

# FLA SINGAPORE ONLINE NEWSLETTER

ISSUE: JULY 2014



## UPCOMING WORKSHOPS

**29<sup>th</sup> August 2014**

**Workshop on Contract  
Negotiation for the Franchise &  
License Industry**

**Fees:**

\$20 for Members

\$40 for Non-Members

**RSVP by 8<sup>th</sup> August to:**

[judy@flasingapore.org](mailto:judy@flasingapore.org)



Dear FLA Members,

Your Association is entering its most active season with the preparation of the FLA Awards, FLAsia Show and FLAsia Conference and Workshops, all held from October 16<sup>th</sup> to 18<sup>th</sup>. Committees and Organizers are working hard to improve these products, keeping them relevant and powerful. For the **FLA Awards**, we bring a few novelties and more importantly bring some changes to increase participation and competition. Please do go to page 8 for more information. Really this is an event not to be missed.

On the conference side (17 October 2014), besides developing a top-notch content with our partner BizLink, our focus this year is to really increase FLA members attendance. As such, and in association with BizLink we are granting a **huge discount** to FLA members. Use that unique opportunity to equip yourself and your colleagues with up-to-date information and to network with like-minded professionals. Consult rates, program summary and registration details page 8.

FLAsia Show, in its 10<sup>th</sup> inception, is already proving to be a success with Singapore pavilion fully booked. We also registered a great turn-up from Korea for example and a broader international participation. This is really our objective: bringing more people from overseas to look at your franchise and licensing programs, and more overseas franchise and licensing programs for you to look at.

Finally we are bringing to you in this newsletter more diverse information, some members updates etc. Feel free to contribute and send us your company updates, announcements and other contributions. This newsletter is yours.

**Jean-Jacques Lavigne, Executive Director**

[jjlavigne@flasingapore.org](mailto:jjlavigne@flasingapore.org)

## News

### Facts about tenants and Reits (Real Estate Investment Trust) in Singapore and their dilemmas:

- Reits like CapitaMall Trust or Frasers Centrepoint Trust need to ensure its revenues are generated from tenants in order to fulfill income return.
- Establishing steep rental increments and harsher terms of lease agreements such as having to pay about 25% of turnover along with base rent. This doesn't give tenants enough bargaining power.
- Reits attract more business as they are more organized and they are highly advertised shopping malls.
- Although retailers have the freedom to switch to non-Reit landlords, non-Reit landlords may be less effective due to less traffic, slower pace, and less organized layouts. Source: The Business Times.

### Other news:

There are at least 60 international brands from US, UK, Japan, Korea, Singapore, Indonesia, Malaysia, Taiwan, and Hong Kong coming into the Philippines Franchise Asia. This is said to be caused by the young and huge population of 100 million that attract food and fashion brands. Source: GMA News

## FLA 2014 Executive Committee

### CHAIR

- Ms Karen Eidsvik (Subway Systems)

### VICE CHAIR

- Ms Donna Lee (Kinderland Golf)

### TREASURER

- Mr Li Dong (7-Eleven)

### SECRETARY

- Mr Bobby Ong (AutoSaver)

### COMMITTEE MEMBERS

- Mr John Ong (FT Consulting)
- Mr Alex Butt (Signarama)
- Mr Low Cheong Kee (Home Fix-DIY)
- Mr Andrew Tjioe (Tung Lok Group)
- Mr Christopher Gay (Andersen's Of Denmark (Asia))
- Mr Albert Kong (Asiawide Franchise Consultants)

### ADVISORS

- Mr Robert Leong (Kinderland Educare Services Pte Ltd)
- Mr Dharendra Shantilal (FIRCROFT)
- Dr T. Chandroo (Modern Montessori International)

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## NEW AWARDS

FLA is pleased to announce two brand new award categories!! They are:

- **The Licensor of the Year Award:** to award a local licensor that excelled locally and internationally in brand/system/technology/etc. from Singapore that has been successfully recognized in the locally as well as overseas.
- **The Most Promising Licensor Award:** This award will be given to individual or business entity with new ideas and products that are either licensable or newly licensed. This is a category entrepreneurs ought to look out for, given the maturing entrepreneurship landscape in Singapore.

