build homes, buy land and move up the socioeconomic ladder.

Typically, the foreign workers are placed in companies which are part of the global supply chain providing specialised services. They are different from foreign domestic workers who work in private homes.

Lived realities

Migrant workers earn between S$15 and S$18 per day, making about S$800 a month with overtime payments. Different industries have different pay scales. Wages are used to pay off recruitment fee loans which range between S$6,000 and S$10,000.

They also make monthly payments (to either employer or representatives of outsourced companies) for accommodation, packed meals and transport. The remaining wages – sometimes as low as S$300 – are sent home (remittances) and for their personal local expenses.

Living quarters are usually crowded rooms, with shared common toilets, showers, washbasins, wash areas and kitchens. The off-work time is spent on making calls home, cooking, cleaning, washing clothes, reading newspapers, watching videos, chatting with each other and hanging out at favourite places. Despite inconvenient living conditions, workers tend to accept the situation as their best-case scenario and often are grateful.

Situations do deteriorate. Workers may experience any or a combination of: harassment; verbal or physical abuse; bullying; discrimination; threats; curses; sudden contract termination; being made to work even with medical certificates; unpaid wages; unfair cuts to wages; employers withholding their passports; no documentation (e.g., payment slips); dangerous transportation; workplace injuries; protracted procedures to receive compensation claims on injuries; unclean sleeping areas; infestation of bugs, cockroaches, rats; illnesses such as flu, malaria, dengue; infectious diseases such as measles, tuberculosis and skin-related ailments. The list can go on.

At the same time, the constant anxiety of not breaking any rule, order or the law whilst living in Singapore, hangs over their heads.

An abnormal reality

The Singapore government has made improvements. These include increasing protection through legislation, setting up a dedicated foreign worker division within the Ministry of Manpower, supporting new institutions such as Migrant Workers Centre and training centres, developing synergy, and linkages with other related government bodies and non-governmental organisations (NGOs).

But the core essentials are still missing. Tighter labour laws, an anti-discriminatory law, a minimum wage, a Whistleblower's Act, access to justice, and effective enforcement and governance of existing laws are some examples. An over-reliance on the complaints mechanism and weak union representation for migrant workers exacerbate matters.

What is needed is a critical analysis of the foreign labour tender process, including submissions review and approvals, in compliance with labour rights, as part of the universal Sustainable Development Goals (SDGs). Singapore's record shows a weakness in ensuring occupational safety because of workers' injuries and fatalities. Overall, Singapore's SDG index score is 67 per cent of achieved targets, a lower score than neighbours Malaysia, Vietnam and Thailand.

Covid-19 realities

And then came Covid-19. Infections reached 58,228 (as of 1 December 2020) of which 90 per cent or 52,000 are borne by migrant workers. This disproportionate representation is not unfathomable. An infectious disease spreads fastest in crowded places such as slums, areas with weak sanitation, unclean water sources and little access to water.

The workers' living areas and transportation means (packed lorry loads are common) are prime grounds for Covid-19. Despite all the warning signs, alerts from NGOs and health advisories, the authorities were blindsided and unprepared for the scale of infections among the community – concentrated in the migrant workers' dormitories.

The single-day high of 1,426 cases was recorded amongst migrant workers on 20 April 2020. This led to the government announcing that all foreign workers in dormitories were to stop work until the spread of the virus was curbed. The lockdown ("circuit breaker") intensified the crowding, 24/7 in the living areas. Add to this, weak communications (often not in the workers' native tongues) and the lack of sanitisers, handwashing soap and affordable face masks, did little to stop the spread.

The government's response was mass testing, which revealed more infections. It then sealed off crowded bunk-rooms to ring-fence the spread of infections and relocated workers to alternative living arrangements of cruise ships, hotels, vacant public housing flats, military camps and treatment centres. The multi-pronged exercise mobilised not only the public sector, but also roped in corporates and nonprofits.

Some employers treated migrant workers as criminals, even to the extent of locking them in. There were reports of dislocations, lack of food, isolation and attempted suicides among the migrant workers. Complaints of summary dismissal and cancellation of work permits, non-payment of due wages, unsettled injury claims and unpaid debts abound.

No doubt, employers are also facing a hard time with personal and business finances draining out. Employers are stuck with no returns, bank loans, frozen supply chains on products and labour, contracted work on hold for months as many migrant workers continue to be in quarantine or in isolation. Regular rostered routine tests for high-risk workers, processes on accommodation transfers in cases of outbreaks and listings on punitive measures on non-compliance, are a bureaucratic nightmare.

Support measures

To mitigate the situation, the government has given support to businesses through its various stimulus packages. These include loan insurance schemes, temporary bridging loans, property tax rebates, rental waivers, temporary relief to companies unable to fulfil contractual obligations, support payments for enterprises to grow, job support schemes to retain employees, co-funding

on employee wages and waivers on levy charges for migrant workers.

There were also assistance schemes for vulnerable communities amongst Singaporeans and Permanent Residents from the Temporary Relief Fund, Covid-19 Support Grant and the Courage Fund. The Forward Assurance and Support Team was established to provide migrant workers with food and water, wi-fi to keep in touch with their families back home, entertainment and medical facilities.

The government also committed to building new dormitories with a lower ratio of persons to shared living spaces and sanitary facilities. One bright spot was the groundswell of support from the community. Brigades of volunteers, including some employers and their families, got organised or worked with NGOs to raise funds, deliver food, groceries, attend to those who needed medication or medical attention, buy and deliver phone cards and just talk to them.

Recalibrating and normalising

Migrant workers' contributions are deep. The World Bank's data on global remittances to low and middle developing countries for 2019 show US$554 billion in 2019, overtaking foreign direct investments. In Singapore, each migrant worker is building up Singapore. We are all benefitting.

Covid-19 has put our complicity under the spotlight. We have sat easy on the abnormal living conditions of migrant workers. Now it rings hollow to say that the workers are better off here than in Saudi Arabia or even Malaysia. The virus does not care – it does not discriminate and flourishes in conducive environments.

Systemic transformation is needed. Successful leaders redesign the organisation – to be flatter, offer empowerment, become more adaptable – and demand, likewise, these values from other companies in the supply chain. It is a vision and mission in ethical business conduct and accountability.

But this core remains – putting in place a resolute ethical code on how the business ought to be run. There are international and regional instruments and accountability devices to draw upon.

Normalising the abnormal means, for now, giving workers better facilities to live in, offering better food, even providing liquid soap, sanitisers and having grief support schemes. Internally, there can be cultural sensitisation programmes for all staff and those in outsourced companies. Overall, it can lead to revising financial statements to have account indicators on doing what is right and ethical as a business conduct.

Those with larger financial safety nets can give support to smaller companies and also engage in meaningful projects such as developing a pool of professional translators and setting up reserve funds for migrant workers to tap into to access judicial processes. Finally, developing research and analysis on ethical businesses doing well when all workers are paid equally for the job scope so that Singaporeans too will opt to do the jobs of migrant workers as wages do become viable and tenable.

This is a reset, a recalibration for the better of people, the environment, becoming more humane and ensuring that equality is the norm. Covid-19 is an expensive way to re-evaluate our ethical code. But it is time we do so. ■

The Slips and Trips of Digital Transformation

By **HOWIE LAU**, Council Member, Singapore Institute of Directors

Covid has accelerated the pace of digital transformation. Indeed, there is a tremendous momentum globally as companies adjust to adapt to the "new normal" arising from the pandemic. But it has not been plain sailing for many.

Webinars, digital conferences and virtual leadership conversations. A whole new lexicon has been created in a matter of months, as individuals and organisations pivot to the normal.

End consumers have become more digital in their lifestyles and consumption behaviours, and businesses are more digitally connected than ever before as borders remain generally closed.

Some companies are driven by opportunities of new revenues, new customer segments, and new profit drivers unearthed by the seismic shifts. Other companies are driven by the challenges and disruptions caused by new barriers, changing customer behaviours and slowdowns in business cycles.

Digital journeys

In this digitally connected world, businesses in Singapore are now potentially one second away from acquiring a new customer in São Paulo. On the flip side, in this digitally connected world, the same business might lose its existing customers who could potentially be receiving a competitive offer from a company based in Brazil.

For whatever the reasons or motivations, many organisations have embarked on digital transformation journeys.

There are plenty of examples of spectacular successes, on public showcase generated by corporate publicity machineries, technology providers and business media. But there is much less open discourse on the failures, pitfalls and challenges faced during these digital journeys.

As with any major strategic programme, it is important to consider the range of slips, trips and falls associated with it. The usual caveat applies that these observations on digital transformation may not be applicable across all journeys as the intent is to shine a torch on some tricky sections on this path.

Digital Transformation Efforts Are Significantly More Challenging Than Others

In a study of hundreds of companies executing major changes...

Coventional Transformation		Digital Transformation
12%	**Achieved or exceeded** expectations	5%
20%	**Failed** to deliver, producing less than 50% of the expected results	20%
68%	Settled for **dilution** of value and **mediocre** performance	75%

Source: Bain risk history survey 2017 (n=403); Digital 360 Barometer survey 2017 (n=1012)

#1 "I'm already very digital" – Getting clarity on the end in mind

It is relatively easy to slap on a digital layer and coat it with a broader brush of "digital transformation". Put in another way: you can take many processes and existing parts of the business and digitalise them. For example, move a few customer engagement features onto a mobile app.

It is usually straightforward to automate some processes internally with robotic process automation. And it does not take too much to move training online for the firm's employees. This path is generally in the realm of digitalisation but does not quite have a detailed outcome in mind.

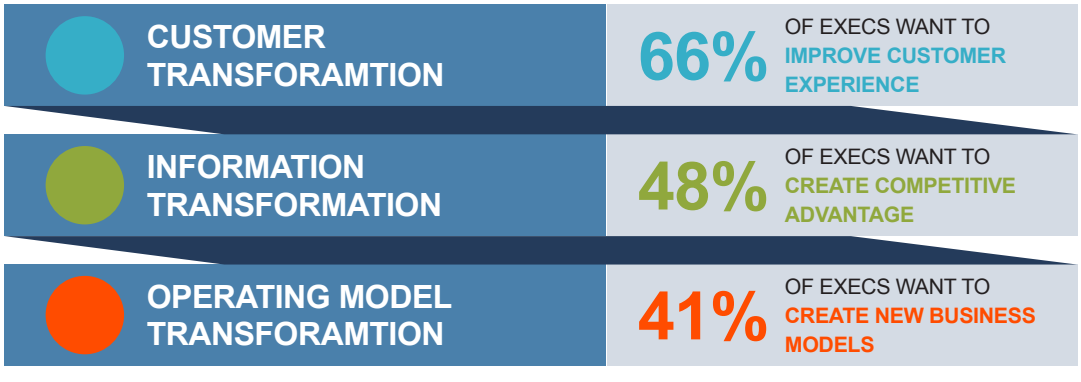
With this approach, it is hard to have clarity on the business outcomes that are desired. To build a multi-year, multi-stage digital transformation plan towards clear business outcomes in mind, a more holistic perspective would go some way to chart the digital journey from start to end.

These could include new monetisation models for new revenues and profit engines. Or changing of supply chain structures towards better resilience and efficiencies. Or redesigning customer journeys towards better average revenue per user yields or lower customer acquisition costs. These paths would more commonly be associated with digital transformation.

As the Cheshire Cat said, "If you don't know where you want to go, then it doesn't matter which path you take." (*Alice in Wonderland* by Lewis Carroll)

Building clarity of outcomes for digitalisation could be driven by the Chief Information Officer (CIO) and business unit leaders. More importantly, clarity of outcomes for digital transformation should be established and supported by the board. Failing which, a lack of direction and purpose could lead potentially to many activities and resources burnt without results.

Top 3 Goals of Digital Transformation in the Enterprise



Source: IDC, 2016

#2 "Let's hire a good CDTO!" – Knowing capability gaps

The only certainty in technology is that fast will become faster. Technology cycles were already accelerating pre-Covid. This trend has now been given an additional boost with pandemic-induced global demands.

It is generally accepted that the shelf-life of technology skills is no more than a few years. This creates multiple challenges associated with capabilities required to design, develop and implement digital transformation journeys.

Having a competent information technology team and CIO is no longer enough. As the transformations are tightly woven with the fabric of the business, some companies underweight the importance of having savvy digital understanding across senior leadership, including the board.

Hiring a capable Chief Digital Transformation Officer (CDTO) or equivalent is but only a piece of the puzzle. The business leader of today (and tomorrow) is expected to be well-equipped with a good grasp of how the ever-changing digital levers can impact business performance. Similarly, some boards have started increasing digital quotients as well. It is no longer enough to stay at the basic 101-level of technology understanding.

Beyond the digital leadership, companies will require an enterprise-level commitment to reskill and retool the workforce as an ongoing endeavour. There will be opportunities to redesign jobs (and capabilities required), either through replacements by technology or augmentation with technology.

It is also important to remember that while the board can set the tone at the top, it also has to get management on board. Working with the team to set a digital mindset throughout the organisation can make the digital transformation a smoother journey.

Typical Task Profile of a Chief Digital Officer Touching Traditional Functions Roles

Functional Domains

S	Strategy	M	Marketing
C	Communication	IN	Innovation/R&D
IT	Information Technology	HR	Human Resources
O	Operations	OD	Organisational Development

Source: The Digital Information People, 2019

#3 "Let's innovate on things that would succeed" – Getting realistic about failures

It is very easy to proclaim: "Let's fail fast and fail often", "Failure is ok", "Let's encourage teams to innovate", or "Yes, we can innovate, but pick the areas where we can succeed".

These common refrains, however, are not as easy to reconcile with the costs – and the culture – needed for innovation to blossom. Inventor Thomas Edison famously "failed" 1,000 times before he was successful with his lightbulb invention.

There are parts of digital transformation where companies can be a fast follower. Observe, learn and follow quickly. And there are parts of the journey which would require innovation to establish a first-mover advantage. For the latter, it is important to go beyond a rallying cry, beyond lip-service and to consider the real sources and commitment necessary for innovation to flourish. There are many books on corporate innovations, but here are two considerations.

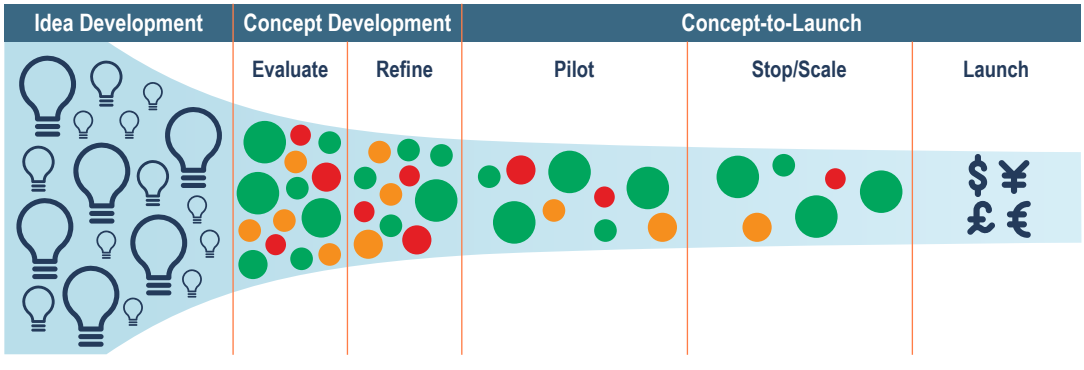
First, ring-fencing budgets and resources with suitable timeframes for the industry provides not only a platform for innovation but also a clear signal to the organisation. This provides a sandbox for the cycles of ideating, failures, learning and relearning. The teams are measured on the aggregate outputs and outcomes rather than the individual calls and puts.

Secondly, creating a method-of-madness for innovation could be useful. One such model to instil discipline around innovation and minimise good monies thrown after bad is the ERPS method:

- Evaluate – New ideas to be evaluated within X days and decide if we should move to Refine.
- Refine – Refine ideas into the scope of a Pilot (with planned outputs) within X days.
- Pilot – A pilot to be conducted, with no more than X days to make a decision.
- Stop or Scale – based on the pilot, to decide to stop or develop a proposal to scale.

(Note: X is a function of speed of the industry, agility of the company and sense of urgency)

Innovation Model - Idea and Concept Development



#4 Welcome to the beginning of the beginning

The hyper-digital global world is a reality, and the sophistication of technology usage will only accelerate. Every sector will be digital; it is just a question of how big the changes will be.

Online publisher Visual Capitalist noted that in every minute of the day in 2020, the following happened:

* 41 million messages were shared on WhatsApp.
* 6.6 thousand packages were shipped by Amazon.
* 404 thousand hours of videos were streamed by Netflix.
* 208 thousand participants were hosted by Zoom calls.

There are many wonderful examples of successes of digital transformations.
These can be useful case studies for others to learn and adapt. There are increasingly more public sharing on what works and what does not work.

As technology changes and use cases change, there will be more examples which business leaders can learn from for their own digital transformation journeys. Business successes and failures will increasingly hinge on the ability to adapt and leverage technology well.

Risks associated with technology will feature more prominently on enterprise risk management systems. Business leaders will have to learn and continually flex this new muscle of digital know-how to stay effective. The "Covid-inspired" acceleration of digital transformations will create new giants, new industries and new jobs. It will, however, also accelerate the demise of others.

Welcome to the beginning of the beginning. ■

Be Prepared for the Service Revolution

By **JOCHEN WIRTZ**, Vice Dean, MBA Programmes and Professor of Marketing, NUS Business School

Society is on the cusp of a service revolution. Again, we have the opportunity to rapidly increase our standard of living, but this time by industrialising the service sector.

Boards need to ensure the companies they serve are future-ready and can translate the vast opportunities that are opening up. The global economy is facing a turning point similar to the industrial revolution that started in the late 18th century that brought high quality, low cost manufactured goods to the masses.

Now it's the turn of the services industry.

Technologies have rapidly become smarter and more powerful, while at the same time, they have become smaller, lighter and cheaper. These technologies include hardware such as sensors, cameras, wearable technologies, physical robots and drones; and code or software such as image processing, speech processing, analytics, mobile and cloud technologies, geo-tagging, biometrics, virtual reality, augmented reality, machine learning and much more.

Service robots and artificial intelligence

Together, these technologies will transform virtually all service sectors. Service robots and artificial intelligence (AI), in combination with these technologies, will lead to rapid innovation. This will dramatically improve the customer experience, service quality and productivity all at the same time. This revolution offers vast opportunities for the ready firm but will also lead to further concentration of entire industries whereby many firms will go under.

Robotic and AI-delivered service is likely to show unprecedented economies of scale and scope as the bulk of the costs are incurred in their development. Physical robots cost a fraction of adding headcount, and virtual robots can be deployed at negligible incremental costs. In particular, virtual service robots (e.g., chatbots and virtual agents) can be scaled at close to zero incremental costs. Such dramatic scaleability does not only apply to virtual service robots but also to visible ones such as holograms.

For example, an airport could instal a hologram-based humanoid service robot every 50 metres to assist passengers and deal with common questions (e.g., give directions to the check-in for a particular airline, the nearest toilet, the airport hotel, and provide arrival and departure information) in all common languages. These holograms only require low-cost hardware (i.e., a camera, microphone, speaker, and hologram projector) and do not need to take up floor space (travellers could push their baggage carts through a hologram).

Robot-staffed hotels and restaurants and drone delivery are only the beginning of this revolution. Similar to the shift that started in the industrial revolution (from craftsmen to mass production), an accelerated shift in the service sector towards robotic and AI-delivered services is about to occur.

The exciting prospect is that many services, including healthcare and education, are likely to be available at much lower prices and lead to a dramatic quality improvement. We are entering an exciting area with a growing need for firms that can design and deliver these services of the future.

What's the difference?

Service robots have been defined as "system-based autonomous and adaptable interfaces that interact, communicate and deliver service to an organisation's customers". These abilities differentiate service robots from traditional self-service technologies (SSTs).

Service robots can conduct unstructured interactions with customers and guide them through the process. For example, a service robot-powered ticketing machine will guide customers when buying a ticket, ask clarifying questions (e.g., "Is your return trip today? Do you have a concession card? Can you travel off-peak?), and can even correct customer errors (e.g., wrong information entered by a customer).

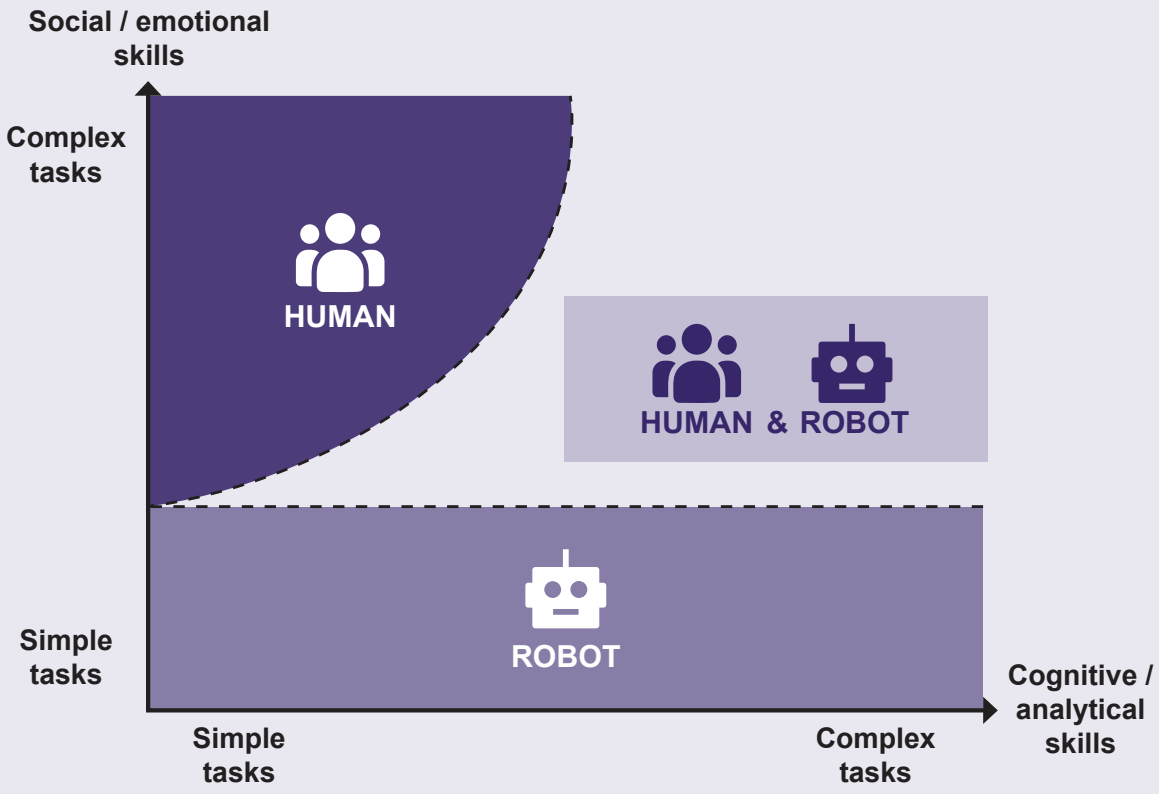
In fact, for many standard services, customers will be able to interact with service robots much like with service employees (e.g., "I need a same-day return ticket and want to pay with this credit

Comparison of Traditional SSTs with Service Robots

Service Aspect	Self-Service Technologies (SSTs)	Service Robots
Customer Service Scripts and Roles	• Customers have to learn the service script and role, and follow it closely.	• Customers do not need to learn a particular role and script beyond what they would do when interacting with a frontline employee.
	• Deviations from the script tend to lead to service failure and unsuccessful transactions.	• Flexible interaction and scripts are supported.
	• Need to be self-explanatory and intuitive as customers have to control and navigate the interaction.	• Can guide the customer through the service process very much like a service employee would.
Customer Error Tolerance	• Generally do not function when customers make errors or use the SST incorrectly.	• Are customer error tolerant.
	• Generally are not effective in recovering customer errors.	• Can recover customer errors and guide the customer to conclude a successful service transaction.
Service Recovery to Other Service Failures	• The service process tends to break down when there is a service failure; recovery is unlikely within the technology.	• Can recover the service by offering alternative solutions very much like a service employee would.

