APEC SME Monitor

ISSUE 10
FEBRUARY 2013

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In order to enhance SMEs' knowledge and capabilities to adopt to external changes and crisis, the experts of the APEC SME Crisis Management Center continues to carry out intensive discussions on a variety of topics in this issue.

In the "SME Development" section, the expert focuses on the transformation of SMEs after company's initial success. It is important for SMEs to see design as core element to transform and upgrade their business. In the article "Brand Building or Not?" the expert emphasizes that the company must clarify its own unique position and value to develop its own brand. Both articles refer a key point that it requires long process with patience and efforts to upgrade the company.

In the "SME Challenges" section, the expert takes a startup company- Tagtoo as an example and analyzes the challenges and strategies to promote new business model via adjusting their plans to fit customers' need, which makes the company become a pioneer in the image tagging industry. In another article, expert discusses about how to enhance SMEs' financing ability and help SMEs get rid of the blind spots of financing difficulties from a macro point of view.

As for the "SME Policy" section, Co-chair of APEC Emergency Preparedness Working Group (EPWG) states the importance of disaster preparedness of APEC economies. With more than 40 percent of global population and over 70 percent of natural disasters occurred in APEC region, catastrophes are unavoidable but the effects can be minimized by well-preparedness. These major catastrophes are critical reminders of strengthening regional cooperation to help all APEC economies acquire the needed knowledge to implement life-saving actions.

In the "Expert Perspectives" section, the experts give their advice to startups. One of them considers that it's crucial to listen to customers' opinions, understand clients' needs and sense market change. The concept of minimum viable product (MVP) assists entrepreneurs to develop not only the products but also business model with the minimum amount of effort. On the other hand, expert shares business operation experience of running several websites at the same time. To allocate limited resources correctly, keeping each team's independence and passing knowledge would make the services run smoothly and effectively.

Johnny Yeh
Executive Director
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SMEs in Chinese Taipei have long been outstanding manufacturers in the world. In recent years, globalization has changed the industry structures, and now many SMEs see design as the core element of upgrading and transforming their business. They allocate a lot of resources to design and R&D in order to create products that are more attractive and user-friendly. Design increases the aesthetic quality of product and service. SMEs can give their customers unforgettable experiences and show their taste as well as unique style through design. To support transformation by design, SMEs need to put a lot of resources and effort into developing their own brands and breaking out of their traditional, stereotypical roles as contract manufacturers.

SMEs account for more than 97% of the total businesses in Chinese Taipei. Their diversities and flexibilities have been important driving forces for the island's economic development. In response to the big economic changes in recent years, the Ministry of Economic Affairs formulated the "Three Industries, Four Reformations" strategy, which focuses on developing a service-oriented manufacturing industry, an internationalized, high-tech service industry and a uniqueness-oriented traditional industry.

Design can make an indirect contribution to the development of manufacturing, service and traditional industries. It can also be regarded as "hidden innovation" apart from technological innovations. The University of Cambridge conducted a study on a group of SMEs, including high-tech start-ups, engineering service companies and small retailers, and came to a conclusion that design can not only create value in tangible high-tech products for SMEs but also in intangible services. The most common example is using design to improve product development and build a service model; next is applying design to marketing and commercialization; also in some cases where design helps improve company procedures, project promotion and work efficiency. By employing "design thinking", SMEs can rearrange existing processes and technologies for developing a new service model. In this way, the market niche can be further expanded and add value to SMEs.
In terms of creating service-oriented, high-tech and uniqueness-oriented industries, design thinking and brainstorming with internal and external consultants are necessary at the early stage. It is important to move from the traditional development model adopted by manufacturing and service industries that focus on improving efficiency and quality, redefining what a company can offer to users. In addition, enterprises can work out other possible service design ideas or innovative business models to find out the "right" specifications for their products and have them seamlessly integrated into the current service systems. Another way to achieve this is to come up with hypothesis and inferences on the development trends for new product development, and then apply them to an innovative business model. Concerning the needs of SMEs in the concept inception stage, designers are usually good at connecting different contexts and are more likely to think out of the box. Therefore, they are more able to move between different fields to find new combinations and to innovate.

