DBS BusinessClass: 
An Engagement Platform for SME Entrepreneurs 
Case Study on Digital Non-Financial Services 
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*Note: All dollar amounts in this case study are US dollars unless otherwise indicated.*
Executive Summary

DBS BusinessClass is an engagement program by DBS Bank in Singapore to provide non-financial services¹ to small and medium enterprises (SMEs). The program reaches its members primarily through a mobile app as well as other channels including electronic direct mail (EDM), a web page and social media. The app enables users to network, receive expert advice and insight, build business skills, and avail themselves of a suite of helpful online tools. The app also serves as a portal to live events and business skills trainings under the DBS BusinessClass banner and through its partners.

DBS BusinessClass was developed to satisfy an unmet need in Singapore's entrepreneurial community. In 2013, DBS Bank carried out a survey among SMEs identifying a need for both a credible online community devoted to SMEs, and a secure channel for seeking expert advice on business topics. Platforms such as Facebook and LinkedIn were not adequate for these purposes.

In 2014, DBS Bank piloted DBS BusinessClass through Singapore's startup community. It has continuously evolved based on user feedback, and has since expanded beyond Singapore to include Hong Kong, China, Taiwan, India, and Indonesia. Currently, DBS BusinessClass hosts an online community of over 70,000 users. It is delivered free of charge and does not require that users be customers of DBS.

The DBS BusinessClass bundle includes a digital offering of community forum and message board, live chat, access to an expert panel of 45 business advisors, and a stream of curated articles, guides, and videos tailored to the needs of SMEs. Offline, DBS BusinessClass has hosted over 60 networking and information events on a range of topics relevant to SMEs. In addition, a foundational business skills training program called SME Academy was introduced.

DBS BusinessClass has been beneficial for DBS Bank’s SME banking brand image, augmenting the bank's reputation among SMEs. It has also been a useful market research tool, lending insight into the needs of current and potential customers across the region. The platform strategy allows DBS to embed itself within the entrepreneurial ecosystem via a unique non-financial services offering, while providing an easy onramp to DBS Bank’s core financial products through the platform.

For banks concerned about increasing saturation in SME lending markets and the threat of emerging fintechs, DBS has provided an example of how to thrive using a page from Silicon Valley’s playbook. This DBS BusinessClass case study offers a detailed example of how a bank can successfully deliver non-financial services to SMEs using digital tools and strategies to gain a competitive edge.

¹Non-financial services are business development services that are being provided by banks (where the typical offering is classified as financial services) to help SMEs overcome the challenges of accessing information, skills, advice and new markets. Business development support and non-financial services fall into four broad types: information dissemination, education, advice/mentoring, and networking.
1. Introduction

Non-Financial Services and DBS BusinessClass

It is increasingly common for banks serving small and medium enterprises (SMEs) to offer non-financial services (NFS) alongside core financial product offerings. NFS are a way to gain a competitive advantage in saturated SME banking markets – a differentiator that increases brand awareness and reputation, helps to retain and acquire customers, and potentially reduces delinquency by building enterprise capacity.

The banking industry is competing with emerging fintech players using disruptive digital technologies to transform the financial services landscape. Increasingly, banking products and services are being delivered digitally. NFS can also be delivered digitally, with many advantages.

This case study explores how leading Singaporean bank DBS developed a digital NFS mobile app called DBS BusinessClass. Since its launch in 2014, the app has fostered an online community of 70,000 SMEs in six Asian markets – Singapore, Hong Kong, China, Taiwan, India, and Indonesia – and is part of a larger program that also includes offline offerings such as learning and networking events. DBS Bank was inspired to create this product as a result of survey data from local SMEs showing an unmet need for an online community and secure place to seek advice.

DBS Bank has a strong regional presence and a reputation for being one of the world’s best digital banks. In the late 2000s, the bank underwent a sweeping digital transformation that has both upgraded technology stacks and introduced cutting edge methodologies from the tech startup world into the bank’s culture.

DBS believes the future of SME banking lies in using digital platforms to influence and control business and customer ecosystems. As part of that strategy, NFS has become as important as the core financial service offering.

IFC’s purpose for writing this case study

Increasingly, banks are looking to leverage digital technology and innovation to differentiate themselves in a highly competitive and saturated SME banking market, and defend themselves against threats from emerging fintechs. This is not just about financial services, but also non-financial services.

This case study explores DBS BusinessClass as an example of the successful development, deployment, and evolution of a digital NFS product, and emphasizes the role that NFS can play in the future of SME banking and SME fintech. DBS BusinessClass delivers across all four of IFC’s NFS categories of Information, Education, Advice, and Networking.2

Methodology

The data in the case study was collected and analyzed for publication through a combination of desk research, online content review, digital product evaluation, and through interviews with key personnel at DBS Bank.

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2 For more information, please refer to Annex 1: Types of Non-Financial Services Offerings
2. Context

Country Context: Singapore

Singapore, with a population of approximately 5.6 million people, is a high-income Southeast Asian economy with GDP of about $297 billion and a GNI of $52,090 per capita. With no natural resources and a land area of only 719 sq. km, the country focuses on trade in services and value-added exports. Manufacturing and service segments are key pillars of the economy.

Singapore is widely regarded as one of the best places for doing business and seeks to distinguish itself as a regional hub for innovation and financial services. The country has a business-friendly regulatory environment, excellent infrastructure, cosmopolitan workforce, and is making large investments to support growth in tech, R&D, and innovation. Singapore is ranked second in the world and first in Asia as the most “network ready” country by the World Economic Forum.

SMEs in Singapore

The Singapore Ministry of Trade and Industry defines SMEs as enterprises with operating receipts of not more than $100 million or employment of not more than 200 workers. Singapore’s SMEs account for 65 percent of all employment, 47 percent of total value added, and 99 percent of all registered enterprises.

