Enterprise SaaS in Southeast Asia:

Actionable Insights for Customer Acquisition & Retention

EDB SINGAPORE

KrASIA

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Foreword

Southeast Asia (SEA) is an exciting market for tech companies. With rapidly increasing digital penetration across the region, opportunities present themselves daily for new software providers to address real pain points. It is no surprise then that some of the world's most promising tech enterprises such as Sprinklr, SAP and ByteDance have expanded their presence in SEA. Regardless of which region your company originates from, SEA should be considered high on the list of markets to enter given its promising economic growth rates as well as the potential upside.

However, each new market region comes with its complexities. This guide aims to help equip companies with tools to find your first customers in this diverse environment. Based on case study interviews conducted by KrASIA, companies are best placed for success in the region if they are prepared to plan for cultural and institutional considerations unique to each market.

Singapore continues to be relevant as a go-to-market accelerator in SEA. Multinational corporations (MNCs) are increasingly partnering with new entrants to achieve success in the region. For example, SAP.io Foundry Singapore is the company's first Asia-based accelerator to help seed stage startups access SAP's tech and mentorship opportunities and launch their minimum viable products. They have already supported 40 startups to graduate from their programme. With the presence of accelerator teams from MNCs and government tools such as Open Innovation Platform, companies that start off their expansion journeys in Singapore can also adapt their products to address regional use cases and develop market-relevant proofs of concepts (PoCs). Leveraging our network of free trade and digital cooperation agreements, tech companies can then take these PoCs across low barriers to vibrant new markets and expand with confidence.

We hope the rest of the guide equips you with knowledge and tools to start your expansion journey in SEA. Of course, feel free to reach out to the Singapore Economic Development Board (EDB) at any time if you have further questions. Join us in this exciting part of the world!

Philbert Gomez
Head of Digital Industry Singapore (DISG)

Overview

Enterprise SaaS in Southeast Asia: Actionable Insights for Customer Acquisition & Retention was produced for SaaS operators from anywhere in the world that are preparing to expand their operations to SEA. This guide was created to provide essential information to help software-as-a-service (SaaS) operators navigate the nuances of the region's key business sectors, ranging from business etiquette to a plethora of data that highlights the total addressable market and expected economic growth.

The promise of engaging in new business ventures in Southeast Asia is clear. According to the Asian Development Bank, after a slowdown in 2020 due to the Covid-19 pandemic, Southeast Asia economies are returning to pre-pandemic levels and set to grow 4.9% in 2022 and 5.2% in 2023.[1] Additionally, SEA's digital economy is expected to reach US$300 billion in gross merchandise value by 2025.[2]

Favourable business conditions in Southeast Asia have already drawn multinational companies and fast-growing startups to set up operations within the region, with many choosing Singapore as their home base for their Asia Pacific (APAC) and SEA teams.

The research conducted by EDB and KrASIA is particularly critical as Southeast Asia is experiencing a post-Covid recovery and rising digital connectivity. Broadly speaking, Southeast Asian nations have scaled back Covid restrictions, encouraging the return of business and leisure travel.

Additionally, the reopening of businesses means a variety of services will be required—job portals and human resource management platforms to handle hiring and ongoing administrative tasks, fintech applications to enable a variety of transactions, logistics management platforms to manage end-to-end shipping, and many other tools that focus on specific functions.

[1] Asian Development Bank, 'Developing Asia Economies Set to Grow 5.2% this Year Amid Global Uncertainty', Asian Development Bank, 6 April 2022.

[2] Google, Temasek, Bain & Company; 'Through the waves, towards a sea of opportunity'; Google e-Conomy SEA.

GDP and Population of Select Southeast Asian Countries as of 2021

1. Singapore
- Regional business hub
- US$397B GDP
- 6M population

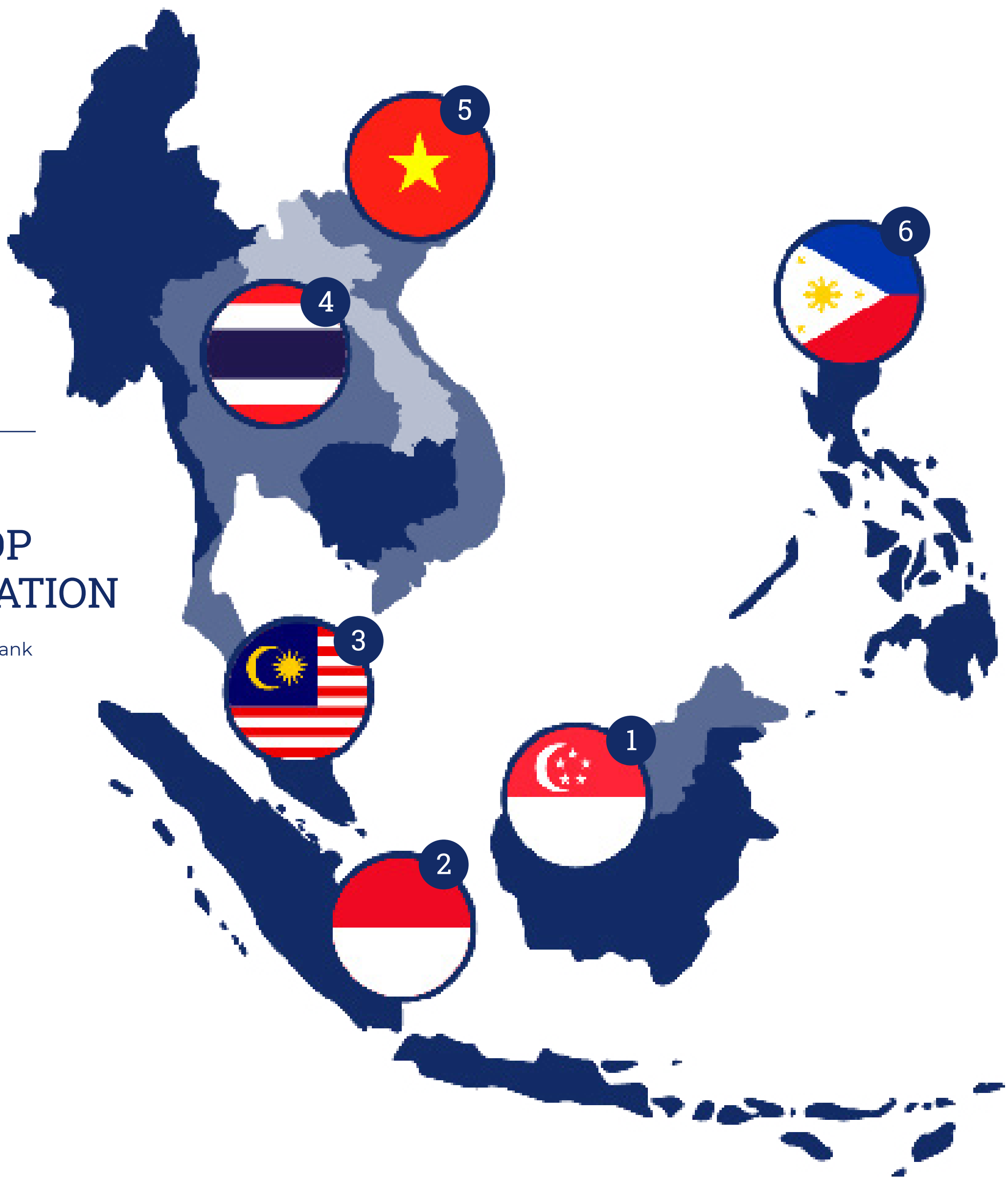
2. Indonesia
- Largest economy in SEA
- US$1.186T GDP
- 274M population

3. Malaysia
- No caps for foreign shareholding
- US$372.7B GDP
- 32M population

4. Thailand
- Second largest economy in SEA
- US$505.98B GDP
- 70M population

5. Vietnam
- Diverse manufacturing sector
- US$362.64B GDP
- 97M population

6. Philippines:
- Large, adaptable tech talent pool
- US$394B GDP
- 110M population



TOTAL:
- US$3.218T GDP
- 589M POPULATION

Source: 2021 data from World Bank

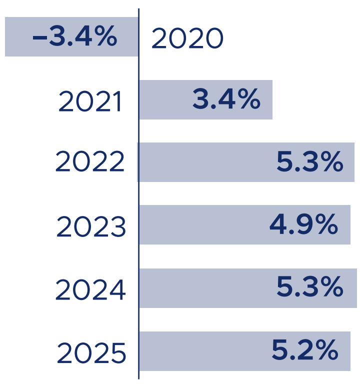
Research for this guidebook involved surveys and in-depth interviews with 19 SaaS providers and one tech-focused business consultancy that currently operate in Southeast Asia, spanning all phases of operational development and all scales of market coverage. The companies that were interviewed ranged from startups with under 50 employees to multinational corporations with more than 5,000 staff worldwide. All respondents were either part of the C-suite, managing partners, or the founders behind their companies. Geographically, these companies represented a range of origins, with headquarters in Southeast Asia, the United States, the United Kingdom, China, and Australia.

Our findings indicated that a variety of customer acquisition and retention strategies have been effective in the region, including:

- Offering a unique product
- Bundled services through partnerships with local stakeholders
- Fostering word-of-mouth recognition
- Direct C-suite engagement
- Continual surveys to score customer satisfaction with their existing SaaS solutions
- New market entry with partners
- Constant customer education tailored to match local awareness levels

Additionally, this guidebook includes compiled data about the total addressable market for specific subsectors — payments and fintech; supply chain, logistics, and Industry 4.0; enterprise services; and artificial intelligence, machine learning, and cybersecurity. Our data also demonstrates the pace of Southeast Asia's rapid digital transformation, presenting a full view of the landscape for all types of SaaS providers that seek to explore new lines of business in the region.