On the other hand, innovative services usually do not have clear specification objectives and produce immediate effect like product research and development. Therefore, it is pivotal to have a trial-and-error plan in place under constant review and corrections in the process. This is similar to the processes of developing software usability and a satisfaction survey on the system and service procedure. There is usually no immediate or final answer to a question and it is hard do it right the first time. What makes design valuable is that its focus is on the end-users and it can be used together with all kinds of complementary tools for concept development and testing. This reduces the cost and numbers of trials and errors.

Additionally, making good use of software and internet will further help create a service-oriented manufacturing industry, an internationalized, high-tech service industry and a uniqueness-oriented traditional industry. Consumers' basic needs have mostly been met so the solutions that aim to satisfy the needs of one's social status, respect or even self-fulfillment will be the next focus. This is similar to the so-called "user experience" that design has been emphasizing in recent years. It takes time for service and design to produce an effect and SMEs need to have medium and long-term plans in place as well as execution power to reap the benefits in the end.
Brand Building or Not?

In recent years, cultural and creative branding became a prevailing theme. The government has made its best effort in promoting it and various news media have constantly made topical reports. It is clearly that the cultural and creative industry has become one of our mainstream industries in the future and "Brand" is the solution to this transformation. We, 3.co, has established our own brand since 2000. When we look back, it is a miracle that we have today's achievement. No matter how successful we are now, we sure have "struggled" through it. We would like to share the hardship and difficulties on the way of building brand.

We truly felt that the public are eager to learn about this issue as we received many invitations for speeches and interviews. Everyone, especially SME owners, gets everything ready including funds prepared to start on the spot. However, after talking to many business partners, we are profoundly concerned about the impulse. In this mega trend, a business will be easily submerged by this mighty torrent and lose all of its investment with nothing left if it does not really understand the basis and fundamentality of cultural and creative brand building. We have witnessed that many pioneers invested huge money and swore a successful oath but failed at the end after they advanced courageously. After recalling the past with pangs in the heart, we would say that this is essentially an issue of cognition – insufficient understanding of self-position.

SMEs support the Chinese Taipei's economic development. We grew and throve from the manufacturing industry and have had a leading position in our producing and manufacturing technique in the world. However, what is our next step? Transformation is the biggest challenge that every enterprise faces. "Brand", of course, is one of brilliant and promising options. But the key to decide whether it will be the solution you need to fully understand yourself. Technique breakthrough is a means for manufacturing issues. And for the production issue, high-end level development offers a chance to increase profitability and distance from low price. There are many measures available for you to solve the choke point you face, but it still depends on what your "greatest advantage" is. Start from this point and extend your thought to find out your unique value that is not replaceable.

The cultural and creative industry has a very close relationship with cultural connotation. It is evident that it is absolutely not a business model with short-term investment and fast return. Cultural creation must be unique and connotative. Therefore, it will be a long way that needs careful management and deep cultivation. If you ask me, I would say it is a well-worth path, but you need to magnify your vision to achieve the ultimate success. Some companies consider it a shortcut for profitable business opportunity. They simply cut the superficial cultural icon and paste and print the icon on their products, which then are marketed in the name of cultural and creative products. Nowadays, such products are seen all over the market but have extremely short life, where they even have no chance to take a firm stand before they are knocked out. Accordingly,
their brands will not have a foothold in the market. For cultural and creative products, you need to devote time and effort finding out the true meaning of cultural connotation. After digesting and absorbing the connotative meaning and translating it into practical goods for modern life, you may see a long and promising future for cultural and creative products. This value is exactly the treasury that everyone is eager to pursue in the market full of global products nowadays. Chinese Taipei has the strength of developing cultural and creative products. As long as we put in more effort, we are definitely able to compete with top brands.

People who first heard about us wondered why our name is 3,co. At the beginning when we considered brand building, we clearly realized that design, production and marketing are the three fundamental components, which are our management motto as well. However, in terms of the spirit of brand, we intend to express the spirit of brand through three dimensions of design, art and integrating into life. Therefore, explicit principles and objectives must be set forth for brand building in order to establish norm inside and outside the brand.

