

THE PEAK

SINGAPORE

www.thepeakmagazine.com

FEBRUARY 2017

DIRECT FROM SILICON VALLEY

SINGAPORE START-UPS THRIVE
ON EXPERIMENTAL CULTURE

ANGEL INVESTOR JONATHAN
TEO FINDS GOLD IN TECH BETS

FOUR TECH DISRUPTIONS THAT
WILL CHANGE OUR WORLD



DAVID LOW
FROM SCHOOL DROPOUT
TO ENTREPRENEUR
OF THE YEAR



THE PEAK INTERVIEW

M I S S
I O N

P O S S
I B L E

TEXT ADELINE LOH PHOTOGRAPHY VEE CHIN
ART DIRECTION FAZLIE HASHIM STYLING C.K. KOO

GROOMING RIE MIURA, USING BOBBI BROWN CLOTHES SILK AND LINEN BLAZER, & COTTON SHIRT, FROM SHANGHAI TANG

THE EY ENTREPRENEUR OF
THE YEAR 2016 AND CEO OF
FUTURISTIC STORE FIXTURES
TELLS US HOW HE DEFIED THE
ODDS OF A ROUGH CHILDHOOD
TO TURN DANGER AND FAILURE
INTO HIS LIFE'S BIGGEST
OPPORTUNITIES — INCLUDING
HEADING AN UNSTOPPABLE
EMPIRE SERVING SOME OF
THE WORLD'S RETAIL GIANTS.



"I don't tell this story to many people," says David Low, as he rolls up his right sleeve to show us a scar running down his arm. The year then was 1978: Aged 16, Low's childhood had been "nothing but work", slogging long hours to support his family, and working odd jobs for his father who ran a carpentry business on Duxton Hill. On that fateful day, he was asked to transport a large piece of glass to a factory. "The professional way to carry a piece of glass is with a suction cap. Those years, we didn't have any," he recalls.

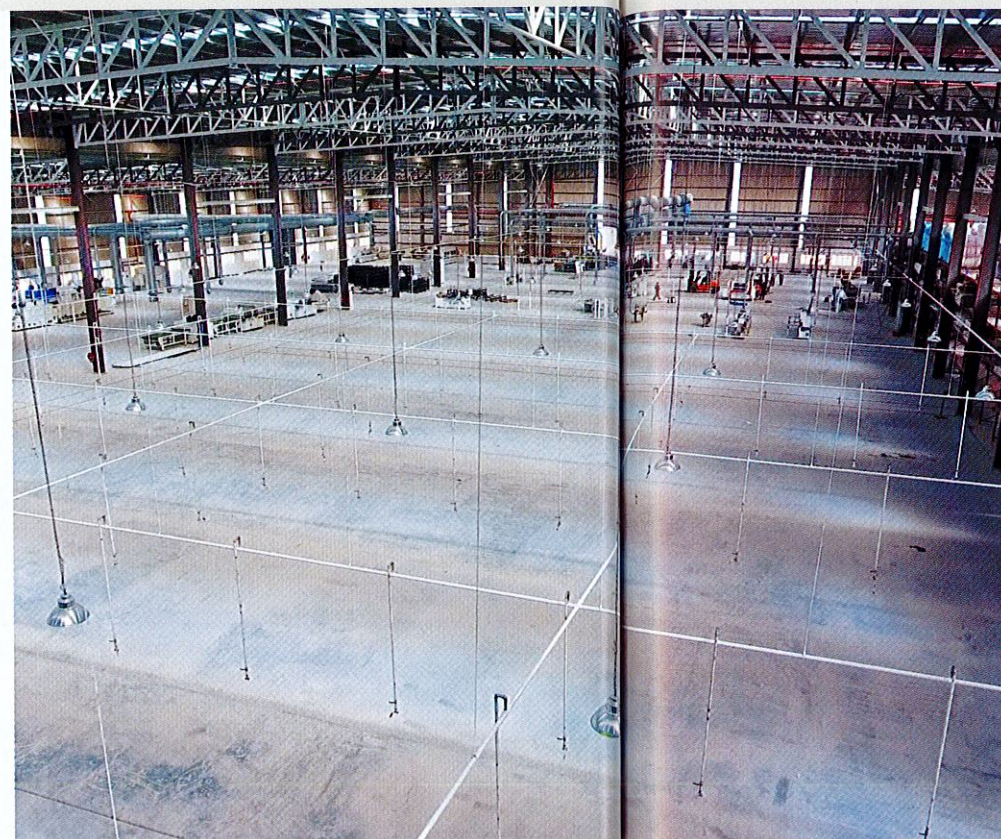
As Low was lifting the bottom edge of the glass piece, his co-worker, who was handling the top edge, hit the side of the truck. The piece slid and sliced Low's arm. He ended up with 42 stitches and the arm in a cast for six months. The accident shook the youth to the core and made him question his future. He recounts: "I thought, 'I am a one-armed man. What can I do with one hand?'"