GDP Growth in ASEAN

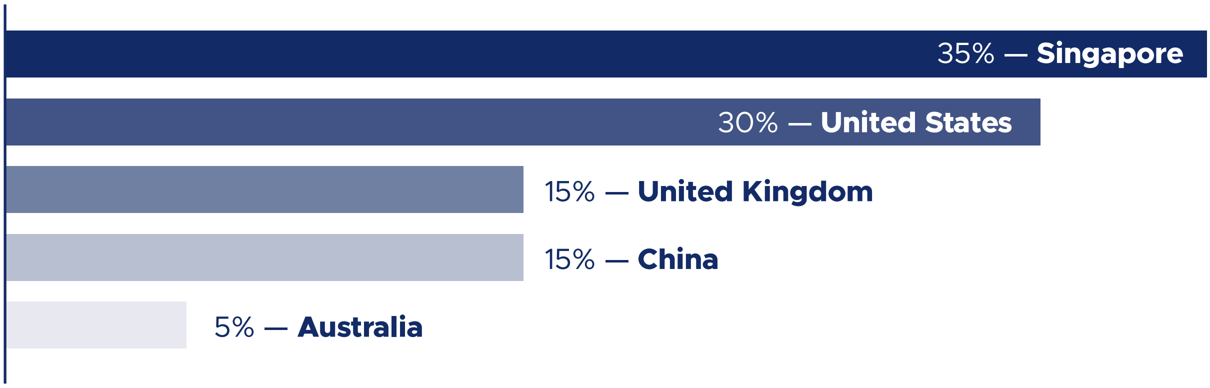


Source: International Monetary Fund

Interviewee Profiles

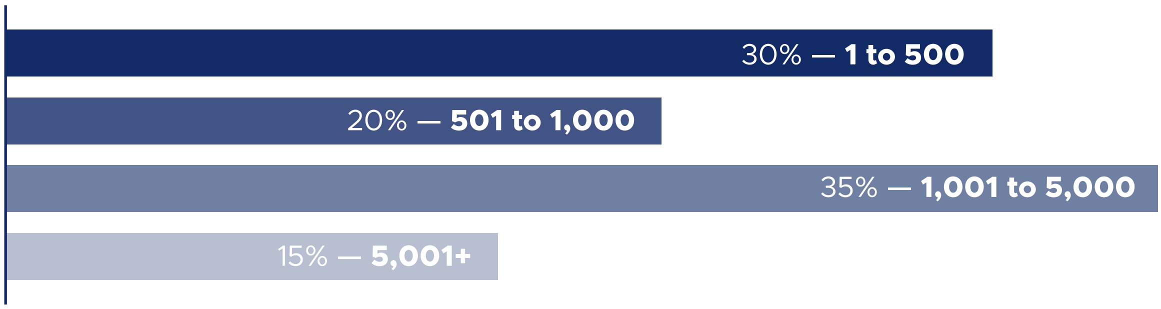
The respondents for this guidebook are decision-makers in organisations founded within Southeast Asia or multinational corporations.

- ## Headquarters of Respondent



- ## Job Title

- ## Number of Employees Worldwide



This guidebook was produced as a companion to "A SEA of Opportunities: Understanding Southeast Asia" and "Singapore's Tech Ecosystem," two reports published by EDB that highlight the attraction of Singapore — and more broadly, Southeast Asia — as important locations with fresh business opportunities for enterprises.

Addressable Market in Southeast Asia

Cloud infrastructure is constantly evolving across Southeast Asia, with all major public cloud operators — Amazon Web Services (AWS), Microsoft's Azure, Google Cloud Platform. IBM, and more — all operating within the region. The foundations for digital transformation are already present, and SaaS providers can plug in to seize potent business opportunities.

• Total Addressable Market by Sector Across Southeast Asia

E-commerce:
US$89.67B (2022)

Digital Payments:
US$195.8B (2022)

Logistics:
US$47.6B (2022)

Industry 4.0:
US$4.1B (2022)

Unified Customer Experience Management:
US$51B (2021)

Cybersecurity:
US$4.3B (2022)

Sources: Insider Intelligence, Statista, Insight Partners, Fortune Business Insights, Sprinklr, World Bank, KrASIA research

At the consumer level, the rapid digitalisation of services is prevalent. Many countries in the region are "wallet-first," with electronic transactions (through mobile payment apps) outpacing all other payment methods.[3]

The popularity of completing transactions using digital payment methods has risen in tandem with the proliferation of e-commerce and continual investment in cloud infrastructure, and acts as a response to the low penetration of traditional banking across SEA aside from Singapore.[4]

[3] S. Sharma Nariyanuri, 'Southeast Asia E-Money Market Report Shows Tech Firms Disrupting Banks', S&P Global Market Intelligence, 27 Jan 2021.

[4] Prove, 'Rise of Alternative Payment Methods in Southeast Asia', Prove Blog, 17 Jan 2022.

In 2021:

40M
people became new internet users

Regional internet penetration reached 75%[5]

Yet, the overall enterprise adoption of solutions offered by SaaS providers remains low.

Two factors immediately demonstrate the business opportunities for SaaS providers in Southeast Asia. Research conducted in 2022 indicates that 37% of organisations in APAC are still behind their peers in terms of digital agility,[6] while 92% of IT leaders in the region predict that organisations will lose more than US$7 million in revenue if they fail to fulfil digital transformation plans.[7]

Take Singapore as an example: research conducted by DocuSign revealed that 39% of businesses in the city-state use one to four SaaS solutions, suggesting that as enterprises grow, more tools will need to be added to their arsenal to automate time-consuming manual processes and streamline general operations.

More than 43% of Southeast Asia's unicorns — 15 companies — operate out of Singapore.[8] Southeast Asia's thriving tech sector consists of enterprises that have an existing affinity for SaaS solutions that help them scale their operations. Cloud-based services that resolve bottlenecks and increase operational efficiency are well received among these companies, which serve a wide range of clients in traditional and tech-empowered contexts.

Since Singapore is Southeast Asia's hub for building businesses and home to regional headquarters for multinational enterprises operating in the APAC region — hence also the home base of decision-makers for tech stacks deployed across APAC offices — SaaS providers that have on-the-ground operations within the city-state may see an advantage in client acquisition.

[5] Google, Temasek, Bain & Company; 'e-Conomy SEA 2021 — Roaring 20s: The SEA Digital Decade'; Google e-Conomy SEA.

[6] IDC, Workday; 'Thriving in Uncertainty: How Digital Agility Maximises Business Success'; IDC Infobrief; July 2022.

[7] Mulesoft, Vanson Bourne, Deloitte Digital; '2022 Connectivity Benchmark Report'; Mulesoft Reports; April 2022.

[8] V. Lath, H. Liu, D. Mistry, A. Mohammad, B. Ramanathan; 'Singapore Emerges as a New Business-Building Hub'; McKinsey Digital; 1 Apr 2022.

Elements of Successful Customer Acquisition and Retention in Southeast Asia

Long-term business success for new entrants into Southeast Asia depends on understanding how to adapt SaaS platforms to each country's work culture, languages, regulations, and business formalities.

A variety of resources exists in Singapore to facilitate that success, including government programmes that support talent acquisition and technical innovation, active business partners and investors, globally significant trade shows, localisation consultant services, and more. New entrants can mix and match these resources to speed up the process of setting up operations and introducing new SaaS solutions to enterprises in the region.

Customer acquisition in the region depends on the ability to zoom in and zoom out — zoom out to deliver value that meets global standards and zoom in to ensure that every product and platform on offer fits the local user experience.

For additional information on landing your first client in SEA, please refer to the information provided in "For tech startups: find your first customer in Singapore" by EDB.

> "The global status of Southeast Asia's major business hubs means there are immediate connection points that new entrants can take advantage of. As the likes of Singapore, Jakarta, Kuala Lumpur, and other metropolises across the region are already home to the regional offices of multinational corporations, the barrier of entry for new entrants are lower than one may expect, with the global strategies requiring specific but manageable adjustments to achieve success in local customer engagement and acquisition."
>
> — Thomas Been, CMO, DataStax

The cultural nuances of Southeast Asia's business environment will be unpacked later in this guidebook. Based on interviews with 19 SaaS providers that already operate across the region, the following actions are necessary components to successful customer engagement:

• The most important actions for SaaS providers to acquire and retain customers in Southeast Asia

Offer a unique solution that is difficult to replace	37%	Engage C-suite executives to map service against clients' business goals	21%
Bundle services through partnerships with local and multinational entities	32%	Survey clients regularly and score customer satisfaction	21%
Foster word of mouth recognition	26%	Enter new markets along with partners that are expanding	16%

Source: Survey with 19 SaaS providers operating in Southeast Asia

"Securing customers' trust is one of the most important fundamentals for business, especially when companies are offering products or services in a new category or emerging technologies that consumers may not be familiar with. Placing emphasis on building and training a local customer experience team may be an effective way to gather constructive feedback from customers that can help improve or adapt your products or services to ensure sustainable growth and long-term success."

— Chu Swee Yeok, CEO and President of EDBI

"Additionally, it is important to take note that since continued success depends on engagement that encourages subscription renewals. While each respondent indicated their products' unique selling point as a core reason for clients to retain their services, with some pointing out high switching costs as an additional way to encourage subscription renewals, several providers indicate the need for high-touch, continuous engagement.

