

OUR PANEL OF EXPERTS



Lawrence Chai

Founder

[3E Accounting](#)

A Chartered Accountant by training, Lawrence heads 3E Accounting International, the largest homegrown accounting network with a global presence in more than 70 countries worldwide. A firm believer in employees-come-first culture, Lawrence has led 3E Accounting Pte. Ltd. to become the first SME accounting firm to be unionised in Singapore.



Desmond Lim

Co-founder and Executive
Director

[DNA Medical Supplies Pte
Ltd](#)

A professional in the pharmaceutical industry with more than 20 years of experience, Desmond's vision is to improve peoples' health through health foods and supplements. DNA Medical focuses on the development of probiotic-related products and collaborates with other GMP manufacturers to launch and market their biomedical products through its branches in Malaysia, Indonesia, Korea and affiliated offices in Vietnam and Myanmar.



Dr Gloria Kong

Dental Surgeon and Clinical
Director

[Kong Dental Surgery](#)

Dr Kong is the founder and director of The Kong Dental group. Her mission is to aid patients in their dental needs both functionally and aesthetically and she currently runs 4 dental clinics across Singapore offering a wide range of services including dental implant surgery and pediatric dentistry. She has been a practitioner since 2001 and is a registered general dentist in Singapore, Malaysia and the United Kingdom.

Accounting For Success

 ocbc.com/business-banking/articles/accounting-for-success.html

By OCBC

3 mins read

Welcome to the first of our two-part series on 'Managing Your Business Finances'. In this post, we highlight the importance of proper bookkeeping and accounting, what you should know when keeping track of transactions, and unique insights on the topic from our panel of business owners and accounting experts.

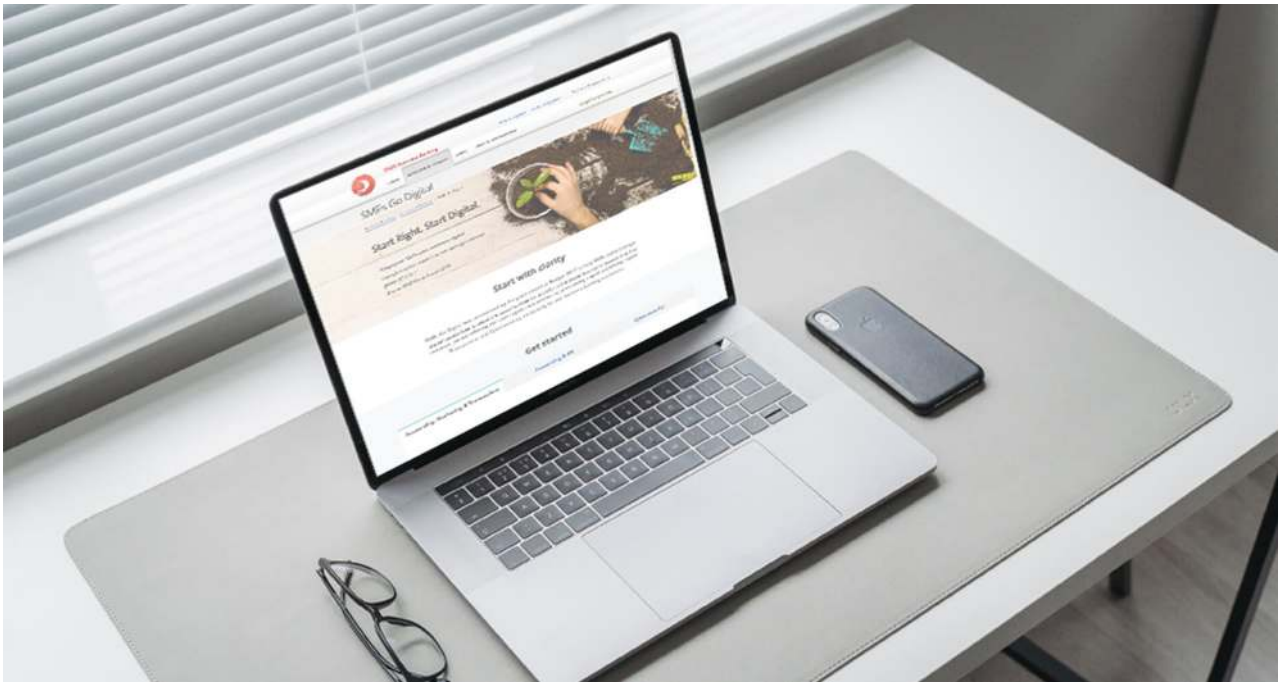
If you're a first-time entrepreneur, you may be wondering why proper accounting is so important and whether it can be made simpler.