While Government-linked companies (GLCs) and sovereign wealth funds play a dominant role in Singapore’s economy, SMEs operate in all sectors of Singapore’s economy and have become a strategic focus for the government in terms of innovation and future growth.

Singapore Enterprise Data 2016

<table>
<thead>
<tr>
<th>Number of Enterprises</th>
<th>Employment</th>
<th>Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3.4 Mil</strong></td>
<td><strong>$127.3 Bil</strong></td>
</tr>
<tr>
<td>SMEs 99%</td>
<td>SMEs 65%</td>
<td>SMEs 47%</td>
</tr>
<tr>
<td>Non-SMEs 1%</td>
<td>Non-SMEs 35%</td>
<td>Non-SMEs 53%</td>
</tr>
</tbody>
</table>

Source: Singstat

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4 For more information, see https://www.smeportal.sg/content/smeportal/en/industries/infocomm.html

5 For an infographic presentation of Singapore’s economy, see: http://www.singstat.gov.sg/statistics/visualising-data/infographics/economy
The SME sector in Singapore faces challenges despite a formidable array of government support schemes and a strong enabling environment⁶. Common business challenges include those relating to access to finance, rising labor costs, hiring difficulties, foreign worker dependence, low productivity, whereas strategic challenges include the need to learn how to internationalize operations, and difficulties in the successful adoption of new technologies.

On an annual basis, DP Information Group carries out an SME development survey in conjunction with SPRING Singapore⁷ and corporate partners. For 2017, it is noteworthy that the percentage of SMEs reporting finance-related difficulties rose from 22 percent in 2016 to 35 percent in 2017. Delayed payments from customers ranked as the most common challenge, followed by higher interest rates on bank loans, suppliers tightening access to credit, rising collateral requirements, and an inability to renew financing⁸.

**Singapore’s Banking Sector**

Singapore is a global financial hub and leading finance center for Asia Pacific. In 2013, Singapore’s banks held almost $2 trillion in assets. Generous tax incentives, a conducive regulatory environment, a pool of highly skilled finance professionals, as well as strict banking secrecy laws have helped to make Singapore a competitive financial center. According to the Monetary Authority of Singapore, over 200 banks have offices in Singapore, and the country hosts over 1200 financial institutions⁹.

The domestic commercial banking market is dominated by three major local banks: DBS, OCBC, and UOB¹⁰.

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⁶ See Annex 2 for more information on government support to SMEs in Singapore.
⁷ SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow. For more information, see: https://www.spring.gov.sg/Pages/Home.aspx
⁸ For more information on the DP Experian 2017 SME Development Survey, see: https://www.dpgroup.com.sg/Attachments/200_SMEDS%202017%20Media%20Release%20FNL.pdf
⁹ For classification information on financial institutions in Singapore, see: http://www.mas.gov.sg/Singapore-Financial-Centre/Types-of-Institutions.aspx
¹⁰ See Annex 3 for an overview of the banking sector in Singapore.
3. DBS Bank: A Leader in Digital Banking

Introduction to DBS Bank

DBS is a leading financial services group in Asia. Headquartered in Singapore, DBS has over 280 branches across 18 markets and 24,000 staff. The bank provides a full range of services in consumer, SME, and corporate banking. DBS traces its history back to 1968, when it was created by the Government as the Development Bank of Singapore.

Starting in the late 2000s, DBS positioned itself to become an industry pioneer in leveraging digital technology to streamline banking. In 2016, DBS won Euromoney’s World’s Best Digital Bank award. Since 2012, DBS has also been recognized for its regional leadership, having been named Asia’s Best Bank by several publications including The Banker, Global Finance, IFR Asia, and Euromoney.

Innovation, Seamless Banking, and the Ecosystem

DBS sees innovation as a strategic advantage, and has incorporated concepts and ideas associated with the startup world into its culture and internal processes. This includes using methodologies such as Human Centered Design (HCD), Lean, and Agile. Office layouts have even been modified to induce collaboration and creativity, and the bank holds “hackathons” for creative problem solving. These have contributed to DBS’ vision of the future of banking as seamless, embedded into daily life, and essentially invisible.

“Banking is a small sliver of the job to be done. People’s lives don’t revolve around banking, after all. To make banking joyful, make the banking part invisible.”

– Paul Cobban, Chief Operating Officer, DBS Bank.

DBS’s digital strategy is not just about providing seamless delivery of financial services, but also about understanding, influencing, and controlling the ecosystem in which financial services are offered. Successfully leveraging relationships with partners and third-party participants in the ecosystem has been critical to realizing this goal. DBS seeks to engage in ways that drive customer loyalty, and cross-sell through contextual marketing.

As this case study on DBS BusinessClass will illustrate, NFS are at the center of the bank’s digital strategy vis-à-vis its SME banking business. With BusinessClass, DBS has shown that it is possible to control the ecosystem around which financial services are offered by delivering a formidable and useful suite of non-financial services for SMEs.

For more information please see Annex 4 on DBS Bank’s Digital Transformation
4. DBS BusinessClass: An innovative NFS Platform for SMEs

DBS BusinessClass is a mobile application and digital platform\(^\text{12}\) intended to help SME owners and entrepreneurs make connections, receive expert advice and insight, build business skills, and avail themselves of a suite of helpful online tools. The mobile app is the main channel in a DBS customer engagement program that combines live events with digital offerings under the BusinessClass brand banner.

DBS BusinessClass was created in response to the results of a 2013 survey of SME entrepreneurs. The respondents indicated that there was an unmet need for both a credible online community and a secure channel for seeking rapid expert advice on business topics. As an experiment, the mobile app was launched in October 2014; since then, DBS BusinessClass has grown to become a major stakeholder in Singapore’s startup ecosystem and across the region.