In retrospect, the accident gave Low guts. "Because I survived and was given this second chance at life, I would be blessed and I had nothing to fear," says the 55-year-old CEO of Futuristic Store Fixtures.

Recently awarded the EY Entrepreneur of the Year 2016 – Supply Manufacturing Chain, Low has had an unlikely and colourful resume lined with dangerous jobs: from descending four storeys deep and braving suffocating environments to clean an off-shore ship (just to make \$40 a day), to balancing on planks several storeys high as part of an electrical team. Through it all, he never forgot his accident. "I was determined to do something extraordinary."

That fearlessness eventually brought him his big break. In 2003, his company broke into the niche, but potentially lucrative, market of retail store fixtures by taking on a "Mission Impossible" – delivering over 30,000 store fixtures in under eight weeks for American body care and fragrance company Bath & Body Works' US stores – a job even more well-resourced American companies would not touch.

"Nobody in their right mind would take on the job," says Low with a laugh. There was a 90 per cent chance of failure, given the extremely tight deadline



BUILT FOR EXPANSION
This Futuristic factory, opened in Malaysia last month, and the factory in China brings the total manufacturing capability of the company to 600,000 sq feet.

and Low's Singaporean factory being too small then to deliver the quantity required. The resourceful businessman tapped his network in Malaysia, persuading seven factories to take on the challenge with him.

He says: "My customer told me, 'Nobody dared to take on this job, and you did it. You've made history in North America.'" Today, Low's global clients include retail giants such as Victoria's Secret, H&M, GAP, Uniqlo, Adidas and La Senza.

A PHILOSOPHY FOR LIFE

Low exudes both a youthful optimism and a mature, steely confidence that speak of a history of beating the odds. Chat with him, and you'll soon glimpse of his life philosophy born of years of struggle, where he worked 16-hour days as everything from carpenter, painter, driver, to supervisor and electrical man before rising to management level.

Without that sheer tenacity, success could have eluded him. A secondary school dropout, he failed his way through primary school, was retained three times in Primary 6, and could barely speak English at age 18. He sighs over the memory. "When I joined the company, nobody helped me, I studied every day. At Futuristic, we deal with design firms, and all our customers speak English." Low took to reading newspapers daily to improve his English, and eventually became a "book addict". He continues: "I spoke broken English but it became good English. I even chaired a meeting with Americans."

He joined a vocational school soon after dropping out of secondary school to pick up new skills. While studying there, he discovered his knack for numbers. He reflects: "Strangely, I did very well in accounting and mathematics. I found out that my mind is like a calculator; it's very, very fast."

That talent came into good use when he joined his uncle's interior contracting firm, Futuristic, at age 18. "Looking at a piece of floor plan without any detailed drawings, I can gauge with almost 90 per cent accuracy how much a project will cost. When I go to a tender interview and the customer negotiates and asks for a discount, I can reply on the spot. I don't need a calculator and I still can make money," says Low.