— Sandie Overtveld, SVP and General Manager, Asia Pacific and Japan, WalkMe

Case Study: DocuSign

DocuSign offers a service that allows business organisations to prepare, sign, act on, and manage their electronic agreements. Its products integrate with many commonly used SaaS suites for businesses to generate documents for signing and managing contract life cycles.

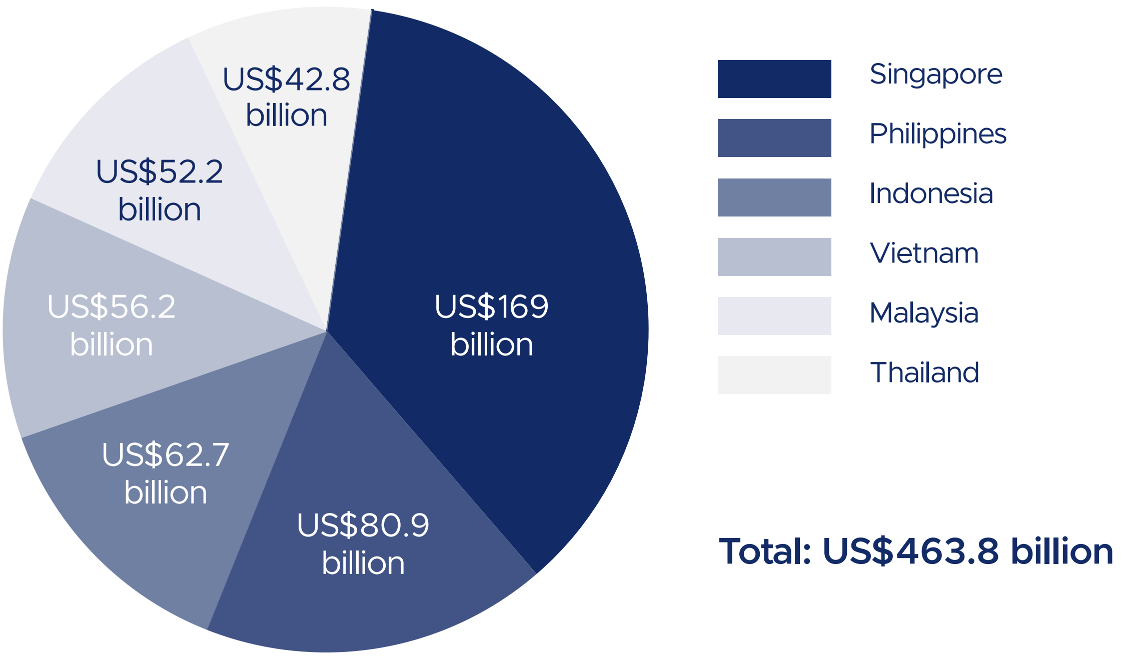
Key Facts:

Established in 2003	Headquarters: San Francisco, California, United States	Entered Southeast Asia in 2014, main hub in Singapore	Singapore headcount: 100 including account executives, solutions engineers, pre-sales consultants, renewals team, call sales development

Insight:

A mixed customer engagement strategy of direct and indirect sales helps to broaden the addressable customer base and market coverage in Southeast Asia.

- DocuSign's estimated total addressable market for electronic signature solutions:



• DocuSign's customer engagement in Southeast Asia is divided into two streams:

Direct sales that form a 1-to-1 selling relationship between DocuSign and the customer.

Indirect sales that involve a reseller or distributor responsible for setting up contracts with end customers. This can offer a higher degree of flexibility to end customers, such as monthly billing, as long as it is arranged by the intermediary.

• Bottleneck in **local recruitment.** In 2021 and 2022, SaaS companies have been actively recruiting in Southeast Asia. The talent pool has not kept up with demand, while wage levels have increased due to high demand. This condition is being addressed via government programmes including Tech@SG[9].

The company emphasises its wide range of integration possibilities with more than 400 systems, including platforms such as Salesforce. A greater number of DocuSign integrations within an enterprise's legacy environment means a higher switching cost for customers. Additionally, integrations with popular SaaS platforms such as Salesforce and ServiceNow make it natural for customers to use DocuSign.

> "When a business deploys DocuSign, both sides have invested in the relationship. Staff have been trained to use the software and to administer it. Customers often integrate DocuSign into their legacy environment."
>
> — Dan Bognar, Group VP and GM, Asia Pacific and Japan, DocuSign

DocuSign also highlights the environmental benefits of using its services, which include the elimination of paper waste, time saved through automation, a higher degree of accuracy in recordkeeping, and higher productivity by limiting re-dos, aligning with regional business leaders' view that environmental sustainability is a priority.[10]

[9] Singapore Economic Development Board, Tech@SG Programme, Singapore Economic Development Board.
[10] United Nations Thailand, 'Business leaders in Southeast Asia highlight 3 priorities for sustainability', UN Thailand, 2 June 2022.

Case Study: BIPO

BIPO
Make Life Easier.

BIPO is a payroll and HR solutions provider. The company's current thesis is that Asia is home to more than 50% of the world's population and has high growth prospects in the foreseeable future, driven by strong investment by multinational sources, making the continent a massive opportunity for BIPO to provide tools that automate manual enterprise processes.

Key Facts:

Founded in 2010 | Headquarters: Singapore | Headcount: 800+ global, 100+ in Singapore

Insight:

SaaS providers with an additional line of service, such as regulatory guidance in the case of BIPO, will add value to the digital transformation of Southeast Asian enterprises.

Useful Channels:

An established network of business partners across 140+ countries and international strategic alliances are pathways to broader business opportunities.

- BIPO has specifically identified three areas where it creates value for clients in Southeast Asia:

  - Regulatory guidance: Legal frameworks are constantly evolving
  - Scalability across regions: Few companies have payroll engines that can perform employment life cycle management in multiple markets
  - Data visibility: It is increasingly important for companies to make informed decisions based on data analytics, so intuitive dashboards and access to insights reports are key.

By following these three rails, BIPO has developed a client base where 80%–90% are multinational corporations, many of which also operate in Southeast Asia.

Case Study: Wise

Wise is building the underlying infrastructure for cross-border payments to be used by individuals, businesses, and banks. It is attempting to implement a global and transparent payment standard.

Key Facts:

Launched in 2011	Wise invests in its infrastructure to lower underlying fees for users	Headcount in Singapore: 350 as of September 2022, with plans to add 150 by the end of the year

Digital financial services are crucial to the evolution of Southeast Asia's economy. Nine out of every 10 merchants in the region now accept digital payments.[11]

Additionally, Wise uses Singapore as a base for international expansion throughout the APAC region. This means its team in the city-state includes engineering, product, and operations, making it part of the company's global operations rather than merely a regional arm. As of Q3 2022, Wise's Singapore presence is functioning as a stepping stone to reach Malaysia, Hong Kong, Indonesia, and India.

• Wise's existing B2C brand awareness provides incentives for enterprises and institutions to incorporate its services and in turn offer them to their customers.

[11] Google, Temasek, Bain & Company; 'e-Conomy SEA 2021 — Roaring 20s: The SEA Digital Decade | Singapore'; Google e-Conomy SEA.

Insight:

Southeast Asia and the broader APAC region are increasingly demonstrating regulatory innovation and openness, giving Wise and other fintech providers more room to create new services, as well as offering a level playing field for SaaS payments developers.

Wise invests in infrastructure to lower underlying fees for users. A consequence is that 66% of its individual customers join through word-of-mouth referrals. With this robust source for customer acquisition, Wise is able to approach enterprise and bank clients with the premise that their users may be familiar with Wise's services or brand, giving potential clients the incentive to utilise its payment technology.

Essential Considerations for SaaS Providers in Southeast Asia

SaaS providers that intend to operate in Southeast Asia should be prepared to build a **full-scale operation** that includes direct sales, marketing, events, operations, internal logistics, and more. Trade agencies can offer some assistance with the initial steps, but SaaS companies must go the extra mile on their own by performing the following actions.

Companies relocating their staff to Singapore should pay attention to local work pass requirements. All foreigners who work in Singapore must **possess a valid work pass.**[12]

Singapore has been improving its policies related to recruiting global talent.The Tech@SG programme, which is jointly administered by EDB and Enterprise Singapore, provides endorsement to the Ministry of Manpower and helps companies **tap into talent from around the world** to scale their business in Southeast Asia.

Don't go it alone. **Build partnership ecosystems** that mobilise local entities for mutual benefit and business growth.

Case studies should be Asia-specific. Websites should utilise geolocation functionality to present customised landing pages in the matching language.

Adjust budget planning and implementation. **Be considerate of strict budget cycles** of many industries in Southeast Asia that are stricter than in other regions.

SaaS providers that are well-known in their home markets should **be mindful that they may not be a household name in Southeast Asia.** All messaging and storytelling should be adapted to fit the expectations and understanding of expected clients within the region. Avoid "one size fits all" messaging.

For additional information on building a dynamic team in Singapore, please refer to the EDB business guides "Guide to Hiring Your Dream Tech Team in Singapore" and "Setting Up Your Tech Startup in Singapore."

Also, find out the answers to the top 5 questions that tech companies have when expanding to Asia.

[12] Singapore Ministry of Manpower, 'Work Passes', Ministry of Manpower.

Case Study: Airwallex

Airwallex enables a global payment and banking network for businesses of all sizes to simplify financial operations and move money around the world.