Adapted from: Jochen Wirtz, Paul Patterson, Werner Kunz, Thorsten Gruber, Vinh Nhat Lu, Stefanie Paluch, and Antje Martins (2018), "Brave New World: Service Robots in the Frontline", *Journal of Service Management*, Vol. 29, No. 5, 907-931.

The Service Robot Deployment Model



Source: Jochen Wirtz, Paul Patterson, Werner Kunz, Thorsten Gruber, Vinh Nhat Lu, Stefanie Paluch, and Antje Martins (2018), "Brave New World: Service Robots in the Frontline", *Journal of Service Management*, Vol 29, No. 5, 907-931.

card"). See box, "Comparison of Traditional SSTs with Service Robots".

Service robots in the frontline

The initial deployments of service robots focused on simple and repetitive tasks that tend to be low in terms of their cognitive and emotional complexity (see box, "The Service Robot Deployment Model"). For example, physical robots in hotels can deliver room service and bring baggage to guest rooms.

Text and voice-based conversational agents increasingly handle routine customer interactions. Calls can be pre-screened and routed either to a conversational agent or to a human, depending on the complexity of the issue. Even when interacting with a human service employee, that employee may well be supported by AI.

The outcome is that customer contact staff do not have to deal with high volumes of trivial customer requests but instead can spend their time on higher-value and higher-level tasks.

In addition to routine tasks, services that require high cognitive and analytical skills, such as in accounting and stock trading, can be delivered effectively by service robots. For example, service robots can be designed to analyse large volumes of data, integrate internal and external information, recognise patterns, and relate these to customer profiles. Within minutes, these robots can propose best-fitting solutions and make recommendations. See box, "Case 1: USSA uses IBM Watson to deliver financial services".

It is difficult for robots when they have to deal with emotions that go beyond a pleasant display

Case 1

USAA uses IBM Watson to deliver financial services

USAA is a financial services provider for the military community and is renowned for its service excellence, high productivity (its expense ratio is almost half the industry average), and extensive use of technology. It adopts service robots and collaborates with IBM, using its Watson Engagement Advisor.

One of its applications helps military members to transition from the military to civilian life. This application started with the IBM Watson identifying, analysing, and understanding a database derived from more than 3,000 USAA documents related to topics on military transitions. Today, customers can visit USAA's website to ask questions related to leaving the military, such as military benefits, job search and home purchase.

Importantly, the AI provides personalised advice based on a member's characteristics and specific situation. The service can even counsel members as the transition into civilian life can be stressful and uncertain (members often do not know how to start the daunting process). This service scales up by adding new information and learning from new questions, enabling USAA to deliver exceptional customised service for its members.

Source: Ming-Hui Huang and Roland Rust, "Engaged to a Robot? The Role of AI in Service", *Journal of Service Research 2020 (published online first); USAA and IBM Join Forces to Service Military Members (IBM, 2014).*

of surface demeanour. Especially complex and emotionally demanding tasks are still better handled by service employees as they can bring true emotions such as empathy and compassion to the service encounter. For example, in complaint and service recovery situations, humans can respond better to the individual context and show understanding.

Tasks that require high cognitive and high emotional skills will increasingly be delivered by human-robot teams. Service robots will deliver analytical work (e.g., analyse symptoms and compare them with databases to identify possible diagnoses), and humans will take over the social and emotional tasks (e.g., advising and persuading patients) and make the final recommendations and decisions.

A different user experience

Finally, we used the term "service robot" to loosely refer to all the technologies involved in intelligently automating services. Of course, many different technologies are involved. Various technologies can be integrated to deliver a fully automated and scaleable process. See box, "Case 2: Using intelligent automation to transform a bank's customer experience".

Automating end-to-end processes is not an easy task as it combines a wide range of capabilities. Unfortunately, there is no one single technology that currently can master all these capabilities. Therefore, the only way to automate this process is to integrate different technologies, including computer vision, natural language processing, robotic process automation and machine learning, to make this process more convenient for customers, and more automated and reliable for the firm.

Automated solutions will certainly mean a revision in the customer experience. And companies must evolve their interaction and engagement with their clients. There has to be a fundamental shift in the way organisations deal with their stakeholder

Case 2

Using intelligent automation to transform a bank's customer experience

A leading bank uses intelligent automation (IA) to end-to-end automate the account opening process for a loan, called the "onboarding process" in banking. The main objectives of this process are to collect and assess client data to provide better service and manage risk. In the past, this was mostly manual, and a long and painful process for clients and employees alike.

The automated solution uses chatbots which operate 24/7 to welcome prospective clients and answer questions. Application programming interfaces allow the sharing of data between the bank and government regulator to verify citizens' information, and the integration of client information from other sources including social media. Computer vision and natural language processing help to digitise and intelligently process unstructured documents such as bills, contracts, and identity documents.

The customer experience is transformed. A prospective customer receives a customised loan offer that is predicted to fit with his (or her) expectations and current activities through different media such as web popups, emails, or Google Ads. Upon expressing interest, the potential customer is channelled to the bank's loan website, and a chatbot provides explanations about the different loan offers available and their terms and conditions.

The customer's questions are answered by the chatbot, and more complex questions are

referred to a human agent. The customer is then guided to fill-in his information on the online loan application platform, with some information pre-filled using data bridges created with other platforms such as government or social media sites.

A pre-assessment of the loan application with an in-principle approval is generated, and the customer is prompted to upload documents such as employment contracts or payslips to confirm his home address and income level. Depending on the amount requested and the customer's profile, the outcome can be provided in a few minutes or hours. When the confirmation is sent to the customer (via email), the customer is invited to review the loan contract and sign it online.

This end-to-end process automation has resulted in a reduction of processing time by over 90 per cent, a cost reduction of over 80 per cent, enhanced compliance, and a significantly improved customer experience. Over 18 months, the bank saw its total costs reduced by 15 to 20 per cent and its revenues increased by 10 per cent.

universe, including suppliers, partners, networks and even competitors.

Clearly, these rapid technological developments provide opportunities for nimble and smart Asian firms, but the scaleability of these technologies is likely to also lead to the dramatic consolidation of virtually all service industries. Directors need ensure that the companies they work with will be ahead of the curve and are prepared. ■

This article is based on the book Intelligent Automation - Learn How to Harness Artificial Intelligence to Boost Business and Make Our World More Human, by Pascal Bornet, Ian Barkin and Jochen Wirtz, 2021.

Embracing the New Normal in Data Protection

By **YEONG ZEE KIN,** Deputy Commissioner, Personal Data Protection Commission

While regulation can provide a baseline standard of data protection, the spirit of accountability requires more than merely complying with the law. It requires a fundamental mindset shift in how organisations approach data protection.

As Singapore braces for life in the new normal, society has to accept that change is inevitable. In embracing change, adaptability is key. Studies have shown that individuals and organisations that adapt well are more likely to succeed.

According to a 2016 Harvard Business Review survey, adaptability is the most important skill for companies undergoing digital transformation – more important than possessing technical knowledge or having problem-solving and communication skills.

The pandemic, which has upended many aspects of our lives, has become an impetus for digital transformation. And with digitalisation, data accountability as an approach towards personal data protection is here to stay.

Accountability key to building trust

In the era of Big Data, data collection is prevalent – from our online activities to when we enter into a shopping mall. Moreover, technological tools to collect and process data are getting increasingly sophisticated. Data collection and processing occur discreetly and quickly, often without the individual's knowledge.

These developments challenge the traditional methods of personal data protection, like notification and consent. It may not always be practical to require organisations to notify individuals each time their personal data is being processed, and likewise for the individuals to give the required informed consent.

Ultimately, consumers are the arbiter of how their personal data is to be used. Regardless of what is provided for in regulation, consumers have an expectation of what is reasonable and ethical. Social contract, which forms the basis for how customers judge an organisation's conduct, rules in the court of public opinion.

Organisational accountability goes beyond being answerable to regulators. It is to win the trust of all the organisations' stakeholders including its consumers. Without trust, data use and data-driven innovation (even if legitimate) would be impeded as consumers shun the sharing of their data.

Organisations may also choose to engage an independent third-party assessor to certify their data protection policies and practices through the Data Protection Trustmark (DPTM) certification. This DPTM certification will validate the organisation's efforts and provide greater assurance to its customers and business partners.

Accountability in the new normal

In the fast-evolving digital landscape today, it is recognised that the approach of a box-checking exercise may overly constrain businesses in their use of data to create value and better service their

Policy, People and Processes

Accountability for personal data protection can be demonstrated in three areas.

Policy: Include personal data protection as part of the corporate governance framework, with reporting lines to senior management on personal protection issues and risks. Appoint a data protection officer (DPO), preferably from senior management, who can effectively direct and oversee data protection initiatives. Endorse personal data protection policies at the highest management level, and encourage and incentivise the right behaviour.

People: Instil a sense of responsibility for personal data protection in every staff, at every level, including third-party service providers. Implement a structured training and communications plan for the staff so that they are clear on the role they play towards data protection. DPOs should receive in-depth training customised to the needs of the organisation.

Processes: Document the lifecycle of personal data (how personal data is collected, stored, used, disclosed, archived) and incorporate data protection practices at every stage. Identify key risks and develop processes to manage such risks, such as developing a data-breach incident plan. These processes should be reviewed regularly to ensure that they meet the organisation's business needs and are up-to-date with regulatory and technological developments.

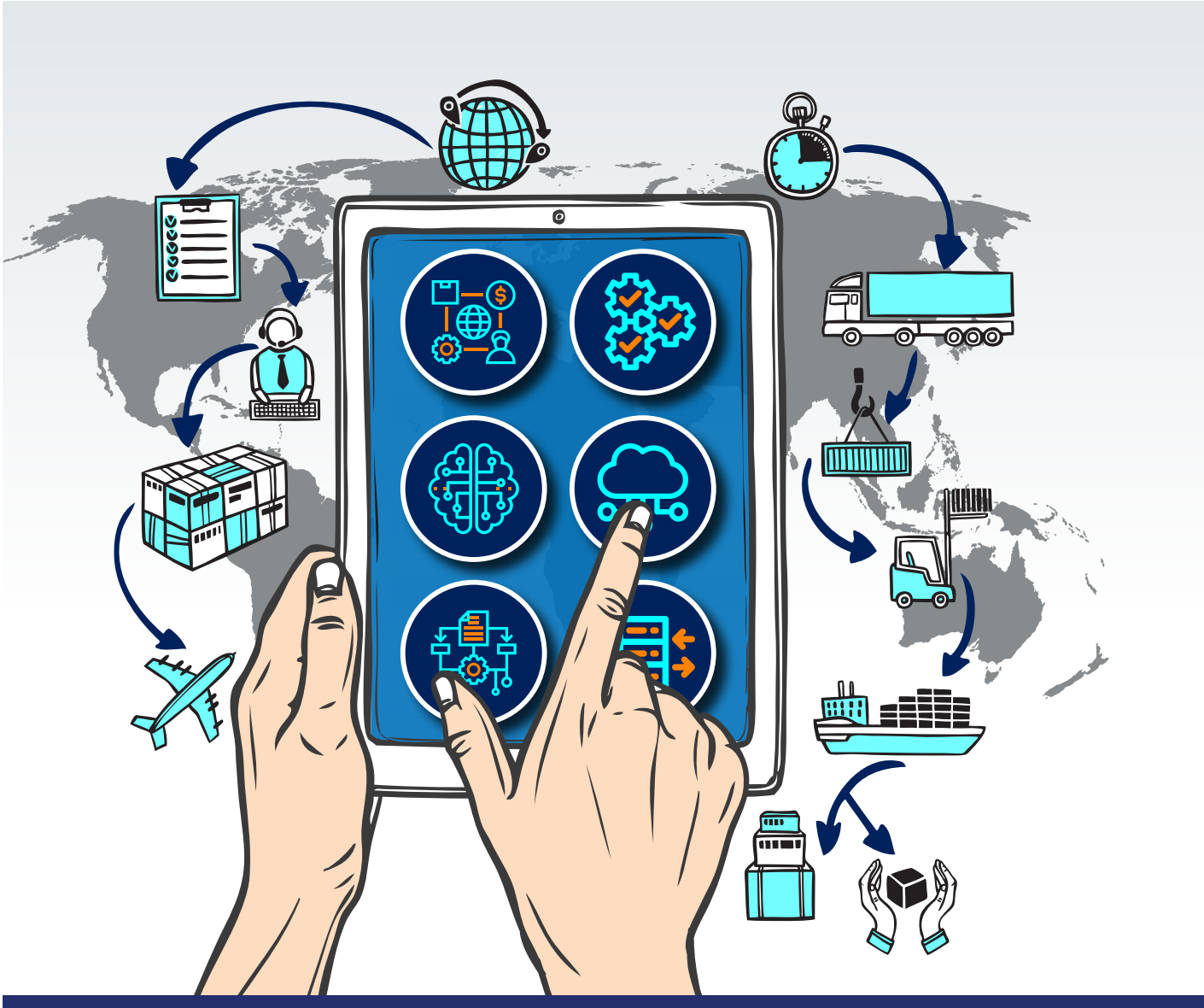
customers. A more dynamic approach is required for organisations to remain adaptable in an environment with unforeseeable risks.

The accountability-based approach towards data protection requires organisations to examine themselves and develop data protection policies that are tailored to their business needs and risk environment. Consumers are also getting increasingly knowledgeable and critical of how their personal data is handled. Organisational accountability is necessary to meet the demands of this growing segment of consumers.

Accountability as a concept is not new. It is a fundamental principle of the Personal Data Protection Act 2012, where organisations are required to develop and implement policies for data protection; communicate these policies to their employees; and implement processes and practices that are necessary to meet the organisations' obligations.

The Personal Data Protection Amendment Bill, which was passed in November 2020, seeks to improve organisational accountability by imposing three additional requirements. Under the Amendment Bill, organisations will be required to:

(a) report data breaches to the Personal Data Protection Commission, where they are likely to result in significant harm or impact to individuals, or are of a significant scale;
(b) notify affected individuals, where a data breach is likely to result in significant harm or impact to them, regardless of the scale of the breach; and
(c) conduct risk assessments to identify and mitigate adverse effects when using data for legitimate interests. ■



Dawn of the Autonomous Supply Chain

By TERENCE FOO, RANGA JAGANATHAN, TAKAAKI FUCHU and SHARON TAN

The Covid-19 pandemic has created a renewed urgency to turbocharge global supply chains through digitalisation. Leaders need to act now to realise their vision of an autonomous supply chain, by leveraging many of the underlying technologies that already exist today.

The decades-long focus on minimising costs, reducing inventories and increasing asset utilisation has served to drive new levels of efficiencies across global supply chain networks. But this has inadvertently also removed some of the buffers that supply chains require to absorb sudden systemic shocks.

As the pandemic has made clear, interdependent, global supply chain networks have grown increasingly vulnerable, with more potential points of failure and less margin of error for disruptions. Fortunately, supply chain technologies are emerging that can dramatically improve visibility, flexibility, collaboration and control across the end-to-end supply chain, and, in turn, support greater agility and resiliency.

Enter the digital supply network

Premised on the idea that information throughout the supply chain should be both transparent and free-flowing, a digital supply network (DSN) harnesses a broad spectrum of physical and digital technologies – such as robotics, additive manufacturing, augmented reality, analytics, artificial intelligence, cognitive technologies and the Internet of Things (IoT) – to create digital enterprises.

More specifically, a DSN is designed to self-optimise performance across a larger network, as well as self-adapt to and self-learn from new conditions in real-time (see box, "Digital twins: Bridging the physical and digital").

Digital Twins: Bridging the Physical and Digital

A digital twin is an evolving digital profile of the historical and current behaviour of products, assets, or processes, and can be used to optimise the performance of the physical counterpart. Digital twins can scale too, and enable virtual collaboration and "what-if" simulations that would be costly in the real world.

Case 1: Virtual Singapore

Smart Nation Singapore has a virtual model of the country, known as "Virtual Singapore. This 3D digital platform synchronises data and applications across a range of use cases including urban planning, maintenance and disaster readiness projects.

Case 2: Pharmaceutical manufacturing

In the commercial sector, a pharmaceutical company has created a digital twin to simulate its end-to-end manufacturing process. As an illustration of how a digital perspective can enhance the physical one to generate new insights and value, researchers were then able to experiment within the digital twin on biochemical processes that real-time sensors could not detect.

In future supply chains, digital twins combined with machine learning and advanced network connectivity will track, monitor, route and optimise the corresponding physical flow of goods. These systems will be able to autonomously take corrective actions by transferring inventory, shuffling assembly lines, or rerouting shipments. With a complementary physical and digital ecosystem, companies can realise greater supply chain agility than ever before.

Leveraging cognitive engines to sift through vast amounts of data inputs, DSNs can develop insights and drive more intelligent, informed decisions to enable organisations to react to events with greater agility.

The result is improved visibility, which allows for rapid responses to unforeseen shocks. In the long-term, the accumulation of data will also help organisations to build a competitive advantage and pre-emptively manage risk. By evaluating their risk tolerance levels and associated trade-offs, DSNs can adapt and autonomously restructure a resilient supply chain.

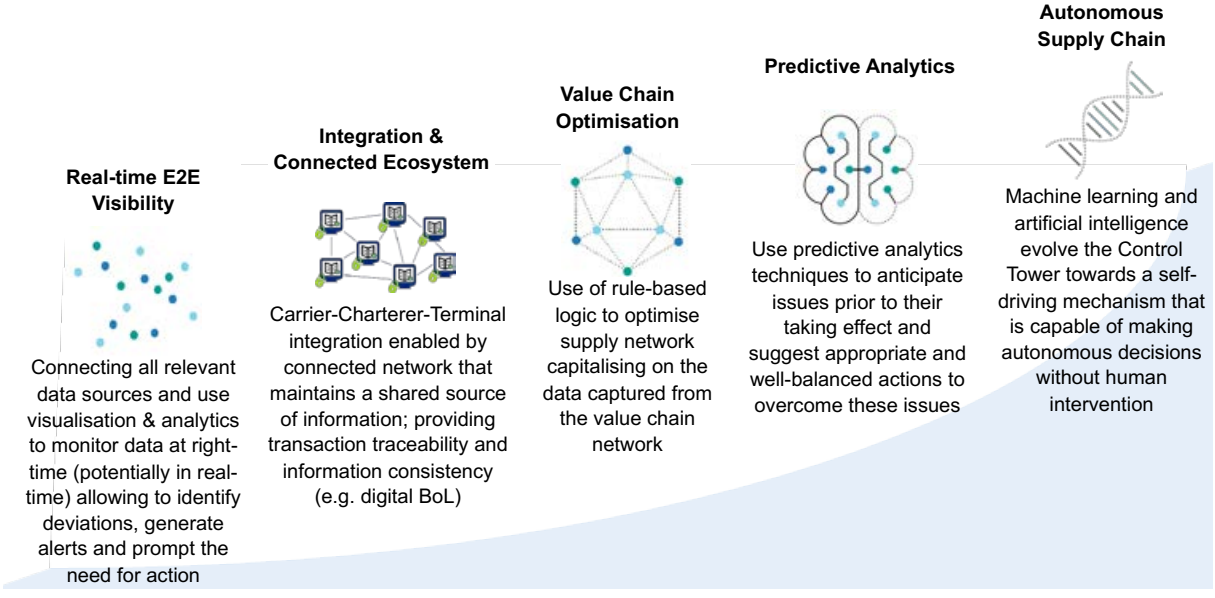
As companies embrace digitalisation, legislation and government regulations are also rapidly evolving and challenging traditional approaches to managing business risk and taxation. New expectations, behaviours and transparency are being introduced across many jurisdictions. One example is the possibility of setting up a Digital/Data Analytics Principal structure to augment an organisation's existing business model. In essence, this structure contains the "digital core" of the DSN and interacts with all operating units and the larger distribution network.

Think big, scale fast

The concept of an autonomous supply chain may sound futuristic from where supply chain networks are today (see box, "Charting the Journey"), but many of the key components are in place. With the explosion of IoT devices, the trillion-fold increase in computing power, high-speed 5G and cheaper storage, many companies are already exploring hitherto impossible technology applications.

According to a Google Cloud study, the public cloud market in Singapore is expected to double to US$3.6 billion (S$4.8 billion) by 2023. Use cases are growing across industries including

Charting the Journey



Source: Deloitte

manufacturing, retail, healthcare, energy, financial services, agriculture and the public sector.

Around the globe, leading companies are already leveraging the extensive use of algorithms to predict stock-outs and provide supply managers with cost-benefit analyses of their available options, enabling them to focus on more strategic decisions instead of fire-fighting operational matters with spreadsheets and email coordination. Solutions like supply chain control towers, once viewed as a novelty, are also becoming ubiquitous.

However, with the recent proliferation of digital supply chain solutions, organisations face a paradox of choice. Rather than deciding on a technology to implement from the get-go, organisations should instead start with the vision, keeping an eye on the art of the possible. Then, they can execute in a step-by-step, agile manner, realising value in sprints while keeping in line with the overall goal.

As technologies evolve, strategic priorities change and capabilities mature. Along the development journey, companies will also need to refine the implementation while staying true to their vision.

When it comes to digital transformation efforts, organisations typically begin by running proof-of-concept projects. They can then aim to scale across their network once the concept has demonstrated value. Starting small is a time-tested approach to success – although Covid-19 has radically altered this thinking.

In order to more efficiently realise value, companies can deploy solutions horizontally across the organisation. Addressing shared needs,

the aim should be to strengthen supply chain visibility, flexibility, collaboration and control. In an unpredictable world, these elements are more important than ever, particularly in the context of remote work.

Ultimately, the scaling journey toward realising an autonomous supply chain is highly complex. It requires executive sponsorship, relentless focus and grassroots support. As with any digital transformation, the effort needs to be value-led, technology-enabled and people-centric, in order for the organisation to realise its full potential – and build an agile and resilient enterprise.

While the business case has been historically ambiguous for many organisations, Covid-19 is the burning platform that has brought the future sharply into focus. For logistics, it's the dawning of the autonomous supply chain. ■

The authors are with Deloitte Southeast Asia. Terence Foo is Supply Chain and Network Operations Leader; Ranga Jaganathan is Director, Supply Chain and Network Operations; Takaaki Fuchu is Senior Manager, Supply Chain and Network Operations; Sharon Tan is International Tax Partner, Value Chain Alignment Network.