Yet for him, there are bigger things in life than making a profit. One of his most oft-repeated mantras is "we will never fail our customers". That mindset helped him win the trust of numerous high-end clients when he took over the helm as CEO in 2005. In the 1980s, he worked on projects for fashion labels like Gianni Versace, Club 21, Max Mara and Versus. In 1994, after completing Tiffany & Co's first flagship store in Singapore, more doors opened. "Tiffany & Co's architect in New York asked me, 'Would you like to build all our boutiques outside the US?'" he says.

But Low's commitment to his customers was put to the test in 2007. An unforeseen issue with an external supplier led to a mishap in Futuristic's paint mixing processes. When the fixtures reached the Victoria's Secret boutiques in the US, the paint had cracked like a spider web. "We can't afford to have our customer open a store without fixtures. The opportunity loss for them is huge," says Low. He tasked his factory to run for 24 hours and rebuild everything for the client. He admits: "We lost quite a bit of money. It was a big lesson."

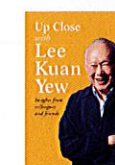
When it comes to employees, Low also sticks

ON HIS SHELF

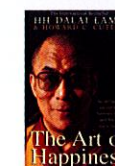
BOOK ADDICT AND LIFELONG LEARNER, LOW GIVES US A SNEAK PEEK INTO FIVE BOOKS ON HIS SHELF.



George Yeo on Bonsai, Banyan and the Tao "Yeo is a very deep and broad thinker, especially with regard to his philosophy on Chinese and Indian cultures and how they've shaped the world. He has very convincing explanations."



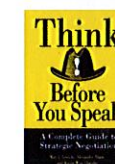
Up Close with Lee Kuan Yew: Insights from Colleagues and Friends "I've read every single book by Lee Kuan Yew. He's my idol. This book goes more deeply into his lifestyle, as commented by his colleague, Robert Guo. It's another part of the story."



The Art of Happiness "I read this book during the worst part of my life. This book changed my behaviour. It talks about managing your mind. In life, you must manage your mind; you cannot let your mind control you. When big things happen in a positive way, I won't get too excited; when there's a crisis, there's no problem."