The truth is that a proper set of accounts can tell you the financial health of your business. This can help you make the right business decisions while avoiding pitfalls ahead.

To help you make sense of business accounting, we spoke to our panel of successful business owners and leading account experts to bring you their insights on the topic.

So without further ado, let's jump in.

Keeping Accounts In Good Shape



If you have zero knowledge of what is accounting and why it is important, we sum it up in four points. Essentially, accounting tells you:

- How much you are earning
- How much and how you are spending
- What your business owns and owes
- If your business is thriving

Some business owners don't keep proper accounts. Often, they just work out the difference between their bank balance at the beginning of the month and at the end. While this is a quick and easy way to get a rough sense of your financial position, it's woefully insufficient as there will be a time gap between paying for your inventory / supplies and getting paid. Without proper accounts, you can't see the pitfalls lying ahead in your business.

Mr. Lawrence Chai, CPA and Managing Director of 3E Accounting, said: "The purpose of bookkeeping goes beyond submissions to government and regulatory agencies. Practising proper book-keeping from Day One helps the entrepreneur understand the financial health of his or her company, anticipate additional funding requirements, and conduct data analysis of the accounts to help make sound business decisions."

Successful entrepreneurs recognise the importance of accounting. Mr. Desmond Lim, co-founder and executive director of DNA Medical Supplies—which supplies healthcare and medical products to clinics in Singapore—felt it was so important, he took up a course to learn how to use his accounting software. "I am not trained in finance, but I know the basics. The course taught me how to use the data for making better decisions."

From Spreadsheets to Accounting Software

Most business owners we spoke to started out using Microsoft Excel to do their accounts. While there is nothing wrong with that, most businesses eventually turn to proper accounting software to save time, cut down errors, automate reports and get more insights on their business.

Dr. Gloria Kong—who owns the Kong Dental chain of dental clinics in Singapore—shared one of the pitfalls of not going digital. In the past, she used to send chequebook stubs to her accountant for reconciliation regularly.

She recounted, “You might think it will never happen, but once we almost lost the bag of stubs. It made us so worried because then you won’t know who you issued the cheques to and who has encashed the cheques. I have learnt a lot through this episode.”

Don’t wait till you have a ton of transactions to get started on, then you may need to spend time and money to migrate data. Try an award-winning accounting app for free now, with the [Start Digital Pack](#) from OCBC.



You might think it will never happen, but once we almost lost the bag of stubs. It made us so worried because then you won’t know who you issued the cheques to and who has encashed the cheques. I have learnt a lot through this episode.

Dr. Gloria Kong / Founder and Director of Kong Dental Group

Leave It To Professionals

If you are too busy running your business to do your own bookkeeping and accounting, outsourcing is the answer.

Dr. Kong shared her experience with us. “I have some accounting knowledge so in the beginning, I did it myself. Now that I have four clinics, the volume of transactions has grown and I am spending more and more time managing the business, so I have an accountant to come in once a week to look over my accounts.”

Marc Goh—founder of digital marketing agency Design Prodigy—emphasised the importance of engaging a high-quality accounting firm, noting that, “You will have a lot of frustration if the numbers are not right. The numbers are not useful if they are not right.”

With so many accounting firms out there, how do you choose?

Lawrence of 3E Accounting says, a good accounting firm provides business advisory support beyond accounting. “Based on the analysis of the client’s accounting needs, a good accounting firm will recommend and provide additional corporate services such as tax planning, HR, secretarial, and data protection, as well as facilitate growth and overseas expansion of branch offices.”

Best of Both Worlds

Many businesses which outsource their accounting use cloud-based accounting software with the support of their accountant. Lawrence explained the benefits.

