

# How to SIP and save

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Amid soaring oil prices and water becoming more precious, can SMEs better cut back, go green and power their businesses? An innovation programme promises hope

## How to SIP and save



By MICHAEL CHANG

When Mr Alex Tham, 48, started his cleaning and sanitation company Trust Cleanz Initiative in 2011, he was confronted with a critical factor: How much electricity and water his business used – and its impact on clients' utility bills.

"We recognised the pitfalls associated (with its over-dependence on utilities) and sought to ensure minimal wastage, from both a financial and environmental standpoint, moving forward," says Mr Tham, the company's founder and director.

Today, with the world gripped by soaring oil prices and threats to water security, his decision to find innovative ways to cut back on its overuse is ever more critical.

Since September 2021, soaring energy prices – driven by increased global demand, cold weather-related production outages and disruptions to Singapore's piped natural gas supply from Indonesia – have left consumers and businesses reeling.

The ongoing conflict in Ukraine is likely to heighten fears of more disruption and uncertainty.

"With the sanctions being imposed on Russia by various countries and the disruption to supplies, global prices of energy and other products are set to rise in the coming weeks," said Mr Gan Kim Yong, Minister for Trade and Industry, during the Budget debate in Parliament.

Trust Cleanz had already switched to using machines that are more energy efficient. "We also train our staff to be more conscious and aware of water and energy usage," says Mr Tham.

How else can Mr Tham ensure that his staff are equipped with the right tools and solutions to perform their work in a more sustainable manner? "While we were aware of the need to go green, we were unsure of how to get started," he admits.

The solution: The Sustainability Innovation Programme (SIP) – a five-week programme designed by UOB's innovation accelerator, The FinLab, that helps small and medium-sized enterprises (SMEs) transform their companies into sustainable businesses.

### Finding green solutions

Mr Tham is not alone in his quest for business sustainability.

"The concept of sustainability has been a growing area of interest among SMEs, especially in the last few years," says Mr Shannon Lung, Head of UOB's The FinLab. "This isn't surprising, given the global focus on sustainability and the recent Budget 2022 announcement on progressive carbon taxes."

UOB's SME Outlook Study 2022 found that 60 per cent of local SMEs consider sustainability – based on environmental, social and governance (ESG) factors – important to their business.

But, like Trust Cleanz, many SMEs struggle with the know-how – how to go green or access green solutions, Mr Lung says. There is also a perception that going green is costly.

That's where The FinLab's SIP can help.

### By the numbers

99%

SMEs make up 99 per cent of all enterprises in Singapore in 2020, according to the Singapore Department of Statistics

43%

...of SMEs in Singapore cite insufficient knowledge as a major barrier in implementing sustainable practices, according to UOB's SME Outlook Study 2022

More than 400

...SMEs have participated in the Sustainability Innovation Programme, launched by UOB's The FinLab in September 2021

The SIP has three core pillars: Educate, Evaluate, and Execute. Over the course of five weeks, The FinLab's SMEs are educated about different areas of sustainability and financing, exposed to a range of available tech solutions, and are guided toward successful execution of these practices.

"We also follow up with participating SMEs to find out how their journey has been post-programme, and if they have implemented any sustainable practices and solutions," says Mr Lung.

Mr Tham seized the opportunity to kickstart his company's sustainability journey when found out about the SIP. "We recognise the need to do more in the realm of environmental sustainability, and we are excited to learn from industry experts," he says.

### Embracing sustainability

Mr Tham's journey with the SIP began with learning more about best practices in the sustainability realm, followed by an analysis of his specific requirements for Trust Cleanz.

Once that was done, The FinLab helped to identify and connect Mr Tham with greentech solution partners that best suit his needs.

The greentech solution partners were chosen based on their track record, clientele, and product-market fit to ensure they are SME-ready, says UOB The FinLab's Mr Lung.

While Mr Tham is still in discussion with several greentech partners, solutions that he is interested in include electric vehicles (EVs) and green energy.

As a cleaning service provider, Trust Cleanz's employees frequently travel between locations to provide cleaning services. EVs could help its employees travel in a greener way.

Since EVs run on electricity, they produce no tailpipe emissions, unlike their gasoline-powered counterparts. A 2020 study by US-based non-profit organisation Consumer Reports also found that EV owners in the US spend 60 per cent less to power their vehicles, compared to traditional car owners.

While EVs do have a higher upfront cost, a combination of governmental rebates – such as the Electric Vehicle Early Adoption Incentive scheme launched in 2021 – and flexible financing can help SMEs get started.

One example is UOB's U-Drive, which provides SMEs with a comprehensive suite of solutions, including flexible financing for their electric vehicles, low upfront investment for charging equipment and an expedited approval process.

Another greentech solution showcased in the programme is SP Group's Green Energy Tech (GET), which is a suite of solutions to help SMEs improve energy efficiency, indoor occupant comfort and sustainability efforts.

It includes GET Insights, a solution that provides an integrated view of all utility consumption of a business, by using existing data sources as well as installing extra sensors to better understand the utility usage.

It can also be used to maximise the use of renewable energy, mitigate the issue of grid constraints, and bring down the total cost of energy.

By integrating greentech solutions into Trust Cleanz's business, Mr Tham hopes that Trust Cleanz can help clients reduce energy costs by up to 10 per cent.

He is excited about realising the full potential of sustainability. "With guidance from the SIP by The FinLab, we feel better equipped to embrace our sustainability journey while planning for long-term growth."

● *The Future of Finance is a series that explores how digital solutions can empower individuals and businesses, creating a smarter, more sustainable world.*



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## Powering sustainability with tech

Founded in 2015, The FinLab is UOB's innovation accelerator, bringing the ecosystem together to catalyse business growth and transformation. The FinLab's Sustainability Innovation Programme aims to help SMEs become more sustainable through three steps:



**1. Educate:** Teach SMEs about the fundamentals of sustainability for businesses



**2. Evaluate:** Help them assess and identify gaps in their businesses, according to global sustainability standards



**3. Execute:** Introduce SMEs to relevant greentech solutions and connecting them with solution providers