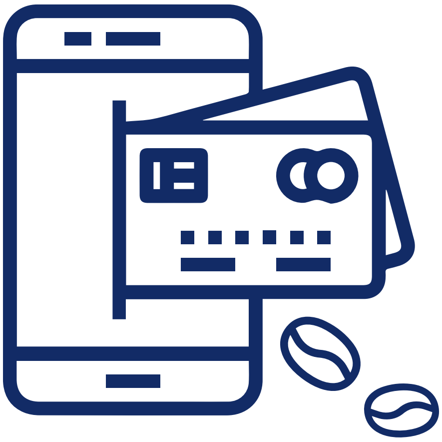
Key Facts:

Established in Melbourne in 2015

Launched in Singapore in January 2022; launched in Malaysia in March 2022

Headcount: 50 in Southeast Asia, 1,200 worldwide

Payments companies such as Airwallex operate in a highly regulated space. The company works with local experts who understand the regulatory landscape within each jurisdiction to ensure it complies with the laws and regulations specific to each location. Additionally, it has a team that assesses the commercial, regulatory, and financial services landscape in new markets that Airwallex plans to enter.



The company relies heavily on forging connections with local partners, which in turn assist Airwallex with forming a working presence in Southeast Asia. One partnership was with Flash Coffee, a Singapore-based beverage chain. Discounts were given to customers who used their corporate cards to make purchases at Flash Coffee branches. The campaign linked up with the spending patterns of Airwallex's target clients.

Insight:

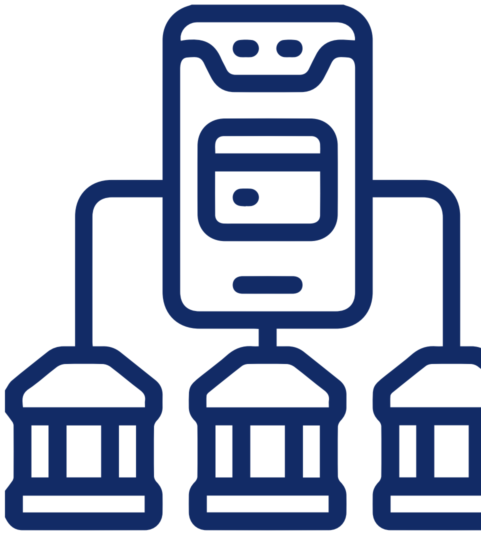
It is important for new entrants to devote time to analysing the way local customer use cases differ from an international service's global use cases.

Customers in some Southeast Asian markets tend to be more conservative and less willing to adopt solutions offered by new players. To overcome this inertia, Airwallex makes significant investment to educate customers about the benefits it can provide.

> "Southeast Asia operates on a lot of trust. By being able to partner with these local partners, you're more able to gain the trust of their customers based on the relationships they've developed. That's critical for our growth."
>
> — Cher Hao Low, Strategy and international expansion lead, Airwallex

The company bolsters its stickiness by providing useful third-party integrations, such as expense management integrated with Xero.

One hurdle to regional expansion for payment providers is Southeast Asia's fragmented banking system. Entry into each new market involves adapting the user experience and systems to accommodate the nuances of each system. There is also a need to actively engage regulators to help them understand how a new service fits their objectives and the local economy.



Useful Channels:

Highly visible advertising and marketing campaigns can complement local partnerships in building trust among prospective customers.

Case Study: ServiceNow

ServiceNow uses AI/ML to digitise enterprise workflows that include logistics, transportation, payments, and more. It does this while introducing the user experience of consumer-facing apps into corporate contexts to encourage adoption.

Key Facts:

Established in 2004	Headquarters: Santa Clara, California, United States	Entered Asia Pacific in 2013, established regional headquarters in Singapore in 2014	Headcount: 120 in Singapore, growing by 15–20 per year

Insight:

Client engagement in Southeast Asia involves a multifaceted approach, with distinctive messages adapted to fit each country.

Useful Channels:

Organisations such as Enterprise Singapore run initiatives like the Executive-in-Residence Programme to facilitate connections with regional shot-callers.

- For ServiceNow, client engagement can be described in two ways:

  - For countries with higher GDPs such as Singapore, automation is portrayed as a way to free up personnel to do high-value work.
  - For countries with lower GDPs, automation helps institutions and enterprises achieve their business goals. This narration depends heavily on an understanding of key business metrics across different markets.

While the Covid-19 pandemic has hampered travel, ServiceNow has been able to increase its productivity in client engagement.

> "In the past, many customers in ASEAN countries preferred face-to-face meetings at every step of the sales cycle. That meant travel was a big part of our routine. As the pandemic set in, we thought customers in this region would not take to remote conference tools, but the transformation happened very quickly. We can now have up to 14 meetings a day — more than double compared to what we used to have."
>
> — Wee Luen Chia, Chief Commercial Officer, ServiceNow

This has led to a 30% reduction in a sales cycle that used to take six to nine months on average. Portions of the process, such as demonstrations of the features of ServiceNow's platform, can be performed online. In-person engagement is still useful, particularly for whiteboarding sessions where the company's representatives can establish rapport with potential clients, and roundtables for C-suite engagements that present top-level best practices and insights.

• ServiceNow's customer retention strategy in Southeast Asia involves five key actions:

- Work closely with clients and partners for implementation.
- Make recommendations to unlock more value.
- Use statistics, such as indicating that automation saved 5 million minutes of manual work.
- Encourage higher degrees of automation where applicable.
- Articulate the story of clients as leading adopters of important technological tools.

Case Study: essensys

essensys is a global software and technology company for automated in-building network management, control, and provisioning for landlords and flexible workspace operators.

Key Facts:

Established in 2006	Headquarters: London, United Kingdom	Listed on London Stock Exchange in 2019	Headcount: 15 in Asia Pacific (10% of global workforce)

Insight:

The pandemic accentuated the urgent need for Southeast Asian enterprises to automate as many work processes as possible.

Useful Channels:

The Singapore Economic Development Board highlights unique enterprises that have set up regional operations with the city-state as home base. Its reports, articles and infographics provide useful information on how to start and build a business in SEA.

Globally, essensys is operating at a time when the physical nature of work is changing — many employers now have partial or full work-from-home policies in place. This means organisations must also source and apply the right technological solutions as the way they use commercial space transforms.

> "During the pandemic, one key thing we helped our clients do was rationalise their operational costs more efficiently through automation. Most found it beneficial to do this even though some saw their own customers staying home more often."
>
> — Eric Schaffer, APAC CEO, essensys

Southeast Asia's geographic, cultural, and regulatory diversity leads to business organisations being structured in drastically different ways. This becomes crucial when essensys identifies key stakeholders within each organisation.

Additionally, essensys must have a team of real estate professionals that each understand the ins and outs of their local market. This led to a six-month process for recruitment when the company set up its APAC operation.

Cultural Nuances of Southeast Asia's Business Environment

Southeast Asia is at the nexus of international trade routes and is now home to people of many cultures and religions. These trade-dependent economies have formulated their own unique business etiquette that differs from that of North America or Europe in various ways.

Below are some tips offered by Steve Dawson, CEO and Founder of Asia Market Entry, a consulting firm that assists international software and technology companies with expanding into the Asia Pacific market:

Organise regular executive visits.
Demonstrate to clients that they are a valued part of your business. Post-visit follow-ups should be during Southeast Asia's business hours.

Dress appropriately.
Much of Southeast Asia rests on or near the equator, with balmy or hot temperatures year-round. Ditch the suit — unless your specific context demands it — and wear business-friendly attire that matches the climate.

Consider linguistic gaps.
Clarify key messaging via email or messaging apps after in-person or video-conference meetings.

Communicate over chat apps.
It is common to have business discussions over apps such as WhatsApp, WeChat, LINE, Telegram, and other apps.

Be respectful of body contact and post-meeting entertainment arrangements.
Indonesia and Malaysia are Muslim-majority countries, while one in every six people in Singapore is Muslim. Religious beliefs and social norms do have some bearing on business etiquette. For example, it may be improper to conduct business over drinks, and handshakes may be inappropriate, particularly between people of different genders.

Make time for regular informal meetings.
Devote time to approach clients through in-person meetings over food or coffee during business hours.

To learn more about the cultural nuances that shape business relationships in Southeast Asia, please refer to the EDB business guide "A SEA of Opportunities: Understanding Southeast Asia."

Case Study: WalkMe

WalkMe is an American multinational SaaS provider. The company operates in the "digital adoption platform" category, which includes companies that assist enterprises with digital transformation.[13]

Its platform is utilised by clients in the financial services, technology, and business and consumer services sectors. The company also provides data insights to customers and utilises automation or information provision at critical times to ensure a good user experience. WalkMe's clients are typically enterprises with 500 or more employees. It currently serves IBM, LinkedIn, and Nestlé.

Key Facts:

Established in 2011

Headquarters: San Francisco, California, United States

Singapore headcount:
- 15 in 2022,
- 30 in 2023 (planned)

Market share:
Half of the current 1% penetration in the USD 34 billion global digital adoption platform

Insight:

The sales cycle for SaaS providers may be lengthy, and enterprises in Southeast Asia require in-depth education about the enhanced value created by new digital tools.

Useful Channels:

WalkMe is part of the Infocomm Media Development Authority Accreditation programme, which endorses promising technology developers to help them establish credentials and position them as qualified parties to government and large enterprises.

Find out how an accreditation programme is helping tech companies get customers quickly in SEA.

[13] V. Srinivasan, A. Sharma, M. Say, D. Brodeur-Johnson, B. Nagel; 'New Tech: Digital Adoption Platforms, Q2, 2022'; Forrester; 16 May

• WalkMe's customer acquisition strategy in Southeast Asia is fourfold:

Clear messaging.
Its digital adoption platform is not replacing existing tools because it is a new type of tool.