“Cloud-based accounting solutions allow real-time access to accounts for the client and his/her accountant. This facilitates better collaboration between client and accountant, as the software is able to generate customised analysis reports and connect to other software, thereby improving productivity.” What this means is that updated information is available at a click of a mouse—without waiting for the next meeting with your accountant which could be a month away.



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Mr. Lawrence Chai / Founder and Managing Director of 3E Accounting

Rounding Things Up

For businesses, the importance of keeping proper accounts cannot be overstated. To make their lives easier, business owners can leverage on accounting software solutions to keep their books in order.

Beyond software, the right accounting partner can also make a world of difference to a growing business, so consider engaging the right help when your business needs it.

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Kickstarting Your Business | OCBC Business Banking Singapore

 ocbc.com/business-banking/articles/kickstarting-your-business.html

Welcome to the first of our three-part series on 'Starting Your First Business'. In this post, we guide you on how to go from promising idea to start-up company, with first hand insights from successful business owners.

Have you always wanted to be your own boss? Got a business idea you think can take the world by storm? Well congratulations, you may just have the makings of an entrepreneur.

To help you get going, we spoke to successful business owners who shared how they had kickstarted their business—from researching the market to making business plans and financial projections, right up to taking the leap to go full time in their business.

Let's hear what they have to say.

Identifying Opportunities

Strong businesses are built on a foundation of knowledge. In fact, a recurring theme we see in successful entrepreneurs is that they tend to start in an area where they have current knowledge or insight.

Mr. Jonathan Yang—co-founder of Muchachos and The Daily Cut restaurants—was from the public relations industry. "At that time, the only thing I wanted to do was to make a legitimate burrito, which I felt this country did not have. So, the only thing I could do was to start a small restaurant. My partner is a professional chef, so we decided to give this a try."

In the case of Mr. Vincent Teoh, founder of Zoo-Phonics Asia enrichment centres and the Safari House chain of pre-schools, his spouse is an educator by profession and identified a lack of high-quality enrichment classes. Together, they set out to fulfil this market gap with him complementing her skill sets with his expertise in finance.



Doing Your Research

To further validate and refine your business idea, try to get feedback from a wide variety of sources. This includes potential customers, partners, suppliers, and even competitors.

Dr. Terence Tan, founder of The Pain Relief Clinic, shared, "In the year before starting my clinic, I discussed the concept with many doctors I met. Invariably the response I got at that time was almost always, 'Oh, it's a good idea, very interesting. This is a gap that we as doctors are not addressing as well as we can.' But then everyone else would want to continue with whatever they were doing. So I thought, well, if everyone agrees it's a good idea but no one else is doing it, then I shall do it."

Dr. Tan not only tapped into his network of medical professionals, but also found it useful to talk to people outside the industry.

"As a doctor, there are certain ways that we do things and have been doing things for the longest time. But if, sometimes, when I talk to someone, for instance in F&B, which you would think is very different from the medical industry, they have the same challenges of managing staff."

But what if you don't have an extensive network of your own yet? One place to meet and network with fellow entrepreneurs and business experts are the regular SME networking events organised by OCBC.

Ultimately though, you need to be thoughtful with regards to information and feedback you receive. Every business is unique and what works for you might be different from what works for others.

Planning Things Out

Once you have your business idea shaped up, it's time to map out your business plan. Not all plans need to be super detailed, but a good one should outline how you will achieve your business goals and what kind of resources you need.

Vincent of Zoo-phonics Asia advised, "You have got to be very clear what your business is all about. We did our homework, we did our business plan. Put on paper what you want to do. This will help you think through all the angles and give you a complete solution."

You should focus a good part of your business plan on financial projections. Ultimately, the numbers need to make sense on paper. Jonathan of The Daily Cut recalled his initial business plan: "After I did my numbers, financial modelling, and everything, I felt there was a reasonable chance of making this work."

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Mr. Vincent Teoh / Founder of Zoo-Phonics Asia enrichment centres and the Safari House chain of pre-schools

Partnering Up

For many, finding a business partner makes the entrepreneurship journey easier. Having partners in the venture can help increase your chances of success by pooling more skills, knowledge and resources.