Branding is a long way to go. For business operation, an enterprise must not splurge in the first two years, which makes it short of money afterwards. Since our company is a typical SME, there have been a lot of restrictions on our funding management. Therefore, we tend to be conservative and make effort in stable growth. This slow progress has been turned into our greatest advantage. Smooth runs the water where the brook is deep. We have stood firm and erect for ten years and started to experience the "Explosive phase" of the brand effect, making us become one of brands with lowest investment and extremely high reputation in the cultural and creative industry. Willpower, determination, and precise vision are necessary elements for brand building. On top of that, taking every small step seriously and accumulating every achievement you made with stable funds will ensure you a success.

In conclusion, do you need brand building? Precisely understand your own unique position and find out the greatest advantage. Then you will get the answer.
Tagtoo Corporation was established in April 2010 by Changfeng Yang and Jianxun Chen, two graduates of the Institute of Computer Science and Engineering in National Chiao Tung University (NCTU). Tagtoo is a pioneer in content-based purchasing in Chinese Taipei that focuses on providing online content and advertisement automatic linking service. The team members both graduated from the Institute of Computer Science and Engineering in NCTU and they have background in keyword search algorithm, tagging system, and semantic web services. After working for three years post graduation, the two co-founders, Yang (CEO) and Chen (CTO) started their own business in the image tagging industry.

### Technology Unable to Solve Customers' Problems

In the ideation phase, the team members were very interested in the image tagging market. In their view, there must be good business opportunities since Google was also involving in this area. The image tagging services can be categorized into two types: identifying and comparing data using computer algorithms. This type of image tagging allows words and recognizable objects in the images, such as human faces, animals, brands or daily necessity products, to be tagged automatically. However, this technology and service requires a lot of storage and computing power. Additionally, the algorithms need to be continuously optimized and improved. Although startups can usually achieve higher efficiency and lower labor costs, big corporations still reign in the market in the long term.

The other type of image tagging is to tag images with keywords or related phrases directly by image owners or users, including photographers, illustrators, image creators and art editors as well as content creators, journalists, and copy and web editors who use pictures in their work. This type of image tagging does not require a lot of computing power but the tagging and linking solutions have to be easy to edit and easy to integrate with platforms. In addition, there has to be sufficient motivation for these users to tag the images.

When the service went online, it was tested on numerous blogging platforms and online media. However, the way the tags worked was too technical and not user friendly for most content providers such as art editors or copy editors, so the number of tags did not grow as expected. Moreover, there was no automatic tag solution and users lost patience easily when they had to manually do all the tagging. This has led to modest growth in Tagtoo’s revenue and their partners were losing interest.
Innovation from Customer's Proposal

One year after Tagtoo was established, the idea of image tagging service became well received but few content providers actually used the service. The only remaining partner had continuous discussions with Tagtoo and conducted numerous tests until they finally came up with a new service, which was the prototype business model of the current content-based purchasing.

The way media make money is by offering advertisements on their pages, but e-commerce is mostly utilized by SMEs or startups, and few of them have sufficient resources to buy ads online. Online media can take advantage of huge internet traffic and attract substantial numbers of viewers, but the audience has already lost interest in the brands or ads that constantly pop up. Therefore, the long-term conversion rate tends to be low.

Tagtoo’s content-based purchasing connects online content with specific product advertisement by using algorithms and building a product database. Additionally, the corporation identifies and predicts the audience preferences for products through user behavior analysis. There is a learning mechanism in place for the algorithms and this will gradually "connect content with products" and increase their link conversion rate as well as transaction conversion rate.

Content-Based Purchasing Creates New Business Opportunities for Online Advertising

In the beginning of 2012, Tagtoo's content-based purchasing service officially went online on their customer's website. It was successful and attracted a lot of attention from companies in e-commerce and online advertising industries. The products are displayed in rotation and this kind of advertising costs less than buying ads on websites. What's more, it increases the link conversion rate and precision rate of advertisements. As a result, many e-commerce and platform providers, such as online auction sites and shops, started to partner with Tagtoo.

Since the second quarter of 2012, the number of Tagtoo's customers has been growing and the corporation has become a pioneer in content-based purchasing in Chinese Taipei. Tagtoo will continue to focus on developing a system for programmed automated advertisement as well as providing service to more content platform and e-commerce providers while utilizing user behavior analysis and learning to improve their service. The team is expanding its operations and bringing the company to a new level.
How do SMEs Enhance their Financing Ability?