DBS BusinessClass has built a digital base of about 70,000 users spanning six key markets: Singapore, Hong Kong, China, Taiwan, India, and Indonesia. The active user base is currently about 40,000 users. It has held 60 exclusive live events, and brought together a panel of 45 expert advisors to serve its SME user base. In 2017, DBS added a classroom-based foundational business skills training component called SME Academy.

Programmatically, DBS BusinessClass is important in realizing the SME component of the bank’s overall digital strategy. While DBS is in the banking business and derives its core revenues directly from selling financial products, its marketing strategy in this regard is subtle and indirect. By controlling part of the ecosystem around which financial products are offered - in this case a popular NFS platform - DBS can both drive customer acquisition and enhance its brand and credibility. By providing links to its financial products within the app, DBS has created an easy onramp for users to purchase banking services.

**DBS BusinessClass delivers a comprehensive offering encompassing all four of IFC’s NFS categories: Information, Education, Advice, and Networking\(^\text{13}\):**

<table>
<thead>
<tr>
<th>Information</th>
<th>Education</th>
<th>Advice</th>
<th>Networking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest market trends and insights delivered in the form of articles created by DBS</td>
<td>Courses in foundational business topics through DBS SME Academy.</td>
<td>Expert panel on functional and strategic issues</td>
<td>Digital networking through online community membership and chat</td>
</tr>
<tr>
<td>User/community generated digital content on industry trends, opportunities, and functional topics</td>
<td>Seminars and webinars and events on specific functional topics by DBS and partners</td>
<td>Advice by peers and community</td>
<td>Live networking events by DBS and partners</td>
</tr>
<tr>
<td>Hyperlinks to online bank account creation and loan application forms; business tools including loan and loan eligibility calculators, working capital tools, and Application Programming Interface (API) solutions with ERP provider Tally and Xero accounting software.</td>
<td>User/community generated educational events live or digital.</td>
<td>Techmatch solution providers linked to SMEs</td>
<td>User/community generated networking events</td>
</tr>
</tbody>
</table>

\(^{12}\) For more information, please see Annex 5: What is a Platform?

\(^{13}\) For more information, please see Annex 1: Types of Non-Financial Services Offerings
DBS BusinessClass is an example of how the delivery of a strong NFS offering can play a central role in the future of SME banking. It is also a practical example of how a digital NFS offering can lend a competitive edge to banks operating in markets where platform-ecosystem based strategies for customer engagement and acquisition are on the rise and smaller fintech players are attacking larger players through the unbundling of financial services.

**Conceptualizing DBS BusinessClass**

In 2013, the SME Banking team at the DBS headquarters in Singapore set about exploring ways to help its SME customers respond to challenges related to business survival and success. DBS was looking for a way to differentiate itself from competitors and boost its reputation with the business community. The team was initially inspired by the AMEX OPEN Forum, an NFS platform in the US geared toward facilitating the success of SME entrepreneurs.

To explore deeper, DBS carried out a survey of entrepreneurs to identify needs and possible pain points. In addition, DBS carried out a landscape study of NFS and found that the best banks in the world have one thing in common: a program that acts as a value-added advisory and resource center to support entrepreneurs.14

**Key Findings from DBS 2013 Survey of SMEs**

1. **Peer recommendations are valued more than product and pricing**
   - 80% of respondents said that they chose their current business bank more because of peer recommendations than product pricing.

2. **Lack of a credible online community for business owners**
   - 70% of respondents had no time to network at physical events and were looking for a trusted online community that they could join to network.
   - Respondents said they do not trust business groups on Facebook (they view Facebook as a personal social media platform), nor do they use LinkedIn to connect (they view it as a recruitment/marketing spam channel).

3. **Lack of a secure channel to seek quality advice instantaneously**
   - 60% of respondents wished there was a bank relationship manager (RM) to instantly advise them whenever they have a banking query or need.
   - Respondents sought to connect with functional experts like lawyers and accountants when they have a burning question and require expert advice.
   - Respondents said there is a lack of advisory support on regional expansion questions.

Source: DBS Bank

14 For more information, please see Annex 6: Key findings from the DBS NFS Landscape Study
In analyzing the competitive space, the team found no direct competition in the digital sphere. LinkedIn was useful for job searches but did not adequately build community. Facebook and other social media sites also were not filling the gap in terms of credible expertise. Moreover, DBS wanted to link together both online and offline communities, and tie online and offline customer engagement and NFS streams together.

With the insights DBS gained from the survey and study, they identified a gap: There was not a single business social platform in Asia that was owned by a trusted organization, could provide instant, credible advice from functional experts, and facilitated cross-border learning and connections.

Creating an online community seemed ideal for customer engagement, lead generation, and conversion. In the Singapore cultural context, the survey showed that owners choose banking and business services based on peer recommendation, so linking the voice of existing customers to prospects is necessary to sell. As networking tools were already something SME owners were seeking, an online community could serve multiple ends at once.

"We found that fast-growing SMEs need help connecting with investors and experts when they are scaling up their business. We hope to help SME owners build social capital and sharpen their competitive edge."

"As a bank, we realize the need to bring value to our customers beyond traditional banking and financing solutions. We need to bring social capital and network value to them. Hence we created DBS BusinessClass."

-Lim Chu Chong, DBS Head of SME Banking, Hong Kong
**Key Features and Benefits**

Online, DBS BusinessClass consists of a mobile app that delivers interactive community building, networking, and advisory services, along with an additional suite of tools, features, and direct links to financial products. Offline, DBS BusinessClass offers a range of events. This type of connected program is sometimes referred to as an "O2O" or online-to-offline product offering.