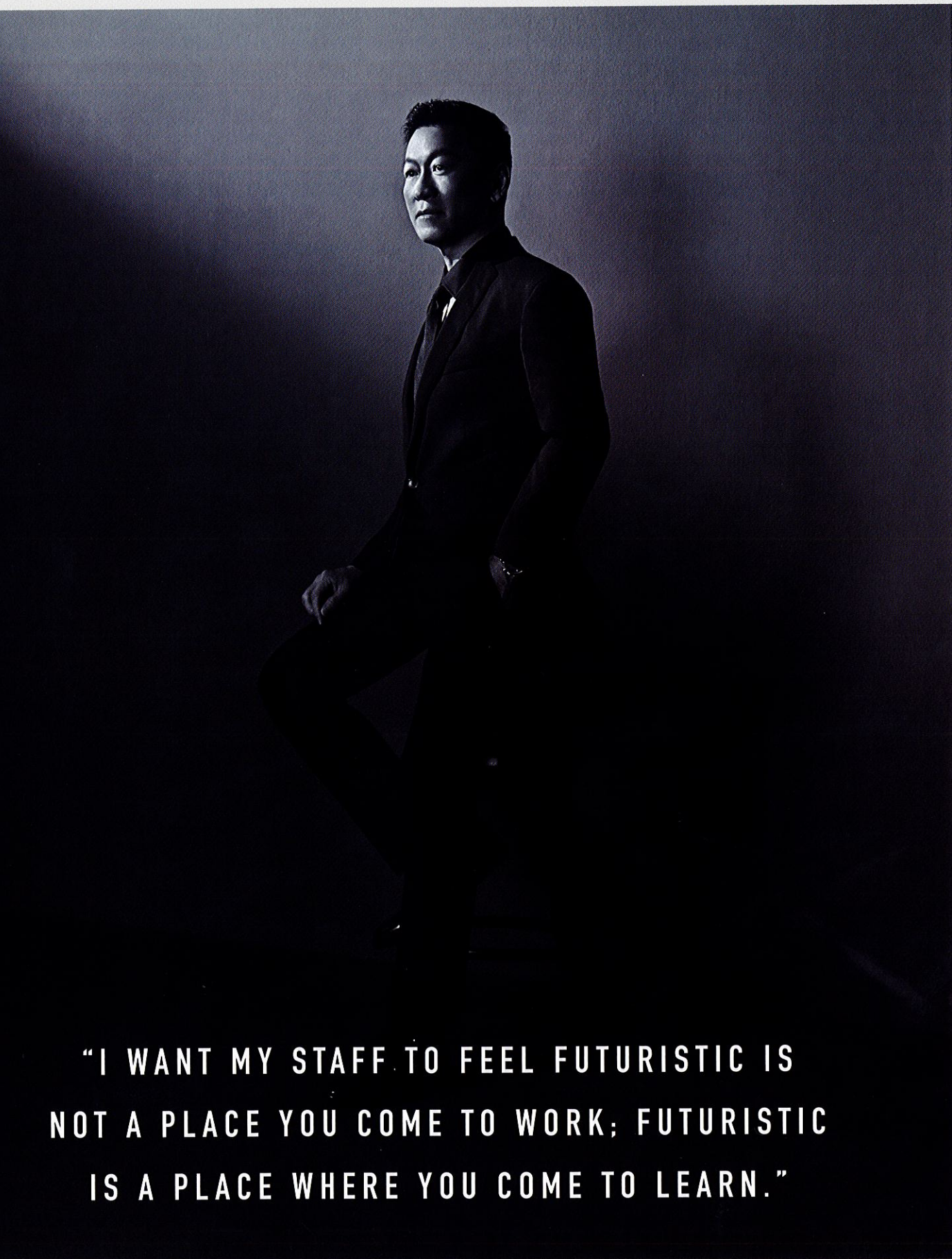


Business the Nokia Way: Secrets of the World's Fastest Moving Company "This book taught me to have a very horizontal management. The Scandinavian model is not selfish. When someone leaves the company, the information about what they have been working on is readily accessible. I preach that culture in my company."



Think Before You Speak: The Complete Guide to Strategic Negotiation "This book teaches about the psychology of negotiation: how you must understand culture and your objectives before you negotiate."

**"THE ONLY WAY TO DEAL WITH COMPETITION IS
CONSTANT INNOVATION. YOU MUST KEEP CHANGING SO
YOUR COMPETITOR CANNOT CATCH UP."**



CLOTHES COTTON SUIT, COTTON SHIRT & COTTON TIE, FROM BOSS

"I WANT MY STAFF TO FEEL FUTURISTIC IS
NOT A PLACE YOU COME TO WORK; FUTURISTIC
IS A PLACE WHERE YOU COME TO LEARN."

to his principles. During the 2009 global financial crisis, Futuristic's sales plunged as none of his customers were opening new stores. But Low refused to retrench staff, though all his employees (including himself) suffered a massive pay cut. "Instead, we sent as many people as we could to learn new skills. That was absolutely the right decision. Because in 2010, the market bounced back. Our people were all ready, with the right mindset and their heart in the right place," he says.

No surprises then that Low has applied his life philosophy to marriage as well. After meeting his wife, Emily, at age 28, the couple got hitched after less than a year. Low says with a laugh: "My philosophy in life is 'don't waste time'. There's not enough time to do what I want to do, because I want to do big things."

ANTICIPATING DISRUPTION

Low reflects that constant innovation has been crucial to taking his business onto the global stage. "The only way to deal with competition is constant innovation. You must keep changing, so your competitor cannot catch up," he explains.