## CHANGES

FLA is making some significant changes:

- Each award category should have at least 5 participants.
- Participation fees are significantly lowered to boost participation rate.
- An award category with less than 5 entrants will be discarded for the year, unless the Awards Committee sees fit to maintain the category given the quality of the entrants.
- The FLA Awards Committee reserves the right to scrap an award if the entrants' quality is judged too low.
- Post-Awards, each entrant will benefit from a debrief session for improvement with a representative panel of Judges.
- Non-winning entrants get discount if they compete two years in a row.
- Winning entries will only be disclosed during the Awards Dinner, not the day before.
- For registration and booking of tables, contact Glendon:  
Email: [glendon@flasingapore.org](mailto:glendon@flasingapore.org)  
H/P: +65 9825 7795

# FLA SINGAPORE ONLINE NEWSLETTER

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## Next Luncheon Meeting!

## CEO Luncheon – “How to be an outstanding CEO”

*With Guest speakers Vikas Malkani & Sally Foster  
from Soul Centre. Held at Shin Yeh on the 6<sup>th</sup> of June  
- Contributed by JJ Lavigne*

22<sup>nd</sup> August 2014

CEO Networking  
Luncheon with  
discussion on  
“Optimizing  
Tradeshow  
Participation, Getting  
More for Your Money.”  
Guest speaker: Mr.  
Alex Butt from  
Signarama

### Where?

Tung Lok Tea House

### Address:

Far East Square  
9-13 Amoy Street, #01-  
01  
Singapore 049949

### Participation Fees

Members-\$50  
Non-Members-\$80

### How to Register?

RSVP to Glendon by  
15<sup>th</sup> August

### Email:

[glendon@flasingapore.org](mailto:glendon@flasingapore.org)

HP: 9825 7795



When FLA accepted Vikas' offer to lead the discussions for its June 6<sup>th</sup> CEO Luncheon on such a safe subject such as “*How to be an outstanding CEO*”, FLA had plenty of reasons to think participants will have a delightful lunch (Chinese cuisine by Shin Yeh, of the Tung Lok Group), decent company (after all, we were between business owners or top managers) and a regular MBA-style management pitch about the making of a steely CEO. The thing is that neither Vikas or Sally seem to be running an organization MBA-like and that Soul Centre, as an organization and mandate is probably as close to your corporate America management style as Tang fruit juice is to Bangkok backstreets snake-blood liquor. Wisely enough, FLA split the discussion across two tables which allowed Sally to elegantly orientate the discussion towards ‘changes in Singapore’ and how to be an outstanding CEO when “*manpower cannot lah*”, “*costs going up leh*” etc. For Vikas's table (and incidentally mine), things started all too well with a beautiful story about an old man and seagulls. Clearly not a Singapore-born story because I have never seen a live seagull in Singapore. True enough, this is an Indian story of old. Could have been Scottish too. The point that Vikas was making with his seagull story (a beautiful one for that matter), is that the secret to being an outstanding CEO is in being... *authentic*.

If most participants did agree with that axiom, the debate got really interesting when we hit issue of understanding one's true purpose in life. Vikas' view is that one cannot be an outstanding CEO/leader without being authentic and one cannot be authentic without knowing his/her purpose in life. This all well said but when the issue of belief systems, religion and faith get to be discussed, people's opinion tend to be rather decisive, divisive and quite inevitably emotionally weighted.

And this is the most important thing I will take from the CEO Luncheon. Underneath a certain corporate culture, a modern way of running a business, of setting goals and KPIs, of managing people, there are deep rooted “forces” that guide one's way of making decisions and relate to others. And such forces can surface any time. The road to authenticity is not made of silk. It requires to be true to oneself and to others. It requires honesty and courage. It requires to know how to agree to disagree while withholding the highest standard of civil manners. Standing up.