Before using BusinessClass, a user must register by creating a simple profile that identifies them by name, industry, and interests. Rapid onboarding and registration is made possible through LinkedIn, Facebook, or Google accounts. Profile data helps match both future content recommendations a user will receive and community networking recommendations. Data is collected in an eDM (e-direct marketing) system. Once registered, DBS refers to the user as a member of BusinessClass.

**Online Offerings**

**Core Offerings of the DBS BusinessClass Mobile App**

- **Connect and Network:** Connects SME entrepreneurs with over 70,000 peers and business experts in the region through digital networking and community forums/message board discussions. Delivers notifications, descriptions of and invitations to DBS exclusive live networking events with industry leaders, disruptors, and investors from all over the world. Delivers user/community generated event notifications based on topic and location.

- **Consult:** Allows users to consult a group of 45 top advisors and thousands of peer advisors on functional and strategic business issues.

- **Trends, Insights, Info:** Offers content on latest market trends, insights in the form of articles, guides, videos, and digital peer discussion based on topic.

- **Banking Services:** Allows users to easily create a business account, apply for a loan, and access other DBS financial products through the user interface.

- **Other:** Additional functions of the app include linking users to business tools including loan calculators, working capital tools, API offerings with Xero Accounting Software/Tally ERP (Enterprise Resource Planning), and discounted deals on products and services made available to community members for professional services such as legal advice, computer services, marketing, and a broad range of other offers.

**Connect: Community and Network Tools**

The DBS BusinessClass app user interface supports community and network functions primarily through features such as events, topic discussions, and chats. Events and topic discussions are tab divided between local and global. Users create a user profile with an avatar and can grow list of connections through an invite feature. Users can create or participate in a topic for discussion, ask questions, share information, make connections, and enlist advisors.

**Consult: Tap the BusinessClass Advisor Network**

The DBS BusinessClass Advisor feature connects entrepreneurs with top advisors such as accomplished entrepreneurs, venture capitalists, investors, consultants and subject matter experts. There are currently 45 expert advisors that provide advice, guidance, mentoring, and inspiration directly to BusinessClass members who can now "Consult Asia’s Brightest Masterminds." This advice is delivered securely through the chat feature or publicly in a topic discussion. Advisors lend gravitas and authority to the platform. Advisors are volunteers and are not compensated financially, nor is DBS legally liable for their advice.
The advisor feature also allows users to connect to DBS SME Specialists in each of the six key markets (Singapore, Hong Kong, China, Taiwan, India, and Indonesia). Specialists are on hand to answer questions on overseas business expansion. Users can also chat directly with DBS relationship managers.

Trends, Insights, Info: Articles & Disrupt Guides

An essential part of the BusinessClass digital content offering is a regularly updated feed of articles covering a broad range of topics relevant to SMEs. These articles come under the headings of CEO Stories, Business Strategy, Economic Outlook, Innovation & Technology, Marketing, and Money. Articles can also be created by the community.

DBS BusinessClass offers in-depth "Disrupt" guides, bringing expert analysis and strategic advice to entrepreneurs seeking to leverage technology in a given sector, industry, or area. These illustrated guides are approximately 50 pages in length. Current offerings include: Guide to Disrupting F&B; Retail Guide: Move Ahead with Disruptive Solutions; Guide to Business Survival; Guide to Disrupting Automotive; Pokémon GO Guide: Cheat Sheet for Retailers.

DBS BusinessClass hosts a broad array of videos on Youtube, and the mobile app supports video viewing through its user interface. Some videos are embedded in articles and other content.

Offline Offerings

While the signature offering of DBS BusinessClass is the digital app, a notable and visible portion of the offering is offline and live in the form of events. There are four categories of events under the DBS BusinessClass brand banner.15

Key Offerings of DBS BusinessClass Live Events

Bay Area Series Events: A special series of events that brings business masterminds from all over the world to share their insights with local SMEs.

Disrupt @ The Bay Events: These events showcase vendors and innovators offering some of the world’s most disruptive products for the benefit of local SMEs and entrepreneurs seeking to learn about innovation and mingle.

Other events and live offerings: Roundtables, seminars, hackathons for SMEs and experts to come together to discuss challenges faced by SMEs and offer solutions.

SME Academy: Weeklong foundational business course open to all Singaporean SMEs. The program features five key curriculums; Productivity, HR Management, Working Capital Optimization, Accounting & Tax, and Marketing.

SME Academy

The SME Academy is a classroom-based learning program presented under the DBS BusinessClass program banner. It is free to participants and is a partnership with the SPRING SME Centre@ASME.16 The SME Academy helps build basic business capabilities that accelerate the pace of innovation, allowing SMEs to be more efficient, effective and tech savvy. The hands-on sessions allow SMEs access to fundamental knowledge and real-world application through diagnostic toolkits. The program features five key curriculums: Productivity, HR Management, Working Capital Optimization, Accounting & Tax, and Marketing.

15 For more information please see Annex 7: DBS Business Class Live Events
16 The Association of Small and Medium Enterprises (ASME) in Singapore has partnered with the government agency SPRING to create SME Centres that provide a range of advisory services to SMEs. For more information, see: http://www.smecentre-asme.sg/
Thus far, two cohorts have completed the SME Academy – one in July 2017 and one in October 2017. The academy lasts five days with a range of course offerings. Students can choose their classes. Each class includes both theory and practice with teams. The SME Academy program is geared mostly toward startups and new businesses or existing businesses that want to learn about or strengthen foundational skills. The courses will continue to evolve based on the needs of the community.

