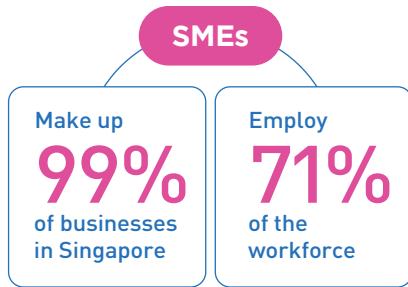


Strong business strategy drives successful SMEs in Singapore

Insights from a national study on skills, jobs and training in Singapore SMEs

WHY THIS MATTERS



However...
 ↓
 Productivity
 Innovation
 Talent retention

5
 Many don't make it past **5 years**

WHAT REALLY DIFFERENTIATES HIGH PERFORMERS

It is not only who firms hire, but how work is designed to deploy skills.

Business strategy drives job complexity and skills utilisation.

High-performing SMEs design roles with autonomy, problem-solving and clear links to outcomes.

Skills are activated and not underused.

THE TRAINING PARADOX

Training ≠ better outcomes

Many SMEs invest in training and skills development, but skills often go unused when:



Business direction is unclear



Jobs are not optimally designed

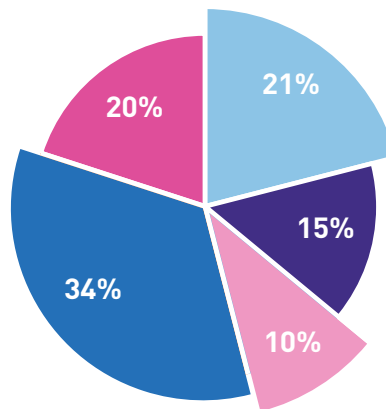


Employees lack autonomy to apply what they learn

Business direction + People strategy = Skills that deliver value

FIVE TYPES OF SMEs IN SINGAPORE

All five types exist across industries — performance reflects organisational choices and not sector constraints.



- C1 Value Destroyers**
Weak strategy, low skills utilisation
- C2 Traditionalists**
High training activity, weak business direction
- C3 Technical Plateauers**
Skilled staff, risk-averse strategy
- C4 Value Extractors**
Strong business strategy, weak people practices
- C5 Value Creators**
Strong business and people strategies — best outcomes

WHEN SKILLS ARE NOT ACTIVATED, PERFORMANCE SUFFERS



Misalignment leads to:



High-performing SMEs avoid this by developing skills through work itself, embedding learning into day-to-day tasks, decision-making and problem-solving.

WHAT THIS MEANS FOR SINGAPORE

To strengthen SME competitiveness:



- Align training with business strategy
- Redesign jobs to use skills effectively
- Emphasise leadership and workplace learning

Strong SMEs are built by **aligning strategy, jobs and skills** and not by training volume alone.