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## FLA/ IMAP Supported Exhibitions & Events

**6<sup>th</sup>-8<sup>th</sup> September 2014**

Vietnam Franchise  
Show

**12<sup>th</sup>-14<sup>th</sup> September 2014**

REED Indonesia  
Franchise Show

**26<sup>th</sup>-29<sup>th</sup> September 2014**

Taipei Franchise Show

For more information  
regarding participation  
and grants, contact  
Glendon at:

[glendon@flasingapore.org](mailto:glendon@flasingapore.org)

H/p: 9825 7795

**IPOS Week**

**25<sup>th</sup>-27<sup>th</sup> August 2014**

A special discount of  
30% for sales of 11 to  
30 tickets, and  
discount of 50% for  
sales of 31 tickets and  
above is especially  
extended to our  
supporting agencies  
only.

For more information,  
please visit  
[www.ipos.gov.sg/ipweek](http://www.ipos.gov.sg/ipweek)  
or feel free to  
contact Glendon  
should you have  
further queries.

## Malaysia Franchise Tradeshow

*From 13<sup>th</sup>-15<sup>th</sup> June 2014, FLA led the Singapore Pavilion Delegation to promote and attract potential investors to their franchise businesses at the Franchise Tradeshow held there*



Domestic Trade, Cooperatives and Consumerism Minister Datuk Seri Hasan Malek with FLA Members Yvone and Roger Tan from RamenTen at the Singapore Pavilion

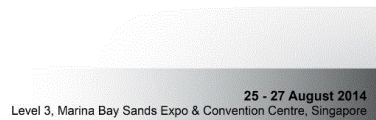
### Franchise International Malaysia

Under FLA Singapore pavilion, a group of Singapore based companies, **Ramenten, Anytime Fitness, Subway, Astreem Consulting, Signarama, Four Seasons Organic Market, Coffee NowHere, Asiawide Franchise, and Bizlink Exhibition Services**, participated to the Franchise International Malaysia (FIM) last month. This excellent marketing platform showcases their business concept to potential franchisees and new associates that may prove to be valuable business partners in the future. For members who have missed the tradeshow, do not fret, the next one is just around the corner !

### Franchising In Malaysia

In 2013, with an estimated GDP of US\$312.44 billion, Malaysia emerged as the third largest economy in ASEAN and named the 29th largest economy in the world. IE Singapore also reported that Singapore is her largest trading partner, with total trade amounting to S\$113.4 billion in 2013 alone.

For more information about Franchise Laws in Malaysia, please refer to the next page.



## Franchising Law in Malaysia

The Franchise (Amendment) Act 2012 (“FAA”) has come into operation on 1 January 2013. Principal changes introduced by the FAA and their implications on the franchising industry are highlighted below.

**Extension of Scope-** One of the principal amendments brought about by the FAA is the extension of the scope of the Franchise Act (“the Act”). First, the amendment seeks to regulate the operation of a franchise, whereas previously the Act applied more restrictively to the sale of a franchise in Malaysia. Secondly, the FAA extends the law to the sale of any franchise even where the offer is accepted outside Malaysia, provided the franchise is operated or will be operating in Malaysia. Thirdly, the definition of a “franchise” has been simplified by removing two defining criteria in the previous regime, namely, (i) that the franchisor has the responsibility to provide assistance to the franchisee and (ii) that the franchisee operates the business separately from the franchisor and such relationship shall not be that of a partnership, service contract or agency. However, the latter criterion has been retained in the form of an obligation on the franchisee in the now Section 29(3) requiring the franchisee to conduct its business separately from the franchisor.

**Registration of Franchisor-** Previously, a franchisor only had to register the franchise before making an offer to sell it. Now, post amendment, such registration is compulsory additionally for franchisors prior to operating their franchise businesses, failure of which is an offence.

**Registration of Franchisee-** The FAA also imposes the obligation of compulsory registration on all franchisees. It must be noted that there is a different threshold for registration of franchisees that are granted a franchise by a foreign franchisor as opposed to those that are granted a franchise by local franchisors or local master franchisee. The former will be required to register the franchise before commencing the franchise business whilst the latter will be required to register the franchise with the Registrar within 14 days from the date of signing of the franchise agreement.