**Other Offerings and API Partners**

In 2016, DBS launched Techmatch to institutionalize the benefits brought about by Disrupt @ The Bay in terms of linking SMEs with disruptive tech. The program is designed to encourage and support innovation amongst SMEs in Singapore, matching providers of technology solutions with SMEs that are seeking those solutions. The BusinessClass team actively onboards new solution providers. To date, the program has received 80 requests from SMEs to link with technology providers.

DBS BusinessClass has partnered with several business solution providers to provide integration of financial and non-financial services through APIs (application programming interface). This saves SMEs valuable time, and enhances the overall value of the BusinessClass offering. Partnerships include Tally ERP – allowing SMEs to make integrated e-payments. In Singapore and Hong Kong, DBS has partnered with Xero accounting software, allowing SMEs to automatically reconcile their accounts and cash flow management. New partnerships in logistics and inventory management are currently being explored.
5. Technical Considerations: Building and Testing the App

Working with an outside software development vendor, the SME banking team deployed Lean startup methodology in the design of BusinessClass. A concept board and paper prototype (wireframe) were made, and the prototype product was tested with a subset of startups and business owners. After iterating several cycles, a core feature set was arrived at, and the user interface was designed similar to major social media sites to ensure ease of usability.

The initial feature set of DBS BusinessClass allowed for digital social networking and community functions, delivery of content relevant to SME needs, and tie-in with live events. Importantly, an all-star set of business advisors familiar to Singaporean businesses was recruited to answer business questions on the app, bringing attention, credibility and gravitas to the table.

To foster the rapid growth of an online community, the team decided not to use the BusinessClass app to directly market banking services. All services under the BusinessClass banner — including events — would be entirely cost-free to the user, and anyone could download the app and join the community. There would be no requirement that a user be a customer of DBS.

Rather than build the app in-house, an outside software and technology development vendor built the app, created and pushed updates, and added to the product as needed. For security purposes, a separate database was created to firewall off the new BusinessClass app from the main banking databases. Every six months, a user acceptance test was carried to be sure that the product was functional.

Piloting the app

To build out the initial user base, DBS hired a PR management company that specializes in startups. Events were held in Singapore’s Marina Bay area, and Ernestine Fu, Silicon Valley’s youngest VC (venture capitalist), was invited to be on the Advisory Board and serve as the launch speaker. Ms. Fu is a guru in the tech field, and was able to draw a large audience. These early events drew firms mostly from Singapore’s VC community.

The initial release of the app brought considerable attention from early stage companies and startups. These early adopters were critical to creating the “buzz” or popularity of the app and provided the initial user base that allowed the product team to adjust and debug.

As buzz grew around BusinessClass, the community grew and the user base became more diverse. Rather than target a particular sector, SMEs as a broad class were targeted. About 70 percent of the initial users were existing DBS customers.

Team and Product Management Considerations

Three in-house staff handle the day-to-day management of BusinessClass for each market. DBS headquarters sets the main strategic direction, and local content is adapted as needed in different markets. This typically includes two community managers, along with a management lead. Core DBS staff such as relationship managers, marketing staff, and SME specialists are also involved as needed.

Beyond the core teams and group of advisors, DBS taps freelance content writers with functional expertise to create topic-specific content. This includes a partnership with Vulcan Post, a leading Singaporean digital content and business insights publisher, as well as e27, a local tech media and blog site.
Community managers are at the center of BusinessClass. They ensure the smooth operation of the platform, screening and routing requests for advice from the panel of advisors or DBS staff, and handle inquiries and technical requests. They also curate, select, and tag relevant news and articles for users to have important information at their fingertips. The community managers also gather and analyze qualitative and quantitative data from the platform that is critical to its continued evolution.

**Listening to the Voice of the User: Product Evolution**

From the beginning, the BusinessClass product team took a cutting-edge approach to product development, using techniques from Lean, Agile, and Human Centered Design to guide the process. Successful deployment of these techniques has led to innovative customer-centric evolution of the product that is responsive to the needs of the online community.

A prime example of how BusinessClass has evolved based on user voice is the recent addition of the SME Academy. This occurred because the BusinessClass team learned from the community about the exceptional demand for foundational business skills among startups and new businesses. Another example is the Food & Beverage (F&B) business segment. While not anticipated, a significant percentage of the BusinessClass user base is comprised of SMEs in this sector. As a result, DBS experimented through Disrupt @ the Bay event by inviting eight tech solution providers to display their F&B technology – such as 3D food printers, waiter drones, robotic servers, advanced POS systems, and interactive furniture.
7. Making the Case for Non-financial Services

As part of the overall DBS Bank digital strategy, BusinessClass was to be an SME “ecosystem play” rather than one that is purely banking. This idea is captured in the notion of making banking invisible, and represents a contemporary focus on building and controlling platforms rather than just selling discrete products.

This strategy is a departure from traditional input–output ways of thinking about new products, and necessitates a different way of evaluating a product and measuring its success. BusinessClass was not built as a transactional app to directly sell product, but more as a lead generating tool that would bring value indirectly. It was built as a way of offering a suite of NFS that surrounds SME banking, and in doing so building a relationship with the community that becomes profitable over time.

“In order to have a banking relationship with someone, you must first be part of their community.”

-Chloe Huang, Program Manager, DBS BusinessClass.

In keeping with this philosophy, the user interface of the app does not display DBS product advertisements or attempt to directly push any of the banks financial offerings. There are simply clickable tabs in the user interface leading to separate microsites for the Bank’s financial product offerings.

Offering BusinessClass entirely cost-free to users actually makes the platform inherently more valuable to DBS in the long term. This is because free access ensures maximum participation by the broadest number of users, and that the overall value of the platform is positively correlated with the size of the user base.

In terms of internal budgeting, customer engagement has traditionally been part of the marketing budget within DBS; BusinessClass related expenses remain under the marketing budget category.
Key Success Factors

The DBS BusinessClass team attributes the success of DBS BusinessClass to the following factors and strategies:

Free membership: The product bundle is free to all users, regardless of whether they are DBS customers. This allowed the user base to freely grow into a “community” and hence an asset for DBS.