Continual outreach and education.
These are crucial as the company must showcase the benefits of using its digital adoption platform.

The "WalkMe Challenge."
Timed, side-by-side comparisons of task completion using software with and without WalkMe.[14]

Executive roundtables.
Evangelists from client companies offer case studies to WalkMe's prospective customers.

• Bottlenecks

Recruitment.
WalkMe requires team members who understand cloud and can work with large, complex organisations. The talent pool is not growing fast enough to meet demand.

Long sales process.
Educating a client takes up to 18 months.

[14] WalkMe, 'Welcome to the WalkMe Challenge', *WalkMe*.

WalkMe's customer retention strategy relies on "taking customers on a journey to ensure they continuously see value" in its platform.

This involves spending a significant amount of time with customers and even requesting them to take part in case studies that can serve as references for other enterprises in the future.

"The average large organisation has 700 pieces of software that its employees use. The average employee uses 10 of those pieces of software. If you can figure out how to use all of that software more efficiently, then you don't need to increase your headcount as rapidly. Your employees may have better job satisfaction because they are spending more time on tasks that they find interesting and far less time on menial tasks."

— Sandie Overtveld, SVP and General Manager, Asia Pacific and Japan, WalkMe

Case Study: Cyclone Robotics

Cyclone Robotics offers robotic process automation. Given that 80% of business leaders surveyed by the World Economic Forum say they are accelerating work automation processes, and 50% say they will accelerate this transformation,[15] Cyclone Robotics was able to provide the relevant tools when SMEs and large enterprises of all sizes instituted work from home arrangements because of the Covid-19 pandemic.

Key Facts:

Established in 2015	Headquarters: Shanghai, China	Expanded to Singapore in 2021

Insight:

Define how your offerings benefit the bottom of the pyramid — even if they are not your immediate users and customers.

Useful Channels:

Senior leaders in enterprises serving mass consumer bases are effective in championing SaaS adoption in developing markets.

Cyclone has identified Southeast Asia as a hyper-growth area where the population is moving from the bottom of the pyramid to higher tiers of economic prosperity.

This transformation brings about one obstacle: mentions of automation are often associated with job replacement. Therefore, it is crucial for SaaS providers to explain how their services will provide value to their target customers and create efficiencies and even new jobs. This also means that operating in Southeast Asia requires a deep understanding of enterprises that are serving the bottom of the pyramid.

[15] World Economic Forum, 'The Future of Jobs Report 2020', World Economic Forum, 20 October 2020.

> "In Indonesia, by working with the right partners, we share the story of how automation can uplift communities much more than anything else."
>
> — Fabian Wong, Global Managing Partner, Cyclone Robotics

As a SaaS provider seeking new business opportunities in Southeast Asia, Cyclone recognised that the region is "multi-speed," meaning it may need to operate in multiple countries of varying levels of economic maturity. An important component in its expansion strategy is identifying countries where major enterprises are on the cusp of digital transformation, possibly making investments in local education to imbue the relevant skill sets in the upcoming workforce.

Finally, Cyclone recognises that data sovereignty is a key issue for SaaS providers. The conservative way of managing the matter is to follow global and local standards standards and ensure that customer data is converted and stored in adherence to each country's regulations.

Payments and Fintech

In 2022, Southeast Asia's e-commerce sector — a bellwether for the payments and fintech space — grew by 16% to hit US$130 billion.[16] These transactions are a small part of the growing slice of business for electronic payments.

• Expected E-commerce Sales in Southeast Asian Countries

Indonesia
2022: US$10.9B
2026: US$17.4B

Philippines
2022: US$4.6B
2026: US$6.5B

Malaysia
2022: US$4.8B
2026: US$6.8B

Singapore
2022: US$5.8B
2026: US$8.8B

Thailand
2022: US$6.5B
2026: US$10.1B

Vietnam
2022: US$5.9B
2026: US$8.8B

Source: Edge by Ascential Retail Insight

Smartphone-based transactions are now ubiquitous across the region, and B2B payments are also in place. However, implementation of either case across the region is difficult as each country has its own set of regulations. As Southeast Asia's payments space grows, a variety of SaaS payments providers will be able to form new partnerships and seize new opportunities.

One top-down programme that encourages innovation within the payments space is the Monetary Authority of Singapore's (MAS) FinTech Regulatory Sandbox, which gives major enterprises and startups a well-defined space to experiment with new developments that lead to novel financial services and products. MAS may also provide regulatory support to enterprises behind successful experiments, in some cases reshaping the rules that govern digital assets and transactions.

More broadly, B2B payments in the APAC region is expected to reach US$1.4 trillion by 2025,[17] with Singapore being a key business hub for SaaS payments providers to capture this business.

Find out how Singapore's FinTech Regulatory Sandbox is helping fintech innovators accelerate time to market.

[16] Google, Temasek, Bain & Company; 'e-Conomy SEA 2022: Through the waves, towards a sea of opportunity'; Google e-Conomy.',
[17] M. Tan, 'Growth Opportunities Rise as APAC B2B Payments Market Prospers', Frost & Sullivan, 13 Apr 2020.

Case Study: Revolut

Revolut

Revolut is a fintech developer that offers a range of financial and banking services to consumers around the world.

Key Facts:

Established in 2015	Headquarters: London, United Kingdom	Launched in Singapore in October 2019 with 30,000 customers

Insight:

61% of Singapore-based digital merchants are likely to increase usage of digital financial services in the next two years,[18] making the city-state a strong homebase for payments providers stepping into the region.

As of this report's publication, Revolut maintains a "lean team" in Singapore and is planning to expand to other countries within the region. Revolut's consumer engagement strategy chiefly depends on referrals and word-of-mouth recognition. The company brings this strategy to life by building features that are shareable on social media.

> "Singapore is a place where there's more and more talent that is well-versed in how to develop and grow fintech companies."
>
> — Charles Debonneuil, APAC Head of Growth, Revolut

Looking beyond Singapore, Revolut identified payment availability as a limitation — with low credit card adoption, it may be difficult for some enterprises and consumers to set up recurring payments. A variety of fintech products can offer resolutions.

Additionally, end users in Southeast Asia are accustomed to free access to online materials and services. The success of converting them to paying subscribers depends heavily on creating a smooth and engaging user experience and conveniences that are not found in platforms that offer free services.

[18] Google, Temasek, Bain & Company; 'e-Conomy SEA 2021 — Roaring 20s: The SEA Digital Decade | Singapore'; Google e-Conomy

Case Study: Nansen

Nansen's data analytics platform delivers real-time information about cryptocurrencies and NFT collections. It utilises on-chain data and offers a database of labelled crypto wallets for individual and institutional users to form new insights and develop investing strategies.

Key Facts:

Established in late 2019 in Hong Kong, reincorporated in October 2020 in Singapore	Headquarters: Singapore	Headcount: 150 worldwide, 34 in Singapore	Total addressable market: US$5 billion to US$10 billion	20x in annual recurring revenue in 2021

Insight:

64% of Southeast Asians are keen to utilise crypto payments in their daily transactions.[19]

Useful Channel:

Nansen's CEO and co-founder, Alex Svanevik, is the face of the company. His guest lectures, public outreach, and thought leadership within the crypto space cements Nansen as a leading blockchain analytics provider.

Nansen moved its headquarters from Hong Kong to Singapore as the Southeast Asian city-state was developing rules to create a global digital asset hub. Singapore's regulations for blockchain-based assets continue to evolve, and Ravi Menon, the managing director of the Monetary Authority of Singapore, wrote in an opinion piece published by the International Monetary Fund that "it is not unreasonable to imagine a future in which the digital asset ecosystem is a permanent feature of the financial landscape."[20]

The blockchain data analytics platform offered by Nansen is used by individuals and institutions. The company's B2C business is completely self-serviced, while its B2B business is a combination of self-service and sales-led strategies.

[19] Visa, 'Consumer Payment Attitudes Study 2022: Navigating a New Era in Payments', Visa, 5 July 2022.
[20] R. Menon, 'Making Sense of Crypto', International Monetary Fund Finance & Development, September 2022.

In July 2022, Nansen's B2B revenue (51%) surpassed its B2C revenue (49%) for the first time, and the company expects its B2B business to continue growing. Overall, up to 97% of Nansen's business is from outside Singapore. Its B2C business increases cyclicality in revenues as consumer subscriptions may dip during market downturns. Cultivating a larger share of B2B clients will help the company become more insulated from market cycles.

> "Crypto is a retail-driven market. You cannot ignore retail if you want to be a true category leader. At the same time, if you ignore institutions on the B2B side, you're leaving a lot of revenue on the table."
>
> — Alex Svanevik, CEO and Co-Founder, Nansen

Nansen is involved in a series of formal and informal initiatives to cultivate blockchain talent in Singapore and around the world. It is setting up academic partnerships with institutions of higher learning in Singapore and the United States, and participates in EDB-sponsored forums and conferences internationally.

Also, find out about Singapore's Industry Transformation Maps reflecting the country's 2025 ambitions for five key sectors.

Supply Chain, Logistics, and Industry 4.0

APAC manufacturing organisations recognise the need to merge cutting-edge solutions into their operations, with 93% viewing this transformation as “very” or “extremely” important to their long-term success. Just as importantly, 38% indicated that they will make more investments in supply chain planning.[21]

Southeast Asia is already an important manufacturing hub for electronics; new production facilities are being built to make electric vehicles in at least three countries — Indonesia, Thailand, and Vietnam. These organisations will require the support in supply chain and logistics management as well as smart manufacturing implementation.