**Submission of Annual Report and Disclosure of Documents-** Every franchisor is required to submit an annual report to the Registrar and the amendment has extended the period to do so to 6 months from the end of each financial year of the franchising business to be in line with the reporting obligations under the Companies Act 1965. Failure to do so is an offence under the Act.

The Registrar has the power to cancel the registration of the franchise if he is satisfied that there has been a failure to submit an annual report which persists for 5 continuous years.

The Registrar’s prior approval is now also required for any material change in the disclosure documents.

**Registration of Franchise Consultants-** Previously, the Act only regulated franchise brokers. The FAA introduced a new category of “franchise consultant”, which is defined as any person who provides advice and consultancy services to another person on the registration of a franchise business and compliance of related laws. Registration term for both franchise brokers and consultants is now 2 years.

## FLA Members Corner

- Kindergolf is launching a new corporate website, so look out for it!
- Sunflowerkids Child Care Group Pte Ltd has successfully opened its 1<sup>st</sup> overseas outlet in China, congrats!
- Since FLA show 2013, Signarama has franchised out 2 of its corporate outlets and opened 4 new franchised outlets
- Bideas, well known for its Ad Productions, Corporate Apparels, Design, Print & Large Format Printing Service, is opening up its first ever Chinese Restaurant
- FLA extends its warm welcome to its ex-member Vegan Burg, for joining the association again

## Thank You Note !



FLA would like to express sincere appreciation to Mr. Felix Cheok from Sophie Bakery for his valuable contribution in conducting the Franchising vs. Licensing Workshop and encouraging meaningful dialogs.

## FRANCHISING VS LICENSING WORKSHOP

*FLA members and non-members participated in the workshop conducted by Mr Felix Cheok.*



FLA organized a workshop on the differences between Franchising and Licensing on 27<sup>th</sup> of June. More than 30 members attended the workshop.

Mr Felix Cheok, General Manager of Sophie Bakery, led the workshop and facilitated insightful discussions. Besides highlighting similarities and differences between a franchisor and the licensor, the workshop also involved a thorough discussion of the problems and legal issues faced by both franchisors and licensors in their respective fields. Some of the common issues shared were difficulties entering foreign markets, as there are different laws that hinder the franchise expansions. Brand imitation and copyright issues were also hot topics of the day.

Participants also learnt about the relationships shared between a franchisor and franchisee and between a licensor and licensee. Overall the workshop was interactive, knowledgeable and served as great opportunity for networking.

*"I found the discussion to be interactive and beneficial due to its practical insights, as there were information exchanges between lawyers and franchises."*- Ms. Lorraine Tay, ATMD Bird & Bird

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Franchise  
News !

## FLA NEWS UPDATES !

**Asia Franchise Magazine and FLA partner to offer greater FLA members benefits in upcoming October-Dec. 2014 Asia Franchise Magazine buffer issue!**

Asiawide Trends, publisher of Asia Franchise Magazine, is granting FLA Members a special 66% discount from the published rates card (Full Page US\$4,800 or S\$6,000 before FLA Discount).

So call now at 6743-2282 or email to: [asiawidecorp@singnet.net](mailto:asiawidecorp@singnet.net) now to book your space and enjoy FLA Benefits!



## Is there still room for US franchises in Singapore ?

by Tiffany Wijaya and Julaiha Banu - FLA Interns

In this month's newsletter, the FLA interns looked at Franchise Times Top 200 List 2013 and tried to find the implications for FLA Singapore, its members and the Singapore market.

### 2013, the returns of real expansion

In year 2013, franchise businesses from the United States managed to build sales while building units, unlike previous years, when sales were built through existing units. Sales volume rose by 6.3% amongst the 200 largest franchises, a much higher rate compared to less than 1% in 2011 and 3.4% in 2012. Franchise businesses are predicted to continue their growth in international markets. In year 2000, 24% US Top 200 franchise units were outside the USA. In 2012, the rate was 34% and in 2013, the rate grew to 36.2%.