Credibility: The product has credibility with the business community due to the fact that it is not used for direct marketing of financial products, and that a panel of expert advisors is attached to the platform.

User-centric product: The product is constantly evolving based on the needs of the community, and the product development team is allowed to take risks and keep an experimental approach.

Non-financial performance metrics: By not directly tying performance to traditional quantitative metrics such as return on investment, the bank is taking a long view towards developing the product platform as an asset.

Strategy: By creating an online community that it owns and controls, DBS BusinessClass dovetails with DBS Bank’s broader digital strategy and represents an “ecosystem play” in that it helps to embed the bank’s financial service offerings within a larger business ecosystem of non-financial elements.

Source: DBS Bank

Thinking about Metrics

DBS does not carry out return on investment calculations for expenditures related to BusinessClass. The key metric used for performance evaluation was simply the overall size and growth of the user base or community. Growing a user community takes time, and its business value — while great — may not be easily and directly measurable in standard quantitative terms.

This fits in nicely with the overall digital strategy, wherein the bank decided to change some of its key performance indicators (KPIs) to include qualitative measures of how well it was “making banking joyful, seamless, and invisible,” including how happy it makes customers via customer journeys and experiences (from Human Centered Design). If measured this way, positive community feedback and the growth of the platform’s user base show that DBS BusinessClass program is performing well.

Grow your business network, and connect with Asia’s brightest business minds on DBS BusinessClass app, specially designed for you – the Small and Medium Enterprise (SME) leader.

Download the app to get on board today.
Even though DBS is not using traditional metrics to measure performance of the DBS BusinessClass product, it would still be useful to work towards collecting these metrics in the future. Drawing a clear link between NFS and bottom line performance reveals the true value of NFS, and maintains the business case for NFS programming as corporate strategy evolves over time.

**Lessons for the future of the banking industry**

Traditional banking is under siege from disruptive players who are re-imagining a traditional industry. Financial services are being unbundled and recombined with non-financial services in a variety of novel ways. With BusinessClass, DBS sought to pre-empt the disruptors by taking a page from their playbook.

Deploying an experimental, cutting-edge approach to product development was critical to the success of BusinessClass. Bold methodologies such as Human Centered Design, Lean, and Agile are common in the software industry, though challenging to implement in traditional organizations. By trying new ideas, testing them based on customer feedback, and evolving in a truly customer-centric way, DBS BusinessClass has become a formidable presence in Singapore’s startup and SME business ecosystem.

“We continually evolve BusinessClass based not on what we want, our product goals, or selling — but instead on what the customer actually needs — and we will evolve what BusinessClass can do for them.”

- Chloe Huang, Program Manager, DBS BusinessClass.

In terms of future development, DBS sees the BusinessClass program as a key conduit to doing business in the region, and will link BusinessClass with the bank’s digital account and operations infrastructure. As new partnerships are formed in each market, DBS gains a further foothold into regional business ecosystems, and expands the banking supply chain beyond banking.
8. Conclusion

DBS BusinessClass is a novel customer engagement program which demonstrates the successful delivery of NFS to SMEs using a mobile application-cum-digital platform. By creating an online community that it owns and controls, DBS BusinessClass dovetails with DBS Bank’s broader digital strategy. It represents an “ecosystem play” by embedding the bank’s financial service offerings within a larger business ecosystem with non-financial elements. Because DBS BusinessClass is at the core of the bank’s digital strategy, NFS are increasingly central to the bank’s strategy.

DBS has the opportunity to grow and evolve the BusinessClass program while augmenting its corporate brand. This will likely include new API partnerships with ERP, CRM, logistics, and other SME business development support providers. The platform is ideal for gathering and analyzing greater amounts of data on the user base, enabling deeper insight into customer needs. It also offers the chance to acquire new customers and serve as a beachhead into new markets.

In order to sustain momentum and ward off potential challengers, it is crucial that DBS continues to place the needs of its user base front and center. The Singaporean user base has confirmed the value of the product offering through its early and sustained embrace. However, not all users have the same needs.

As DBS BusinessClass expands geographically into new markets, local customization beyond just language packaging will likely be necessary. Relationship Managers will need adequate scope to adapt frontline engagement for their local context. In programmatic terms, this will require striking the right balance between maintaining overall consistency, quality, and coherence while accommodating local context.

While DBS has taken an innovative and long view in terms of its chosen KPIs for the DBS BusinessClass product, conventional KPIs are still of strategic value. KPIs that show a clear link between NFS and revenue, customer acquisition, and reduced delinquency can help ensure that a sustained business case for providing NFS to SMEs can be made among senior management, especially as corporate strategy evolves over time.
DBS BusinessClass is your gateway to Asia’s business community, right at your fingertips!

Grow your business network, and connect with Asia’s brightest business minds on DBS BusinessClass app, specially designed for you – the Small and Medium Enterprise (SME) leader.

