

A large, intricate knot of rope, possibly a reef knot, is the central focus of the top half of the page. It is set against a background of a clear blue sky with a gradient from light to dark blue. The rope is a natural, brownish color and is tightly woven.

## Defined Strengths of E50 Winners

SINGAPORE

*This article was written by Barry Lee, Audit Partner, KPMG LLP and Brandon Lim, Manager, KPMG Advisory Services and appeared in The Business Times on 24 November 2008.*

This year's Enterprise 50 (E50) award winners are a microcosm of the Singapore economy, with companies in a diverse range of industries - engineering, business services, IT, logistics, hospitality, property, wholesale, retail, distribution and construction and manufacturing.

The applicants this year were evaluated and ranked using both quantitative and qualitative criteria. The quantitative factors included financial performance indicators such as operating profit before tax, turnover and profit growth.

The qualitative aspects included management and marketing strategies such as the applicants' business model and their innovations, management ideals and governance, market branding and overall potential.

With our new collaboration with The Business Times, the assessment approach has taken a more qualitative hue. The idea is to create a more holistic and forward-looking judging process. Qualitative factors now account for a greater percentage of the overall scoring than in previous years.

In particular, the projected growth of applicants, rather than just their historical financial records, has been given greater weight. This means that

promising companies currently not generating large revenues but having the potential for sustainable growth are better positioned to make it to the 2008 E50 list.

Looking at the winners' podium, we find that the top 10 hail from a diverse spectrum of industries ranging from marine and offshore engineering to finance, construction, trading and IT.

Despite their divergent backgrounds, they all share several common characteristics. These companies have established strong financial track records which underline their business acumen and financial prudence.

This top rung of organisations has also built a niche for themselves within the industry they operate in. They either have a strong product which those within their industry know and respect or, if in the service sector, are known for their excellence in the form of quick turnarounds and minimal downtimes.



Through visionary planning and strong corporate governance, they have been able to adapt to the times and introduce innovations that have enhanced their product or service over time. Essentially, their product or service speaks volumes for them.

The cream of the E50 crop is also endowed with a clear and strong organisational structure. Decision-making within these companies no longer rests on just one person, but has been delegated to those who specialise in a particular function or role.

As these executives are empowered to make the necessary decisions, their organisations have moved towards establishing a finer balance between owner control and professional management.

The top 10 E50 winners are also aware of the need to attract and retain the right talent. While it is normal that in good times companies provide their people with opportunities, it is in bad times that their culture shines through as they pull their people together to overcome adversity.

In return, they value the loyalty of their professional staff. This allows knowledge to be preserved and enhanced both in good times and in bad, which sometimes places these companies in a position to take advantage of growth opportunities when good economic times return.

Therefore, our top 10 all share common strengths that have made them the winners they are today. And while the current crisis throws a gamut of challenges at them, they remain unfazed.

After all, many of them have gone through several crises, some as far back as the Pan Electric debacle in 1985 to the more recent hiccups such as the Asian financial crisis in 1997 and post-9/11 meltdown.

From all these, their companies have emerged stronger than ever. As a result, many of these entrepreneurs are looking to ride out the current slump and soar on the next growth wave.

## Contact us

**Barry Lee**  
Partner, Audit  
Tel: +65 6213 2348  
Fax: +65 6225 6157  
blee2@kpmg.com.sg

**Brandon Lim**  
Manager,  
Advisory Services  
Tel: +65 6411 8106  
Fax: +65 6223 3118  
brandonlim@kpmg.com.sg

**KPMG**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581  
Tel: +65 6213 3388  
Fax: +65 6225 0984

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