In the course of business operation, SMEs are often considered a group having difficulty in acquiring financing. This kind of image is mainly built on a paradoxical concept – SMEs usually have unsound financial statements and lack collateral, and therefore are not welcomed by banks, resulting their hardship in borrowing money.

These concepts are not completely correct, and will be clarified as below:

1. Unsound financial statements (referring to a low credit rating) and lack of collateral may result in difficulty in obtaining credit, but an enterprise may be the best "investment object" as long as it shows its promising vision and prospect. Furthermore, it is quite easy for an enterprise to acquire subsidy from the government or other authorities once it meets the incentive or bailout requirements.

2. As to an enterprise which is not welcomed by banks, it might be because banks are usually unwilling to approve a credit facility to a corporate borrower who has a low credit rating and is unable to provide valid collateral. However, for the investment department in financial institutions, they focus on the ability of the leadership team and the forecast of future profitability. They believe that it is the best opportunity to invest in SMEs which have insufficient capital at present but have a promising outlook.

3. Having difficulty in borrowing money from banks does not mean having difficulty in borrowing money from shareholders or facing the same distresses or obstacles when borrowing money from affiliates, relatives, employees, upstream and downstream partners, quasi shareholders, and other "non-financial system".

4. When it comes to lack of collateral, it seems to refer to fixed assets only, such as land, buildings or equipment and machinery and disregard other better collateral than fixed assets, such as cash or time deposits (including deposits from shareholders or affiliates, sales revenue received in advance, or guarantee deposits and franchise fees received in advance), and guarantee offered by the government (such as SME Credit Guarantee, Agricultural Credit Guarantee or Overseas Credit Guarantee), etc.

5. Having difficulty in borrowing money from banks does not mean inability to raise a loan. When reviewing accounts on the upper right side of the balance sheet, we may find that there are three types of liabilities, the first one of which is borrowings (borrowing money from financial institutions or the non-financial system). The second type of liabilities is trade finance (buying on credit from upstream suppliers or collecting payment from downstream customers in advance). The third type is non-reimbursable liability (such as capital collected in advance or issuance of stock warrants). The second and third types of liabilities mentioned above may be much easier to be undertaken than the first type of liabilities.
6. Raising a loan or borrowing money is not the only way of financing. In addition to liabilities, increasing capital or releasing shares is an activity undertaken from the lower right side of the balance sheet. Acquiring subsidy and bailout from the government is an activity undertaken from the miscellaneous income of the income statement and is usually much less difficult than raising a loan.

If business owners are able to get rid of the aforementioned blind spots, they can find the source of financing from a macro point of view and handle their financial need with financial engineering technique.

I. An enterprise should comprehensively consider the greatest effectiveness provided by the three ways of financing, which are raising capital by floating shares, raising a loan and pursuing subsidy, on the enterprise (or the group) and make a well-arranged planning.

II. Raising capital by floating shares or releasing shares targets at financial institutions (such as the investment department of the bank), corporations (such as investment companies or venture capital) or governmental agencies (such as SME investment funds or government-owned SME development companies) as top priority. When introducing financial institutional shareholders, corporate shareholders or government shareholders into an enterprise, it is absolutely a substantially plus factor in improving the credit rating of the enterprise even though its stock price at that time is relatively low, which is a much better way than calling relatives and friends to join the enterprise as entrepreneurs.

III. When a liability event is chosen to raise fund, trade finance should be first considered. If an enterprise is able to obtain trade finance from its upstream suppliers and downstream customers, it not only bears no interest but also accordingly increases its position in the industry chain. As to borrowing money from banks, an enterprise should try its best to avoid any "outstanding bank loan balance" unless there are other benefits (such as hedging the risk of exchange rate fluctuation by using soft currencies).

IV. An enterprise should leverage the credit insurance mechanism provided by the government to acquire credit facilities from banks. However, it should do its possible not to fully draw down the credit facility. The "undrawn room" between the credit line and the outstanding balance is the best bait for the enterprise to raise its credit rating and strengthen its market position in the industry.