To find out more about the transformations in the region’s supply chain and manufacturing sectors, read “Trends Shaping Advanced Manufacturing in Asia Pacific in 2022,” a report commissioned by SGInnovate and produced by Frost & Sullivan.

“The Global Smart Industry Readiness Index Initiative: Manufacturing Transformation Insights Report 2022,” which was launched by Singapore EDB and the World Economic Forum, provides additional insight.

[21] Plex, ‘7th Annual State of Smart Manufacturing Report’, Plex White Papers, 2022.

Case Study: Quincus

Quincus offers an automation and optimisation platform for supply chain enterprises.
It operates in a business sector with entrenched methodologies that are resistant to transformation.

Key Facts:

Established in 2014

Headquarters: Singapore & Toronto, Canada

Singapore headcount: 50

Insight:

Southeast Asia has decades-old conglomerates that are in the early phases of modernising their work processes. Singapore functions as a central hub to access region-spanning enterprises that are in need of digital transformation.

Useful Channels:

Regular and constant customer engagement will be necessary when providing services to conventional enterprises that are upgrading internal systems by incorporating SaaS tools.

Southeast Asia is a global logistics hub, with Singapore, Klang (Malaysia), Tanjung Pelepas (Malaysia), Laem Chabang (Thailand), Tanjung Priok (Indonesia), and more connecting with major ports around the world. The region is highly dependent on trade. Logistics accounts for 7.4% of Singapore's GDP,[22] 3.8% of Malaysia's GDP,[23] and a whopping 26% of Indonesia's GDP.[24]

This sector still functions much like it did decades ago — many providers will use pen and paper for a portion of their records, and shipment orders are often shared via email or verbally through telephone calls.

This represents a massive opportunity for logistics-focused SaaS providers that can digitalise the sector's operations, particularly those that can aggregate and make sense of data to offer an end-to-end perspective that spans the first-mile, mid-mile, and last-mile providers — and ultimately optimise shipping and delivery routes.

[22] Singapore Infocomm Media Development Authority, *Logistics*, 21 July 2021.
[23] Malaysian Investment Development Authority, 'Malaysia, Well-positioned as a Regional Logistics Hub and Gateway to ASEAN', MIDA e-Newsletter, April 2021.
[24] S. D. Susanti, Suharto; 'Government Targets Logistics Costs to Reach 17 Percent of GDP'; Antara News; 24 February 2022.

> “Legacy is real. Logistics providers are particularly affectionate towards their legacy systems and processes. The main reason is that it’s an old industry and the operations work — why fix something that isn’t broken?”
>
> — Jonathan E. Savior, CEO and Co-Founder, Quincus

Household names such as FedEx, UPS, and DHL already engage SaaS solutions because these platforms are difficult to build in-house. However, many shipping companies and couriers are resistant to change and have yet to make upgrades to decades-old systems.

• Quincus overcomes this challenge by performing several actions:

- Conducting intensive market education. Distill the problem to ensure the solutions being offered are matched with the right problem.
- Creating proofs of concept. Utilise a customer’s information to create models that make projections for saved costs.
- Walking through Quincus’ services step by step. Be prepared for a high-touch sales cycle.

This customer journey takes three to six months of engagement with executives such as CEOs and CTOs.

Case Study: Black Lake Technologies

Black Lake's cloud-based, IoT-enabled SaaS product has facilitated the digital transformation of a plethora of China-based manufacturers. As many types of manufacturing operations expand to Southeast Asia, Black Lake is also offering its services in the region, making it possible for factory staff to monitor production processes in real time and extract data-driven insights.

Key Facts:

Established in 2016 | Headquarters: Shanghai, China | Southeast Asia as first market beyond China

Insight:

Singapore offers access to major manufacturers relocating their China operations into Southeast Asia.

Useful Channels:

By growing alongside customers and leveraging relationships with local partners such as Temasek, SaaS providers can develop new lines of business in Southeast Asia.

Outside of China, most of Black Lake Technologies' business is in Southeast Asia, with a small number of clients located in South Korea. Even though Southeast Asia is key to Black Lake's expansion beyond its home market, it has yet to establish formal operations in the region because of travel limitations brought on by the Covid-19 pandemic and strict rules for entering and exiting China.

Consequently, Black Lake Technologies relies fully on online communication and marketing channels for sales, client engagement, and market education.

“We’ve found that our customers are using SaaS solutions not only to lower costs and elevate efficiency, but also to access more customised functionality and meet market demands in the context of consumers being more empowered than ever before.”

— Li Xiang, Co-Founder, Black Lake Technologies

Black Lake’s entry into Southeast Asia was chiefly driven by the regional expansion of its existing clientele that is in China, including domestic enterprises and multinational brands with China operations.

The company found that manufacturing facilities in Southeast Asia have many of the same shortcomings as those in China, including a low level of digitalisation and chaotic paper-based work orders, suggesting Southeast Asia was ripe for the type of digital disruption that Black Lake offers — replacing antiquated systems in existing factories and creating operational infrastructure for new facilities.

Black Lake’s customers include evangelists that convince upstream suppliers to use the company’s products for better supply chain integration. Black Lake’s customer engagement rests on providing value beyond a client’s own operations, creating a network effect that leads to higher efficiency for multiple parties. This word-of-mouth promotion has been key to Black Lake’s propagation in Southeast Asia.

Even though Black Lake has been making headway in Southeast Asia, it is still in the early phases of localisation. It depends on local partners to understand the needs of a diverse set of customers spread across the region.

“To expand into Southeast Asia, Singapore is surely the first stop. Here, the economic and political conditions are standardised, and there is a mature business environment. During the pandemic, Temasek [which is one of the investors of Black Lake] helped us form relationships with the Singapore government and local enterprises. We were able to learn more about the Singapore market and seek potential partners.”

— Li Xiang, Co-Founder, Black Lake Technologies

Enterprise Services

Businesses across Southeast Asia are scaling fast. In the post-pandemic context, this means including hybrid work arrangements and moving toward a higher degree of digitisation to enable flexibility and adaptability in all contexts.

Additionally, Southeast Asia is home to 95 million micro, small and medium-sized enterprises that contribute up to US$1.5 trillion annually to the region's GDP. This amounts to 40% of the region's total GDP,[25] and this massive segment of businesses are digitising rapidly. They require solutions that mesh with existing practices, habits, and user experiences, so contenders with strong localisation plans may find loyal, long-term clients throughout the region.

Highlight:

The internet economy in Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam — SEA's six largest economies — hit US$194 billion in gross merchandise value in 2022.[26]

[25] Team Sequoia India & SEA, 'Southeast Asian SaaS Is About To Hit Prime Time', Sequoia India, 10 December 2021.
[26] Google, Temasek, Bain & Company; 'e-Conomy SEA 2022: Through the waves, towards a sea of opportunity'; Google e-Conomy.

Case Study: Sprinklr

Sprinklr is a provider of a unified customer experience management (Unified CXM) platform that enables enterprises to track social media marketing, content performance, customer care, and other tasks through one software suite.

Key Facts:

Established in 2009	Headquarters: New York, New York, United States	Operating in Southeast Asia since 2019	Headcount: 100 in Singapore

Insight:

New categories of SaaS solutions are being adopted by enterprises in Southeast Asia as they undergo digital transformations.

The company has rapidly developed its presence in Singapore. It has built an innovation hub in the city-state and maintains engineering and sales teams to support its regional operations. Sprinklr has developed a Customer Happiness Index and Employee Happiness Index to track their successes in client engagement and retention, team cohesion, and partnership formation from quarter to quarter.

• There are four pillars in Sprinklr's customer acquisition strategy:

- Define the service provided: Unified XM is a new category that many enterprises are not familiar with.
- Attach Sprinklr to the most important needs of an enterprise.
- Resolve customer challenges: Map out a client's most pressing obstacles and indicate how Sprinklr can overcome them.
- Present the stories of Sprinklr's role in the success of top global brands.

> “If you’re always on the cutting edge of technology, then the talent pool becomes very limited.”
>
> — Henry Kho, Division Vice President, APAC, Sprinklr

Sprinklr’s localisation strategy goes beyond recruiting country-specific team members and developing a platform that fits a location’s cultural and linguistic needs. Any platform’s technology must have a foundation that takes into account the subtle differences across Southeast Asia’s markets.

> “We are mindful that we’re hiring not just local talent, but diverse people from various backgrounds. We build our product with those nuances in it. Our AI can understand the cultural and language nuances in each region. For example, Bahasa is spoken slightly differently in Indonesia, Malaysia, and Singapore. Our engine has to be tuned to recognise those differences.”
>
> — Henry Kho, Division Vice President, APAC, Sprinklr

Case Study: Lark

Lark is an enterprise communications and collaboration platform developed by ByteDance. It includes videoconferencing, calendar functionality, messaging, and other features. Lark was originally built as an internal communications platform but was released for public use in 2019.

Key Facts:

ByteDance global headcount: nearly 200,000

ByteDance developed Lark and began using it internally in November 2018.

Lark's platform was made available to enterprises in Southeast Asia for free in April 2020.

Insight:

Southeast Asia is often the first stop for major Chinese enterprises that are expanding overseas, with Singapore as their initial foothold.

Useful Channels:

Your existing clients in Southeast Asia may partner with you as part of their own client acquisition strategy to highlight their efficiency.

Lark places an emphasis on integrations. The company encourages usage by ensuring that its platform's features can connect tasks that would otherwise require manual intervention.

"Having a single sign-in for multiple applications is table stakes these days. A single sign-in between two silos leads to connected silos — data and processes aren't being shared, and applications can't be used together. We want users to push one button to show an email in a chat conversation, or push one button in the calendar to form a chat group with every attendee of a video call. That's where the time savings come from."

