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SFIC unveils new Roadmap to boost competitiveness and long-term sustainability for Singapore's furniture industry

- *By 2021, Singapore's furniture industry aspires to be "the Asian hub influencing tomorrow's urban living"*
- *Global Industry CAGR projected to reach 5% over 3 years*

Singapore – 5 March 2018 – The Singapore Furniture Industries Council (SFIC) looks set to kick off 2018 with a bang with the unveiling of its 2021 Furniture Industry Roadmap which outlines strategic directions for the sector's competitiveness and long-term growth.

The roadmap was launched today by Dr Yaacob Ibrahim, Minister for Communications and Information at the Opening of Singapore Design Week and SingaPlural 2018.

The outlook for the global furniture industry is promising, with a projected CAGR of close to 5% over the next three years¹. The growth will be driven by the burgeoning Asian middle class as Asian economies will account for 50% of global GDP growth by 2025.

With Singapore's stature as a UNESCO Creative City of Design and its international cosmopolitan urban landscape, the local furniture industry is uniquely positioned to capture the growing demand for urban living solutions, especially in Asia. This requires moving into lifestyle, creating compelling customer-centric brands and solutions, and inclusive collaborations within and beyond the industry.

The 2021 industry roadmap thus aims to propel growth and drive greater competitiveness for the Singapore furniture industry under a new vision to be "The Asian hub influencing tomorrow's urban living".

The industry roadmap will incorporate three fundamental pillars and outline key initiatives to support Singapore furniture companies in new growth trajectories:

- **Growth Asia** – Strengthening the sector's presence in Asia by helping local companies expand beyond Singapore
- **Urbanite Centricity** – Expanding the role of design beyond aesthetics to enable the creation of customer-centric, urban living solutions.

¹ Source: TechNavio Global Furniture Market 2017-2021 Report, World Furniture Outlook 2016/2017, CSIL – an established research and consulting company based in Milan



- Business Agility – Promoting business agility to continuously enhance talent and skillsets to exploit market opportunities by rapidly testing, launching, and iterating tomorrow’s urban living solutions.

The new roadmap seeks to transform the industry by encouraging local companies to adopt new business models that leverage on technology, innovation and design to broaden their knowledge, skillsets and value chains instead of relying on traditional business concepts and supply chains.

Under the Roadmap's first "Growth Asia" pillar, SFIC intends to launch the 'Living Lab' initiative in Singapore by 2019. This initiative will comprise a curation of diverse products and solutions from across the furniture industry and its value chain to facilitate trade and collaborations amongst relevant partners. SFIC aims to replicate this concept globally, through overseas platforms and exhibitions and other supporting activities.

"The Living Lab has the potential to transform the industry by improving the way we create new designs and better products. New capabilities and skill-sets will be required, which will also help local SMEs innovate and test-bed new ideas. This will enable their market expansion into new verticals and new geographies, especially in Asia where urbanites are increasingly affluent and discerning in their lifestyle choices," said Mr Joshua Koh, CEO of Commune Lifestyle Pte Ltd.

SFIC is also working towards a Digital Insights Programme, to help local companies to embrace the digital wave to sharpen their competitiveness and expand their markets. This programme will include learning journeys and seminars by experts in the fields of big data, analytics and data visualisation. These will equip local SMEs with the needed knowledge and tools in collating relevant customer data, visualising and assessing consumer and industry trends, and translating this critical information into products, solutions and experiences for both current and future customers.

Mr Mark Yong, President of SFIC, said: "The global furniture industry is expected to grow from S\$631 billion in 2017 to S\$766 billion in 2021, with the highest growth coming from Asia². Modern consumers are increasingly seeking individualised experiences and have higher expectations from brands. This requires developing bespoke propositions that appeal to distinct consumer groups, such as the urban middle class and the 'urban silvers'."