The Role of the Healthcare Board in Covid Times

By **JEREMY LIM,** Director of the Leadership Institute for Global Health Transformation (LIGHT) at the NUS Saw Swee Hock School of Public Health

Covid-19 has severely tested all healthcare providers, and by extension, their boards of directors. That said, the role of the healthcare provider remains fundamentally unchanged – the provision of high quality and accessible healthcare services.

Healthcare providers have been at the centre of the global pandemic, as they struggle to keep up with the strain on their resources. Despite the growing demands on the sector, the north star should continue to guide healthcare services companies.

Healthcare boards need to focus on three core tasks:

1. Protect the lives of their employees and patients.
2. Continue to operate clinical services as best they can.
3. Transform the organisation for a very different future.

Whilst juggling these responsibilities, management also needs to keep a close eye on financials and manage budgets as tightly as possible without compromising safety. At the same time, they have to spot new opportunities for growth. The board's role is to support these priorities as best as it can, and not add to the burden of already stretched and stressed management teams.

Protecting lives

Saving and protecting lives in a crisis has to be of utmost priority. The need for personal protective equipment and test kits, coupled with supply chain disruptions and lockdowns means both top and bottom lines are likely to be adversely affected.

Beyond accepting these short-term financial pressures, the board can support the organisation by proactively communicating and assuring shareholders as well as mobilising additional funds to tide over acute cash flow challenges.

Beyond the "hard" operational issues in protecting lives, boards should look out for psychological distress amongst key management staff. Directors should be proactive and assure everyone from the CEO down that "it's ok to not be ok". Boards should ensure support programmes are readily available for all staff and gently remind the CEO that he or she is not immune to burn-out. Even in normal times, physicians have 1.5 times the suicide risk of the general population, and this rises to almost two times for female doctors.

For healthcare providers facing worsening financials, moral leadership, say, by the board foregoing board fees, will go a long way to boostmorale and enhance the public standing of the company.

For the rare few companies which have never been profitably busier, they should consider setting aside some funds to support those in the immediate community. For example, modest support for hospital canteen operators and logistics partners like despatch riders, who may have seen incomes slow to a trickle. Staff will be working extra hours and risking their lives just by coming to work; knowing their employer cares for people they interact with on a daily basis, although technically not staff, will be assuring.

Restarting or continuing clinical operations

Management is in the driver's seat when it comes to clinical operations. The board's role would be to greenlight additional short-term budget, headcount, etc to provide for entry point screening, split teams, transition to teleconsultation models and whatever else is needed to restore clinical operations safely.

The board is, however, not blindly rubber stamping. It is an important set of "fresh eyes", a sounding board for the CEO and the senior management team to test ideas and initiatives. These are unprecedented times, and there is no playbook or roadmap to follow.

This is particularly so in the areas of risk threshold acceptance and public communications. Difficult trade-offs will need to be made. Fill up beds with foreign patients and bring needed clinical activity and revenue to the hospital? What about the risk of introducing Covid-19 cases?

This was the dilemma faced by Penang hospitals in August 2020. Following social media outcry, the state government decided to halt all medical travel activities following a spike in Covid-19 cases which was rumoured to be linked to the arrival of three foreign patients.

Savvy board members can also effectively join the dots and draw from their experiences outside healthcare to support management. For example, board members well plugged into logistics and e-commerce can help broker partnerships for telemedicine last-mile fulfilment requirements.

Transforming for the future

Boards have to think long term to transform the healthcare sector. The service and revenue models are largely in-person and high-touch, and technology use lags virtually most other sectors. Customers of health institutions are amongst the highest risk for death from Covid-19.

HealthServe, a charity providing healthcare services to migrant workers in Singapore, launched tele-medicine services with physicians offsite as during DORSCON Orange, physicians were not permitted to practise across multiple sites.

Telemedicine may be "hot" now, but how will providers be reimbursed sustainably beyond the crisis period? Do we know the actual cost of provision? What legal issues have been glossed over in urgently setting up systems to enable remote care?

Let's say you are a board member of a hospice. Imagine a future where home hospice enabled by remote delivery technologies is increasingly the dominant care model. In-patient hospice will also need to change and be modular in configuration, with separate, defined access paths to minimise the risk of total lockdown in the event of a case.

A task force comprising board and management can be formed to detail these changes, examine the implications and engage with stakeholders. Experts with diverse but complementary experience from hospitality and call centre operations can share their experiences from other industries.

This pandemic and its aftermath will test every healthcare organisation to its limits. There are opportunities amidst the chaos nonetheless as the world once again recognises the importance of healthcare and readies to invest. Boards have a crucial role to play in defining the contours of the new realities and supporting management in the upcoming challenges. ■

The author thanks Kelly Ong Ruiye, University of Manchester for her assistance in the preparation of the article.

Looking Ahead – What will the Hospitality Industry Serve Up?

By **ARTHUR KIONG,** Chief Executive Officer of Far East Hospitality Management

The ripple effects of an ailing hospitality sector will be far more extensive than we imagine if tourists and visitors do not fill hotel rooms, visit local attractions, dine in restaurants and cafes, or spend in retail stores soon.

The intense clamouring by the hospitality industry to return to normality is palpable. Enough is enough. People want to travel; people need to travel. But will people be travelling any time soon?

Globally, researchers are making good progress in developing vaccines against Covid-19. But, the full effects of the recovery are unlikely to take root anytime soon.

For the wider tourism industry, the short term looks bleak. The Singapore Tourism Board has launched a S$45 million marketing campaign, with an additional S$320 million tourism vouchers in August 2020, to encourage domestic tourism to close off 2020. And hotels have redoubled their efforts for staycation bookings. These measures, however, can hardly fill the gap in an industry that brought in S$27.7 billion in revenue in the previous year. In fact, room revenue in September 2020 dipped 84.4 per cent compared to the same period in 2019.

Borders have to reopen, and international travel networks have to be up and running again, for the hospitality industry to revive. However, the sheer inconvenience – tedious form filling, multiple temperature checks, and safe distancing regulations – of the travel experience will continue to be serious impediments.

All this will reduce hotel occupancy to no more than half for the time being. A gloomy projection of three to five years is the current estimate before hotel revenue per available room returns to pre-Covid levels.

Contraction, consolidation and transformation

Travel is currently restricted to that of an essential nature. This means lots of supply competing for too little demand. Meantime, elevated levels of hygiene and safety requirements will raise the cost of operations. For many hotels, this is not sustainable.

Some will close; others will have to affiliate themselves with larger players and out-source auxiliary functions to lower costs. Essentially, rather than trying to be all things to everyone, hotels will have to innovate to stay relevant to the market segment they serve.

Hence, there will be contraction and consolidation.

The Covid-19 pandemic has also forced businesses to leverage virtual, teleconferencing tools for meetings to prevent the risk of transmission. While this trend will not replace business travel entirely as face-to-face negotiations and closures are still required, the need for physical interaction will be largely reduced. Hotels will have to repurpose or rethink how best to utilise their conference and meeting facilities.

Jobs such as reservations, registration, housekeeping, and security will be more automated. The definition of good service will evolve from "compliance of expectations" to "experience creation". There will be greater emphasis on soft skills and performance to deliver unique and enjoyable guest experiences.

For example, chefs must not only be able to cook creatively behind the scenes. With demand for experiential dining going up, chefs will be expected to communicate their craft and techniques with flair and finesse.

There will also be transformation.

In the business of hospitality, establishments differentiate through style and quality of service. The ability to do so depends on the character and natural drive of talents the hotel attracts and retains. Service with grace and a passion to serve does not come naturally to Singaporeans. Those who are able, may not be willing; and those willing, may not be able.

Yet, it will also be harder to justify hiring foreign talent or manpower. With the loss of jobs caused by the disruption to services and the hospitality industry, in particular, non-Singaporeans have been the hardest hit.

This poses immediate and long-term challenges that the hospitality industry will have to mitigate. Granted, the discourse on reducing Singapore's reliance on foreign labour and the need for job redesign, technology adoption, automation and industry transformation is not new. However, the pandemic has palpably accelerated the transformation.

With increasing emphasis on professionalising hotel jobs, hopefully, we can create a distinctive style of Singaporean hospitality.

Light at the end of the tunnel

As the recovery takes place steadily, industry players must remember that factors affecting demand are not about which hotel has better cleaning and hygiene protocols. Instead, demand is driven by a destination's overall safety and experience appeal. A customer-centric focus will tilt towards the guest experience rather than the operational details.

This change will need to be led by the public sector in partnership with enterprising local and international players, and the workforce. Singapore has an advantage, as nowhere in the world does tripartism facilitate working together so cohesively.

The Clan Hotel is situated next to the revitalised Far East Square, in the heart of the Central Business District and within the Chinatown enclave.

In many ways, the pandemic has also urged hotels to reconsider their purpose: from mere commodities providing shelter, to contributors of a destination's attractiveness.

An example is One Farrer – a hotel that is beautifully integrated with medical facilities to attract and possibly revive medical tourists. Perhaps, Singapore's reputation for being clean and green – previously regarded as dull attributes – will have new relevance as being the go-to destination for high-quality healthcare.

Hotels will also need to compete as part of a larger concept, in terms of precinct or proposition, rather than a standalone building comprising of rooms.

An example is The Clan Hotel which opens in March 2021. Positioned as a modern hotel with a nostalgic story to tell, it brings to the fore the history of clans around the Amoy Street area. The retail offerings of Far East Square, the quirky cafes and restaurants lining Club Street district, its connectivity to Chinatown on one side and Central Business District on the other. The Clan Hotel is a destination in itself, as it incorporates and leverages the strength of the whole precinct to deliver a differentiated experience.

Another example of hotels having a symbiotic relationship with its precinct is the redevelopments by the Singapore River. Gone are the traditional styled hotels such as Novotel, Somerset and Swissotel Merchant Court. And what we may expect in their place will be more innovative hospitality concepts that will better activate the area as well as be a draw for quality tourism.

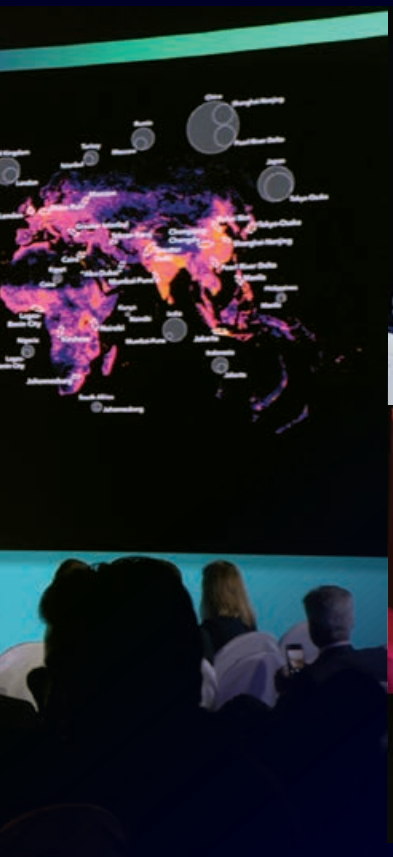
Moves to rejuvenate areas such as the Greater Southern Waterfront, Mandai's eco-tourism hub, and Jurong Lake District will take on new relevance. Redevelopment of critical tourism precincts like Orchard Road and Sentosa will take on far more imaginative magnitude.

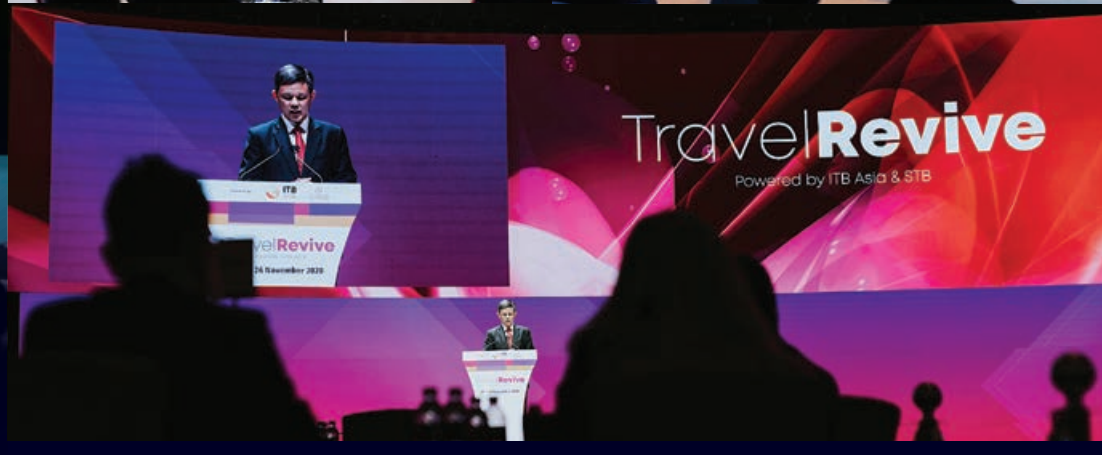
Looking ahead, the long-term future of Singapore's tourism industry remains bright. There is a greater need for collaboration, to reinvent and find compelling reasons to entice visitor arrivals and spending. Singaporeans are resilient, and our collective national response remains our strength. ■

Charting the Way Forward for MICE

By **ANDREW PHUA,** Executive Director, Exhibitions & Conferences, Singapore Tourism Board

To survive and thrive in the new paradigm, it is essential for players in the meetings, incentives, conferences and exhibitions (MICE) industry to reimagine their business models and event formats, prioritising safety and health to build demand for when the market recovers.





With its vibrant business culture, excellent infrastructure and stable government, Singapore has long been an attractive business travel destination. Its stellar track record in delivering impactful international business events will help chart the way forward for the MICE industry post-Covid.

The industry has worked closely with Singapore Tourism Board (STB), as well as other relevant government agencies and stakeholders, to create new protocols and ways of organising MICE events – and ultimately to forge a new path for the sector as a whole.

Events cater to a natural human need for connection. In the business world, where networks can make or break a company, MICE events are critical. They are essential platforms to establish connections and partnerships, and catalyse business growth. Companies of all sizes benefit, but in particular, small and medium-sized enterprises (SMEs) depend on such events for networking and business development.

According to UFI, The Global Association of the Exhibition Industry, the exhibitions category alone generated S$443.7 billion in business sales, contributed S$269.6 billion to global gross domestic product (GDP) and accounted for 3.2 million jobs worldwide in 2018.

The MICE industry's reach and economic spin-off extend far wider. MICE events drive economies forward by attracting investments in infrastructure and helping build leadership in key industry clusters. They also bring significant spillover benefits to other sectors, including an entire spectrum of services from hospitality to logistics.

Becoming a global MICE hub

MICE plays a key role in Singapore's tourism industry and the wider economy. Pre-Covid, the sector supported 34,000 direct and indirect jobs with a value-add of S$3.8 billion, or 0.8 per cent of Singapore's GDP.

Beyond the tangible economic benefits, the MICE industry is central to Singapore's position as a global business hub and global-Asia node. Specifically, trade exhibitions reinforce Singapore's role as the neutral marketplace for the Asia Pacific region.

As a globally renowned MICE destination, Singapore has hosted some of the world's largest and most prestigious business events, such as the yearly Singapore Fintech Festival and the Bloomberg New Economy Forum in 2019.

Singapore's internationally acclaimed infrastructure supports a robust ecosystem of experienced industry partners and a veteran workforce – many of whom have vast experience in successfully organising big international events.

The best laid plans of MICE and men

Today, the MICE sector is facing its gravest challenge yet.

With its reliance on international visitors and face-to-face experiences, the change has been severe and abrupt. When the pandemic first hit, events all around the world were cancelled or postponed.

Revenues for the global exhibition industry dropped by two-thirds in the first half of 2020, compared to the same period last year. The total losses – including those from the estimated expenditure of exhibition participants and projected deals closed – are forecasted to be S$245.8 billion globally and nearly S$55 billion for the Asia Pacific region. This translates to 1.9 million global jobs affected by Covid-19.

Although the pandemic upended all sectors and industries, it has catalysed the MICE industry to reimagine event formats, rethink business models and accelerate digital transformation. Realising quite early on that their business would change forever, MICE players hunkered down to reinvent themselves and seek new markets and new products.

The sustainable way, the Singapore way

As Singapore moves towards resuming business events, the safety and well-being of all stakeholders, such as event attendees, MICE industry employees as well as the local community, remain top priority.

From 1 October 2020, STB began accepting applications for organisers to pilot MICE events of up to 250 attendees. To attain approval, applicants had to first demonstrate their ability to implement rigorous safe management measures to meet a set of health and safety outcomes. Pilot events under this arrangement included Singapore International Energy Week which took place from 26 to 30 October 2020.

To reimagine how larger business events can take place in a Covid world, the Alliance for Action on Enabling Safe and Innovative Visitor Experiences, an industry-led, government-supported coalition, developed a prototype for safe tradeshows and exhibitions.

These events would otherwise not have been permitted to resume in their pre-Covid format. The prototype includes end-to-end solutions for visitor experiences, providing delegates with the

degree of interaction they would be accustomed to in a regular tradeshow setting – but redesigned and implemented to minimise infection risks. This was tested for the first time in November at TravelRevive, powered by ITB Asia and STB.

To prepare Singapore for the eventual resumption of leisure travel, the Alliance has also created safe itineraries, which were trialled with the MICE delegates of TravelRevive. These itineraries comprised a selection of leisure activities that not only complied with prevailing safe management guidelines, but also provided high-quality bespoke experiences supported by ground handlers and tourist guides who assisted with visitor movement management.

As more insights and data are collected through these pilot events, the sector will adapt along the way to adjust to this new paradigm.

This calibrated and progressive approach is meant to ensure that the resumption of MICE events is sustainable – helping protect jobs and core capabilities, while creating new ones. As the country gradually reopens for travel, solutions for a safe and seamless visitor journey will also inspire confidence among travellers – whether for business or pleasure – to visit Singapore.

Leaning in on innovation

Looking beyond the safe resumption of events, STB is also focused on supporting the local MICE sector to innovate and meet emerging customer needs. Singapore's MICE industry association, the Singapore Association of Convention & Exhibition Organisers & Suppliers, worked closely with STB and Enterprise Singapore to develop the Event Industry Resilience Roadmap. This provides best-in-class standards for event safety, agile business models and pathways for professional development.

Throughout this period, the local MICE industry has demonstrated remarkable resilience. From multinationals like PICO to SMEs like GlobalSign.in and Sino Elite, MICE companies in Singapore have found ways to operate under these new circumstances, particularly by beefing up their digital capabilities to meet new demands.

For example, PICO now offers Pico Virtuosity, which helps companies evolve their business events with a blend of physical and virtual offerings. The suite of solutions includes engagement tools like 360-degree virtual tours, live chats and polls, and live virtual panel sessions. At the end of their event, organisers can also receive engagement metrics and analysis of how well the virtual components performed.

Meanwhile, Singapore continues to deliver high-quality events and break new ground. SFF x SWITCH (7 to 11 December 2020) piloted a new format to be the world's first week-long, round-the-clock, hybrid digital and physical event.

International partners' confidence in Singapore's ability to host world-class MICE events also remains unshakeable. Singapore was recently named as the venue for the World Economic Forum in May 2021, and won the rights to host the 110th Lions Club International Convention in 2028. This decision reaffirms Singapore's position as a trusted global-Asia hub despite Covid-19 and will help maintain Singapore's reputation as the top business events destination in the Asia Pacific.

Through reinvention, transformation and exploration of new strategies, Singapore's MICE industry will be ready to seize opportunities when mass travel resumes. Together, we will emerge even stronger. ■

The Future of Retail in Asia Pacific

By **DEREK KESWAKAROON,**
Partner and Leader in Southeast Asia Retail practice, Bain & Company

Digitalisation is forcing the retail industry to confront new strategic questions. Asia Pacific retailers, who are largely attuned to the new digital future, are well placed to cope with the disruption.

Imagine a retail world in which cash is dead, and phone screens are the new storefronts. Physical stores still exist, but mostly as showrooms for more involved purchases or as stockists of items for immediate consumption. Artificial intelligence sets product prices, and technologists outnumber merchants at head offices. Around the world, Covid-19 has accelerated retail's transition to a digital future that might well look like this. But it's clear which region will get there first: Asia Pacific.

In China and other parts of the region, retail is leapfrogging development stages that the US and Europe once toiled through. Instead of expanding physical store space to Western levels of saturation, executives are seeking urgent answers to cutting-edge e-commerce questions.

How should companies work with "super-apps" such as WeChat, Paytm and Gojek? Should merchants team up with an ecosystem such as Alibaba, Tencent or Flipkart? How can retailers solve the "last-mile" delivery challenge, given that competitors are delivering within 30 minutes of an order?

This advanced digital maturity is one reason Asia Pacific is likely to remain the industry's growth engine, as well as its window to the future. Currently, the region is generating about three-quarters of global retail growth and two-thirds of online growth.

Making sense of Asia Pacific's retail diversity

Across Asia Pacific retail, there is massive variation. India, Vietnam and Indonesia are fast modernisers. Their disruption and maturity levels may be low today, but they are primed for disproportionate digital acceleration. Fast modernisers are likely to come to resemble China, which at present stands on its own as a digital leader, exhibiting high disruption and low market maturity.

South Korea, Singapore, Japan and Australia are Asia Pacific's mature followers. In these countries, both disruption and maturity are high, and future evolution is likely to be more measured in many cases.

The final cluster of countries consists of developing digitalisers: Malaysia, the Philippines and Thailand, whose lower digital disruption and medium maturity are reminiscent of Russia, Mexico and Brazil. But they are expected to catch up quickly and are heading for mature follower status.

Six imperatives to thrive in Asia Pacific's retail future

The pandemic has hastened the migration of sales from brick-and-mortar stores to online channels, while increasing demand for fast and reliable delivery. It has widened the gap between haves and have-nots and impelled consumers to shop (and live) through their mobile phones.

The most effective responses to these and other trends will look very different from the strategies that worked in the past. In particular, executive teams can succeed by focusing on six imperatives.

1. Reinvent your value proposition

Asia Pacific consumers are still becoming more middle class and urban – and more digitally driven, aided by the fact that those born after the 1990s are heavily represented in regional demographics. Dual-income households are on the rise in various parts of the region as women continue to join the workforce. (In Singapore, the female workforce participation rate for those aged 15–64 rose from 57 per cent in 2000 to 70 per cent in 2020.)

Retailers must ensure their value proposition meets the needs of this fast-evolving customer base. That might involve emphasising ultra-convenience in response to denser urbanisation and the rise of time-poor dual-income households.

As more consumers struggle financially in Covid-19's wake, some retailers might benefit from pushing deeper into value/discount formats and offers. Others might tilt toward rising interest in health, wellness and sustainability, or use advanced analytics to meet the swelling demand for personalisation.

2. Win digital engagement

Whatever a retailer's evolving value proposition, improved digital engagement with shoppers is likely to be vital, particularly through mobile phones. Asia Pacific consumers already tend to do most of their online shopping through their phones, and this trend is set to deepen, with Forrester forecasting that 70 to 85 per cent of e-commerce will be conducted by phone in 2023 in key regional markets (72 per cent in Singapore).

Amid this mobile migration, the path to purchase is still fragmenting. People are buying more through super-apps such as WeChat, Paytm, KakaoTalk and Grab. E-commerce through social media has also been gaining ground in recent years, and consumers relied on it even more during the pandemic. Regardless of the channel, retailers need to keep improving the user experience online. For many, there is still much work to do.