— Andy Wang, North America GM and former APAC GM, Lark

When Lark was released for public use, the company formed a direct sales team and developed a channel strategy with local partners for customer acquisition in Southeast Asia. This supported both of Lark's targets — to serve small enterprises in the pre-seed stage, as well as larger corporations seeking an alternative for collaboration in the workplace.

The company's top source of referrals is former ByteDance staff. By relying on this endorsement, the company has a shorter sales cycle — a matter of weeks for small and medium-sized businesses.

Additionally, Lark relies on local entities to quickly develop familiarity with markets where it aims to acquire new clients.

"Working with local organisations such as the Singapore Economic Development Board is a way for us to learn more about local needs when we are not able to put boots on the ground in every country."

— Andy Wang, North America GM and former APAC GM, Lark

Artificial Intelligence, Machine Learning, and Cybersecurity

Applications built using AI/ML technologies are crucial for digital transformation. Research reveals that 42% of Asia Pacific enterprises using AI only apply it in individual projects rather than in a holistic manner.[27] As businesses automate even more workflows and integrate tools that provide data analytics, there is opportunity for broader usage of AI/ML technologies.

Additionally, as a growing number of enterprises of all scales move their workflows online, cybersecurity is becoming increasingly important. In 2022, the average cost to any company in six ASEAN markets (including Singapore) that was hit by a cyberattack was US$2.87 million. More than 80% of businesses reported they had been hit by cyberattacks at least once,[28] with 67% of businesses saying they had been hit by ransomware.[29]

Together, these factors present crucial opportunities for AI/ML and cybersecurity providers aiming to enter Southeast Asia.

[27] IDC, 'New IDC Benchmark Reveals 42% of Asia/Pacific* Enterprises Deploying Artificial Intelligence Only Use it in Isolated Projects', IDC Media Center, 7 April 2021.
[28] IBM Security, 'Cost of a Data Breach Report 2022', IBM, August 2022.
[29] M. Zulhusni, '67% of businesses in SEA found themselves as victims of ransomware attacks', Tech Wire Asia, 17 August 2022.

Case Study: DataMesh

DataMesh

DataMesh develops data twins, mixed reality applications, and spatial data processing tools for various industries. These products are particularly useful for construction and manufacturing. The company's services are utilised by conglomerates in China and Japan.

Key Facts:

Established in 2014 | Headquarters: Singapore and Beijing, China

Insight:

Lasting partnerships with clients that operate ecosystems yields fresh business opportunities.

Useful Channels:

Grow with conglomerates that are your existing customers as they enter Southeast Asia.

DataMesh depends on forming long-term partnerships with "system integrators" such as SingTel, Microsoft, Fujitsu, Siemens, Honeywell, and AIS Thailand to offer services in a variety of contexts. The company does not limit its scope, but rather explores the possibility of implementing its products in different settings.

This means the total addressable market for DataMesh — and some other SaaS providers — can change depending on the creativity and drive of local or regional teams.

"In Southeast Asia, there is a gap in Industry 4.0 transformations. Some of these factories and end users are more conservative. It takes time to educate them. But once they see the value of a product and are convinced to use it, they put in the effort to make it happen because they see a future that they can move towards."

— Jacky Chan, Managing Partner, Singapore, DataMesh

Case Study: XRATOR

XRATOR offers cost-effective preventative cyber defence, capabilities to businesses to safeguard against cybercriminals. Its services are mainly geared toward enterprises that have more than 200 employees, but the company also serves SMEs.

Two of XRATOR's four founders met through a mentorship programme hosted by the French Chamber of Commerce in Singapore. They recognised the regional opportunity to drum up business in ways that may not have been possible in their home country, France.

Key Facts:

Established in 2020

Headquarters: Singapore and France

Headcount: 15 throughout Singapore, India, Thailand, and France

Insight:

Cultivating market awareness for SaaS products is an ongoing process.

Useful Channels:

There are more than 30 trade associations and chambers of commerce in Singapore that offer assistance to connect companies with partners, clients, and other organisations.

- Company formation in Singapore:

Access to an active investment landscape that includes regional and multinational VC firms.

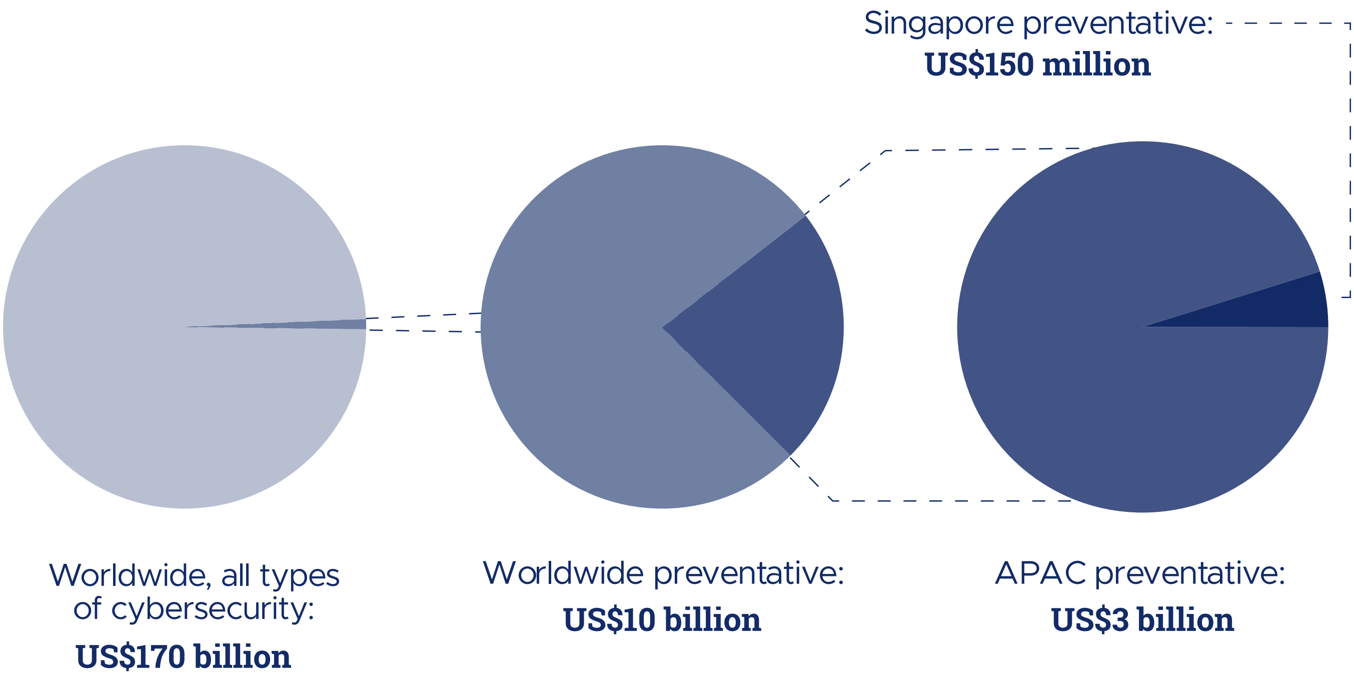
Straightforward administrative and legal processes.

Well-defined business regulations.

> "As a team of French founders, we had two options — France or Singapore. France's startup scene is crowded, whereas Singapore's market is part of an emerging market. There are other advantages in Singapore, including better prospects for fundraising and favourable taxation."
>
> — François Moerman, CEO and Co-Founder, XRATOR

The Singapore government actively advocates for stronger cybersecurity awareness in the city-state,[30] highlighting phishing and scams as particular threats. This has led to enterprises exploring the adoption of more robust cybersecurity services. XRATOR forms partnerships with cybersecurity providers that are value-added resellers, automating up to 80% of their tasks.

- Cybersecurity market size:



[30] A. Tan, 'Singapore Refreshes Cyber Security Strategy', ComputerWeekly.com, 11 October 2021.

On top of its preventative cybersecurity services, XRATOR actively retains customers by providing scores that lead to benchmarks for tracking employees' cybersecurity hygiene, as well as reports that link cybersecurity goals with the enterprise's mission. These provide frameworks for management to understand the effectiveness of XRATOR's products and services.

- Bottlenecks:

Low awareness of cybersecurity's importance, leading to a mentality of committing minimum effort to comply with regulations defined by the Monetary Authority of Singapore.

Venture capital deal activity slowdown in 2022.

Case Study: ADVANCE.AI

ADVANCE.AI is a subsidiary of Advance Intelligence Group, one of the largest technology startups based in Singapore. ADVANCE.AI provides digital identity verification, fraud prevention, and risk management solutions across banking and financial services, retail, e-commerce, and Web3 sectors. It currently has operations across South and Southeast Asia, the Asia Pacific, the Middle East, and Central America.

Key Facts:

Established in 2016

Headquarters: Singapore

Global headcount: 300

Insight:

Build new layers upon SaaS offerings to create extra value for clients in Southeast Asia.

Useful Channels:

Form deeper relations with existing clients to develop new avenues of revenue.

The key pillars of ADVANCE.AI's products include eKYC, eKYB, alternative credit scoring, and risk management solutions. As a company that is rooted in Singapore with offices across Southeast Asia, ADVANCE.AI has a strong focus on centring its offerings with a global solution that has layers of localisation to meet regulatory requirements and satisfy client needs across markets.