V. When an enterprise starts to draw down the credit facility granted by the bank, the borrowing would rather be stated under a guarantee account than under a borrowing account. For instance, using the performance guarantee granted by the bank to collect sales revenue from super large customers in advance or employing post-dated bill assurance or acceptance granted by the bank to postpone the payment to super large suppliers are examples of "increasing good debts".

VI. An enterprise should effectively use "low risk weighted" financial instruments to minimize the utilization rate of credit facilities and reduce the required percentage of collateral.
How preparing for disasters is critical for APEC economies

Building resilience to disasters is not only critical for APEC economies, but also essential to the lives and livelihoods of the billions living across the vast region.

This 26th December marks the eighth anniversary of the devastating 2004 Indian Ocean earthquake and resulting tsunamis that deeply affected much of Thailand, Indonesia and other parts of the world. Close to a quarter of a million lives were lost and the damages totaled nearly US$10 billion.

The plight of those affected prompted a global humanitarian response. The worldwide community donated more than US$14 billion in disaster relief funds. In 2005, also in response to the tragedy, APEC formed a group specifically to deal with such large-scale disasters, by coordinating and facilitating emergency preparedness and disaster risk reduction efforts.

The APEC Emergency Preparedness Working Group was established and today it brings together government officials from the region’s various emergency services departments to build its members’ capacity to better mitigate, prepare for, respond to, and recover from emergencies and large-scale disasters.

Being fully aware of APEC’s core trade and investment mission, and its resource limitations, the group’s efforts are designed to complement, but not duplicate, the work of other international organizations that deal with disaster relief.

The key word here is "preparedness" and the group is readying its members to deal with future emergencies. This is done primarily by focusing on building the resilience of businesses and communities and fostering closer ties with the private sector to protect business, trade and economic activities from disruption.

Typhoon Bopha in southern Philippines and Hurricane Sandy in the east coast of the United States are two of the latest catastrophes to hit the APEC region.

In Southeast Asia, last year’s tropical storm Nock-ten triggered massive flooding along the Mekong and Chao Phraya river basins, which inundated 65 of Thailand’s 77 provinces and also affected parts of Viet Nam. The floods forced factories and schools to be shut down and cost Thailand an estimated US$45.7 billion in damages.

Other catastrophes in the region – such as the 2008 earthquake in China's Sichuan province,
the 2010 earthquake in Chile, and the 2011 earthquakes in New Zealand and Japan – have also cost APEC economies greatly, both on the economic and human scale.

APEC members are, unfortunately, well-acquainted with such devastating events. In fact, the Asia-Pacific region experiences over 70 percent of the world’s natural disasters. Around 40 percent of the world’s population, or nearly 2.7 billion people, also live in the APEC region.

Building resilience to disasters is therefore not only critical for APEC economies, but is essential to the lives and livelihoods of the billions living across the vast region.

During the 6th APEC Senior Disaster Management Officials Forum held in Vladivostok, Russia last October, regional experts learned how to boost resilience by integrating state-of-the-art technologies with disaster management systems, such as monitoring and forecasting. They also shared lessons learned from recent large-scale disasters, including last year’s earthquakes in Christchurch, New Zealand and Sendai, Japan.

Indeed these major catastrophes are critical reminders of the importance of APEC’s emergency preparedness work. Regional cooperation therefore needs to be strengthened so that all APEC economies are better able to acquire the needed knowledge to implement life-saving actions.

Learning from past disasters is a very important component for emergency preparedness.

In August 2011, a workshop for government officials and businesspeople that strengthened private sector preparedness during emergencies was conducted in Sendai, Japan. Participants from both the public and private sectors shared case studies and specific methods, practices and tools for business continuity planning in times of crises. In 2012, through cross-cutting collaboration with the APEC Small and Medium Enterprises Working Group and an Australia-led workshop, the outcomes are aiming at building guidelines for business continuity planning to boost public private partnership.

Similarly, recognizing that hundreds of millions of children across the APEC region are going to schools in high seismic risk areas, another workshop was conducted in October 2011 in Chinese Taipei to improve school earthquake and tsunami safety by making use of international guidelines.

Going forward, more groundbreaking projects will be held in the coming months. One will work to enhance networking among crisis management centres through information sharing first, while another joint project, with the APEC Transportation Working Group, will seek to reduce the adverse impacts of disasters on the global supply chain and boost its resilience.