However, business partners should consider having in place a formal partnership or shareholders' agreement.

This is a key document that clearly sets out the rights and obligations of partners in relation to each other, as well as how business is to be conducted and decisions made.

Francis Chan, Deputy Head (Disputes) of Rajah & Tann Legal Basix Practice Group, observed that "The most common mistake made by business partners at the start of a relationship is thinking they won't ever have disagreements, and thus failing to have a partnership agreement in place."

There should be consensus in terms of which partners are setting the direction and making key decisions in the business.

Mr. Lawrence Chai, founder of 3E Accounting, also noted that “Companies with many stakeholders, and still find success, are usually tightly controlled by one or two partners. When control is split equally amongst several partners, conflicts often arise and no one is steering the company.”

This further highlights the importance of a partnership agreement. And contrary to what many believe, having a lawyer prepare such a document does not have to be expensive, especially if the partners are already clear on what they want.



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Mr. Lawrence Chai / Founder of 3E Accounting

Rounding It Up

From our interviews with successful business owners and leading business experts, it's clear that there's a lot that goes into transforming your idea into a successful venture.

We hope their unique insights are useful in helping you in your business and we hope to bring you more of such practical advice and information. Here at OCBC, we endeavour to be your partner for every step of your entrepreneurship journey.

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Growing your business

 ocbc.com/business-banking/accounts-and-services/startups/growing.html

- [Business Banking](#)
- [Business Starter Kit](#)
- Growing Your Business

Now that the pieces are in place, it is time to think about growing your business.

Gain Insights and Tips for your Business

Get your books in order

It is important to get your books in order from Day 1 so that you always know the state of your business.

Xero & Quickbooks are two popular cloud accounting solutions for businesses which seek an easy-to-use-system.

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Proper book-keeping from Day One helps the entrepreneur understand the business' financial health, anticipate additional funding requirements, and make sound business decisions.

Lawrence Chai
Founder
3E Accounting



Register for GST on time

If your annual sales turnover is more than S\$1 million, you may need to register for GST. Use the IRAS [GST Registration calculator](#) to check if you are required to register.

You may apply for [voluntary GST registration](#) if your taxable turnover is below S\$1 million. You can do so after completing two e-learning courses.

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Businesses that register
for GST voluntarily may
enjoy cost savings.

Lawrence Chai
Founder
3E Accounting



Hiring Right

To keep costs low, many business owners engage freelance service providers such as [Fiverr](#) & [Upwork](#). It is an affordable way to get help without the commitment of hiring full-time staff.

If you are hiring staff, you must comply with MOM's [payslip](#) and [employment contract requirements](#). Read our handy guide on [hiring for your business](#) and expert tips on [employment contracts](#) before you start.

If you are ready to start hiring, here are some useful tips:



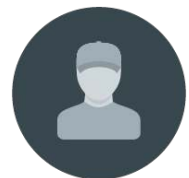
Get ready to make CPF contributions

To register as an employer with CPF Board, you must [apply for your CPF Submission Number \(CSN\)](#) and [CPF e-Submission](#).



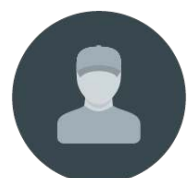
Direct Debit for hassle-free payments

[Apply for Direct Debit](#) to make payment for CPF submission easily and efficiently.



Foreign workers hiring

To hire [foreign workers](#), you must have CPF-paying local employees for at least 1 month. [Rules and requirements](#) also differ by industry. A Banker's Guarantee is needed – [get one here](#).



Mandatory levies

You also need to pay Skills Development Levy for all employees and Foreign Worker Levy.



Effective payroll management

To save time, many business owners use digital solutions to manage their payroll.



Employees' contributions to Self-Help Groups (SHGs) and SHARE Donations

You are expected to deduct your employees' contributions to Self-Help Groups and donations to SHARE from their wages and pay to CPF Board (collecting agent for SHGs and SHARE) together with your CPF submission.