This mindset aided him in transforming Futuristic into a retail store fixtures specialist. In the 1990s, Futuristic was still in the general contracting and interior outfitting industry, working on projects on a store by store basis, with fixtures made by carpenters in the factory. From his contacts at Tiffany & Co, Low hired a top engineer who opened his eyes to the world of store fixtures. "He kept telling me, 'In the US, we do many, many shops at one go,'" Low recalls.

After several research trips to the US, he was astounded by the scale and potential of store fixtures. He realised that in order to bring Futuristic onto the international stage, he needed to completely change his business model.

In 2005, Low convinced Futuristic's stakeholders to cut the general interior contracting aspect entirely – a business worth \$20 to 30 million in revenue at the time – to focus solely on manufacturing store fixtures. It was a tough decision but one Low felt was necessary.

Today, Futuristic has more than 600 staff, and has completed 6,500 stores in 56 countries around the world. But Low isn't resting on his laurels. Embracing technology and big data, his latest project is developing a mobility app for Futuristic that would empower him to control different aspects of his business, including his inventory and

staff productivity. "When I get more brands pulled in, I can scale like crazy. Everything is controlled in my hands," says Low.

Engaging millennials and building a progressive culture is another key priority. "My objective is to make my factory young for tomorrow. If you ask me about Futuristic in the next five years, truthfully, if I cannot engage the millennials, there's no future," says Low candidly. For Low, this also means creating a culture of growth. "I want my staff to feel Futuristic is not a place you come to work; Futuristic is a place where you come to learn."

While some point to the threat of e-commerce and that retail stores are a "sunset industry", Low begs to differ. He explains: "As humans, we have to get out there – it's called lifestyle. Brands must have a substantial online and a very visible offline presence. Being online brings down real estate cost, and brings up the opportunity for good brands to take advantage." He adds with a smile: "But, my customers are still expanding like crazy."

SWEET SPOILS

At this point in his life, Low is arguably living his childhood dream of "doing something extraordinary". "I'd never imagined what I would be doing today," he says.

Bolstered by a recent partnership with Heliconia Capital Management, a wholly owned subsidiary of Temasek Holdings, Futuristic is positioning itself for even bigger business. This year, he is doubling his firm's manufacturing capability, with big expansion plans for its factories in China. He's also representing Singapore at the EY World Entrepreneur of the Year competition in Monaco in June.

His early life might have been rough but, today, Low takes very good care of himself (for the sake of the company, he adds). Besides exercising religiously each morning, the travel enthusiast and his wife are also up for new experiences: from exploring small Japanese villages on bicycle while staying in an Airbnb home; to tasting the high life at the best restaurants and hotels on a trip to Japan next month costing \$20,000 per person.

We ask Low if there's anything he would change about his life if he could turn back the clock. He ponders, then offers this surprising answer: "I would like to put in more effort to study. I'm someone who is very curious and inquisitive. I always want to know why something happens." ㊦

FUN FACTORY
WHAT DOES IT TAKE TO TURN
A FACTORY INTO A FUN AND
PRODUCTIVE PLACE? LOW
OFFERS A FEW TIPS.

Go crazy with colour: "I make my factory very colourful. I engaged a designer to create a colour scheme for our factory floor, machinery and uniforms. In our Malaysia factory, we engaged Penang's best artist to create a graffiti artwork on a big wall."

Create a club: "I started a youth club to organise activities. We have karaoke sessions in our canteen and monthly birthday parties. Just last month, we sent 110 of our staff to South Korea to party."

Celebrate in the open: "If my staff working along the conveyor belt can achieve their production targets without any defects, they will hit the gong to celebrate. It's like a little competition to see which team can do the best."

Tell great stories: "We recently engaged a company doing animation for George Lucas to create a 3-D story about best practices of store fixture companies in the West. We then projected the film for our staff at our facility."