**CONNECT**
Connect with over 15,000 entrepreneurs and business experts in the region

**CONSULT**
Gain valuable insights, guidance and advice from our 45 advisors

**NETWORK**
Get invited to exclusive events with industry leaders and disruptors from all over the world

**TRENDS**
Access the latest trends, market movers and economic insights in Asia

Download the app to get on board today.
Annexes

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Annex 1

Types of Non-financial Service Offerings

- Web-based/online platforms and toolkits
- Call centers
- Publications related to various industries, economic condition of target export markets etc.
- TV/radio/print media

- Organization of training workshops/seminars on:
  - Business planning
  - Financial management
  - Accounting
  - Taxation
  - Trade & Export
  - Policies & regulations
  - Government schemes
  - Sales & Marketing

- Advice by in-house and outsourced consultants/mentors on:
  - Business (i.e. marketing, business plan; HR)
  - Operational
  - Financial (i.e. account management, tax)

- Trade fairs/SME expos
- Road shows
- Discounted buying
- Business Clubs/SME Clubs
- Excellence awards

Source: Why Banks in Emerging Markets are Increasingly Providing Non-Financial Services to SMEs, IFC, 2012
Annex 2

Government Support to SMEs

While Singapore’s government-linked companies (GLCs) and global multinationals were once the primary focus of Singapore’s development policy, over approximately the last 25 years the government has come to place more emphasis on SME development. While previously just a footnote, SMEs are now seen as key drivers in the Singaporean government’s current strategy of making Singapore both a regional hub for innovation and a “global city”.

Starting in the late 1980s, the government issued its first SME strategy document in the form of an SME Master Plan. While this was the first time the government acknowledged SMEs as a part of the country’s development strategy, policy emphasis remained minor.

Throughout the 1990s and 2000s, the foreign direct investment (FDI) boom became an important factor in broadening strategic focus to include SMEs. During this period, multi-national corporations (MNCs) began to invest more heavily in neighboring countries, and Singapore began to see the need to boost internal demand as a buffer against these changes in regional investment. Moreover, population growth in Singapore also served to increase domestic demand and internal market size.

In 2000, the government issued a 10-year development plan called SME 21: Preparing SMEs for the 21st Century. This document aimed to improve SMEs competitiveness into the 21st century, and was developed in collaboration with SMEs, industry groups, and financial institutions.

In 2010, the Economic Strategies Committee (ESC), a government body created to set strategic direction for economic growth, produced a report setting strategic direction for the next decade. The ESC report emphasized the role of SMEs as key drivers of growth and innovation for Singapore. For more information see: http://www.mof.gov.sg/Resources/Economic-Strategies-Committee-ESC-Recommendations. For more information on the history government policy towards SMEs in Singapore, see: LEE, Boon Chye and TAN, Wee Liang. Small and Medium Enterprises in Singapore and the New Economy. (2002). The Role of SMEs in National Economies in East Asia. 374-369. Research Collection Lee Kong Chian School of Business.

Government Assistance to SMEs

SPRING

The Singaporean government provides a broad range of support activities to SMEs, including but not limited to financial assistance in the form of grants, debt, and equity financing, and a range of NFS offerings. The most prominent agency supporting SME development in Singapore is SPRING, also know as the Standards, Productivity and Innovation Board. SPRING provides both financial and non-financial assistance to SMEs, and is charged with nurturing a pro-business environment to help enterprises grow. SPRING is under the Ministry of Trade and Industry, and also responsible for administering national technical standards. SPRING offers the following SME support programs:

The SME Portal:

A website that contains a wealth of information for SMEs and serves as the “First Stop for Business Information” for SMEs at varying stages of development. The Portal is a collaboration between SPRING, other government agencies, and over 30 industry partners. The Portal hosts SPRING and commercial content including toolkits, case studies, business service directories, networking facilitation, and compliance guides. It also includes information on government grant schemes, loans, financial products, tax incentives and credits. Additionally, the SME Portal includes Tech Depot, which is to serve as a centralized platform aimed at improving SMEs’ access to technology and digital solutions. https://www.smeportal.sg/
Annex 2 continued

Twelve SME Centers

These one-stop shops provide free business advisory services and advise on the broad range of government-backed grant schemes available. Each center has on staff a team of business advisors who advise on business topics such as HR, marketing, regulatory code, capability upgrading, productivity improvement. According to SPRING’s 2015-2016 Annual Report, the Centers serviced 22,000 SMEs.

Eight Centers of Innovation (COIs)

These facilities are intended to help SMEs enhance their innovation and technological capacity. They are one-stop centers that provide SMEs with consultancy, training, laboratory services, and product development services. The COIs partner with polytechnic schools and research institutes. The COIs include: Centre of Innovation for Complementary Health Products; Centre of Innovation for Electronics and IoT; Centre of Innovation for Supply Chain Management; Environmental and Water Technology Centre of Innovation; Food Innovation Resource Centre; Marine & Offshore Technology Centre of Innovation; Materials Centre of Innovation; Precision Engineering Centre of Innovation.

Startup SG

The Startup SG programs are intended to provide non-financial and financial services specifically targeted to startups. (The goal is to make Singapore a tech hub) Products under the Startup SG banner include: SG Founder, which provides mentorship and startup capital grants to first-time entrepreneurs; Startup Tech, which provides early stage funding for proprietary technology development; Startup SG Equity scheme, which provides government investment to match private investment (Spring Seeds Capital); Startup SG Accelerator, which supports incubators and accelerators; Startup SG Talent, a visa work pass scheme to retain foreign entrepreneurial talent in Singapore; Startup SG Infrastructure, which provides support for workspace and real estate for startups; Startup SG Investor, which provides tax incentives to individual and institutional startup investors; Startup SG Loans, which offers Government-backed loans through participating financial institutions. [http://www.startupsg.net](http://www.startupsg.net/)

Generalized Grant and Financial Assistance Schemes

**Innovation and Capability Voucher:** An SGD $5,000 voucher for SMEs to develop their business capabilities in a variety of ways. Pays for consulting services, innovation, HR, and pre-approved software packages to improve efficiency and productivity. SMEs can be granted up to eight vouchers.

**Capability Development Grant:** A grant that supports SMEs in scaling up business capabilities and defrays up to 70% of project costs in consulting, training, certification, and equipment for product development, human capital development, business process enhancement, or business model transformation.

