Heartland Innovation Challenge 2022

Enabling Heartland Enterprises & Merchants' Associations to innovate and co-create new business models for growth

Problem Statements

Challenges and current state of capability development
of heartland enterprises and merchants' associations

Problem Statements

Heartland enterprises today are facing challenges such as competition from shopping malls and e-commerce, and an aging workforce.

Covid-19 has also caused disruptions in supply chains, increasing materials and manpower costs. To keep costs low and attract new customers, **more than 83% of heartland enterprises have adopted e-payment**, while **half of the shops have started to sell beyond their physical shops** – on social, mobile and e-commerce platforms.

Despite the digitalisation efforts, about 75% of businesses projected stagnant or declining revenue this year (SCCCI Survey, 2021). The rate of business transformation needs to be accelerated and heartland enterprises **need to innovate their business models to further reduce cost, increase revenue and attract new customers.**

Heartland Innovation Challenge 2021

THE FEDERATION OF MERCHANTS' ASSOCIATIONS, SINGAPORE

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- **First ever innovation challenge** for the heartlands
- **14 participating heartland enterprises** across food, retail and services industries
- **14 student teams** across 7 IHLs (NYP, RP, SP, TP, NTU, SMU, SUSS)
- **3-month innovation journey** facilitated by Design Sojourn & HECS

① LEAF CORNER PTE LTD

Collaborated with NYP students from the food science faculty to create a **farm to table experience café**. Building on the sustainability theme, the café will offer healthy plant-based foods to promote self-care and healthy eating, interactive zones such as an indoor hydroponics setup, and menu items that encourages customers to be more hands-on with their food.

② UNIDBOX HARDWARE PTE LTD

Collaborated with SUSS students to **develop an inspection booking system to upsell additional services and products**. As the only team that managed to pilot their idea with customers, the team brought their free-inspections voucher to the market, offering them to high value customers with 2 out of 3 customers taking up the free inspection and eventually 1 successful upsell.

③ KIM SAN LENG (SOON LEE) PTE LTD

Collaborated with SP students from the business school to **develop a new platform to modernize the coffee shop business** and preserve the hawker culture in Singapore. The new platform will offer affordable rates for entrepreneurs and home-based businesses to scale-up quickly and leverage on Kim San Leng's expertise, networks and channels.

Other innovative ideas from participating teams:

- <u>Yes Natural Pte Ltd</u>: To broaden Yes Natural's reach and influence on the younger demographic, SMU created **'Yes Academy', a one-stop healthy-living platform** integrating both learning and sharing of healthier ways to eat and live.
- <u>Gemstory Pte Ltd</u>: Another SMU Team developed an innovative solution that combines both **aesthetically pleasing gems and a wearable tech**. The team envisions a future where GemTech expands to include other accessories in the GemWear series and GemHome, accessories that could control home functions.
- <u>Axe Factor Pte Ltd</u>: After analyzing the business model of Axe Factor, team TP identified customers **under 15 as an untapped market**. Therefore, the **redevelopment of the axe by making alterations with foam mats** to ensure the safety of younger customer, and encourage more families to participate in the fun together.

HIC 2022: Summary

Objective: To bring together merchants' associations, heartland enterprises and tertiary students from ITE, Polytechnics and Universities to collaborate and co-create new and innovative products, services, channels and/or business formats.

Heartland Innovation Challenge: To address the 'how to' problem through a **structured 3-month innovation process** to tap on resources from experts and IHL mentors and students to develop business capabilities through workshops on conceptualisation, prototyping, digitalisation, marketing and pitching. The teams were assessed on the innovativeness of product concepts and feasibility of commercialisation

Launch: Q1 2022

Target about 20 heartland enterprises or MAs with student teams from across all IHLs

Winners may receive post-event support to commercialise their ideas (subjected to evaluation and approval)

Three Key Themes for HIC 2022 (For Enterprises)

To co-develop ideas with appointed design thinking consultant that result in solutions that reduce cost, increase revenue and/or attract new customers
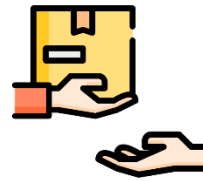
Product and Channel Innovation

Possible topics within:
1. Collaboration & partnerships
2. Diversifying sales strategies
3. Channel Marketing

Customer Experience and Service Innovation

Possible topics within:
1. Modularization & Customization
2. Shop-in-Shop
3. Customer Engagement