Commissioned by the SFIC, with funding support from the DesignSingapore Council (DSG), which is part of Singapore's Ministry of Communications and Information, the 2021 Furniture Industry roadmap was the result of an intensive 6-month journey that started in August 2017. The in-depth deliberation involved SFIC's key Executive Committee members and secretariat, furniture and furniture-related industry players, partners across diverse clusters including

² TechNavio Global Furniture Market 2017-2021 Report



urban planners, architects, design and business community, as well as agencies such as the DesignSingapore Council, International Enterprise Singapore and SPRING Singapore.

“The role of the Council is to work in partnership with our design associations to help the industry be ready for the future. This means understanding the key drivers affecting the industry today, seeing around the corner how we will be affected, and identifying opportunities for growth,” said Ms Ms Agnes Kwek, Executive Director of the DesignSingapore Council.

About Singapore Furniture Industries Council (SFIC)

Singapore Furniture Industries Council was established in 1981 as the official representative body of Singapore’s furniture and furnishings industry. Its membership comprises furniture manufacturers, interior fit-out specialists, retailers, designers, as well as furnishings and materials suppliers. Currently, the council represents 95% of established furniture manufacturers in Singapore, of whom 65% have subsidiary manufacturing plants in various countries across the region, including China, Indonesia, Malaysia, Myanmar, Thailand, and Vietnam.

SFIC’s primary role is to promote the interests of its members and of the Singapore furniture and furnishings industry. For 37 years, SFIC has helped its members to adapt to changes in the business environment by introducing trade, talent, design development and business innovation activities, as well as upgrading business capabilities. Revolving around SFIC’s 3i strategic framework – Improve, Innovate, and Integrate, all the Council’s programmes aim to grow the local furniture and furnishings industry – to strengthen the ‘Singapore brand’ globally.

Visit www.singaporefurniture.com for more information.

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2021 FURNITURE INDUSTRY ROADMAP FACT SHEET

1. To propel growth and drive greater competitiveness for our furniture industry, the Singapore Furniture Industries Council (SFIC) embarked on a Furniture Industry 2021 Road Map (FIR) Exercise with appointed consultant, The Awaken Group. The intensive 6-month journey took place between August 2017 – January 2018, with the involvement of our key Executive Committee (EXCO) members and secretariat, industry players and partners across diverse clusters including furniture companies, urban planners and architects. The FIR is fully funded by DesignSingapore Council (DSg) as part of its move to partner with Industry Associations in their transformation. SFIC is one of the nine industry associations that Dsg works with and is part of its Industry Development Panel.
2. The FIR has strengthened our future vision, discovered new opportunities and defined critical projects that will support the furniture industry and the diverse players, comprising manufacturers, contract manufacturers, designers, retailers and the suppliers of fittings and components, over the next 3 years.
3. The new vision is for Singapore 'To Be the Asian Hub Influencing Tomorrow's Urban Living'. We want to be the centre of furniture trade and activities in Asia, the go-to for advice and guidance on effective living solutions for both existing and future urban dwellers. We aim to influence and create new urban living concepts, that are ready for the local, regional and in the longer run, international markets.
4. The FIR outlines three industry pillars and accompanying key initiatives and industry projects that will support us in realising the new vision for the Singapore Furniture Industry.
5. The three key industry pillars are:
 - i. Growth Asia – Strengthen our presence in Asia by helping local companies expand beyond Singapore (with a focus on China)

- ii. Urbanite Centricity – Expand the role of design beyond aesthetics to enable the creation of customer-centric, urban living solutions.
- iii. Business Agility – Promote business agility to continuously exploit market opportunities by rapidly testing, launching, and iterating tomorrow’s urban living solutions.

6. The key initiatives and industry projects that will guide our furniture industry in its development and growth trajectory over the next 3 years are as follows:

Pillars	Initiatives	Projects
<p>Growth Asia (with focus on China)</p> <p><i>Important Note: Though the roadmap has an emphasis on China given its rapid growth, SFIC remains opened to explore other possible export markets and opportunities, including overseas missions and exhibitions, beyond Asia.</i></p>	<p>1) Establish an integrated industry strategy in partnership with government agencies and relevant lifestyle partners to make Singapore synonymous with urban living in Asia</p>	<p>a) Design and launch a Living Lab to showcase urban living products and solutions, and also introduce new concepts and prototypes to interact with users for feedback.</p> <ul style="list-style-type: none"> • Launch the Living Lab in both local and overseas platforms and exhibitions to raise profile of Singapore furniture industry and strengths in urban living solutions <p>b) Curated Singapore Propositions at international exhibitions to explore new markets and further penetrate existing markets</p> <ul style="list-style-type: none"> • Through SFIC-owned exhibitions: International Furniture Fair Singapore and SingaPlural • Through overseas exhibitions and country booths representation under Singapore Mozaic
	<p>2) Launch integrated ‘Growth Asia 2021’ programme to inspire and</p>	<p>a) Country Briefing/Knowledge-Sharing seminars to educate companies prior to venturing overseas</p>

	support local companies on regional market expansion	<u>Scope:</u> <ul style="list-style-type: none"> Impart Asian market/consumer insights & emerging opportunities Share success stories of Singapore companies (furniture and other industries), including their challenges/pitfalls to shorten the learning curve.
	3) Launch 'Collaboration 2.0' programme to inspire collaboration, connect local companies with potential partners, and develop effective partnership models for regional growth	a) Business missions to uncover opportunities, meet/match potential partners and capture consumer insights, trends, taste/preferences <ul style="list-style-type: none"> Around 2-3 such missions targeted per year, with destinations including the Philippines and China. Potential designer partners who may collaborate with furniture companies and manufacturers to better differentiate the offering for new markets and consumers will be targeted for participation.
Urbanite-Centricity	1) Adopt Customer-centric Innovation Programmes by relevant partners that deepen industry knowledge and adoption of design thinking and similar methodologies to understand the underlying needs of urbanites/ customers, beyond the aesthetics.	a) Customer-centric Innovation Programmes to educate companies on how to effectively adapt and innovate, transform business model, and develop a strategic roadmap for implementation. <ul style="list-style-type: none"> One such programme will be scheduled per year, targeted at companies who are at the cross-road and forward thinking to explore new business model to advance growth. SFIC will explore partnering government agencies and consultancy firms to conduct pre-diagnostics and post business model transformation project to develop the respective company's strategy roadmap.
	2) Provide working knowledge of digitalisation solutions, schemes	a) Technology/Digital Insights Seminar targeted at both local and ASEAN furniture companies

	<p>and partners that enable the creation of customer-centric urban living solutions</p>	<p><u>Scope:</u></p> <ul style="list-style-type: none"> • Relevant technologies and digital platforms to equip companies with advanced and more efficient solutions to more efficiently design, prototype, produce and go-to-market. • Topics could include customer data analytics and data visualisation for more effective decision making and information sharing.
<p>Business Agility</p>	<p>1) Launch ‘Business Agility 101’ awareness programme that inspires and educates local companies on the need for business agility</p>	<p>a) Business Model Transformation Overseas Mission</p> <ul style="list-style-type: none"> • This mission aims to study how successful multi-generational companies have succeeded in evolving their business models over the years and overcoming challenges amidst younger human capital and leaders. • Targeted to grow a more resourceful/resilient generation of new and young leaders in the Singapore furniture industry <p>b) In-Conversation or Breakfast Roundtables to equip companies with needed intelligence to advance.</p>
	<p>2) Establish an all-access ‘Give it a Go’ test bed pass to provide local companies diverse platform options for testing new offerings and prototypes</p>	<p>a) The Living Lab launched under ‘Growth Asia’ will be further extended to provide this testbed to showcase and test new concepts from the furniture industry and gather needed market intelligence for refinement and market-entry.</p> <p>b) Further enhance the awareness of FLAUNT as a quick-access platform for design-centric companies seeking to reach consumer market.</p>

		<p>Launched in October 2017, FLAUNT is a curated collective of furniture and furnishing products by Singaporean and international designers and design-centric companies. It provides a branding and virtual shopfront via appointed 3rd-party e- marketplace platforms, such as Lazada.sg and Singtel 99% SME, to enable the meeting of good design and those who seek it. There is currently a total of 14 companies on FLAUNT, including Scene Shang and Commune.</p>
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