The APEC Emergency Preparedness Working Group is expanding on APEC’s original trade and investment liberalization agenda to reflect current priorities, meet the immediate needs of communities, businesses and economies, and achieve secure growth for all.

Essentially the safety and security of our people underpins all economic activities. These are the necessary conditions for the further development of our economies. Business and trade remain critically vulnerable, unless APEC economies can, through the group’s collective efforts, continually build up their resilience to emergencies and better prepare themselves against disasters.

Source: [http://www.apec.org/Press/Features/2012/1227_disasters.aspx](http://www.apec.org/Press/Features/2012/1227_disasters.aspx)
The Stubborn Startup

Investors prefer to invest in teams who either already had a successful exit in the past or learned lessons from a failed previous venture. First-time entrepreneurs with no prior startup experience often neglect critical steps in the early stages of their new venture: the importance of creating complementary teams, focus on solving customers' problems, conducting market research to validate the business idea, assembling an advisory board and working with mentors. As a result many startups fail to bring a viable product to market or fail altogether. Often first-time entrepreneurs state "The best advice? Don't listen to advice". Even though not all advice is good advice it is important for startups who are in the ideation phase to validate their idea and learn from experts who provide guidance and valuable advice based on their previous experiences.

The concept of "The Lean Start-Up" by Eric Ries explains how a minimum viable product (MVP) empowers entrepreneurs to start the process of learning how to build a sustainable business with the minimum amount of effort. Contrary to traditional product development, which usually involves a long development period and aims for product perfection, the goal of the minimum viable product is to begin the process of learning, not end it. "Viable" means that it is actually solving the need that a startup sets out to solve. Before startups make their MVP, they need to determine a list of needs that their product is going to solve. Needs equal demand. If the product is too minimal that it doesn't solve the core needs, there will be insufficient demand for it to test and iterate it into a successful venture. "Minimum" means "startups should not develop features that they don't need specifically to test the hypothesis." Startups should not take the word "minimum" too literally. The goal is not really to create a minimum product, but rather a high-quality but focused product that the startup can develop and launch quickly.

It is important for startups to understand who their future users and customers are and research their competitors and then work on the actual product. What is the best way to validate a startup idea with potential customers? Most entrepreneurs simply validate their idea by asking friends and family to provide feedback. However, asking friends and family for feedback is not an empirical and effective research methodology because in most cases friends and family don’t represent a mirror image of the future user or customer and they are biased. Instead of validating the concept with friends and family, startups should conduct research surveys to better understand what customers want and need and who their customers are. It is easy to conduct research but it is in the human nature not to step out of our comfort zone. For example, developers are trained to write code and it can be against their nature to walk into a shopping mall with a research survey loaded onto an iPad and approach strangers to conduct a survey or interact with their future customers. As
a result the developer neglects the important step of conducting research and focuses on what he/she is most comfortable with: writing the code. And then, when the product hits the App store, the startup recognizes that there is no real need for its mobile app or web service and their product fails to gain traction after the launch. It is not always necessary to have face-to-face interaction with future customers in the research/ideation phase. There are a number of free online tools available e.g., Google Forms or SurveyMonkey or even Facebook Fan pages. In the survey the startup can ask how their potential customers solve the problem at present, how much they'd pay the startup to manually solve the problem and if they can recommend someone else who has the problem. The entrepreneur should rely on acquiring a deep understanding of the domain, the dynamics of the industry, the pain points, the need and opportunity gaps and the process of decision making. The more startups know about their future users the better equipped they'll be to determine the features they'll want from their minimum viable product. Once the startup identified the essential feature set it can build the minimum viable product around that. Startups need to stay focused and not waste resources adding features for every potential user need and scenario.

Furthermore startups ought to study the competitive landscape. Often entrepreneurs pitch to investors and claim "we have no competitors". Investors tend to refrain from investing in teams who focus on building products or services that have no known competitors. The startup that approaches an investor and states there is no competition will typically fail to engage the investor because the startup has not conducted in-depth competitive research and failed to identify existing competitors in their local or international market, or their product is ahead of its time or there is no need for the product.