3. Futureproof assets and operations

In Asia Pacific, only retailers in Australia and Japan (and to a lesser extent South Korea) have built out their physical store networks as extensively as their counterparts in the US and Western Europe. Outside these territories, the region's retailers are finding growth enough online and are now unlikely to expand their physical network to anything like Western levels of ubiquity.

Old formats will need to be updated – or even abandoned. Stores will need to contribute to a more seamless omnichannel whole as the sales mix tilts further to e-commerce. More stores will operate as showrooms or hubs for order picking or click-and-collect services, with increasing automation.

Given rising labour costs and expensive real estate in many Asia Pacific cities, it is more important than ever that retailers scour their cost base for savings. Zero-basing costs can help, while investing in technology to improve operations can create a virtuous circle of savings and improved customer experience. Examples include scan-and-go payment technologies, smart shelves, radio-frequency identification, and predictive ordering and replenishment.

4. Master the last mile and supply chain resilience

Consumers want faster and cheaper home delivery. In China, Hema set a new standard when it offered home delivery 30 minutes from ordering (within a 3-kilometer radius). That set a challenge to e-commerce economics around the world and particularly in Asia Pacific, given its geographic diversity. There is

no single fulfillment model that can span the regional differences in e-commerce demand, urban density, real estate market dynamics, labour costs and logistical maturity.

Retailers will instead need to tailor their last-mile approach to local conditions. For instance, highly centralised and automated fulfilment centres work well in Singapore, with its expensive real estate and workers. Shanghai suits a mix of centralised and hyper-local fulfilment, trucks and nimbler two-wheelers, manual and automated picking.

5. Define ecosystem destination

Ecosystem pioneers Alibaba and Tencent have company. Technology groups, retail incumbents and others are nurturing their own ecosystems, including Singapore's Grab and Woolworths in Australia. Ecosystem players are increasingly disruptive, using their scale and capabilities to provide B2B wholesale services to retailers, logistics solutions, payment propositions, or data and analytics services.

The pandemic has strengthened ecosystems strategically. Under pressure to retool digitally, traditional retailers have sought out ecosystem partnerships. Such alliances can offer retailers a capital-light business model and fast access to scale advantages; the ecosystem player gets access to a physical network.

"Define ecosystem destination" is still a crucial task on the to-do list of many executive teams. Companies have to decide whether to build their own ecosystem, acquire new capabilities or partner with others.

6. Retool for digital

Asia Pacific retailers have been at the forefront of new technology adoption. Consequently, digital insurgents are now sitting on vast stores of data, rich with insights that can solidify and

extend their competitive advantage. Many retailers will need to acquire new skills in advanced analytics to tap the full potential of their data.

Companies should also hone capabilities in other key areas of technology: artificial intelligence, the Internet of Things, virtual and augmented reality, autonomous robotics and cyber security.

Tomorrow's winners will ruthlessly prioritise the new use cases that can deliver the biggest benefits to customers (and their bottom line). At the same time, they will reset their operating model: embracing agile ways of working and leading, cultivating links with external experts (such as incubators and venture capitalists), and incentivising risk-taking and innovation.

Creating retail's future

Even before Covid-19, it was not an easy time to be a retailer. Leaders had to balance a range of competing priorities, running the business at the same time as changing its very essence. All of a sudden, the time frames for change have shortened dramatically.

However, Asia Pacific retailers remain unusually well placed to cope with the disruption. Profit pools remain healthy, and the region boasts many companies that are already attuned to the industry's new digital future – and in some cases are creating that future themselves. ■

Cross-Sector Collaborations in the New Normal

By **KEVIN TAN** and **SIKAI CHEN**

Covid-19 is accelerating the convergence between the private, public and people sectors. Boards must skillfully push their organisations to find their unique roles in this new normal.

The economy has traditionally comprised three distinct sectors: private, public and people (or social). Each sector has its role, values and practices to complement the others towards a thriving economy.

In the past decade, there has been an increasing convergence of the sectors. Covid-19 is accelerating this at three levels: Mindsets, Models and Muscles.

Mindsets

In many aspects, the sectors are beginning to think alike.

Private businesses have begun to adopt the broader goals of the people and public sectors. Before Covid-19, issues such as income inequality and climate change were already driving a reorientation towards social and environmental impact with the sustainability movement. The crisis, however, revealed the severity of these problems and heightened pressure on all parts of society to solve it. For example, Blackrock, the world's top asset manager, intends to increase its pressure on corporate boards on climate issues.

At the same time, in the face of increasing pressure to do more with less, nonprofits and governments are adopting the efficiency-focused mindset of the private sector. The government has spent over S$100 billion and drawn from its reserves. Many nonprofits are facing a fundraising crisis even as Covid-19 has made their services more necessary than before. In response to the pandemic and its restrictions, the people sector is undergoing the same wave of digital transformations that swept the private sector to increase efficiency and, sometimes, simply to function.

Models

The three sectors have been borrowing tools from each other and finding new ways to work together. And Covid-19 is accelerating this.

For example, in recent interviews with over 20 leading corporate social responsibility units and philanthropies in Singapore on how they plan to adapt their giving, Tri-Sector Associates found

a significantly increased appetite for innovative giving and collaboration tools inspired by the private sector toolkit. These included syndicated grant-giving, recyclable grants and blended finance loans for impact.

At the same time, the government is borrowing from the people sector toolkit and acting as a community organiser. For example, under the SG Together banner, various action networks have been convened to mobilise cross-sector action in areas such as environmental sustainability, housing, youth and social mobility.

Muscles

To put these models into action, new muscles and talent are needed. Not surprisingly, the sectors are borrowing, even poaching talent from each other.

Many international nonprofits in Singapore now have team members with a private sector background who are exploring new modalities of philanthropy and impact investing.

In the private sector, the world's largest wealth managers have hired professionals from the nonprofit sector to design products that can meet the impact needs of the next generation of wealth owners.

The public sector has also begun to increase private sector hires into its rank. As an indication of the challenge involved, Prime Minister Lee Hsien Loong in an address to 900 elite civil servants in January 2020 said: "We should not make mid-career entrants conform to what we already are. We don't need another person who is just like us ... Instead, we should help them settle in, integrate into and win the trust of the group, while retaining their unique experiences and differences and making an extra effort to take in their ideas and perspectives."

Organisationally, most large corporations now have sustainability units, which act as a liaison to the other sectors and an internal champion.

The public sector also has agencies which help to internally advocate for cross-sector partnerships and train groups in new models of collaboration.

Comparative advantage

Boards and leaders have a delicate dual role in this new reality.

The first role of boards and leadership is to create the organisational mental space needed to accept the cross-sector convergence. Such mental space is a prerequisite to challenge old thinking, test new models, and build new teams. In a crisis, when resources and bandwidth are scarce, creating this mental space is no easy task.

Given the strong forces of convergence, however, organisations must guard against being pushed into the latest fads, resulting in worse outcomes overall. For example, private firms are ultimately for-profit entities, and there is a danger that the pressure to show social impact leads to a corporate whitewash. Conversely not every nonprofit programme can or should be turned into a social enterprise. On the government front, while cross-sector engagement is laudable, there is a risk that blurring the lines of engagement could lead to confusion, if not cynicism.

Boards and leaders, therefore, have a critical second role to help their organisations thrive as the sectors converge. This is to push for comparative advantage.

The concept of comparative advantage was first used in economics to resolve a puzzle: why do countries still trade, even when one of those countries is better at producing every good than the other?

The answer is counterintuitive. It turns out that what matters is not how good a country

is at producing something, but its opportunity cost of production relative to others. The point is that there is always something to be gained from specialisation and collaboration, even in circumstances where one party is better at doing everything than the other.

Approaching cross-sector collaboration with a comparative advantage lens opens new vistas (See box, "Example of Comparative Advantage in Public and Private Sectors"). Even if it seems like governments can produce all social goods better than businesses, the correct question is: which social goods would businesses have to give up less than government or nonprofits in order to produce? In those areas, collaborating will lead to better collective outcomes than going it alone.

A collaboration model

One collaboration model that typifies the comparative advantage mindset is "Pay for Success" (see box).

In this case, the government first specifies a set of social outcomes it is willing to pay for. Next, people sector organisations come up with innovative bottom-up ideas to achieve these outcomes. Execution is done with the help of risk-taking capital provided by private sector venture philanthropists and social impact investors. Finally, a rigorous third-party evaluation is conducted, and the government repays the private-people sector coalition based on the value of the outcomes achieved.

In this model, each sector plays to its comparative advantage. The public sector brings to the table its scale and agenda-setting ability; the private sector its innovation mindset and expertise in organisation building, and the people sector its knowledge of the ground and focus on intent.

Tri-Sector recently helped to launch the first Pay for Success project in Hong Kong, in the issue of early childhood education, and is developing several projects in Singapore across a range of social issue areas.

Applying comparative advantage

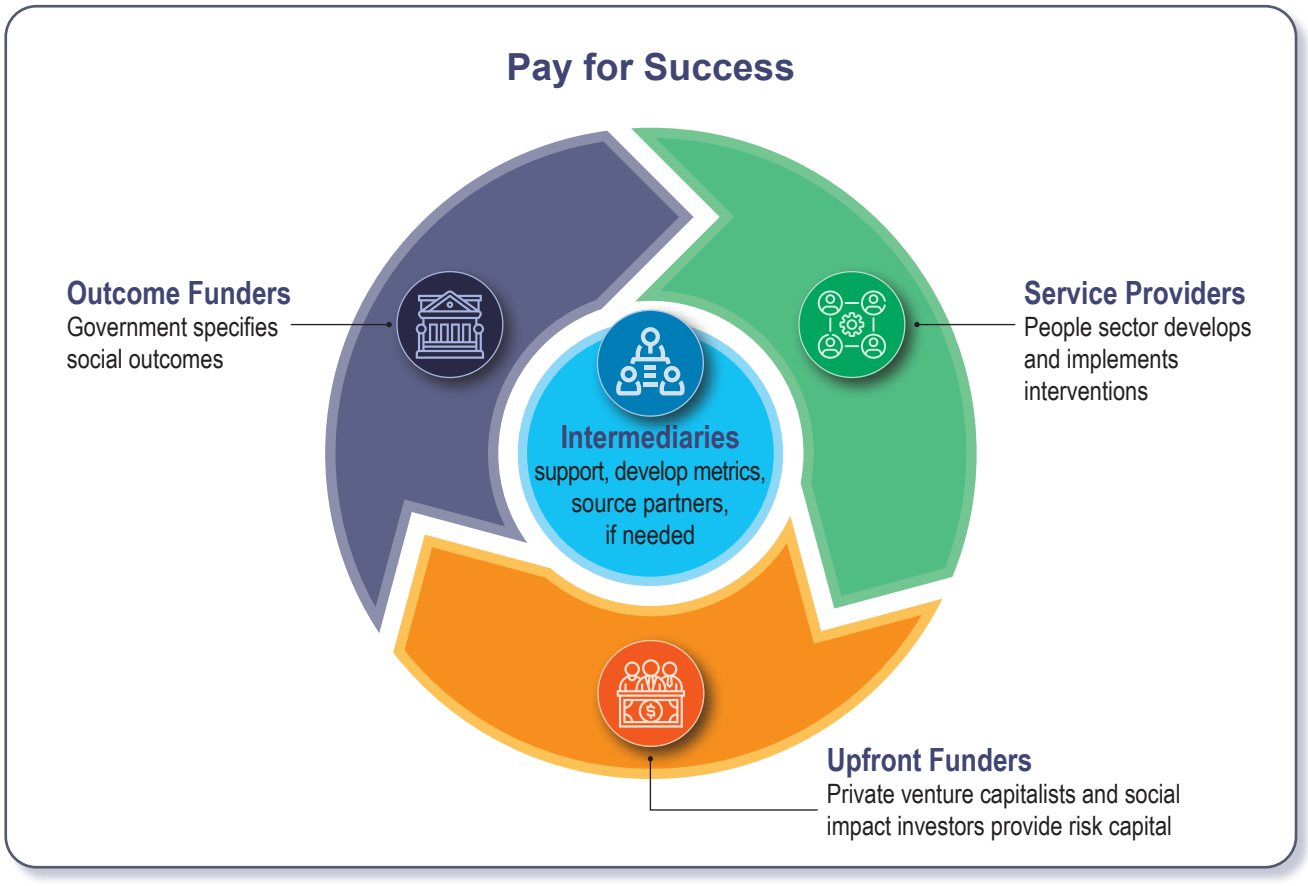
To put this concept into action, boards and leaders must be clear-eyed about opportunity costs of all stakeholders, focused on where to specialise, and creative in how to collaborate.

To begin, here are three questions directors can ask:

Example of Comparative Advantage in Public and Private Sectors

	Public Sector	Private Sector
Assumptions on level ability		
Agenda Setting Ability	High	Low
Programme Design Ability	Medium-High	Medium
Resulting recommendation based on mindset taken		
Absolute Advantage Mindset	Do both agenda setting and programme innovation	Do nothing
Comparative Advantage Mindset	Specialise in agenda setting and collaborate	Specialise in programme innovation and collaborate

Source: Tri-Sector Associates



1. ***Mindsets:*** *What is our theory of change, and how does that reflect our comparative advantage?*
   Nonprofits have long created theories of change, which are strategies that show how their specific intervention will affect a system and thereby lead to an intended social impact. Alongside a business strategy, it is now important to have a theory of change that similarly reflects an understanding of the organisation's role relative to others in the system and to ensure that this role is in line with one's comparative advantage.

2. ***Models:*** *Are we really collaborating with others in a way such that the whole is more than the sum of its parts?*
   Once the theory of change is set, implementation is the next step. Collaboration has become a catch-all term; and directors should push for models that allow each stakeholder to specialise in their comparative advantage and collaborate in a way that maximises collective impact.

3. ***Muscles:*** *What new talent do we need to build to better specialise and collaborate?*
   Almost every organisation will need to build new muscles. Existing specialists may need to be retrained so that people are not working in silos, and real collaboration occurs. The role of boards and leaders here is to be hard-nosed in overcoming any ingrained muscle memory, yet open-minded as organisations learn to flex their new abilities.

Each organisation has unique comparative advantages and therefore needs to adopt unique mindsets, models, and muscles. The opportunities and need to collaborate across sectors are greater than ever before. Organisations should make the most of this crisis to prepare themselves for the needs of the future. ■

Kevin Tan is CEO and Sikai Chen is Senior Project Leader of Tri-Sector Associates, a nonprofit that specialises in creating cross-sector collaborations.

Startup Fundraising in Covid-19

By **MARK SHMULEVICH,** SVP, TAIGER and Chairman, Digital Transformation Chapter, SGTech

For startups raising funds in times of crisis, the journey is rarely easy. Investors spend more time with their existing portfolios and have less capacity for new potential targets. Uncertainty may steer investors towards delaying funding decisions, and startups need to adjust their fundraising strategies.

When the economy is strong, it is a good time to sell. When the economy is weak, it is a good time to build. Building, however, requires funding. A cash cushion helps to keep the business afloat when customers prefer to conserve cash. Covid-19 has changed how most investors operate.

Investor relations are impacted by new limitations, such as no travel or less in-person interaction. Under such circumstances, startups should consider prioritising investors who already know their business, engaging existing supporters more, and paying more attention to details in investor communication.

Bright spots for some

The effect of Covid-19 on startup fundraising depends on the industry and the nature of the business. Two factors may ease capital raising.

First, digitalisation has accelerated. Healthcare, education, gaming, retail and other industries are shifting fast to the digital or hybrid form. Technology companies can put themselves on the map and establish themselves as strong players. Such companies as ServiceNow in North America or Grab in Asia are rapidly emerging as digital platforms. At the same time, newcomers are entering the battlefield, getting funding and growing. Following potential returns, investors allocate more money and attention to digital tech.

UBS estimates that the market for enabling digital technologies like artificial intelligence, 5G, or augmented/virtual reality will grow 10

times in the coming decade. Cyber security, automation and fintech are here to stay, too.

Second, the availability of money that startups can tap on has increased. In today's low-interest rates and close to all-time-high stock market environment, diversified funds, individual investors and family offices often allocate more money to startups as an alternative asset class.

Besides private money, public and institutional funding is also more readily available in sectors like healthcare. In the first half of 2020, biotechnology, healthcare and pharma companies attracted over US$10 billion (S$13.4 billion) in funding.

In Asia, startups have generally been coping well. According to DealStreetAsia, the number of startup funding deals in Southeast Asia increased by 59 per cent in the second quarter of the year compared to the same period a year earlier.

Tough slog for others

The situation is not as encouraging in the venture capital (VC) space across the world, however. PwC and CB Insights note that the number of VC deals in the US fell around 20 per cent in the first half of 2020. Globally, in third quarter 2020, Crunchbase estimates early-stage funding to be down 18 per cent, while late-stage funding is up by 24 per cent, year on year.

Early stage fundraising is especially more challenging for the following reasons.

1. VC funds need to deal with the existing portfolios to help the companies survive the pandemic. With VCs spending more time with current portfolios, activity sourcing and evaluating new startups went down. Funds had to adopt a crisis mentality. They now need to develop and implement plans for each company to minimise pandemic downsides, recognising that what's going on could be deadly to startups and, ultimately, to the fund. Startup boards have become more operational, too.

2. Covid-19 disrupted VC too. Restrictions on travel and movement meant investors had to master investing without meeting entrepreneurs in person. Startups can ease communication for investors, from doing proper research on the VC and talking to existing portfolio companies, to setting up high-quality videoconferencing equipment. They can also factor in additional time to close the round, and optimise the business to give it more runway. By demonstrating that the company is well prepared for the post-Covid world, this can make the difference. For example, there are capable people on the ground in local markets, the distribution model is digital-ready, and the logistic plan includes local supply chains.

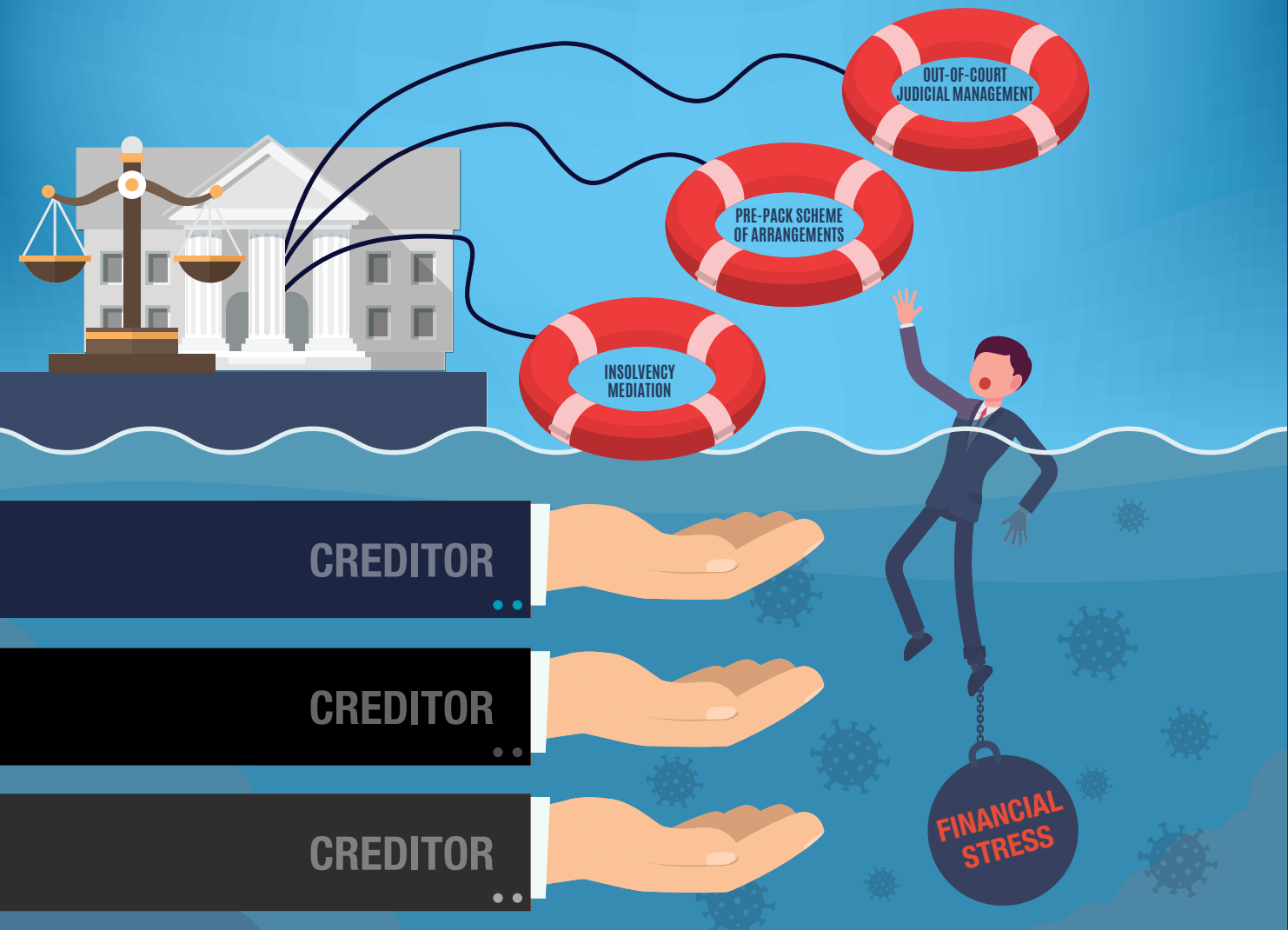
3. Uncertainty regarding the duration of the pandemic and the recovery leads to an onset of investor rationality and caution. Many VCs have unspent cash but release it slower. Companies with almost no earnings less frequently get crazy high valuations. Instead, their path to profitability has become more critical. Business restructuring may help ease investor concerns about startups' resilience to potential bad market conditions. VCs are still looking for the trillion dollar potential, but lean businesses that can handle long periods of low demand are more attractive now.

A promising development is that, as the time after the Covid outbreak passes, and VCs re-think their investment approach, some funds decide to laser focus on fewer industries or product offering types. In this case, startups that fit can benefit from a faster investment process.

Understanding the changes in investors' mentality and priorities post-Covid can be a game-changer in raising the needed funding fast. ■

Out-of-Court Insolvency Relief for Distressed Companies

By **SMITHA MENON**, **CLAYTON CHONG** and **SEAN LEE** of WongPartnership LLP



Temporary relief measures have been introduced to help distressed companies affected by the pandemic, but will gradually be phased out. To stay afloat in these trying times, companies in financial distress should look beyond the temporary measures and consider utilising out-of-court insolvency relief mechanisms such as pre-pack schemes, out-of-court judicial management and mediation.

Many companies are facing financial stress in the light of the economic impact from the Covid-19 pandemic.

Legislation has been enacted to ameliorate the negative effects of the pandemic on businesses. For example, the Covid-19 (Temporary Measures) Act was introduced in April 2020 to provide relief to parties adversely affected by the Covid-19 pandemic. The Covid Act enables parties under certain categories of contracts to obtain temporary relief from legal and enforcement actions if they are unable to perform their contractual obligations due to Covid-19.

However, the Covid Act is intended to be a stopgap measure and will be phased out gradually over the coming months. The relief period for event contracts and tourism-related contracts will end on 31 December 2020, and the relief period for construction contracts will end on 31 March 2021.