Know what drives your business

To make informed decisions, you must stay on top of your business drivers. OCBC customers have free access to a [Digital Business Dashboard](#), where your business apps can be connected, and key metrics are displayed in one view.

Digital Business Dashboard

Connect your business apps and see your data come to life

[Learn more](#)

OCBC
BUSINESS

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A business may be profitable
but can still close down because
of poor cashflow management.
I learnt it the hard way.

Jasper Goh
Founder
Ascend Design Private Limited



Give your working capital a boost

Need extra funds to take on a big order or stock up ahead of seasonal demand? Businesses as young as 6 months can get up to S\$100,000 in financing. Application is simple and you can [get it approved online](#).

If you are considering to purchase your own business premises, our [Commercial Property Loan](#) offers attractive rates.

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A common misconception is that a company needs to borrow only when it is in a dire state.

Rashida Ismail
Managing Director,
Global Enterprise Banking
OCBC Bank



Take advantage of government programmes

There are many forms of support to help SMEs grow and go global.

If you'd like to embark on your first venture or deepen your overseas market presence, do speak to Business Advisors at SME Centres.



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Start Digital has enabled me to explore efficient ways to work with new technologies.

Sallehuddin Abdul Rahim
Co-owner and Director
My Mum's Sauce Pte Ltd / My Mum's Cafe

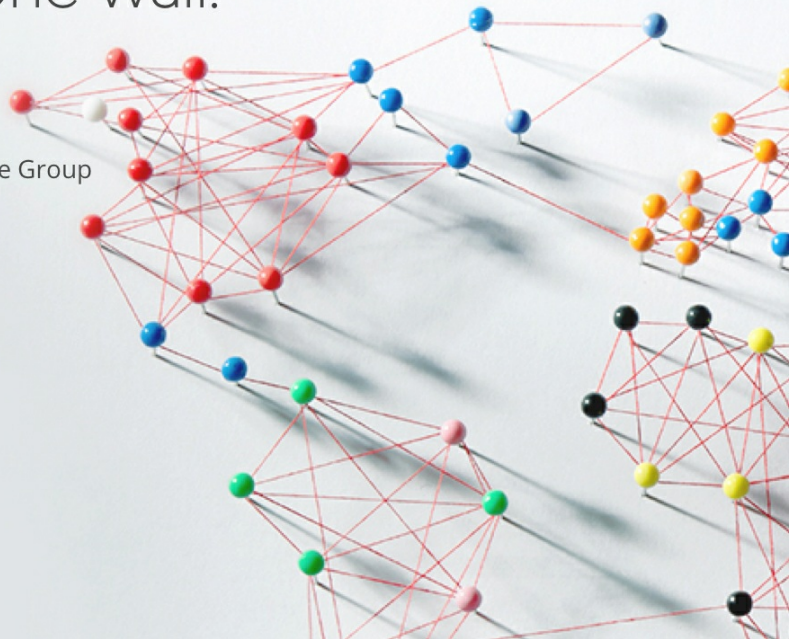
Go international

Looking to expand overseas? OCBC has a strong regional network, so you can rely on us to be your trusted advisor for your new ventures.

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One of your top considerations should be navigating the regulatory framework in the other country. You don't want to pour out your entire war chest only to hit a regulatory stone wall.

Francis Chan
Deputy Head (Disputes)
Rajah & Tann Legal Basix Practice Group



Registering Your Business: The Things To Consider

 ocbc.com/business-banking/articles/registering-your-business.html

By OCBC

3 mins read

Welcome to the second of our three-part series on 'Starting Your First Business'. In this post, we show you the business structures you should consider and what are your options when it comes to incorporation.

One of the things most first-time entrepreneurs find challenging is registering their new business. And while there are many guides out there, there just isn't a lot of advice from people who have been there and done that.

That's why we went out and spoke to our panel of successful business owners and business experts, who kindly shared their insights into business registration.

Choosing Your Business Structure



Choosing the right structure will help put your business on a sound footing, while choosing the wrong one might result in challenges to your business growth.

There are several forms of business structures you can choose from, and the most popular is the private limited company—which accounts for more than half of all forms of business registered or incorporated with ACRA in 2018. Sole Proprietorships are the second most popular, followed further behind by Partnerships.