### Room for growth in Hospitality franchise

Out of the top US 200 franchises of 2013, only about 30% of them have units located in Singapore (61 brands). This came as a surprise, knowing how globalized Singapore is today. 38 out of the 200 brands consisted of hotels and inns, including 2 motels which naturally may not fit in the Singapore market. Out of the 38 brands, 18 brands are already in Singapore.

The hospitality brands franchised into Singapore are under big names ranked in the top 200 franchises: Wyndham Worldwide Corporation, Marriott International Inc, Hilton Hotels Corporation, Hyatt Hotels Corporation, InterContinental Hotels Group, Starwood Hotels & Resorts Worldwide Inc, and Choice Hotels International.

Despite the stagnation of tourism influx in 2013, the Singapore Tourism Board reports that the average rate of visitors coming in to Singapore has been increasing at a rate of 10% annually since the past decade. Should this trend continue, demand for more hotels and possibly new brands in Singapore will push local hoteliers and investors to look again into the untapped appeal of some of the top US hospitality franchises.

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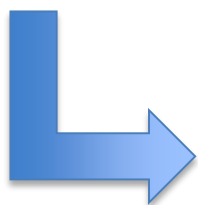
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## Did You Know...

The FLA show is back! Get ready for action & tantalizing opportunities at the #1 Franchising & Licensing Show in Southeast Asia from October 15<sup>th</sup> to 17<sup>th</sup> at Marina Bay Sands. The BIG difference for FLA Members is the BIG discount that FLA get for the FLA Conference and Workshop! This year, FLA member can participate to the conference and workshops but not with a 15% discount. Not with 30%. But with a staggering 50% discount! WOW! Being a FLA member has never been that advantageous!

So, log on to [www.franchiselicenseasia.com](http://www.franchiselicenseasia.com) and register NOW!  
*Note: ALL prices are subject to 7% GST*



### Flourishing F&B

The top 10 franchise US brands according to the list are: McDonald's, 7-Eleven, KFC, Subway, Burger King, Hertz, Ace Hardware, Pizza Hut, Circle K Convenience Stores, and Wendy's. Not surprisingly, a big chunk (7 out of 10) consist of F&B brands. These 7 brands are found in Singapore. However, looking at a larger picture, there are 50 F&B brands out of the top 200 list, and Singapore is home to only 27 of them. This means that there are almost as many brands that may be prospective franchise businesses for the Singapore market

### New Franchisable Businesses in Singapore

In Singapore, the F&B and education sectors are major stakeholders in the franchise businesses. Besides hospitality, Singapore serves as a potential market for service industries. For instance, there is a rising demand for health related services such as Spa, weight loss programs and fitness centres here. In particular, there is a growing demand for Childcare centres, maid agencies, laundry services and automobile rental companies as well as fitness centres. These are some areas in which franchise businesses can expect themselves to do well which is backed up by strong demand from the local community and although featured in the top 200 franchise lists have not ventured into Singapore yet.

FLASIA	List Price(S\$)	Group of 4 and above/Students (S\$)	FLA Members (S\$)
Conference	650	450	325
Workshop	400	250	200
Conference + Workshop	850	600	425

#### Topics include:

Franchising in Asia Pacific – Secrets of Success, How to Recruit Solid Franchisees and Continue to Make Them Profitable and Satisfied, Managing Intellectual Property Issues in Franchising, The Emerging Consumer/Shopper Trends and Their Effects on Franchising, Branding a Franchise Business, Social Media Marketing for Franchisees, Franchising in Retail, Franchisor-Franchisee Relationship Management



We like to hear from you.

If you have new units opening, new initiatives or articles to share with the members, kindly email to [glendon@flasingapore.org](mailto:glendon@flasingapore.org)

*Note: This is not a platform for promotional advertisement.*



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Franchising and Licensing  
Association (Singapore)

FLA  
WELCOMES  
NEW  
MEMBERS  
OF JULY  
2014!!