> "Checking a user's ID in Singapore is different from doing so in other Southeast Asian countries. For example, the Philippines has as many as 11 different types of identification that are commonly accepted. This creates a complex process, making localisation an absolute necessity."
>
> — Lim Teng Sherng, Chief Commercial Officer, ADVANCE.AI

One of ADVANCE.AI's key strategies for growth is to add value by extending its range of services after developing a firm presence in specific verticals. For example, the company sees the user onboarding process offered to clients as a starting point for user engagement. ADVANCE.AI retains its clients by streamlining downstream experiences and developing new suites that can be integrated in client platforms.

- Bottlenecks:

Compliance with a vast array of regulations across markets requires recruitment of many government relations representatives and constant adaptation.

Recruitment for other roles often involves hiring from beyond the region.

Product readiness, i.e. the speed at which ADVANCE.AI can launch a market-specific product, varies from country to country.

Case Study: DataRobot

DataRobot

DataRobot helps organisations build and deploy customised data analysis models to monitor and interpret events and behaviors, enabling businesses to use AI-driven insights to make predictions about the results of their business actions.

Key Facts:

Established in 2012	Headquarters: Boston, Massachusetts, United States	Established regional hub in Singapore in 2014	Headcount in Singapore: 24 people, including engineering, sales, pre-sales consulting, and customer support

Insight:

Target the right audience within a client organisation.

Useful Channels:

Singapore's Government Technology Agency and Economic Development Board offer a wide range of support as goodwill partners in the region's ecosystem.

One key bottleneck is that many countries in Southeast Asia are still nascent markets, and conservative or traditional organisations may exhibit SaaS adoption at the C-level, but translating that enthusiasm to all levels within an enterprise takes time. However, this also represents opportunities for growth for SaaS providers.

"Organisations are looking to use AI/ML as a force multiplier for their business, whether that be automating the workflow of data scientists or enabling non-technical users to participate in building solutions."

— Sean Race, Regional Vice President, APAC, DataRobot

Partners and Events in Southeast Asia

Singapore has a vibrant calendar of events that focuses on a range of business sectors. Each event represents an opportunity for networking with representatives of multinational and regional enterprises, regulatory bodies, trade organisations, and other entities in attendance.

Asia Tech x Singapore (ATxSG) is a flagship tech event organised by Informa Tech, with conferences covering timely discussions about AI, enterprise digitisation, and other topics.

Singapore FinTech Festival is the largest fintech event in the world. It is organised by the Monetary Authority of Singapore, Elevandi, and Constellar in collaboration with The Association of Banks in Singapore.

The Singapore Week of Innovation & Technology (SWITCH) features business leaders, entrepreneurs, accelerators, and investors that operate within the innovation ecosystem in Asia and beyond. The event is organised by Enterprise Singapore.

The Singapore edition of **TOKEN2049** brings together leading voices in the crypto and Web3 space to highlight the latest developments in building and implementing blockchain-based technologies.

Partners and Events in Southeast Asia

Temasek Holdings Limited (Temasek) is an investment company owned by the Government of Singapore. Its portfolio includes companies that reflect the growing digitisation of businesses, shifts in the future of consumption, the pursuit of sustainable living, and the longer lifespans that people now enjoy. Incoming SaaS providers may be able to form partnerships with Temasek or its portfolio companies that have the potential to grow beyond the city-state.

SGInnovate is a government-owned platform that supports entrepreneurs who are building upon the development and implementation of deep technology. Just as with Temasek, incoming SaaS providers whose tools fit the workflows of deep tech startups may be able to link up with the companies that SGInnovate works with by liaising with the platform.

The Singapore Economic Development Board (EDB) is an agency under the Ministry of Trade and Industry responsible for strategies to enhance Singapore's position as a global centre for business, talent and innovation. EDB provides research, insights and networking/industry events that new SaaS entrants might find useful.

EDB Investments (EDBI) is a global investor and the investment arm of EDB focusing on focusing on high growth technology sectors that shape the future economic pillars and companies seeking to grow in Asia through Singapore. Beyond providing capital, EDBI focuses on generating value for its portfolio companies by helping them realise their growth plans in Southeast Asia and Singapore through its network. EDBI's value creation effort includes assisting in regulatory processes, supporting talent acquisition and facilitating new business opportunities such as connecting portfolio companies with potential customers.

The Government Technology Agency (GovTech) operates as part of the Prime Minister's Office and facilitates digital transformation in the public sector, empowering Singapore using info-communications technology. A variety of tech-focused events are also organised in Singapore each year, each attracting leading thinkers, entrepreneurs, and investors from around the world. GovTech acts as a goodwill stakeholder within the tech space, hosting events such as the GovTech STACK Developer Conference and advocating for the implementation of smart cities and broader commercial cloud usage, paving the way for SaaS companies to succeed in the city-state.

The Infocomm Media Development Authority (IMDA) regulates Singapore's infocomm and media sectors to encourage growth and cultivate talent, research, and innovation. IMDA also has a hand in fostering pro-enterprise regulations and shaping rules that ensure data protection in Singapore. The authority operates a range of programmes that SaaS providers may participate in, such as IMDA Accreditation, which accelerates the growth of Singapore-based technology companies through contracts with public agencies and major enterprises.

Partners and Events in Southeast Asia

Many consultancies and chambers of commerce operate in Singapore, each assisting new entrants and existing operators with their business needs.

The chambers of commerce include:

- Singapore Chinese Chamber of Commerce and Industry
- British Chamber of Commerce, Singapore
- American Chamber of Commerce in Singapore
- African Southeast Asia Chamber of Commerce
- Australian Chamber of Commerce in Singapore
- ADB-Dutch Chamber of Commerce (Singapore)
- European Chamber of Commerce (Singapore)
- French Chamber of Commerce in Singapore
- Irish Chamber of Commerce (Singapore)
- Italian Chamber of Commerce Singapore
- Japanese Chamber of Commerce & Industry, Singapore
- Korean Chamber of Commerce Singapore
- Latin American Chamber of Commerce
- New Zealand Chamber of Commerce, Singapore
- Singapore Chamber of Commerce (Western Australia)
- Singapore Indian Chamber of Commerce & Industry
- Singapore Malay Chamber of Commerce & Industry
- Singapore-Thai Chamber of Commerce
- Singaporean-German Chamber of Industry and Commerce
- Vietnamese Chamber of Commerce in Singapore
- Canadian Chamber of Commerce in Singapore

Partners and Events in Southeast Asia

A variety of public programmes in Singapore offer different forms of support to companies that operate in the city-state and across the region. These initiatives create a business-friendly environment for tech-empowered teams to scale their operations quickly and acquire new business. Additionally, more experimental programmes give companies that are creating novel solutions the opportunity to provide feedback regarding regulatory frameworks.

The Open Innovation Platform (OIP) is an initiative operated by IMDA that matches enterprises that pose problems for innovative solutions developers to solve. Innovation calls are issued through OIP every few months so that any startup can submit a proposal with a solution. All submitted proposals undergo an evaluation process, with shortlisted finalists receiving the greenlight to begin development. SaaS providers can participate on either end of this process, either as a problem owner or a problem solver, ultimately forming new partnerships in Singapore.

The IMDA Spark Programme supports the growth of Singapore based infocomm media startups by combining government grants and support from industry partners, providing new opportunities to these startups to build up a pool of customers in Singapore based on government demand. SaaS providers that operate within this space may apply to become a recipient of support.

The Global Innovation Alliance (GIA) is jointly operated by Enterprise Singapore and the Singapore Economic Development Board. It is a network of partners located in the city-state and overseas innovation hubs and key markets that require services built using technology and innovation. GIA can connect SaaS providers with overseas business and tech communities through its inbound and outbound Acceleration Programmes.

The FinTech Regulatory Sandbox is a framework defined by the Monetary Authority of Singapore that enables major financial institutions to connect with fintech startups and create innovative financial services and products using new technologies. Some experiments conducted as part of the Sandbox may even receive regulatory support as they are offered for public adoption. SaaS players that operate in the fintech space can particularly benefit from the Sandbox.

The IMDA Accreditation programme was created for Singapore-based companies that are developing high-growth infocomm products for enterprise clients. Companies that become part of the programme may be considered first during the Singapore government's procurement process and receive funding and support for talent recruitment. SaaS providers that operate within the infocomm space or that offer platforms that can support companies in this space may benefit from the Accreditation programme.

Find out how to accelerate your startup's growth through corporate innovation programmes in Singapore.

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Asia Market Entry maintains a network of consultants, multinational system aggregators, resellers, industry associations, and trade and export agencies to assist technology companies. Steve Dawson, Chief Executive Officer and Founder, provided support for this guidebook.

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The Singapore Economic Development Board (EDB) is a government agency under the Ministry of Trade and Industry. It is responsible for strategies that enhance Singapore's position as a global centre for business, innovation, and talent. It undertakes investment promotion and industry development, and works with international businesses, both foreign and local, by providing information, connections to partners, and access to government incentives for their investments. EDB's mission is to create sustainable economic growth, with vibrant business and good job opportunities for Singapore.

KrASIA is a digital media company that covers the most promising technology-driven businesses and trends in the world's emerging markets. It provides timely updates and in-depth research of the tech and investment ecosystems in Southeast Asia and China, helping subscribers and readers keep up with the latest progress in Asia's tech scene and highlighting the next wave of innovators that are challenging the status quo.

For market insights, industry guides and exclusive events related to SEA's business landscape, subscribe to our monthly newsletter here.

If you are looking for partners to facilitate your setup in Singapore, you can connect with EDB's curated network of partners through the Connections Concierge.

Watch bite-sized FAQ videos on EDB's Investment Clinic to find out how to compare options and make decisions on setting up matters such as finding talent and raising capital from Singapore.

Ready to take the next step and/or have questions?
Reach out to us here.