In Separate Company

So why is incorporating a company such a popular choice for businesses in Singapore?

One big factor is that the company is a legal entity separate and distinct from its shareholders and directors. What this means is that the shareholders and directors are not personally liable for the debts and obligations of the company.

Francis Chan, Deputy Head (Disputes) of the Rajah & Tann Legal Basix Practice Group, shared the following view “While sole proprietorships and partnerships have less compliance formalities than private limited companies and cost less to set up, you or your business partners can be sued personally and be made personally liable for the mistakes made by the business.”

Mr. Lawrence Chai, founder of 3E Accounting, also advised, “As a Sole Proprietor or Partner, the profits of your business are your personal income, of which the highest tax bracket currently is 22%. In comparison, companies are taxed at up to 17% only. Thus, incorporating as a company may save you some tax dollars in the long run.”



While sole proprietorships and partnerships have less compliance formalities than private limited companies and cost less to set up, you or your business partners can be sued personally and be made personally liable for the mistakes made by the business.

Mr. Francis Chan / Deputy Head (Disputes) of the Rajah & Tann Legal Basix Practice Group

Preparing For Growth

The company is a good choice of business structure for reasons of ownership and growth too. For one, a company can own assets in its own name and it can raise funds by admitting investors to the company as shareholders, who may change their stakes in the business by purchasing or selling their shares in the company.

Avoiding Pitfalls

The case for incorporating as a Private Limited Company grows further when you consider there is no easy way to convert a Sole Proprietorship or Partnership into a Company.

Mr. Jonathan Yang—co-founder of Muchachos and The Daily Cut restaurants—shared the experience of converting his first business from a Partnership into a Company. “You can shut down the partnership and set up a private limited company, but you’ll lose all those years of records. This matters if you want to apply for a loan. The loan criteria might require you to be in operation for 6 months to 2 years and suddenly you don’t have that.”

Lawrence of 3E Accounting echoed these sentiments, pointing out the significant challenges in transferring assets and liabilities—including trademarks, licenses, staff, and bank loans—from a previous business entity to a new Company.

All in all, it’s clear that while it takes a bit more time and resources to set up and run a company, it offers many benefits for those looking to take their business places.



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Mr. Jonathan Yang / Co-founder of Muchachos and The Daily Cut restaurants

DIY Or Outsource

Each of the business owners we spoke to recommended engaging a corporate secretary for incorporating a Company.

Jonathan of The Daily Cut warned about saving a penny and losing a dollar. He pointed out the many areas that you can be non-compliant with regulations, and “if you do the math, the incorporation service provided by corporate secretarial firms is almost free.”

Dr. Terence Tan, founder of The Pain Relief Clinic, opined that a Corporate Secretary can be your partner throughout your business journey too.

According to Dr. Tan, “Over the years, as we grow, we will have questions along the way in terms of business structuring, tax, and of course accounting, that I will need some advice on. This is where a good corporate secretary makes a difference.”

Opening A Bank Account

80% of businesses establish a banking account immediately after registering their business.

Among other things, you need a business banking account to deposit your paid-up capital (PUC), and pay for business licenses and permits.

Mr. Vincent Teoh, founder of Zoo-Phonics Asia enrichment centres and the Safari House chain of pre-schools, is a Certified Practicing Accountant (CPA). He shares an important piece of advice.

“To ensure your business is sustainable, you must keep your business money and personal money separate, otherwise it is hard to differentiate between the two. Especially if you have partners, there is a serious need to have separate accounts to avoid conflict on money matters.”

You'll be happy to know that OCBC's Business Growth Account is highly suitable for first-time entrepreneurs.

Your account can be opened instantly online with MyInfo (login with your SingPass), saving you time and hassle. There is no initial deposit or minimum balance requirement, which means you don't have to tie up precious business capital.

Summing Things Up

We hope the first-hand knowledge and insights from our panel of business owners and leading experts have shed some lights on the right structure for your business. Let us know if they have made a difference in helping you make the right decisions.

Here at OCBC, we're always on the lookout for quality advice and information to help you grow in your business. Let us be your partner in every step of your entrepreneurship journey.

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