The minimum viable product is a useful concept not just for the product, but for other elements of a startup such as testing a hypothesis that is integral to the business model. For example, the minimum viable product can challenge startups to determine the most efficient way to test that they can attract partners to help build the product or rather sell through a distribution channel or reduce customer acquisition costs.

Eric Ries notes "too many startups begin with an idea for a product that they think people want. They then spend months, sometimes years, perfecting that product without ever showing the product, even in a very rudimentary form, to the prospective customer. When they fail to reach broad uptake from customers, it is often because they never spoke to prospective customers and determined whether or not the product was interesting. When customers ultimately communicate, through their indifference, that they don't care about the idea, the startup fails." Once a startup has launched a minimum viable product but fails to gain traction it is important pivot. Pivot has come to define startup life. Without pivoting, YouTube would have been a dating site, Groupon an app for staging protests, and Instagram a location-based game.

It is critical for startups to listen to their customers' feedback and adjust their business model accordingly. Don't become a stubborn startup that's ignoring valuable advice and what your customers want.
How to Run 5 Different Websites at the Same Time

We started our business in 2007. Altaspost is our first product and was the only focus then so that our single mission at that time was simply attracting more visits to Altaspost.

Groupon’s acquisition of our company changed our roles from the founders of Altaspost to the operators of Groupon Taiwan, the world’s biggest group buying brand. Groupon was our single focus then so that we can concentrate on teaming up with more fantastic retailers.

During post-Groupon period, we were keen on operating a totally different business model and saw market potential of online-to-offline commerce (O2O). We wondered whether we can enter various sectors at the same time if we possess O2O know-how. Today, after 12 months since we left Groupon, we have covered 5 different and diverse services – photography industry (Photo 123), clothing industry (Buy 365), printing industry (Card 101), and fruit and vegetable industry (Food 123 and Fish 123).

Some people wonder how we achieved time management, or doubt that we concentrate on new services but ignore existing services. Here we are going to share what we have learned from our experience.

1. **Focus on services with exchangeable know-how**

   Although at first glance, websites we operated seem to have distinctive characteristics, these websites actually share one critical element – all of them are highly O2O-oriented services. Therefore, marketing and operation are the cores of these services. Marketing can attract enough consumers to maintain the business, while operation ensures consistency between customers' expectation and our products and services. Therefore, although these services do not appear like related, they are in fact connected by similar know-how.

2. **Separated Office Area for Every Service**

   The more services we have, the higher their interference with each other is. However, the key for a business to success is "concentration". Only by concentrating on daily work can someone have comprehensive understanding of the industry. Therefore, as soon as a service is on its track to maturity stage, we assign its work team into a separated office area. So far, work teams of Photo 123 and Buy 365 are rewarded their own offices.

3. **One-On-One Operation between Teams and Services**

   Like separated offices, it is important to assign enough people to focus on daily operation of every service. All of our services were first started up by us (four co-founders of the company). After a service is introduced to the market and its business model is on right track (which means we have more than 30% confidence in future success), we build an exclusive team for that service. It is the only way that we ensure enough concentration on every service.
4. Centralize Common Functions

Besides decentralizing daily operation to teams, it is better to centralize some common functions so that resources are not wasted or unnecessarily invested on the same things. Therefore, in addition to each work team, we integrated R&D, marketing and finance resources.

5. Maximize Each Co-Founder’s Contribution

All four of us have been working together on entrepreneurship for five years. Every one of us has distinctive strengths. In order to maximize effectiveness of our business model, four of us have clear distinction between focused areas such as new product line extension, operation and maintenance of existing products, finance, and marketing communications.

Furthermore, fantastic teams are the most important element of efficiently and effectively achieving our ideas. No one can successfully start a business on his or her own. The only way to build up an energetic and competitive team is by always trying one’s best to invite perfect partners.

Well, although we are still brainstorming for the topic of our fifth website, we are, at the same time, working on existing websites so that you can see a fresh look of Buy 365, newly introduced Food 123 and Fish123, and continuous and consumer-oriented improvement of Photo 123 and Card 101.

If you ask about my expectation to these websites, I would say that it is like professional baseball players’ expectation of their performances. Players should rather put efforts in every chance than imagine appearance in playoff series at first day of regular season. I enjoyed working in teams very much. Sometimes, the best thing for entrepreneurship is to enjoy every moment.