Sustainability

Possible topics within:
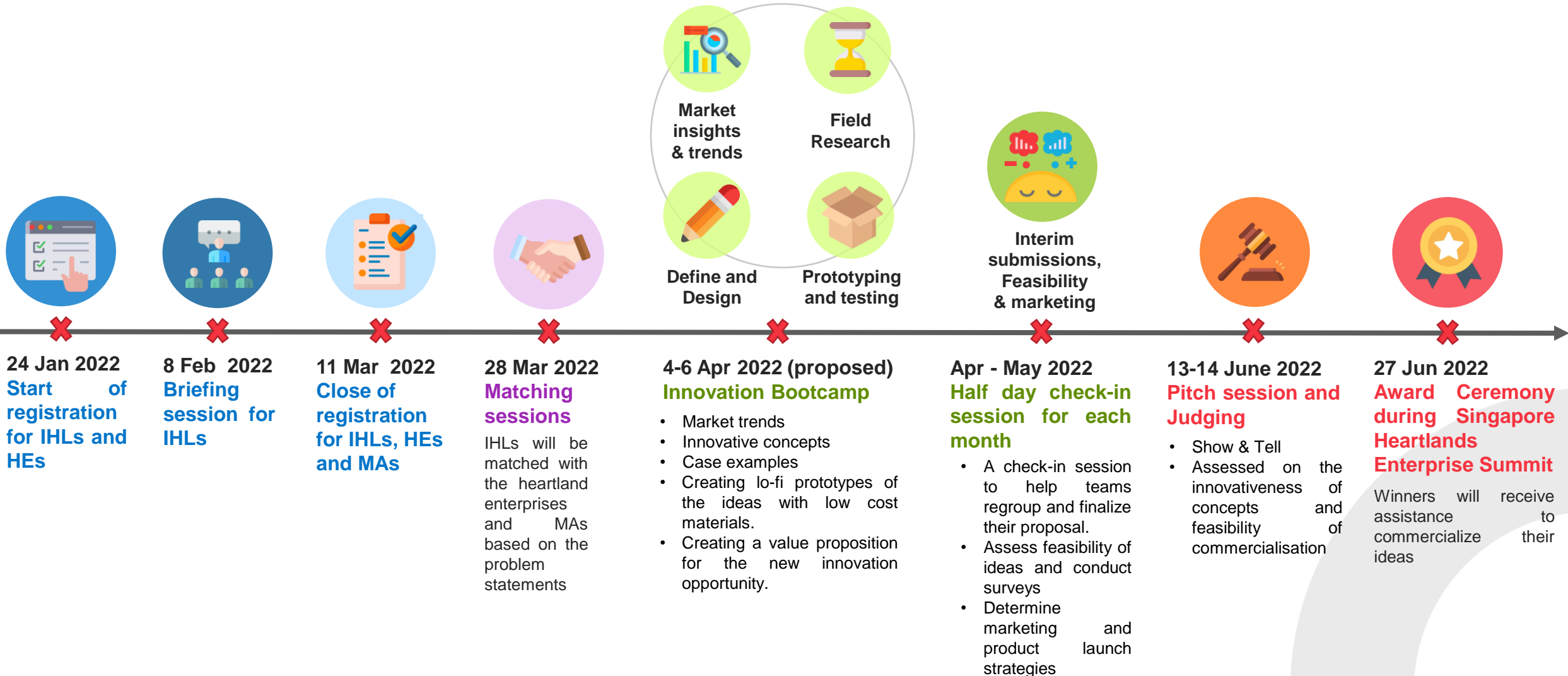1. Production
2. Logistics

HIC 2022 Process

Structured 3-month innovation journey with facilitation and check-ins

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Market insights & trends

Field Research

Define and Design

Prototyping and testing

Interim submissions, Feasibility & marketing

24 Jan 2022
Start of registration for IHLs and HEs

8 Feb 2022
Briefing session for IHLs

11 Mar 2022
Close of registration for IHLs, HEs and MAs

28 Mar 2022
Matching sessions

IHLs will be matched with the heartland enterprises and MAs based on the problem statements

4-6 Apr 2022 (proposed)
Innovation Bootcamp

- Market trends
- Innovative concepts
- Case examples
- Creating lo-fi prototypes of the ideas with low cost materials.
- Creating a value proposition for the new innovation opportunity.