## FLA's First 2 New Startup Members:

### EDMAS

E-EDMAS introduces the concept of blended learning as an alternative to mainstream pedagogy, and focuses on training educators to deliver the curriculum effectively. To cater to different children with varying pace of learning, with blended learning -online delivery of content combined with face-to-face classroom methods, we give the student control over the time, place, path or pace in collaborating in the educational experience.

Contact: Ans Chang

Email: [edmas2012@gmail.com](mailto:edmas2012@gmail.com)



JStar Solutions is a start-up that prides itself in the development of online digital platforms both in Singapore and overseas. With years of targeted experience from our newly formed team, our members possess the key attributes to help enterprises, budding or established, develop robust online digital platforms apt at driving sales and revenue. Offering optimal experience for all end users, our products are easy to navigate and user-friendly, giving another strong reason for consumers to utilize our new innovations. Our common goal is to assist your enterprise in increasing revenues through the utilization of new innovations. Our experts will work hand in hand with you to ensure the ultimate entrepreneur experience.

Contact: Mr. Tham

Email: [Teddytham@jstarsolutions.com](mailto:Teddytham@jstarsolutions.com)

Tel: +65 9638 5168

## New Associate Members:



SPH Buzz Pte Ltd, a wholly-owned subsidiary of media giant SPH Ltd is the lifestyle concept newsstands built with novel design and bold orange logo. You can find buzz at busy commuter points like bus interchanges, shopping malls and MRT stations carrying products tailored to the needs of busy consumers. As of today, 75 local outlets are franchised. SPH Buzz aims to open another 45 outlets in the next 3 years.

Contact: SpencerTan, Senior Manager

Email: [sptan@sph.com.sg](mailto:sptan@sph.com.sg)

Tel: +65 6319 1674

H/p: +65 9767 3298



In 2002, Paradise Group opened its first seafood restaurant in Defu Lane. Currently, there are 35 local outlets and a total of 54 outlets worldwide. Restaurant Bar, Canton Paradise, Kungfu Paradise, My Nasi are some of the brands owned by Paradise Holdings besides Seafood Paradise. Currently, the group is looking into franchising its brands.

Contact: Joyce Lao

Email: [joycelao@paradisegroup.com.sg](mailto:joycelao@paradisegroup.com.sg)

Tel: +65 6487 6489

H/p: +65 8233 3183



FLA is proud to have back Vegan Burg as its associate member. Well known for its vegan meals, it has already established 4 outlets here. The brand strongly believes that a vegan diet is not only nutritious but also helps to create a sustainable environment, through the reduction of green house gases.

Contact: Patricia Reed

Email: [patriciareed@veganburg.com](mailto:patriciareed@veganburg.com)

Tel: +65 6568 3913

H/p: +65 9113 3061



Freeing SG provides the first room escape game in Singapore, furnishing Singaporeans with an unprecedented entertainments. Apart from the sophisticated designed rooms, the delicate scenarios involved enable players to imitate the roles in movie stories. You have to find the hints to solve the riddle and escape from the room within the limited time, or you will have to bear an inconceivable aftermath!

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## Calendar of Events (2014)

Date	Event
25th July	Best Practice Series & Cocktail Session, IP and Branding
22nd August	CEO Luncheon: Optimizing trade show participation
29th August	Workshop on Contract Negotiation for Franchise Industry
1st September	Members' In-House Survey Collation
12th-14th September	REED Indonesia Franchise Show (IMAP)
19th-21st September	Shanghai Franchise Show
26th-29th September	Taipei Franchise Show (IMAP)
16th-18th October	FLAsia Show
17th October	Cocktail Session (Taste of International Franchise)
17th-18th October	FLAsia Conference & Workshop
6th-7th November	Fundamentals of Franchise Management 28th Intake
28th November	Best Practice Series & Cocktail Session, <i>Franchise Branding Overseas</i>



**FLA**  
awards 2014

**BE THE NEXT FLA STAR!**

MARINA BAY SANDS, 16 OCT 2014, 7PM

CALL FOR ENTRIES NOW OPEN!

Email: [glendon@flasingapore.org](mailto:glendon@flasingapore.org)  
Call: +65 9825 7795