As the Covid Act will gradually be phased out, it is important for financially distressed companies to look beyond the temporary relief measures and explore the options available under restructuring laws. The legal framework for restructurings in Singapore has been enhanced in recent years to make it easier and faster for companies to restructure their debts.

Simplified insolvency programme for micro and small companies

Micro and small companies make up around 95 per cent of Singapore's enterprising framework. The economic downturn resulting from the Covid-19 pandemic is expected to impact a significant percentage of these micro and small companies.

To address this, legislation has been passed to introduce a Simplified Insolvency Programme to provide a simpler, faster and lower-cost procedure for micro and small companies to restructure their debts or wind up in an orderly manner. To qualify for the Programme, companies must meet certain specified eligibility criteria, including having an annual sales turnover of S$10 million or less, and liabilities of S$2 million or less.

A company may apply to the Official Receiver to be admitted into the Simplified Insolvency Programme. If the application is accepted, the company is protected by a moratorium against legal or enforcement action by creditors and a restriction on the operation of ipso facto clauses (i.e. clauses that allow counterparties to terminate or modify contracts upon the company's insolvency). This gives the company breathing space to try to restructure its debts.

A company under the Simplified Insolvency Programme can seek to negotiate and implement a restructuring by way of a pre-pack scheme of arrangement with its creditors. The basic framework and process for a pre-pack scheme is discussed in the section below. One key difference for a pre-pack scheme under the Simplified Insolvency Programme is that it imposes a lower creditor approval threshold of two-thirds in value, compared to the usual threshold of a majority in number holding three-fourths in value.

Pre-pack scheme of arrangement

A pre-pack scheme of arrangement is a mechanism introduced under the Insolvency, Restructuring and Dissolution Act 2018 (IRDA). It allows a distressed company to seek court approval for a scheme of arrangement without having to convene a meeting of creditors to vote upon the scheme, thereby simplifying the procedure. A pre-pack scheme of arrangement grants the opportunity for distressed companies to undertake a quick and less disruptive restructuring.

Under a regular scheme process, a company would have to first apply to court to obtain approval to call a creditors' meeting to vote on the proposed scheme. After the creditors' meeting, the company would then have to make a second court application to obtain the court's approval of the scheme. The pre-pack scheme process dispenses with the first court application and allows a company to directly apply for the court's approval of the scheme, provided it can show that the requisite threshold of creditors approve the proposed scheme. This would ordinarily require the creditors to provide written confirmation of their agreement to the terms of the scheme.

This efficient process allows distressed companies to resolve their financial issues via a pre-negotiated scheme within an accelerated timeframe. The relative speed at which a pre-pack scheme of arrangement can be implemented helps to mitigate the impact on the reputation of the company as well as the confidence of customers, suppliers and trading partners in the company and management.

Judicial management by resolution of creditors

Prior to the introduction of the IRDA, a company was only able to enter into judicial management through an order of the court. However, Section 94 of the IRDA provides an out-of-court process for a company to place itself under judicial management with the approval of the company's creditors.

The company may now initiate the out-of-court process by a members' resolution, or if the constitution of the company allows, by a directors' resolution. Subsequently, a meeting is convened for creditors to consider a resolution for the company to be placed under judicial management. The company is placed under judicial management if a majority (in number and value) of the creditors present and voting at the meeting resolve to do so.

An out-of-court process encourages constructive and frank commercial discussions between a company and its lenders. Judicial management is an avenue for a consensual restructuring with the added comfort of an independent supervisor (who is an officer of the Court) having carriage of the process.

Similar to a pre-pack scheme of arrangement, commencing a judicial management out-of-court

can help to minimise the negative publicity and disruption to the business, by averting disputes that might otherwise be litigated in an open court. The out-of-court process can also expedite restructuring efforts, especially when used in tandem with other tools, such as the aforementioned pre-pack scheme of arrangement.

Insolvency mediation

Mediation is a process in which a neutral third party attempts to help parties reach a mutually satisfactory solution to the problem. The mediator hears all sides of the disagreement and communicates freely with parties on their views, constraints and commercial objectives. With this insight and knowledge, the mediator assists the parties to work out suitable solutions to bridge the differences between the parties.

In the context of insolvency, mediation can be conducted by specialist insolvency practitioners trained to help a distressed company and its creditors find solutions. All key stakeholders such as suppliers, customers or other parties to vital contracts can be included in the process to achieve a holistic outcome.

The Singapore courts have encouraged the use of insolvency mediation. It opined, in a recent case, how an experienced and skilled insolvency mediator can "assist to iron out many of the wrinkles and creases that frequently erupt in a restructuring and which perhaps are not best resolved in the adversarial cauldron of the court".

In recent years, insolvency mediation has gained traction in Singapore. In 2017, the Singapore Mediation Centre (SMC) expanded its panel of mediators to include a specialist Insolvency Panel. A trend towards the use of mediators to address insolvency issues is likely to continue, especially in the light of the economic impact of the Covid-19 pandemic. The Supreme Court, in collaboration with the SMC, launched the SGUnited Mediation Initiative to refer suitable cases in the Supreme Court for mediation at no charge to parties.

The Singapore International Mediation Centre (SIMC) has also introduced their SIMC Covid-19 Protocol which is described as "an expedited, economical and effective means for resolving disputes during the Covid-19 period".

Parties may be bound by settlement agreements resulting from mediation. With the Singapore Convention on Mediation coming in force since September 2020, a party to an international settlement agreement may apply to the High Court to record the agreement as an order of the court to enforce the settlement agreement in Singapore.

Towards more successful outcomes

In times of financial hardship, business leaders are actively seeking expedient ways to trade out of their financial difficulties. It is important to address issues head-on at the earliest available opportunity to yield a more successful outcome. Out-of-court insolvency dispute resolution mechanisms, such as pre-pack scheme of arrangements, out-of-court judicial management and insolvency mediation, should be more frequently deployed to maximise value for all stakeholders.

Companies that are pro-active in using these mechanisms will have a longer runway for negotiating with their creditors and have a better chance of achieving a comprehensive long-term solution to their financial difficulties. ■

The New Normal in Valuations

By **SRIVIDYA GOPAL**
Chairman, IVAS Advocacy & Engagement Committee
and Managing Director, Duff & Phelps

With prolonged uncertainties around the globe and unclear timelines of getting back to normalcy, how can business managers, investors and stakeholders ensure transparency and governance in transaction planning and financial reporting in the new normal?

Announced transactions cancelled or renegotiated; companies filing for bankruptcy; businesses taking large impairment losses on their books. Each of these situations requires the management, board of directors and stakeholders to make critical decisions on the valuation of businesses, assets and liabilities.

What are some of the challenges and key considerations for valuation amid market dislocation?

Uncertainties and valuation

Unlike past global crises, the impact of Covid-19 is unique in the extent of uncertainty. Subsequent waves of infections, the reimposition of lockdowns, renewed restrictions to movement, and the uncertainty of finding a vaccine, have invoked any number of scenarios. From a "V"-shaped curve, to a "W"-shaped or even a "VL" or "K" shape, what is fairly certain is that recovery will take some time.

These uncertainties have had a severe impact on the transaction and valuation landscape. In Singapore and the region, the markets have reacted with significant volatility in prices and yields. For private businesses, the volatility in valuation can be reduced to some extent, if the fundamentals are still strong.

While businesses have seen an adverse impact on valuations, this varies according to sector focus and business adaptability. For example, some essential services such as healthcare, food and utilities will be less affected, as compared to the airline, hospitality, leisure and entertainment sectors. Industries, such as financial services and education, can reduce the impact if they are able to adapt faster to the new normal. Technology and telecom, on the other hand, may experience higher demand for their services during the pandemic.

Challenges for valuers, board and stakeholders

The most critical challenge around valuations is the unpredictability of the current scenario. Budget forecasts and projections are difficult because the credibility of the information provided is in doubt. Volatility in the market

and disruption have led to new business models being created.

A change in the discount factor alone may not help to account for all the risks of such uncertainties. While time-tested approaches can still be utilised, considerable thought needs to be applied. For example, boards need to consider the risk of post-factor analysis or future litigation.

Key considerations

Commonly used bases of values, such as fair value or market value, do not mean a "fire sale". They take into account current market conditions, information that is "known and knowable" at the valuation date. Increased uncertainty and risk indicate higher return expectations and therefore, lower asset prices.

Can public companies' traded share prices be considered as indicative of fair value given the volatility? While prices from orderly transactions cannot be ignored, the weighting applied to that information depends on the purpose of the valuation.

For mark-to-market valuations for financial reporting, such weighting could be significant. For transaction purposes, different approaches can be applied, and scenarios can be considered. For goodwill impairment testing, an income-based (discounted cashflow) "value-in-use" may be used with market capitalisation as a reasonableness check.

Depending on the purpose, there can be specific valuation adjustments for asymmetric information when comparing to market capitalisation or public company market date. In addition, more thought should be applied to transaction multiples on whether they are still relevant on the measurement date.

Directors should also consider how Prospective Financial Information (PFI) can be used in an uncertain environment. While it is difficult to corroborate the PFI, it is nevertheless a critical input in determining valuation assumptions. Developing scenario-based analysis can be considered, thus reducing reliance on alphas in the discount rate. Care should be taken to avoid a double-dip assumption where the PFI is taken on a pessimistic basis along with an alpha added to the standard discount rate.

The International Valuation Standard as well as several other valuation standards and guidelines stress on the known and knowable assumption. This provides valuers with a much-needed focus and could help reduce the risk of future litigation.

Learnings and takeaways

Business cycles are getting shorter, disruptions will continue, and volatility is a given. It is important to accept that valuations will be dynamic in today's world, and it is critical to use the best information available as on the valuation date without attaching any consideration for post-facto information. The emphasis should be on best practices, governance and transparency rather than a perfect way to predict the future.

"Fair" valuation is here to stay. "Under" or "over" valuation in the name of being conservative is against the fair valuation principle and creates significant risks for stakeholders. Impairment decisions, while difficult, need to be taken whenever there is a trigger rather than waiting till the financial year-end.

Boards may consider engaging valuation professionals who have the experience of dealing with the impact of these aspects on valuation. Thus, it is important to select the appropriate valuation professionals with the right qualification, certification and affiliation to Valuation Professional Organisations who place significant weight on maintaining the quality of the profession, continuous professional development, and adherence to standards and governance. ■

Reframing Financial Resilience Beyond the Pandemic

By **MAX LOH**, Council Member, Singapore Institute of Directors

As companies seek to return to some semblance of normalcy, management needs to look beyond the immediate challenges of the Covid-19 crisis. How can they build financial resilience and reframe their business and capital strategy to drive growth and transformation?

Amid geopolitical tensions and the slowing global economy, the Covid-19 pandemic was perhaps the stick that broke the camel's back for many companies in 2020. Small- and medium-size enterprises (SMEs) were arguably one of the hardest hit segments. Retail sales decreased 10.8 per cent in September 2020 on a year-on-year basis while food and beverage sales are down 29.9 per cent year-on-year in the same month.

General corporate sentiments based on the 22nd edition of the *EY Global Capital Confidence Barometer* point to concerns about global macro conditions and a slow recovery extending into 2021. Even as companies deal with the immediate tasks of coping with the phased reopening of the economy, it is important that they look at what is next and beyond the crisis – and how they can prepare and pivot for growth.

Three defining features of the new normal

Before the pandemic, the business landscape was already evolving as a result of various disruptive forces such as globalisation, digitalisation and workforce transitions. Added to that, the impact of the pandemic has accelerated shifts in the business environment.

While everything seems dislocated and different now, companies need to distinguish between enduring changes versus temporary shifts in behaviours. These deeper fundamental drivers of change must be at the heart of a company's long-term strategy, regardless of how intense the urgent pressures are.

In the new normal, three key features will define and prevail.

Firstly, digital will become more vital than ever – and arguably essential for all businesses. The Covid-19 pandemic has shown how digital enablement was key to agile business response, whether in operations, remote working or customer outreach. Digital transformation will be needed to underpin business strategy to drive cost-efficiency, create value and drive growth post-Covid-19.

Secondly, there will be an increased focus on collaboration within ecosystems. The new normal is likely to be characterised by a blurring of market boundaries and the rise of new collaborations to share risk or co-develop services. This might include partnerships with like-minded businesses or even competitors to foster both enterprise and industry resilience.

Thirdly, consumer and employee relationships are already evolving, and businesses will have to adapt. Covid-19 has accelerated digital adoption in societies and morphed the attitudes and experiences of employees and customers: none of us will be quite the same again in how we work, live and consume products and services. Companies will need to reshape their offerings and propositions so that they remain relevant to the customer.

In responding or seizing the upsides of these trends, companies will need to transform their operations and their financials as they reshape their strategy.

Building financial resilience now, next and beyond

Financial resilience will flow from lowering the cost base over the longer term, increasing liquidity in the short term and using virtual scenario planning to cope with downturns and upturns in the medium term.

Even without a crisis, many management teams struggle to sustain good control over short-term cash flows and the working capital that drives them. The Covid-19 crisis, with its unique combination of challenges, makes mitigation even more complex.

For now, while government aid may help with cash management, companies will want to evaluate short-term liquidity by instilling short-term cash flow monitoring discipline that allows them to predict pressures and intervene in a timely manner. They should also maintain strict discipline on working capital, particularly around collecting receivables and managing inventory build-up.

At the same time, companies should assess financial and operational risks and respond quickly. Companies will need to monitor direct cost escalations and their impact on overall product margins, intervening and renegotiating, where necessary. They will also need to monitor the pressures that may be impacting some customers, suppliers, contractors or alliance partners – which affect their ability to pay.

It is also important to be aware of covenant breaches with banking facilities and other financial institutions relating to impairment risks in asset values, which may impact the health of the overall balance sheet. Companies should consider debt and loan covenants modifications. They may need to obtain additional financing, amend the terms of existing debt agreements or obtain waivers if they no longer satisfy debt covenants.

To secure their financial positions now and in the short term, companies should focus on:

- Generating cash.
- Preserving cash and optimising working capital.
- Stabilising and assessing critical operations.
- Renegotiating supplier contracts and credit terms.
- Improving communications to gain stakeholder confidence and support credit and contract renegotiation.
- Activating tax refunds and carryforwards.

Looking at the next six to 12 months and beyond, companies should determine how the impact of the Covid-19 crisis will endure and affect budgets and business plans. They should stress-test financial plans for multiple scenarios and increase the frequency of budget reviews to understand the potential impact on financial performance and assess how long the impact may last.

To build competitive advantage and agility to drive growth beyond the crisis, management will also need to be open to capital agenda decisions. While preserving cash is important for business continuity, for some, it is an opportune time to consider strategic and portfolio reviews to stay "lean and mean" – and that means looking at asset disposals and divestitures or acquisitions as part of capital reallocation.

An always-on strategic and portfolio review process will allow companies to identify areas of growth and underperformance sooner than later, and better prepare to divest and reinvest should the need arise. However, management needs to be mindful of how such capital reallocation intentions may not always be congruent with bottom-up reviews. For instance, with regards to assessing synergies and the value of business units as stand-alone entities or potential divestitures, business unit management bias may hamper a holistic view of where divestment value can be created.

With evolving industry ecosystems, companies may also find traditional competitors or emerging players presenting themselves as suitable acquisitions targets, particularly with the current environment driving low valuations that would be favourable to buyers. Such acquisitions could be the fast-track to gaining new capabilities such as digital talent that can be instrumental in helping to hasten the transformation of the business.

To support growth plans in the next six to 12 months and beyond, companies should focus on:

Five Questions For Companies

1. **How can you operate in a business-as-unusual environment?**
   It is critical for companies always to assume that a black swan event is possible and to plan accordingly. Scenario-planning incorporating the lessons learnt from the Covid-19 outbreak will bolster company resilience.

2. **Do you know your portfolio's weakest link?**
   Many companies have seen profit margins and cash-generating capabilities stressed before the Covid-19 crisis. In order to withstand shocks and create optionality, management needs to examine corporate portfolios for liquidity vulnerabilities.

3. **How can you look beyond the immediate crisis to see the next steps?**
   More frequent strategy and portfolio reviews are a mindset as much as an event. Companies need to develop systems that can pivot quickly as circumstances change.

4. **Are you prepared for a new environment?**
   The post-crisis environment may be very different from what happened before. Companies need to be bold in their reviews to ensure they take advantage of new market dynamics.

5. **How can you learn from the past to be bolder in the future?**
   Companies that made bold acquisitions in the immediate post-global financial crisis period outperformed peers over the next decade. Management needs to be ready and able to make acquisitions that will catalyse growth.

- Cost reduction opportunity assessment.
- Updated risk assessment.
- Tax cost recovery strategies.
- Revised sourcing strategies and agreements.
- Asset disposals where necessary.
- Potential acquisition to take advantage of low asset prices and valuations.
- Seeking new talent that is now available in the market.
- Long-term value cost reduction strategies (managed services and outsourcing, etc.).

Prior to the pandemic, companies have been reimagining their ecosystems, looking at more innovative business models and collaborations to access new markets and customers – and this should remain key to their business strategy. While inorganic approaches are useful in accelerating pathways to growth, these should be considered hand-in-hand with other means of organic growth and new investments in digital and technology. See box, "Five Questions for Companies".

Finally, clear, transparent and timely communications are necessary when creating a platform to reshape the business and to secure ongoing support from customers, employees, suppliers, creditors, and investors. As management develops corporate strategies and plans, it is essential to communicate the forecasts or ambitions to stakeholders, no matter how difficult. ■

Max Loh is the Managing Partner, EY Singapore and Brunei, of Ernst & Young LLP. The views reflected in this article are the views of the author and do not necessarily reflect the views of the global EY organisation or its member firms.

Crisis Management in the Boardroom

By **EUGENE KANG**

SID SINGAPORE INSTITUTE OF DIRECTORS | BOARDROOM MATTERS

Covid-19 has reinforced the importance of having a crisis management framework to help firms navigate through tough times. Boards can play a role by requiring management to plan for simulations and report learning.

Throughout history, businesses have had to weather crises in many forms. Some are firm specific, such as the 2019 Johnson & Johnson baby powder recall after the US Food and Drug Administration discovered traces of asbestos in the product. Others are more industry specific, such as the Libor scandal in 2012 that involved several major banks – including Deutsche Bank, Barclays and UBS – that colluded to illegally manipulate interest rates for profit.

Yet some crises have more far-reaching effects. An example is the 9/11 terrorist attacks in 2001, which crippled many industries, changed the global aviation industry and boosted national security budgets around the world. Now, the Covid-19 pandemic is wrecking economies, societies and businesses across the globe.

Covid-19 has reinforced the importance of a crisis management framework to help firms navigate through a crisis. The framework covers three phases – preparing for crisis, responding to crisis and conducting post-crisis reviews – and corporate boards have an essential role to play in all of them.

Crisis preparedness

Although no organisation can fully anticipate every single crisis, a firm can reasonably anticipate and develop crisis-specific response modules. For instance, firms in the oil and gas industry should have detailed crisis management plans dealing with environmental risks from their operations.

At the very least, crisis preparedness should cover the key risks identified in a firm's risk-management framework. For crisis preparedness to receive adequate board attention, a board risk committee can provide oversight for the crisis management framework. This committee should comprise largely non-executive directors with the expertise to advise management, who remains responsible for developing these frameworks.

Crisis preparedness must be robust to cover crises not identified in a risk management framework. Boards should work toward a framework that incorporates at least three essential activities applicable across any crises: command, calibrate and communicate.

Command refers to establishing a clear chain of command and decision-making rights. While the composition of the crisis-response teams varies depending on the crisis, a crisis management framework can aim for more clarity closer to the top, especially at the C-suite and board level. For instance, a crisis involving a major accounting scandal should involve the board audit committee and the CEO, unless he is implicated in the scandal.

Calibrate involves a preliminary assessment with regular updates on a crisis. This includes identifying affected internal and external stakeholders, plus collecting information to assess the scale, scope and duration of the crisis. Useful tools in this activity include scenario planning to map out uncertainties for constructing response modules to various crisis scenarios.

Communicate requires establishing communication protocols to affected stakeholders, and possibly regulators, to present a coherent discourse to restore confidence. SGX-listed firms, such as CapitaLand, Hai Leck Holdings, Amara Holdings and many others, have done well to provide Covid-19 updates to the investing community via SGXNet.

Regular simulations to test crisis-response modules can strengthen crisis preparedness. Often, managing a crisis requires close coordination across multiple teams. Boards can play a role by requiring management to plan for simulations and report learning outcomes.

Crisis response

A recent McKinsey article on boards of directors in the tunnel of the coronavirus crisis cautions that boards must be careful not to burden management with additional meetings or reports that create little value during the crisis. With this in mind, boards can still play a meaningful role.

Crises by their very nature often require quick responses in uncertain conditions. Management, including executive directors, are likely preoccupied with short-term actions. Non-executive directors can alert management to consider longer-term issues and augment their capacity to assess the strategic implications of a crisis.

Firms should adopt offensive postures to seize opportunities in the post-crisis landscape, whenever possible, instead of staying in defensive postures during the crisis. Some crises, such as Covid-19, are likely to challenge norms, accelerate digital transformation, and change the business landscape.

For instance, fashion retailer FJ Benjamin was forced to temporarily shut its nearly 300 stores in Singapore, Malaysia and Indonesia, due to lockdown measures. The group is now scaling up its online store network with more global brands and building omnichannel digital capabilities not only in response to the crisis but also to prepare for more online opportunities post-Covid.

Post-crisis review

After a crisis, boards can contribute by engaging management to review responses during the crisis, covering areas that worked well and those that did not. A key objective is to update the firm's crisis management framework, substantively improving future preparedness and responses to any crises.

A robust crisis management framework does not guarantee a safe passage through all crises. After all, a crisis may highlight existing gaps in leadership, resources and human capital. Having a framework in place does however increase the likelihood of survival. Firms that are prepared for a crisis like Covid-19 can better adapt to the changing landscape and emerge stronger post-crisis, while weaker firms falter and exit the industry.

As the saying goes, during a bear encounter on a group hike, it is not whether you can outrun the bear to survive this encounter but whether you can outrun others who are with you. ■

Eugene Kang is a member of the Advocacy and Research Committee of the Singapore Institute of Directors.

Boardroom Matters is a regular column by SID in The Business Times *and its online financial portal* BTInvest, *where this article was first published in July 2020.*

Dear Mr Sid

Re: Under Siege in Covid-19

I'm a non-executive director of a listed retailer. I was brought onto the board several years ago because of my experience in retailing, gained in a more leisurely age when people visited brick-and-mortar stores and enjoyed the physical experience of comparing, considering and consuming.

We have taken the traditional approach to the business. Until the beginning of 2020, it had worked well over the years. The vast majority of sales had been person-to-person in our 20 stores island-wide. Occasionally, the directors had discussed online options, but without any great enthusiasm. I, for one, was comfortable being able to add value to improving sales and operations with our tried and tested models.

And then the pandemic struck, and our sales plummeted. Even now, after the lockdown, we're still struggling to find our feet.