Apr - May 2022
Half day check-in session for each month

- A check-in session to help teams regroup and finalize their proposal.
- Assess feasibility of ideas and conduct surveys
- Determine marketing and product launch strategies

13-14 June 2022
Pitch session and Judging

- Show & Tell
- Assessed on the innovativeness of concepts and feasibility of commercialisation

27 Jun 2022
Award Ceremony during Singapore Heartlands Enterprise Summit

Winners will receive assistance to commercialize their ideas

Matching Session

A physical session will be organized on 28 March 2022* for IHL teams to pitch to enterprise owners. This gives an opportunity for business owners and student teams to be matched with their ideal partner.

Before Matching Session

Release of participating Heartland Enterprises/Merchants' Association

Release of an Enterprise profile brief by participating enterprises. The briefs will include an introduction to the business, their problem statement and objectives.

Day of Matching Session

Pitching of School Teams

Team supervisors will pitch to the enterprises on behalf of their student teams. The pitch will include a brief overview of the expertise and capabilities of their students and the resources that will be provided to support the teams. Students may record a video of no longer than 1 minute as a self-introduction.

Formation of Teams

Networking and Live Matching Session

1. Breakout to network for self-matching session.
2. Each school rep will receive registration slips for each of their student groups.
3. Once there is a match, the school and enterprise are now a 'team'. Name of school (e.g. Poly team 1) and enterprise should be written on the slip and submitted to FMAS.
4. Teams will be updated live and at the end of the session all teams will be formed.
5. Names of the team members can be updated before the start of the bootcamp.

Tentative

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Innovation Bootcamp

Anchor event as part of the structured 3-month innovation journey

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The 3-month bootcamp will **start with a 3-day bootcamp 4-6 April 2022** where the participating teams will conduct field research, diagnose issues, identify gaps and develop and refine their ideas and prototypes

4 Apr (AM): Market Insights & trends	4 Apr (PM): Business Diagnostics	5 Apr (Full-Day): Field Research	6 Apr (AM): Define, Diagnose and Prioritize	6 Apr (PM): Ideation & Prototyping
1. Ice-breaker with matched enterprises 2. Introduction to heartlands landscape 3. [Tentative] Panel with Business Advisors to share about heartland merchants	1. Presentation on emerging market trends and business capabilities 2. Getting to know the owner and business 3. Identify gaps and frame problems/pain-points 4. Briefing on field research with templates and guides	1. Site visit to conduct Ethnographic Research to understand ground situation by participant teams 2. Consolidate research findings & insights expressed through Customer Personas and Customer Journey Maps	1. Review Ethnographic research findings and perform Business analysis and refine gaps and reframe problems/pain-points. 2. Identify areas of opportunities for innovation and brainstorm ideas using a variety to techniques such as "Asking Stupid Questions" and "Blue Sky" brainstorming	1. Creating lo-fi prototypes of the ideas with low cost materials 2. Creating a value proposition for the new innovation opportunity and a pitch for the new idea 3. Presentation to group

Check-in sessions (two sessions)

Part of the structured 3-month innovation journey to refine ideas

Each team will be supported by a HECS business advisor, and the participating teams will attend two check-in sessions in April and May facilitated by the appointed design thinking consultant. These sessions will help the teams to refine their ideas and prepare them for the judging session.

Apr Check-in session	May Check-in session	Show & Tell Judging session	Award Ceremony

Apr Check-in session

1. By the first check-in, teams should have conducted additional field research to validate their hypotheses and commit to final problem statement and innovation idea.

2. Finalized innovation idea and problem statement, along with research findings should be submitted as a first round submission and will contribute to the final grading.

May Check-in session

1. By the second check-in, teams should have fully developed their innovative idea (including revenue model and propose retailing price, marketing collateral, etc) and created new iteration of lo-fi prototype to conduct at least 1 customer testing to gather feedback, receptiveness and feasibility of the new product.

2. The creation of their second lo-fi prototype and customer/feasibility testing report will contribute to final grading.

Show & Tell Judging session

1. Business owners and students are expected to present their innovative ideas as a team.

2. Teams should also present their journey towards creating their final prototypes and be able to show the judges how this innovative product will work in market.

Award Ceremony

1. Promising ideas generated from the innovation challenge will be able to explore grant support to execute their innovative ideas.

Prizes and post-HIC support

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Students

1. Learning experience from working with real business owners, their challenges and creating solutions that could transform the ways of doing business

2. Cash prizes for the winning teams

3. Opportunity to gain internship attachment with the company via ESG's GRT programme *[New!]*

Heartland Enterprises

1. Identify gaps within current business model and create solutions that could increase revenue, reduce costs and/or attract more customers for the business.