**Micro Loan Programme:** Government supported micro loans made in conjunction with banks on other qualifying financial institutions.

**Other Initiatives:**

SPING supports a variety of other initiatives for SMEs and startups. 
For more information on Spring, see: [https://www.spring.gov.sg](https://www.spring.gov.sg)
DBS’s Digital Transformation: Building a 24,000 Person Startup

When DBS Bank won Euromoney’s World’s Best Digital Bank Award in 2016, it was a milestone in the difficult and impressive overhaul of a bank which a decade earlier was regarded as a tech laggard. Keenly observing that the banking industry would undergo a cataclysmic shift due to disruptive trends in the digital sphere, DBS CEO Piyush Gupta set out to transform DBS into a digital bank. While trends like broad smartphone penetration, big data, and rapid growth in the fintech space signaled the need for change, Gupta knew that simply adding technology on top of a traditional bank organization wasn’t going to be enough:

"When we first started out along this road, we compared ourselves with emerging fintechs and the start-up world and concluded that we really had to digitize completely, not just by putting on digital 'lipstick'." 

"Rather than just tacking digital apps on top of old workflows, DBS reimagined its processes from frontend to backend. As a first and basic step, paper was eliminated. Then legacy systems were upgraded, API tools were created, and open source was even considered as the technology stack was upgraded. Emerging fintechs were all digital, and DBS knew it needed to be as well."

"It is demonstrably the case that digital innovation pervades every part of DBS, from consumer to corporate, SMEs to transaction banking and even the DBS Foundation."

- Clive Horwood, Editor of Euromoney

Technology matters, yet having an organizational culture that can leverage it matters just as much. Gupta saw how tiny, nimble startups were able to rapidly innovate and deliver products and services that threatened big players. In order to be like them, a culture of risk taking and innovation needed to be part of DBS:

"Today, we are up against businesses that work out of a garage, take risks, operate in a nimble way, and have a different kind of energy and drive. Large incumbent companies that can't create a similar kind of culture just won't be able to compete. One of our rallying cries has been "how do you create a 22,000 person start-up?"

- Piyush Gupta, Chief Executive Officer, DBS

DBS sees a 22,000 person startup as customer obsessed, data driven, willing to experiment and take risks, agile, and as a learning organization. DBS employs tools such as hackathons, HCD and customer journey mapping into internal processes, changed workspaces to be more collaborative and built innovation labs and design centers. The bank also partnered with startups, incubators and accelerators, universities, and government research agencies.

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Annex 4

Defining Platforms and Business Ecosystems

What is a platform?

Platforms are currently a very popular business strategy, a trend that has been driven by digitization. Large players like Amazon and Google use platform strategies to great advantage. Platforms bring all participants together using a common set of digital tools, making resources and participants more accessible to each other on an as-needed basis. They scale participation and collaboration with the potential for learning across entire ecosystems, and create and capture new economic value.

DBS BusinessClass — like Facebook and Twitter — is a particular type of platform referred to as a social platform. Social platforms build and reinforce long-term relationships across participants. They are not just about doing a transaction or a task but getting to know people around areas of common interest. Over time, people tend to interact using social platforms in ways that do not directly involve the platform owner.

What are Business Ecosystems?

Business ecosystems are dynamic and co-evolving communities of diverse actors who create new value through increasingly productive and sophisticated models of both collaboration and competition. Platform strategies can work to build out ecosystems, bringing together partners, customers, third party solution providers into collaboration that can create, scale, and serve markets in ways that are beyond the capacity of any single organization—or even any traditional industry. DBS’s digital strategy is about creating and controlling space within business ecosystems by using platforms.

For more information on platforms and ecosystems, see: Business Ecosystems Come of Age, Deloitte University Press, 2016. Available at: https://www2.deloitte.com/content/dam/insights/us/articles/platform-strategy-new-level-business-trends/DUP_1048-Business-ecosystems-come-of-age_MASTER_FINAL.pdf
Annex 5

DBS BusinessClass Live Events

Bay Area Series Events

The Bay Area Series connects SME Leaders with the brightest minds in business. With clever reference to San Francisco’s Bay Area, Singapore’s Marina Bay is the site of these tech and innovation themed live audience celebrity interview events. To date, interviews have included accomplished tech leaders Ernestine Fu, Silicon Valley’s youngest venture capitalist, and Tim Draper, all-star technology investor. [https://www.dbs.com.sg/sme/businessclass/events/bay-area-series.page](https://www.dbs.com.sg/sme/businessclass/events/bay-area-series.page)

Disrupt @ The Bay

Disrupt @ The Bay events are technology showcase events held in Singapore wherein SME owners and technology solution vendors, investors, and other industry players mingle, network, and learn about new disruptive technology. The events are themed according to sector. High profile speakers from around the world from companies such as Facebook and twitter have presented at these well-attended events. The format is dynamic and has evolved from smaller conference style small tent venues to larger trade-show exhibitions. Past event themes have been on F&B, Retail, Automotive, Business Survival, and Textile and Apparel. The PDF Disrupt Guides which are part of DBS BusinessClass digital content are typically paired with these events, as are a series of related short articles which can be viewed through the BusinessClass app. [https://www.dbs.com.sg/sme/businessclass/events/disrupt-at-the-bay.page](https://www.dbs.com.sg/sme/businessclass/events/disrupt-at-the-bay.page)

Community & Other Events

Community Events and user-generated events are also part of the DBS BusinessClass event offering. These events vary in size and formality and cover a range of topics. These events have included hackathons, information sessions on government grants, SME strategy sessions, roundtable discussions and more. The learnings from these events typically become the topic of articles available in BusinessClass. [https://www.dbs.com.sg/sme/businessclass/events/community.page](https://www.dbs.com.sg/sme/businessclass/events/community.page)
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