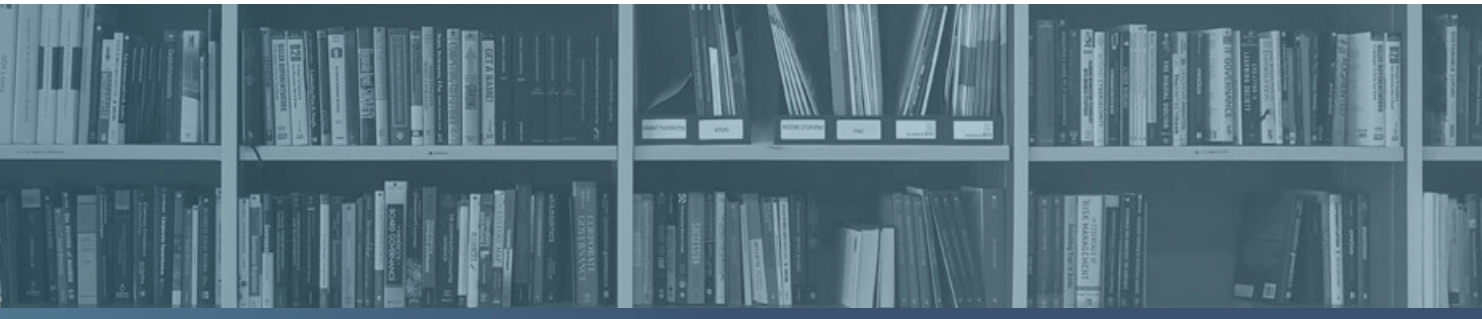
My chairman had asked the directors for ideas on how to respond to the crisis that Covid-19 has precipitated. Personally, I'm convinced life will return to normal after the pandemic. The economy and our sales will bounce back as soon as a vaccine is available. And I've said as much in our board meetings: that this is a short-term blip, and we should not get too emotional. It's just another crisis, and we should respond as we would with any crisis: form a task force at management and board level, and keep the rest of the board informed. It's the standard operating procedure for a mid-level crisis.

I plan to ask my chairman not to put me on the task force. I confess that I'm a dinosaur when it comes to technology. I feel out of my depth when the discussion turns to online retailing. Our virtual board meetings have become a personal nightmare partly because I get mixed up between Zoom, Webex, Skype, Teams and Google Hangout. So, let me hangout somewhere else as the task force does its work.

I'd be happy to lend my full weight to the board discussions as soon as things get back to normal. I'm hoping this will all make sense to my chairman. Mr Sid, do you think I am fair to the chairman?

Yours sincerely,

Bricks-and-Mortar-Man



Dear Bricks-and-Mortar-Man

It's not a question of whether or not you are fair to the chairman.

Quite frankly, if the whole company takes the path you intend to take, I am not sure if there will be a company for you to come back to.

Retail sales

To put in perspective the current retail situation in Singapore: while total retail sales have declined as a result of Covid-19, the fall has not been very major – about 11 per cent, year-on-year as of September 2020, according to data from the Department of Statistics.

What's significant, though, is the change in buying behaviour and channels – primarily from in-store to online purchases. Each month, during the pandemic, analysts report e-commerce going through the roof, usually by over 100 per cent from the previous year.

As noted in a Singapore Tourism Board (STB) and Visa study in September 2020, the hardest hit have been the local retailers – like your company – which lack or have a limited online presence. These retailers sell less than 2 per cent online, whereas the Singapore retail average was 25 per cent.

Most importantly, these online habits are fuelling a shift towards online platforms that will be part of the "new normal", post-pandemic. The same STB-Visa study found that 85 per cent of consumers in Singapore and the Asia Pacific intend to continue or make more purchases online, and less than 40 per cent intend to revert to pre-pandemic patterns of purchasing in-store.

As it is, there are already reports of many casualties in the sector. According to ACRA figures, closures in the retail trade sector hit a 10-month high of 457 in September 2020. Prominent among the liquidations are Robinsons and Sportslink. Other companies like Topshop and Esprit have closed their stores and gone entirely online.

In short, you ignore e-commerce at your own peril.

Beyond e-commerce

But it's not just online sales that you should be concerned about. While the pandemic has primed the exponential growth of e-commerce, it's also accelerating the take-up of technologies and new business models in so many other ways.

Certainly, digitisation is the big trend across the board. Even digitally-resistant customers

have moved online during the lockdown. Work From Home has become the new workplace. Meetings, AGMs and events have gone virtual.

The Covid-19 restrictions have disrupted supply chains. Companies have had to look for alternate sources of supply and reconfigure their supply chains for greater flexibility and redundancy.

To survive during the pandemic, some companies pivoted. Fashion houses scrambled to convert production lines to make surgical masks; automotive companies to produce ventilators; and perfume companies to make hand sanitisers. But that's only for the short-term. Even if they return fully to their old businesses post-pandemic, there will be inevitable changes to their operating models.

Covid-19 has also raised awareness of climate change. The pandemic brought home the need for societies to prepare for risks that may not be immediately salient or foreseeable. Consumer and employee preferences will also change with a heightened consciousness of health, and environmental, social and governance (ESG) issues.

The bottom line is that there is no returning to the old normal. Not for retail sales. Not for your procurements. Not for working in the office. Not for how your employees, customers and suppliers will now behave.

Role of the board

Your role and the board's role are, therefore, more important now than ever. Yes, it's a crisis. But this is likely the mother of all crises for your company, as well as many others.

So, you can have a crisis task force, especially at the management level. But the whole board must be fully engaged to deal with the crisis, which will not be over as soon as an effective vaccine is found. Experts are estimating that it will take a year or more to roll out a vaccine to sufficient numbers of the population.

The board should, first, provide the support management needs to deal effectively with the crisis. This means ensuring that management adopts a crisis operating model that is flexible and scaleable as issues escalate and scenarios change. Aspects of this model include health and safety, sales and marketing, supply chain and procurement, finances, internal controls, and human resources. The board should be especially concerned with leadership capacity and succession, as pay cuts, business needs and job changes affect the managers personally.

Next, the board should lead the company into the post-pandemic phase. Here, it can push management for scenarios and robust plans to be prepared for recovery and reconstruction. As employees come back to work, it should confirm that health and safety protocols are in place. It should catalyse a robust and comprehensive strategic review to canvas various scenarios and alternatives to its business and operating model.

The board needs to do all this while not encroaching on management's operating role and effectiveness.

Virtual board meetings

Indeed, the rapid shift to videoconferencing, virtual communications and virtual approvals have been unsettling for many directors. There have been logistical challenges. The myriad of

platforms, each with different user interfaces, have not made them easy to use. And some meetings, especially those related to strategy and decision-making, may be best conducted face-to-face.

But equally, there have been significant benefits to these virtual technologies, such as substantial savings in time and cost, including commuting. The shorter and more frequent board meetings have allowed for more action, clarity of focus and effectiveness.

In your company's case, it may be a question of balance. My advice is to expect that in the new normal, your board may settle on a hybrid of virtual and physical meetings.

New normal

In summary, the world has changed. Many of the changes – such as digitisation and revised business models – will be permanent.

As a board member, you have a responsibility to help the company through these challenging times and changes. Understandably, you won't know everything or have all the answers. But a willingness to learn and adapt is expected. Sitting out this crisis is not an option. Doing so will be an abdication of your role as a board member.

Yours in pandemic

Sid

Mr Sid

Who is Mr Sid?

Mr Sid is a meek, mild-mannered geek who resides in the deep recesses of the reference archives of the Singapore Institute of Directors.

Burrowed among his favourite *Corporate Governance Guides for Boards in Singapore*, he relishes answering members' questions on corporate governance and directorship matters. But when the questions are too difficult, he transforms into Super SID, and flies out to his super network of boardroom *kakis* to find the answers.

Mr Sid's References (for this question)

Board Guide
Section 4.2: Value Creation
Section 4.8: Crisis Management
Section 4.10: Corporate Social Responsibility and Sustainability

Boardroom Matters
Vol 1, Chapter 50: "Embracing the 'New Capitalism'" by Graham Owens
Jan 2019: "Will We Need Boards in the New Economy" by Shai Ganu
Jun 2020: "Balancing Now, and Beyond Covid-19" by Max Loh
Jul 2020: "Crisis Management in the Boardroom" by Eugene Kang

SID Directors Bulletin
2020 Q3: "Sustainability Leadership in Pandemic Times" by Jeffrey Tan
2020 Q3: "The Crisis for Directors" by Joanne Donne
2020 Q3: "Re-setting the Organisation for the Post-Covid Future" by Elisa Mallis, and William Passmore
2020 Q3: "Opportunities in the Covid-19 Crisis" by Willie Cheng and Lau Yin Cheng

Measuring Diversity on Boards

Can diversity be measured? The inaugural Singapore Board Diversity Index makes an attempt to do so.

The Singapore Board Diversity Index, developed in partnership between Singapore Institute of Directors and Willis Towers Watson, with support from BoardAgender, was launched on 16 September 2020.

Around 100 participants attended the online launch of the inaugural report. The findings of the report are based on the annual reports of companies as of 30 June 2019. The report analyses all SGX-listed companies across eight dimensions of diversity.

Ms Junie Foo, SID council member and Chair of the SID Board Diversity and Appointments Committee, opened the session. Mr Shai Ganu, Executive Compensation Global Practice Leader, and Mr Krissandi Lee, Associate Director, Executive Compensation, both from Willis Towers Watson, presented key findings of the Board Diversity Index.

Corporate governance

The index provides a snapshot of Singapore's Board diversity landscape. It was not reflective of, nor meant to predict company performance and corporate governance standards. While a diverse board brings different perspectives and experiences to the board's deliberations, a diverse board does not guarantee good corporate governance.

Board diversity is now firmly on the agenda, and investors increasingly drive it, said Mr Ganu. He cited examples of organisations such as Blackrock, Glass Lewis, AXA and Goldman Sachs which have included board diversity is a requirement in their investment portfolios. The eight attributes of board diversity included in the study are:

- Gender
- Age
- Board tenure
- Board independence
- Cultural background
- International expertise
- Domain expertise
- Industry expertise

Collectively, diversity in these areas would lead to a diversity of perspectives, and minimise groupthink, with a view to providing greater strategic oversight and enhancing the quality of decision-making.

Index rankings

Based on the scoring methodology where the total score is 40 (with each of the eight attributes being given a 5-point scale), SingTel, Singapore Exchange and Mapletree Commercial Trust were ranked the overall top firms in the Board Diversity Index 2020. The top 10 companies in the large-cap, mid-cap or small-cap companies were highlighted, as were the top 10 performers in the REITs and Business Trusts category.

In general, the large-cap companies clinched the overall top spots. And while the median scores for large-caps and REITs/Business Trusts were above the half-way mark of 20, mid-cap and small-cap companies fell slightly below the mark.

Following the presentation of the rankings, a robust discussion of the findings and implications took place in a panel discussion. Mr Ng Wai King, SID Council member, was the moderator, and the panellists comprised Ms Janet Ang, member of the Council for Board Diversity; Mr Adrian Chan, Vice-Chairman of SID, Ms Georgette Tan, Chair of BoardAgender and Mr Ganu.

It was a lively and engaging discussion in which issues such as enhancing board effectiveness and engaging younger directors were discussed. All in all, the speakers applauded those companies that exemplify aspects of diversity, with the view to nudge companies towards transformative change and an open, diverse and inclusive society. The consensus is that good corporate governance is a continuous process and reflective of overall board proceedings.

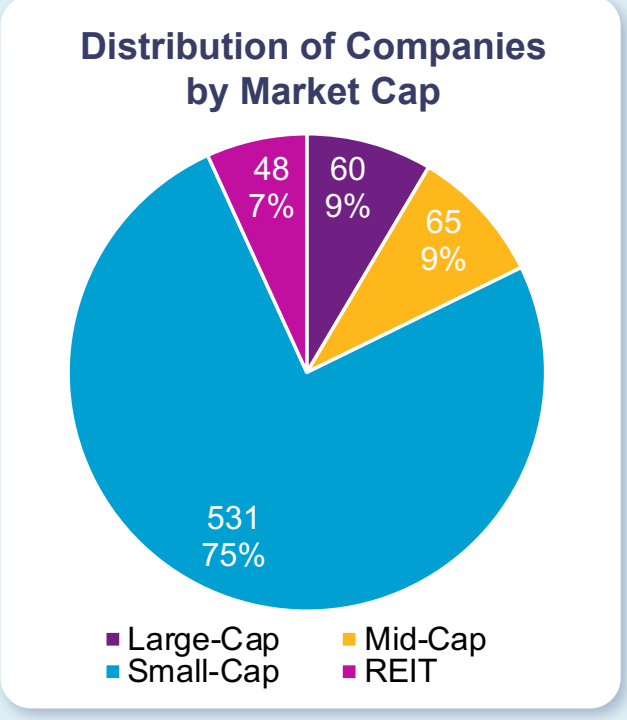
FINDINGS AND RESULTS

Importance of board diversity:

- Avoidance of groupthink.
- Better input to management.
- Increased understanding of the business.
- Increased social acceptability.

Methodology

Analysis of 704 companies with primary-listing on the SGX (Main Board and Catalist) that comprised large-cap, mid-cap, small-cap companies and REITs (Real-Estate Investment Trusts) and Business Trusts.



Collection of data from company annual reports, websites, director biographies and broader desktop research (effective as at 30 June 2019). Analysis of board diversity across eight attributes, the rationale of their inclusion as follows:

1. **Gender diversity**
   Female directors bring different perspectives, competencies, functional expertise, approaches to stewardship and risk-reward orientation that enhance the quality of board decisions.

2. **Age diversity**
   Age diversity has been found to broaden debates within boards by bringing fresh perspectives and different life experiences, reduce the risk of groupthink and stay relevant in the market.

3. **Tenure diversity**
   Tenure diversity is an important component of effective governance and board monitoring. A balance of directors with long and short tenures allows the board to benefit from senior directors' knowledge continuity whilst mitigating the risk groupthink and loss of independence through introduction of new directors.

4. **Board independence**
   Diversity of board independence brings about unbiased decision-making aligned with shareholders' interests, as well as external expertise which can reduce agency costs and help improve performance.

5. **Cultural diversity**
   Cultural backgrounds and values shape individuals' perceptions and behaviours. Ethnically diverse boards benefit from broader range of thought or experience and reduced risk of cultural prejudices, which enhances quality of decision making. It also helps with better representation of and sensitivity to stakeholders from different cultural backgrounds.

6. **Diversity of international expertise**
   Directors with different international backgrounds contribute to diversity of thought, experience and market-specific knowledge (e.g. market practice, governance, and political dynamics). Diversification of directors' international expertise helps the board to respond more quickly to changes and can provide access into critical markets.

Singapore Board Diversity Index – Segment Results

LARGE-CAP (> $1B)

Rank		
1	Singtel	31.25
2	Singapore Exchange	31
3	Sembcorp Industries	30
4	Fraser and Neave	29.5
5	Capitaland	29
6	StarHub	28.5
7	Singapore Post	28.25
8	Silverlake Axis	27.5
9	DBS Group	27.25
10	Sembcorp Marine	27
10	SIA Engineering	27

MEDIAN
23/40

MID-CAP ($300M - $1B)

Rank		
1	Mewah International	30.25
2	Yeo Hiap Seng	26.25
3	GSH Corporation	25.5
4	Pacific Century Regional Developments	25.25
5	The Straits Trading Company	24.25
6	Metro Holdings	24
6	QAF Limited	24
8	Far East Orchard	23.25
9	Chip Eng Seng Corporation	22.5
9	Avarga Ltd	22.5
9	Low Keng Huat Ltd	22.5

MEDIAN
19/40

SMALL-CAP (<$300M)

Rank		
1	Hong Lai Huat Group	28.75
2	Hai Leck Holdings	27.25
3	Pollux Properties	26
3	Sim Leisure Group	26
3	Singapore Kitchen Equipment	26
6	Chuan Hup Holdings	25.75
6	Fortress Minerals	25.75
6	Sunningdale Tech	25.75
9	Sarine Technologies	25.25
9	Singapore Shipping Corporation	25.25

MEDIAN
17/40

REITS/ BUSINESS TRUSTS

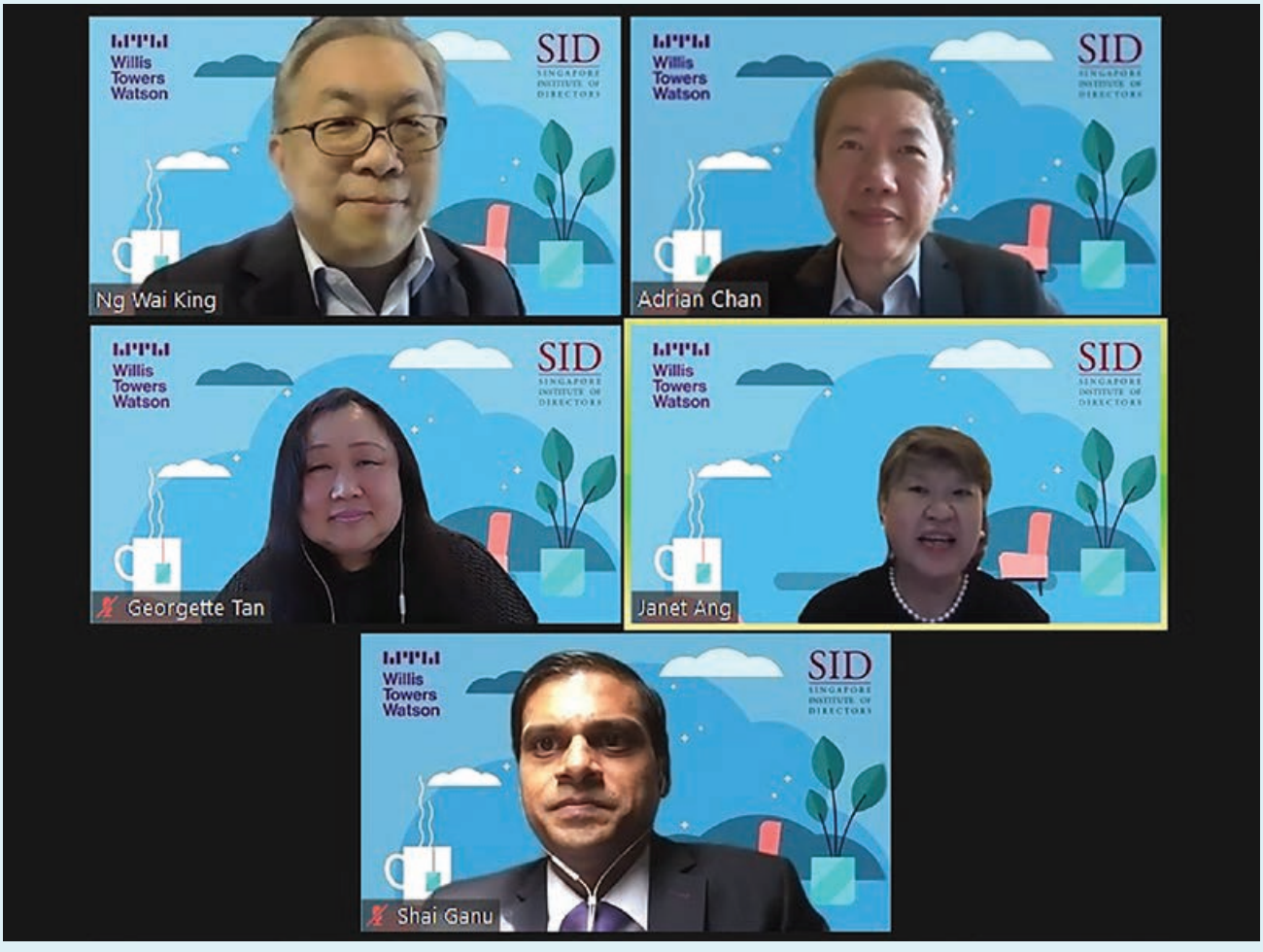
Rank		
1	Mapletree Commercial Trust	30.5
2	Ascendas India Trust	27.75
3	Mapletree Industrial Trust	25.5
4	OUE Commercial Real Estate Investment Trust	25.25
5	CapitaLand Commercial Trust	25
6	Mapletree Logistics Trust	24.25
7	Asian Pay Television Trust	24
8	Ascendas Real Estate Investment Trust	23.75
8	Keppel Infrastructure Trust	23.75
10	Hutchison Port Holdings Trust	23.25

MEDIAN
21/40

7. **Diversity of domain expertise**
   Diversity of professional experience and backgrounds brings greater resources to problem solving and skills that support the duty of boards to monitor corporate performance and provide strategic oversight (e.g. risk, legal or finance and accounting contribute to higher quality monitoring, management skills relating to advisory).

8. **Diversity of industry expertise**
   The board is collectively accountable for the long-term success and financial soundness of the company, which requires directors to have foresight, insight and oversight of how an organisation is managed. To add this level of strategic value, boards need to have diversity in its directors' business knowledge and professional experiences.

PANEL DISCUSSION



Clockwise from top left: Mr Ng Wai King, Council Member, SID (moderator); Mr Adrian Chan, Vice-Chairman, SID; Ms Janet Ang, Council Member, Council for Board Diversity; Mr Shai Ganu, Executive Compensation Global Practice Leader, Willis Towers Watson; Ms Georgette Tan, Chair, BoardAgender.

Can board diversity be applied to all companies?

"Diversity is a proxy for, and a means to, achieving greater board effectiveness. It should however not be diversity for diversity's sake. We want to help nominating committee and board chairs to use this board diversity index to enhance their boards."

Adrian Chan

"Gender diversity across businesses and the community are still very much a work in progress, and more needs to be done in order to achieve our goal of gender diversity and equality, to recognise the value of women and their contribution to businesses, community and society. This cannot be merely gender for gender's sake but rather truly recognising the value that women bring to the table -- in business, community and society."

Georgette Tan

"Ultimately, companies have to ensure that board diversity is fit-for-purpose and aligned with their strategies. For better engagement with all stakeholders, companies should in fact be looking at having all aspects of diversity across the organisation."

Janet Ang

"Age diversity is trying to get directors with different perspectives that make for more wholesome discussions. It is important to bring different perspectives that different generations could offer. If you have a gap of more than 15 years, the hypothesis is that they could represent different generations and by extension, different perspectives."

Shai Ganu

Why do cultural, international and domain diversity matter?

"Ethnic Chinese directors from different countries would likely have differing perspectives because their cultural heritage and environment will have changed. Not all aspects of diversity are created equal. While cultural diversity is a more visible form of diversity, it may not necessarily in itself lead to greater diversity of thought."

Adrian Chan

"Boards must be more cognisant of the cultures and working environment beyond Singapore. For companies to venture overseas, a good starting point is to have voices that reflect the market you intend to operate in. Hence, having board members with international expertise can offer a different perspective to the board."

Janet Ang

"We need to have less traditional and broader skillsets, such as digital, marketing, public relations and human resource expertise, to better manage crises. Boards are not bosses, rather they are stewards engaged by shareholders to oversee the company's operations."

Shai Ganu

"Diversity brings about new ideas and differentiated thinking. And having had the opportunity to work in different roles in an organisation, as well as living and working in other countries, exposes one to different cultural perspectives and broadens one's thinking. Bringing these varied experiences and perspectives to the boardroom adds tremendous value to the organisation as a whole."

Georgette Tan

How can boards be more effective in leveraging diversity?

"One of the biggest challenges is managing controlling shareholders, the directors and management. We should not shy away from talking about diversity. The chair's role is crucial in ensuring constructive dissent here."