2. Media profiling of companies via news coverage of HIC.

3. Opportunity to onboard desired students on internship attachments under ESG's GRT Program. *[New!]*

4. Enterprise Development Grant (EDG) co-funds support to commercialize ideas
   ➢ Relevant stakeholders will assist the enterprises to define the scope for grant application

5. Other non-financial support such as access to loans, consultants, incubation spaces, etc.

Merchants' Associations

1. Identify gaps within current operations model and create solutions that could enhance the sustainability and value that MAs bring to merchants.

2. Ideas with potential and viability may receive post-event support

3. Other non-financial support such as linking up with agencies to secure TOL for space, providing contacts and advice on attracting entrepreneurs and event organizers, etc.

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Selection Criteria

For Heartland Enterprises

Heartlands SME criteria:

1. Business entity is registered / incorporated in Singapore

2. Has a minimum of 30% local shareholding

3. Has a physical storefront or shop, operating in the heartlands (under HDB or NEA lease)

Apart from the above qualifying criteria, enterprises must also:

1. Submit a 100-word brief introduction about the company as well as a clear problem statement, objectives and outcomes desired from the challenge.

2. Have shown a willingness to innovate through their current efforts in transforming their business e.g. selling on Facebook live since due to circuit breaker measures, taking a traditional business online, or automated processes which helps improve productivity. The ideal candidate is a business that has been actively seeking growth for their business but has plateaued and needs help generating new ideas.

3. Willing to set aside a person-in-charge or team that can execute HIC ideas

4. Have the resources to adopt a potential solution in order to embark on the transformation journey.

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1. What are considered 'innovative' business ideas for this challenge?

The enterprises will be participating in our challenge have all either taken steps to pivot and transform their business or have already adopted a few digital solutions of their own. HIC 2022 is meant to help these heartland enterprises that have already done the foundational work to be more successful, innovate and grow their business further. The key objective of this innovation challenge is to co-innovate and co-create <u>new and innovative products, sales channels and/or business formats</u>. Therefore, ideas should not conclude with ones that are readily available within the market e.g. adopting an off-the-shelve productivity solution.

2. What is the expectation of students and supervisors for this challenge?

Students participating in the challenge should be committed to the project and working with the enterprise owners. They are expected to attend all 3-days of the innovation bootcamp fully, all check-in sessions, engage deeply with the enterprises, submit an interim and final submission of the business proposal and present a prototype of their solution during judging. If the student team wins and the enterprise is keen on commercialising the solution, student teams are expected to either conduct a formal handover briefing to enterprises, or work with enterprises directly.

Supervisors to teams should help students engage with business owners, facilitate field research and provide students with relevant guidance and frameworks to help strengthen the students' business proposals. Guidance or facilities provided during the prototyping phase would be ideal.

3. **Where will the bootcamp be conducted at?**

More details will be provided closer to the bootcamp and check-in sessions. We aim to conduct these sessions physically to facilitate productive discussion and ensure active participation from all members of the team.

4. **What if a physical prototype for my idea cannot be produced? For example, if the idea generated is a service and not a product?**

The purpose of a prototype is ensure that teams are able to conduct at least 1 consumer test of the product/service and be able to report on the receptiveness by consumers on the new idea. The prototype will also help judges visualize and understand the new idea. If a prototype is not intuitive, teams should use other platforms to illustrate how the new idea will be delivered in market (e.g. acting, illustration, etc.).

5. How will student teams be guided during this process?

We will be working with a design thinking agency for this innovation challenge. The innovation bootcamp aims to equip student teams with a set of framework and research skills to generate innovative ideas that are consumer centric. Guiding booklets and activity sheets will also be provided to teams and supervisors so that teams can continue the iterative process of innovative brainstorming and sharpening their ideas and business proposals. If there are any questions, teams can also reach out to the business advisors assigned to their teams or FMAS and ESG representatives.

6. What happens to the business proposals and ideas generated by the teams after the challenge?

The business proposals that have been written by the teams will be used as guiding proposals when interested enterprises take on the proposals and wish to commercialise the ideas. The rights of the ideas from this challenge will belong to the enterprises. However, students who are interested to continue working on the commercialisation of the idea can make separate arrangements for an internship programme with the enterprise. Any joint ventures or partnerships should be discussed with enterprise owners directly only after the challenge.