Adrian Chan

"Each director comes in with an arsenal of valuable experience, innovative thinking, influential networks, etc. But directors may not always see eye to eye with one another. It's important that all board directors keep an open mind and are prepared to engage in discussion. And it's the chairperson's role to ensure that everyone on the board has an opportunity to provide input and counsel."

Georgette Tan

"Diversity does not guarantee board effectiveness. We still need all directors to work harmoniously together. Board diversity is a proxy for cognitive diversity and diversity of thoughts and experiences, which make for fuller discussions."

Shai Ganu

"We must believe that on a diverse board, if we harness correctly the skills of each director, it will be to the benefit of the board. It is about all board directors understanding what is expected of them to ensure the success of the company. Board directors do need to have the maturity and the personality to handle the dynamics of potentially difficult conversations at board meetings and yet are not afraid to voice contrarian views."

Janet Ang

What else does diversity mean to you?

"One of the aspects of diversity that is rarely mentioned is the management of differing and complementary directors' personalities for better board dynamics and effectiveness."

Adrian Chan

"Women on boards are the most visible and easily trackable aspect of diversity. directors of different social status or backgrounds into the boardroom is a point worth considering."

Janet Ang

"Gender diversity is often the first diversity target to be set by a board, but we need to ensure that this is not done out of tokenism; but rather, the recognition and reflection of the value that women bring to the board and the organisation that they serve."

Georgette Tan

"An assessment of stewardship styles. Whilst individual directors might have skews in one direction or the other, the board as a whole should have a good balance of different stewardship styles. Equally, if not more important, is inclusion. Directors should be able to freely voice their opinions and avoid groupthink, and the board should be able to work harmoniously together."

Shai Ganu

AC Pit Stops

Impact of International Tax Rule Changes

SID presented a pit-stop session on the Impact of International Tax Rule Changes, delivered by Mr Andrew Fairfoull, Global Structuring Leader at PwC Singapore. The event was webcast live on 17 September 2020.

With globalisation and digitalisation, the way businesses operate across national boundaries has changed dramatically. The international tax rules of today are not designed for the realities of the modern global economy and do not fully capture the way money is made through new business models in the digital world. What rate, for example, will be set for the global minimum tax?

The stakes are high. Companies would be well advised to closely monitor developments going forward, participate in public consultations either directly or through trade bodies and, as the rules take shape, model the impact on their tax rate and think about the broader implications for their tax and transfer pricing arrangements, advised Mr Fairfoull.

In light of the very high levels of tax risk and uncertainty concerning cross-border business activities today, audit committees should ensure that their companies have a clearly articulated and documented tax strategy and a comprehensive tax risk register. ■

Valuing Intangible Assets in a Tangible World

SID, in collaboration with the Singapore Accountancy Commission and the Institute of Valuers and Appraisers, Singapore conducted a session on Valuing Intangible Assets in a Tangible World. The event was held online on 22 October 2020.

Intangible assets are increasingly important, with their contribution to the market value of S&P 500 firms rising to 84 per cent in 2015, up from 17 per cent in 1975. As the pandemic continues to cause economic uncertainty, valuers must exercise heightened diligence and consider adjustments to their valuations for both tangible and intangible assets, said valuation experts. Among the speakers were Mr Jamesy Laya, Mr Loh Yee Chuan and Mr Vishal Sharma, all partners at KPMG in Singapore.

"What all of this means is that it is not business as usual, when it comes to valuation," said Mr Loh. "With the current outlook, greater care is needed when applying generally accepted approaches. We cannot just continue to apply what we have done previously. Valuers need to look into the situation right now and critically assess their valuation inputs given the economic uncertainties." ■

Audit Committee Chairman's Conversation

On 18 September 2020, Ernst & Young LLP hosted 22 chairmen of audit committees (AC) at the inaugural online session in the Board Conversation series by SID. The session was webcast in real-time, and participants could ask questions and respond to comments, to enable more interaction.

The discussion revolved around the topic "The role of the AC in preventing today's risks from becoming tomorrow's headlines".

Mr Christopher Wong, Head of Assurance, set the stage with recommended key actions for the AC. Apart from assessing the organisational risk culture and current risk management framework, he highlighted the importance of instituting periodic reviews, and preventive and detective controls (including mitigation measures), which are pertinent to the work of the AC.

He also advocated empowering the Chief Risk Officer and building trust between the AC and management. Drawing on lessons learnt, he urged ACs to conduct their own due diligence and establish an exit strategy, one that considers all options and strikes a balanced posture between repercussion and reputation.

The presentation was followed by a fireside chat with guest speaker, Mr Tan Chian Khong, Independent Director of SMRT Corporation. Mr Tan currently serves as an independent non-executive director of Alliance Bank Malaysia Berhad, Hong Leong Asia, Straits Trading Company, Xinghua Port Holdings and CSE Global. He contributes to the nonprofit sector by volunteering as the honorary executive director of Trailblazer Foundation, and serves as a board member of the Casino Regulatory Authority, and on the Rules Change Panel of the Energy Market Company.

Overall, the online format did not compromise the robustness of the discussion as participants shared their insights into key issues, such as the top risk areas that ought to be prioritised by ACs. They also discussed the practical challenges in advancing a stronger risk assessment culture and building trust with management for higher efficacy, particularly in responding to grey-area issues, including the impact of the pandemic on accounting estimates and determining the extent and timing of announcements. ■

CEO's Conversation

On 28 October 2020, the Board Conversation series by SID resumed in a face-to-face setting. McKinsey & Company hosted 13 CEOs at Sofitel Singapore to discuss the topic "Thriving in the digital era: Reimagining organisations, mobilising technology and building capabilities".

Key speakers Mr Badrinath Ramanathan and Mr Vinayak HV, both senior partners at McKinsey, kicked off the session with an overview of how the confluence of technological advancements and the present pandemic has accelerated the pace of digital transformation. This is the case in almost every industry, and the transformation has occurred in a non-linear fashion at exponential speed.

To be in the global vanguard in the digital sphere, organisations have to consider five key points.

Firstly, think like disruptors to address emerging challenges and build new businesses for the new normal.

Secondly, refocus digital efforts in tandem with evolving customers' expectations. Veer towards e-commerce to enhance business operations and make for a seamless, contactless and enjoyable customer experience.

Thirdly, augment corporate identity and have greater clarity in organisational purpose and value agenda. At the same time, have a more agile, flexible and dynamic network to optimise decision-making with a focus on talent. Alignment in purpose and business strategy is mutually reinforcing.

Fourthly, organisations should pivot towards modernising IT to facilitate digital transformation that coalesce around three key pillars: reimagine the role of technology, reinvent technology delivery and future-proof the foundation.

Last but not least, organisations should level up their posture in capability building at all levels in the domain of digital literacy. Underpinning this would be clear communication to staff to adopt agile ways of working as integrated, cross-functional teams to promptly deliver customer-centric solutions.

The session saw a spirited discussion among the participating CEOs on issues such as the opportunities and challenges arising from Covid-19. They were also urged to consider areas of criticality and their accompanying priorities, as well as how they should continue to accelerate digital transformation. ■

Board Chairman's Conversation

On 5 November 2020, SID presented the concluding Board Conversation session of the calendar year. Heidrick & Struggles hosted 12 chairmen of boards at the Shangri-La Hotel to discuss the topic "Purpose and the Right Leadership – What boards can do".

Mr Alain Deniau, Managing Partner, CEO and Board Practice, Heidrick & Struggles commenced the session with an introduction to the topic. Mr Ian Johnston, Managing Partner, Heidrick Consulting shared that companies are now giving more focus on embedding a purpose-driven culture within their organisations.

There is compelling evidence that clarity of purpose creates energised leaders who in turn, drive organisational performance. This point was illustrated with an example from CVS Healthcare, a company which achieved significant success after repositioning itself from a retail to a healthcare company with a clear purpose statement of "Helping people on their path to better health".

Boards play a critical oversight role for the stakeholder influences that shape and drive organisational purpose. They must also align on how they will work with senior management to enable a foundation for a purpose-driven, socially responsible organisation that delivers value to a wide range of stakeholders.

Regional differences in organisational culture between companies in the Asia Pacific and Europe, for example, mean there is no one-size-fits-all solution. But the shift towards a stakeholder model, with more engagement and consideration of players other than traditional shareholders, is universal.

While companies tend to take notice of their purpose and broader stakeholders when performance is good, and revenues are positive, it is also important that companies focus on their purpose and their stakeholders (including customers and employees) when times are challenging. These are the guiding principles that allow a long-term focus whilst navigating short-term difficulties.

In the day-to-day running of a business, it is the CEO and executive team that are accountable for the purpose and to the stakeholders of the company. It is, however, firmly within the mandate of the board to ensure that this is implemented. ■

Global Virtual Roundtable

Board Role: Support vs Challenge

SID teamed up with Criticaleye for the third and final session of the year, in a series of virtual roundtable discussions. The topic was "Board Challenge and Support – Getting the Balance Right", and the event was held online on 9 October 2020.

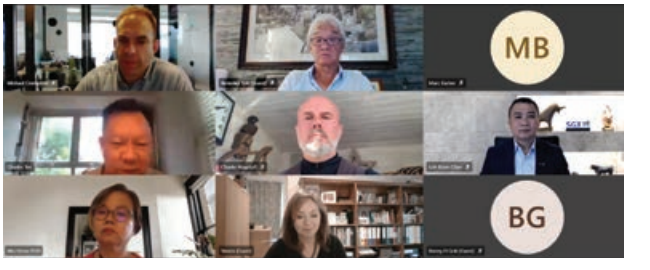
Ms Vanda Murray, Non-Executive Chair, Marshalls plc and Mr Loh Boon Chye, Chief Executive Officer, Singapore Exchange came together to discuss how their organisations are looking more closely at strategy and at how best to challenge and support. The session was co-hosted by Ms Poh Mui Hoon, Council Member, SID and Mr Charlie Wagstaff, Managing Director and Co-Founder, Criticaleye.

At the roundtable, poll questions were put forward to participants, who responded in real-time. The question, "Do you think there will be board changes in your company in the next six months" drew a response of 66 per cent for "Yes" and 34 per cent for "No".

Moderated by Mr Michael Crompton, General Manager, Criticaleye Asia, the panellists along with attendees from a number of global businesses came together for a hearty discussion. Several key lessons and takeaways emerged.

Strategy and the view ahead

Strategy is the joint responsibility of the board and management teams. It has become more complex and challenging recently, and is one of five key components at the heart of the board's work: strategy, performance, people, risk and sustainability. Covid-19 has forced employee safety to the top of organisations' concerns. That, along with capital, liquidity, and sustainability, will affect the strategy of the business in the short, medium and long term.



Participants agreed that tension between the board and management is natural and healthy. Be prepared to challenge and evaluate performance – even in a crisis. The relationship between board and management may need to be addressed more closely in global multinational organisations where the board may not be conversant with all regions.

ESG and diversity

Different skillsets may be required as a crisis develops, so companies should be mindful of bringing in new people onto the board and management team. Just getting rid of incumbents may not be the answer – it can prove disruptive and unsettling. A more diverse board (gender, ethnicity, thought) will help to deliver improved financial results, and it will also facilitate better debate and outcomes. ■

FutureBoards Cross-Border Dialogue

In its fourth Singapore edition, the FutureBoards Cross Border Dialogue on Women on Boards took place in a digital format on 28 September 2020. With the increased emphasis on board diversity – gender diversity, in particular – the session focused on how business owners and board chairs can tap on suitable resources in their board renewal plans.

Ms Turid Elisabeth Solvang, CEO of FutureBoards gave an overview of the state of play of women on boards, while Ms Doris Sohmen-Pao, CEO of Human Capital Leadership Institute (HCLI) covered the HCLI/BoardAgender report "20 by 2020: Gender Diversity in Singapore Boards A Path to Action" issued in 2018. Ms Leong Soo Yee, Executive Director, Markets, ACCA offered her perspective of how gender diversity on boards can be improved. And Ms Nishita Shah, Owner of

Precious Shipping, shared her company journey in expanding the number of women directors.

The panel discussion was joined by Ms Jacqueline Poh, Deputy Secretary at the Prime Minister's Office. Ms Junie Foo, Council member of SID, was moderator. The event was hosted by the Norwegian Embassy in Singapore, FutureBoards and the Norwegian Business Association Singapore, supported by SID, ACCA, Malaysian Alliance of Corporate Directors, BoardAgender and HCLI. ■

Asia Business Responsibility Summit

The 7th edition of the Asia Business Responsibility Summit took place online on 2 December 2020. The event was organised by the Asian Centre for Corporate Governance and Sustainability, and featured the Asian Centre Leadership Awards. The event was supported by SID, the Hong Kong Institute of Directors and the Malaysian Alliance of Corporate Directors.

A highlight of the event was the fireside chat between moderator Ms Wong Su-Yen, Chairman of SID, and guest speaker Mr Paul Polman, the former Chief Executive Officer of Unilever. The discussion revolved around the emerging dimensions of business responsibility and how businesses drive transformative change.

Mr Mervyn King, Chairman of the Global Advisory Board of the Asian Centre for Corporate

Governance and Sustainability, addressed the audience at the awards presentation, which celebrated the exemplary leadership of Asian business leaders. ■

Annual General Meeting

New SID Governing Council Elected

The 22nd Annual General Meeting (AGM) of SID was held on 17 November 2020. In a break from the past, the event was held online, in light of ongoing restrictions on large group meetings. Social distancing measures due to Covid-19 have impacted many of SID events in the past calendar year, with the SID Directors' Conference in August 2020 also held in the virtual space for the first time, and the AGM was no exception.

The AGM was held after the Corporate Governance Roundup session (see pages 96-99).

With the requisite quorum, Mr Tham Sai Choy, Chairman of SID, called the meeting to order. Mr Edwin Lee, Executive Director of SID, summarised the past year's activities and outlined key initiatives for 2021 through a brief presentation.

The AGM resolutions were then tabled and voted on via electronic means provided by board portal Convene, with scrutineer services by Deloitte. Mr Tham acknowledged the pro bono contribution by Convene and Deloitte, which enabled members to ask questions and cast their votes in real-time.

Seven members, who had previously been elected/co-opted into the governing council, were re-elected and elected, respectively, into the council (see next page). A total of three members stepped down from the council.

Mr Tham thanked the retiring council members for their contribution, while Mr Ramlee Buang, Treasurer of SID, on behalf of the governing council, expressed gratitude to the retiring Chairman.

The new SID governing council had its first meeting immediately after the AGM. ■

Governing Council Members

The following members were re-elected to the SID council at the 22nd AGM.


Wilson Chew


Wong Su-Yen


Philip Forrest


Poh Mui Hoon


Ng Wai King

The following members were elected to the SID council at the 22nd AGM.


Max Loh


Neil Parekh

The following SID council members retired at the 22nd AGM.


Tham Sai Choy


Soh Gim Teik


Derek Lau

Corporate Governance Roundup 2020

CORPORATE GOVERNANCE Roundup 2020

The annual SID Corporate Governance Roundup was held on 17 November 2020, with close to 350 members attending the online event.

A panel comprising seven SID governing council members offered their perspective of developments in 2020. They also ventured to forecast the key trending issues likely to make the headlines in the coming months, in key corporate governance and directorship matters.

The panel was moderated by Howie Lau, SID council member, who fielded questions from the audience.

Apart from queries clarifying on regulations, questions from the audience focused on how boards

of both public and private companies should be equipped to champion environmental, social and governance (ESG) issues. The impact of Covid-19 on businesses has added urgency to the board agenda of director renewal, risk strategy, human capital, digitalisation and cyber security.

REGULATORY UPDATES

Tan Boon Gin

"The question you should be asking yourself, as a member of the nominating committee, is whether it is in the best interest of the company and the shareholders for the director to continue to be on the board while an investigation is ongoing."

If directors are under arrest or investigation:

- Listed issuers must ensure that directors comply with character and integrity requirements on a continuing basis.
- The Nominating Committee (NC) must weigh in on suitability of potential or current board director and state their assessment.
- The board must consider if the investigation constitutes material information requiring an announcement under Listing Rule 703.
- The NC to assess continuing compliance with listing rule requirement on character and integrity and state basis on why the director remains suitable to continue his role and carry out his duties and responsibilities.
- For re-election of the director, material information regarding the director on the investigation should be set out in the notice of meeting and annual report of the company prior to the meeting.
- The NC should ask if the ongoing investigation would prejudice the company or the shareholders in any way.

GEOPOLITICS

Tham Sai Choy

"Geopolitics must be on every board's agenda as it is embedded in different parts of businesses, from supply chains and products to customers and stakeholders. Boards must assess its impact on the organisation's business, understand how the organisation's interests could be best pursued and oversee the strategy that management develops in response."

The duties of the board can be specifically allocated:

- **Boards:** With the conventional business model under threat from technological and supply chain disruption, the imperative lies on boards to suss out new opportunities and pave a new way forward for their organisations.
- **Risk Committees:** Risk committees must assess the risks posed by possible disruption to supply chains, bifurcation of technology and financial viability.
- **Audit Committees:** The pertinent point for audit committees to note is to ensure adequate disclosures of uncertainties and conduct regular risk assessment.
- **Nominating Committees:** The imperative is greater for NCs to exercise greater discretion in selecting the right board directors who will steer the organisation through amid this uncertain geopolitical climate.

COVID EXPERIENCE

Ng Wai King

"Our Prime Minister has called this the crisis of a generation. Covid-19 has forced us to make long-term adjustments to how we live, work and play. How we, as individuals, interact with each other, and how organisations engage their stakeholders, have changed irretrievably. We had to learn to do things differently. And doing things differently is not always bad."

Some of the key changes:

- Introduction of the Covid-19 (Temporary Measures) Act 2020 that modifies the principles of sanctity of contracts.
- New Re-Align framework to help small businesses.
- The future of work looks set to be a hybrid combination of remote working and returning to the office.
- Technology will play a major role in facilitating collaborations, with safe distancing measures projected to be in place for an extended period.
- Office space may be reduced or reoriented.
- Regulatory guidance from ACRA, MAS and SGX RegCo:
  a) Guidance on the Conduct of General Meetings.
  b) Financial Reporting Practice Guidance.
  c) Disclosures by Listed Issuers.
  d) Extension of time to hold AGMs and to release unaudited financial statements.
  e) Enhanced share issue limit for Mainboard issuers.
  f) Electronic dissemination of rights issue and take-over documents.

SUSTAINABILITY

Max Loh

"Covid-19 has renewed the focus on sustainability, and the interdependencies and vulnerabilities of our ecosystem. In considering how to build back better, we need to remember that organisations that focus on short-term results have been the first to suffer. Covid-19 has become a litmus test for stakeholder capitalism."

Genuine transformation to stakeholder value should be embedded across the organisation. Key questions board members should be asking:

- How to develop a clear understanding of organisations' stakeholders and their main concerns on ESG issues?
- How is this understanding reflected in the organisation's purpose and business model?
- Has a risk-impact assessment been conducted on the ESG trends impacting the business?
- Have robust measurement and reporting systems been established to monitor the progress of the organisation's ESG performance?
- Do current performance incentives take into consideration the organisation's ESG performance?

EMPLOYEE ENGAGEMENT

Ferdinand de Bakker

"Purpose, enlightened leadership, taking advantage of different cultures, and sophisticated communication are key requirements for successful employee engagement. Digital transformation, small-scale, in-depth employee surveys, and genuine collaboration between the C-suite, HR and communication executives are equally important. So is the role of the board of directors, to ensure a healthy future of the corporation."

For successful employee engagement, boards must be proactive:

- Encourage management to develop programmes to enhance employee engagement.
- Boards to ensure proper development of systems, processes and communications.
- Ensure CEO takes ownership of employee engagement, with human resources and communications functions playing supporting roles.
- Collaboration with senior management is key to achieve goals.
- Clear communication and the flexibility to adapt when necessary.
- Review and challenge integration efforts, when necessary, to avoid costly disasters.
- Digital transformation is a necessity to realign business and strategy.
- Surveys and evaluation exercises to review and rethink concepts are important to keep renewing and refreshing knowledge.

CYBER SECURITY

Poh Mui Hoon

"Covid-19 has forced us to become heavily dependent on the internet and its digital economy. Organised cyber crime groups exploit fear, uncertainty and doubt, and there is unprecedented pressure on the digital architecture, supply chain resiliency and cyber security operations, with escalating risk. Working from home or remotely has increased the attack surface exponentially."

To combat this issue, the Singapore Safe Cyberspace Masterplan was launched on 6 October 2020, and amendments to the Personal Data Protection Act were passed on 2 November 2020.

Five key cyber security principles to bear in mind:

- Foster a culture of cyber resilience.
- Focus on protecting critical capabilities and services.
- Ensure risk-informed decisions even beyond crisis.
- Update and practise business continuity plans.
- Strengthen ecosystem-wide collaboration.

NONPROFITS

Theresa Goh

"What's important is a systemic and holistic approach towards the nonprofit directors' life cycle development. There is a need for board matching services for aspiring directors, and mentoring and coaching to enhance directors' development. We also need to have in-depth conversations and feedback sessions to bolster directors' thought leadership on board governance, sectoral and national impact assessments."

In 2020, SID launched its inaugural Board Chair series, an In Conversation session with Minister Chan Chun Sing, and the inaugural track on "The NonProfit and Social Landscape" at the SID Directors Conference. Core programmes, such as the So, You Want to Be a NonProfit Director (SYN) and Singapore Governance for Outstanding Organisation Directors (SGOOD) programmes, continue to be well received.

To bridge the main governance gaps of succession planning and board renewal, SID will:

- Co-launch the Board Appointment Guide for Charities in partnership with CBD, EY and NVPC to ensure diversity and independence in board recruitment and renewal processes.
- Continue to advocate board renewal on its platforms.
- Strengthen the current SYN course and SGOOD programmes.
- Follow up with the NPO Board Chair series and sessions with sector enablers and/or Ministers.
- Launch new initiatives, including Professional Development for Statutory Boards, Cooperatives and Social Enterprises; and Cross-Sector Conversations. ■

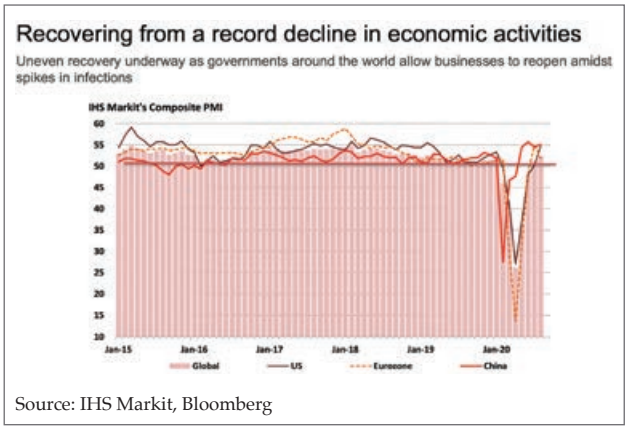
Networking in the New Normal

On 9 September 2020, the SID Membership and Growth Committee initiated an online networking session for new members who joined in the past year. Not to be deterred by the lack of opportunities to meet and mingle in person, an informal programme was organised to get the group to interact with other SID members – in the virtual space.

More than 30 new members signed up for the session. Mr Edwin Lee, Executive Director of SID, welcomed the participants and kicked off the programme.

Mr Song Seng Wun, an economist from CIMB Bank, was invited to share his perspectives about the global economy and how businesses today are impacted by Covid-19. Lockdown measures in various countries have severely affected the global supply chain, as output, new orders and employment all declined at record rates on the back of supply and demand shocks triggered by the pandemic. While the low point may have passed, the impact is likely to be long-lasting, with some changes being permanent.

The theme of the discussion was "Work From Home – a new permanent in today's business?".



Source: IHS Markit, Bloomberg

Participants were split into five separate virtual breakout rooms, each moderated by an SID member from the Membership and Growth Committee: Mr Rajeev Karpe, Ms Schutz Lee, Mr Joe Mitchell, Mr Shiva Venkatraman and Mr Jaspal Singh.

The committee members conducted an ice-breaker introduction followed by discussions on the selected topic. Members were invited to share their views, and the conversation was robust, generating a lively discussion.

The new members enjoyed the networking, getting to make new acquaintances and having the opportunity to know more about the work that SID does. ■

Director Appointments

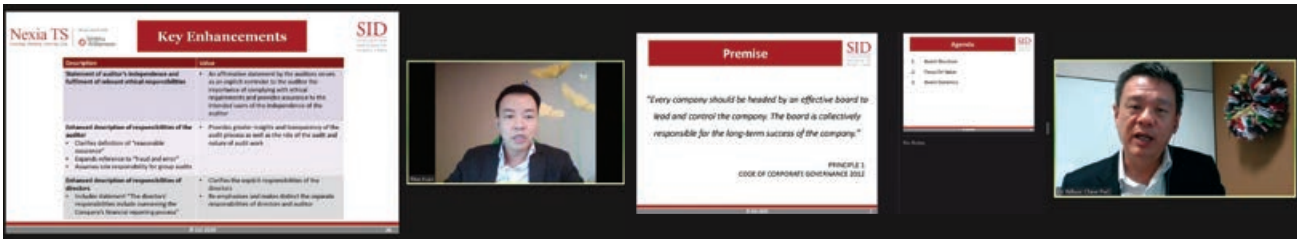
SID members appointed as directors of listed companies during the period 1 September to 30 November 2020.

COMPANY	PERSON	DESIGNATION
APAC Realty Limited	Tan Bong Lin	Independent Director
China Star Food Group Limited	Lawrence Chen Tse Chau	Independent Director
City Developments Limited	Chong Yoon Chou	Independent Director
City Developments Limited	Daniel Marie Ghislain Desbaillets	Independent Director
DISA Limited	Lim Soon Hock	Independent Director
GuocoLand Limited	Saw Kok Wei	Independent Director
Healthway Medical Corporation Limited	Aliza Knox	Independent Director
Huationg Global Limited	Cheang You Kong	Independent Director
Karin Technology Holdings Limited	Kuan Cheng Tuck	Independent Director
Kitchen Culture Holdings Limited	Ang Lian Kiat	Independent Director
Kitchen Culture Holdings Limited	Lau Kay Heng	Executive Director
Medinex Ltd	Ye BinLin	Independent Director
Neo Group Limited	Benjamin Choy Bing Choong	Independent Director
New Silkroutes Group Limited	Vicpearly Wong Hwei Pink	Executive Director
No Signboard Holdings Ltd	Lo Kim Seng	Independent Director
Pine Capital Group Limited	Andrew Lee Tze Wee	Executive Director
SATS Ltd	Deborah Ong	Independent Director
Shanghai Turbo Enterprises Ltd	Hong Yong	Non-Executive Chairman
Singapore Shipping Corporation Limited	A Selverajah	Independent Director
Venture Corporation Limited	Wong-Yeo Siew Eng	Independent Director
XMH Holdings Ltd	Raymond Lam Kuo Wei	Independent Director
Yinda Infocomm Limited	Aw Eng Hai	Independent Director
Yoma Strategic Holdings Ltd	Annie Koh	Independent Director
Yongnam Holdings Limited	Ben Teng Kian Jen	Independent Director

Governance for Outstanding Organisation Directors Programme 4-8 • 8,29 September, 28 October, 3,24 November 2020

SID-SMU Directorship Programme 5-6 • 24-25 September, 12-13 November 2020

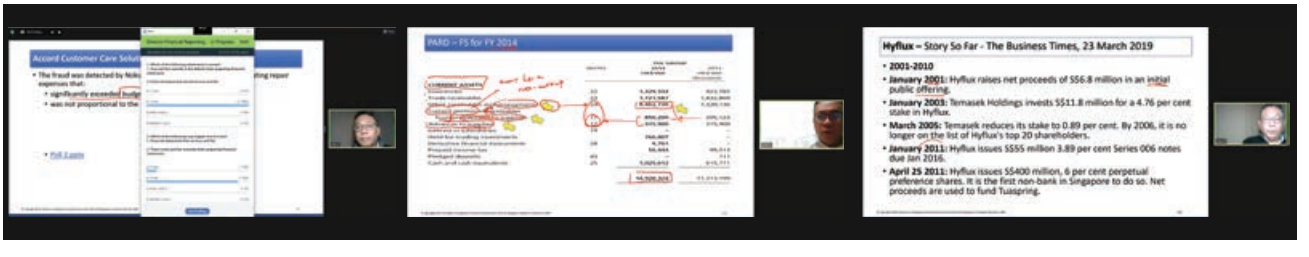
Board and Director Fundamentals • 28-29 September 2020



Listed Entity Director Programme 1-8 • 6-21 October 2020

Listed Entity Director Programme (Mandarin) Core • 22-26 October 2020

Director Financial Reporting Fundamentals • 3-4 November 2020



SID's Q4 Events (Oct-Dec 2020)

DATE	TYPE	EVENT DETAILS
6 Oct 2020	PD	LED1: Listed Entity Director Essentials
8 Oct 2020	PD	LED2: Board Dynamics
8 Oct 2020	PD	LED3: Board Performance
9 Oct 2020	PD	Global Virtual Roundtable 3: Board Challenge and Support
13 Oct 2020	PD	LED4: Stakeholder Engagement
15 Oct 2020	PD	LED5: Audit Committee Essentials
15 Oct 2020	PD	LED6: Board Risk Committee Essentials
20 Oct 2020	PD	SGD6: Financial Management and Accountability
21 Oct 2020	PD	LED7: Nominating Committee Essentials
21 Oct 2020	PD	LED8: Remuneration Committee Essentials
22 Oct 2020	PD	ACP: Intangible Assets in a Tangible World
22-26 Oct 2020	PD	LEDM: Listed Entity Director (Mandarin) Programme – Core Modules
27 Oct 2020	PD	QLED: Qualified Listed Entity Director Assessment
3 Nov 2020	PD	SGD7: Fundraising, Outreach and Advocacy
3-4 Nov 2020	PD	DFF: Director Financial Reporting Fundamentals
5 Nov 2020	PD	Board Chairman's Conversation
10 Nov 2020	PD	QLED: Qualified Listed Entity Director Assessment
12-13 Nov 2020	PD	SDP6: Effective Succession Planning and Compensation Decisions
17 Nov 2020	Event	Corporate Governance Roundup
18 Nov 2020	PD	QLED: Qualified Listed Entity Director Assessment
24 Nov 2020	Event	SGD8: Social Trends
24 Nov 2020	PD	QLED: Qualified Listed Entity Director Assessment
27 Nov 2020	PD	QLED: Qualified Listed Entity Director Assessment
11 Dec 2020	Event	SGOOD Alumni Reunion 2020
14-17 Dec 2020	PD	IDP1: Board Fundamentals

Upcoming Events

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
SDP1: The Role of Directors	6-8 Jan 2021	0900 to 1730	SMU Campus
SYD: So, You Want to be a Director	3 Feb 2021	1030 to 1230	ONLINE
IDP2: Board Dynamics, Efficiency and the Role of Committees	3-5 Feb 2021	0900 to 1730	INSEAD Campus
BDF: Board and Director Fundamentals	17-18 Feb 2021	0900 to 1315	ONLINE
SDP2: Assessing Strategic Performance	17-19 Feb 2021	0900 to 1730	SMU Campus
SYN: So, You Want to be a NonProfit Director	23 Feb 2021	0900 to 1230	ONLINE
DFF: Director Financial Reporting Fundamentals	25-26 Feb 2021	0900 to 1300	ONLINE
LED1: Listed Entity Director Essentials	1-2 Mar 2021	0900 to 1300	ONLINE
LED2: Board Dynamics	3 Mar 2021	0900 to 1300	ONLINE
LED3: Board Performance	4 Mar 2021	0900 to 1300	ONLINE
LED4: Stakeholder Engagement	5 Mar 2021	0900 to 1300	ONLINE
SDP3: Finance for Directors	8-10 Mar 2021	0900 to 1730	SMU Campus
LED5: Audit Committee Essentials	11 Mar 2021	0900 to 1300	ONLINE
LED6: Board Risk Committee Essentials	12 Mar 2021	0900 to 1300	ONLINE
LED7: Nominating Committee Essentials	16 Mar 2021	0900 to 1300	ONLINE
LED8: Remuneration Committee Essentials	17 Mar 2021	0900 to 1300	ONLINE
SGD1: Essentials for NonProfit Board Leadership	23 Mar 2021	0900 to 1300	ONLINE
MCD2: Creating Value at Board Level	19 Apr 2021	0900 to 1300	TBC
SGD2: Board Dynamics	20 Apr 2021	0900 to 1300	ONLINE
IDP3: Developing Directors and their Boards	28-30 Apr 2021	0900 to 1730	INSEAD Campus
SDP1: The Role of Directors	5-7 May 2021	0900 to 1730	SMU Campus
LED1: Listed Entity Director Essentials	17-18 May 2021	0900 to 1300	ONLINE
LED2: Board Performance	19 May 2021	0900 to 1300	ONLINE
LED3: Board Dynamics	20 May 2021	0900 to 1300	ONLINE
LED4: Stakeholder Engagement	21 May 2021	0900 to 1300	ONLINE
SGD3: Board and Management Dynamics	25 May 2021	0900 to 1300	ONLINE
IDP1: Board Fundamentals	14-16 Jun 2021	0900 to 1730	INSEAD Campus
IDP1: Board Fundamentals	16-18 Jun 2021	0900 to 1730	INSEAD Campus
SGD4: Talent and Volunteer Management	22 Jun 2021	0900 to 1300	ONLINE
SDP2: Assessing Strategic Performance	23-25 Jun 2021	0900 to 1730	SMU Campus
BDF: Board and Director Fundamentals	29-30 Jun 2021	0900 to 1315	ONLINE
DFF: Director Financial Reporting Fundamentals	1 Jul 2021	0900 to 1700	TBC
EGP: Enterprise Governance Programme	6 Jul 2021	0900 to 1300	TBC
SYD: So, You Want to be a Director	7 Jul 2021	1030 to 1230	TBC
LED1: Listed Entity Director Essentials	13 Jul 2021	0900 to 1700	TBC
LED2: Board Performance	15 Jul 2021	0900 to 1230	TBC
LED3: Board Dynamics	15 Jul 2021	1300 to 1730	TBC
LED4: Stakeholder Engagement	16 Jul 2021	0900 to 1230	TBC
LED5: Audit Committee Essentials	21 Jul 2021	0900 to 1230	TBC
LED6: Board Risk Committee Essentials	21 Jul 2021	1300 to 1730	TBC
LED7: Nominating Committee Essentials	23 Jul 2021	0900 to 1230	TBC
LED8: Remuneration Committee Essentials	23 Jul 2021	1300 to 1730	TBC
SGD5: Strategy and Board Performance	27 Jul 2021	0900 to 1100	ONLINE
BFS3: Artificial Intelligence and Ethics for Directors	28 Jul 2021	0900 to 1300	TBC
SDP3: Finance for Directors	2-4 Aug 2021	0900 to 1730	SMU Campus
SYN: So, You Want to be a NonProfit Director	11 Aug 2021	0900 to 1230	ONLINE
BFS1: Disruptive Technologies for Directors	12 Aug 2021	0900 to 1300	TBC
MCD4: Enterprise and Strategic Risk Management	13 Aug 2021	0900 to 1300	TBC
SDF: Startup Director Fundamentals	19 Aug 2021	0930 to 1200	TBC
SGD6: Financial Management and Accountability	31 Aug 2021	0900 to 1300	ONLINE
MCD3: The Board in Strategy Formulation	1 Sep 2021	0900 to 1700	TBC
SDP4: Risk and Crisis Management	9-10 Sep 2021	0900 to 1730	SMU Campus
BFS3: Cyber Security for Directors	23 Sep 2021	0900 to 1300	TBC
IDP2: Board Dynamics, Efficiency and the Role of Committees	27-29 Sep 2021	0900 to 1730	INSEAD Campus
SGD7: Fundraising, Advocacy and Research	28 Sep 2021	0900 to 1300	ONLINE

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
BDF: Board and Director Fundamentals	29 Sep 2021	0900 to 1700	TBC
LED1: Listed Entity Director Essentials	5 Oct 2021	0900 to 1700	TBC
LED2: Board Performance	7 Oct 2021	0900 to 1230	TBC
LED3: Board Dynamics	7 Oct 2021	1300 to 1730	TBC
LED4: Stakeholder Engagement	8 Oct 2021	0900 to 1230	TBC
IDP2: Board Dynamics, Efficiency and the Role of Committees	11-13 Oct 2021	0900 to 1730	INSEAD Campus
LED5: Audit Committee Essentials	13 Oct 2021	0900 to 1230	TBC
LED6: Board Risk Committee Essentials	13 Oct 2021	1300 to 1730	TBC
SDP5: Strategic CSR and Business Valuation	14-15 Oct 2021	0900 to 1730	SMU Campus
LED7: Nominating Committee Essentials	19 Oct 2021	0900 to 1230	TBC
LED8: Remunerating Committee Essentials	19 Oct 2021	1300 to 1730	TBC
MCD1: Boards and Political Networks	20 Oct 2021	0900 to 1300	TBC
LEDM: Listed Entity Director Programme (Mandarin) Core	25-29 Oct 2021	0900 to 1700	TBC
IDP2: Board Dynamics, Efficiency and the Role of Committees	11-13 Oct 2021	0900 to 1730	INSEAD Campus
SDP5: Strategic CSR and Business Valuation	14-15 Oct 2021	0900 to 1730	SMU Campus
SGD8: Social Trends	26 Oct 2021	0900 to 1300	ONLINE
DFF: Director Financial Reporting Fundamentals	11 Nov 2021	0900 to 1700	TBC
SDP6: Effective Succession Planning and Compensation Decisions	18-19 Nov 2021	0900 to 1730	SMU Campus
IDP3: Developing Directors and their Boards	13-15 Dec 2021	0900 to 1730	INSEAD Campus
IDP3: Developing Directors and their Boards	15-17 Dec 2021	0900 to 1730	INSEAD Campus

Other Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
CTP1: Reimagining your Cyber Security Strategy	9 Feb 2021	0900 to 1100	ONLINE
CTP3: Design Thinking for Sustainability	10 Feb 2021	0900 to 1100	ONLINE
ACP1: Valuation: Addresses Challenges in Uncertain Economic Times	18 Feb 2021	0900 to 1100	ONLINE
CTP10: Global Virtual Roundtable #1	3 Mar 2021	1530 to 1700	ONLINE
CTP4: Business Integrity: Strengthening Your Business	6 Apr 2021	0900 to 1100	ONLINE
ACP2: The Insolvency and Restructuring Regime in Singapore	15 Apr 2021	0900 to 1100	ONLINE
CTP5: Business Integrity: Transforming the Compliance Function	22 Apr 2021	0900 to 1100	ONLNE
CTP2: Accelerating Your Digital Transformation	6 May 2021	0900 to 1100	ONLINE
CTP6: Business Integrity: Crisis Management	12 May 2021	0900 to 1100	ONLINE
CTP7: Future of Corporate Governance	9 Jun 2021	0900 to 1100	ONLINE
CTP11: Global Virtual Roundtable #2	24 Jun 2021	1530 to 1700	ONLINE
ACP3: Looking Beyond the Pandemic	30 Jun 2021	0900 to 1100	ONLINE
CTP8: Future of Assurance: Digital Risk	18 Aug 2021	0900 to 1100	TBC
ACP4: Crypto Currency, Blockchain and Decentralised Finance	19 Aug 2021	0900 to 1100	TBC
CTP9: Executive and Director Remuneration	14 Sep 2021	0900 to 1100	TBC
CTP12: Global Virtual Roundtable #3	30 Sep 2021	1530 to 1700	ONLINE
ACP5: Tax Function of Tomorrow	21 Oct 2021	0900 to 1100	TBC

Major Events

EVENT	DATE	TIME	VENUE
ACRA-SGX-SID Audit Committee Seminar	12 Jan 2021	0930 to 1130	ONLINE
Why Board Diversity Matters: Lessons from Best-in-Class Companies	26 Jan 2021	0900 to 1100	ONLINE
Singapore Governance and Transparency Index	4 Aug 2021	0900 to 1100	TBC
SID Directors Conference	8 Sep 2021	TBC	TBC
Singapore Directorship Report	3 Nov 2021	0900 to 1100	TBC
Annual Corporate Governance Roundup	16 Nov 2021	0900 to 1100	TBC

Course dates and venues are subject to change. For the schedule of the Qualified Listed Entity Director Assessment, please refer to www.sid.org.sg for the latest updates.

Welcome to the Family

September 2020

Amit Kumar Akhelikar
Michael Ang Beng Wah
Dyuti Raj Anshu
Puneet Chaddha
Chen Joon Onn
Chia Huat Seng
Vincent Chin
Chng Tien San
Gan Tian Loo
Utsav Garg
Charlotte Goh
Emlyn Goh
Michelle Han Mi Suk
Ryoichi Iwasaki
Nanami Kasasaki
Kumar Vivek
Richard L Hartung
Jason Lau Wai King
Bernard Lee Mun Kam
Lee Sok Hui
Thea Michele Lemmens
Leow Kim Hock
Ben Lim Beng Chew
Kenneth Lim Seng Huat
Violet Lim Seow Yan
Alan Lui Wai Leung
David William Magson
Ian David Mckellar
Mohamad Halim Bin Merican
Jacqueline Miranda
Moy Keen Choy
Marcus Neo Puay Keong
Ooi Boon Peng
Alagappan Perianan
Ian Potter
Srivatsan Rajamany
Maren Schweizer
Vigneswaran Sellakannu
Madanjit Singh
Clarence Tan
Tan Kia King
Lena Tang
Teh Chong Seng
Maurice Teo Geok Tien
Tommy Teo
Gautam Varma
Christian Vinson
Steven Wong Tian Song
Deborah Yeo
Yong Thian Sze
Zhang Keqi

October 2020

Sharath Burla
Clemen Chiang
Nathalie Beatrice Chinje-Bodiong
Chng Lay Chew
Kelvin Chow
Frank Courtney-Jay
Ranji David
Adrian Dharsan
Vincent Eck
Gan Fong Jek
Soumya Ghoshal
Hong Yong
David Colin Huxley
Ghassan Kebbe
Mya Ye Lai Khaing
Phil Kim
Kenneth C. Lam
David Lee
Li Xuetao
Liew Guat Yi
Johnny Lim Chee Hwa
Lim Yiak Tiam
Anthony Lombardo
Jude Maniam
Gemma Manning
Anurag Mathur
Ng Hsueh Ling
Oh Siyang
Pek Hak Bin
Harmeet Pental
Rudy J. Rahardjo
Krishna Rajendram
Sameer Rao
Rajesh Sabhlok
Chapman Seah Yen Kwei
Joyce Seow
Seow Shin Horng
Suryanarayan Subramanian
Carolyn Tan Ghim Lee
Thomas Tan Gim Chua
Suyanti Toh Jia Jia
Russell Hart Toop
Tun Nay Lin
Woo Chung Boon
Yang Rong
Yap Say Chung
Leanne Yeow Lian Lian

November 2020

Matthew Allen
Melissa Aw Yong
Frederic Barnaud
Chantal Bond
Diana Britt
Edwin Chan Thiong Joo
Jeanette Chan Yi Ping
Swati Chopra
Kelvin Chua
James Dauman
Rajeev Dewan
Tirath Bhojumal Hiranandani
Varsha Jagdale
Lee Chee Koon
Lee Pih Peng
Lee Shi Ruh
Loh Kai Chieh
John Michael Mayes
Angeline Ng
Perry Ong Kong Khoo
David Peller
Albert Pozo Hernandez
Sandeep Sharma
Siew Yim Cheng
Binit Kumar Singh
Tan Hee Teck
Melody Tan
Francis Tan Wee Ming
Tony Tang Congliang
Mohamed Tawfiq
Damien Tay Kian-Ping
Romain Pierre Edouard Voog
Brennon Wang
Xu Xiaobing
Matthew Yap
Zhang Ying

SID Governing Council 2021

CHAIRMAN
Wong Su-Yen

VICE-CHAIRMAN
Adrian Chan

TREASURER
Ramlee Buang

COUNCIL MEMBERS
Wilson Chew
Ferdinand de Bakker
Junie Foo
Philip Forrest
Shai Ganu
Pauline Goh
Theresa Goh
Howie Lau
Lee Suan Hiang
Ryan Lim
Max Loh
Ng Wai King
Neil Parekh
Poh Mui Hoon
Joe Poon
Jaspal Singh
Tan Boon Gin

SID FLAGSHIP PROGRAMMES

The **Listed Entity Director (LED) Programme** by SID is supported by the Singapore Exchange. It is a pre-requisite course for first-time appointees on boards of listed companies, to equip them with the skills and knowledge to execute their duties as directors effectively. The programme comprises four core modules and four elective modules on the range of regulatory compliance and corporate governance matters of listed companies in Singapore.

Core	LED1: Listed Entity Director Essentials. LED2: Board Dynamics. LED3: Board Performance. LED4: Stakeholder Engagement.
Elective	LED5: Audit Committee Essentials. LED6: Board Risk Committee Essentials. LED7: Nominating Committee Essentials. LED8: Remuneration Committee Essentials.

The **Governance for Outstanding Organisation Directors (SGOOD) Programme** is specifically designed around the learning needs of board members of nonprofit organisations (NPOs). The programme is developed in collaboration with the Social Service Institute, a division of the National Council of Social Service.

The eight modules in the SGOOD series cover different governance challenges and considerations of being an NPO director. The programme seeks to help directors understand their duties on the NPO board.

- SGD1: Essentials of NonProfit Board Leadership.
- SGD2: Board Dynamics.
- SGD3: Board and Management Dynamics.
- SGD4: Talent and Volunteer Management.
- SGD5: Strategy and Board Performance.
- SGD6: Financial Management and Accountability.
- SGD7: Fundraising, Outreach and Advocacy.
- SGD8: Social Trends.

Scan the QR Code now to download the **PD Guide 2021** or visit

www.sid.org.sg/PD

Modern Governance is our core business

Good governance should be viewed holistically. To ensure end-to-end governance, you need a solution that manages more than only your board documents.

Diligent is the #1 enterprise governance management software solutions to lead your organisation forward.

- ✓ **More than 2000** customers in APAC
- ✓ **700k** trusting board members and executives
- ✓ **1k** daily meetings powered
- ✓ **Intuitive and easy** to use technology

Award-winning support, trusted by over 700,000 executive users

24/7/365 white-glove customer support

98.8% customer retention rate

To learn more visit **diligent.com/au/diligent-difference**