YES!
Dreams do come true

Spring’s funding scheme for young entrepreneurs has already helped 10 start-ups

BY FRANCIS CHAN

GETTING ideas out of research labs and into consumer markets is the dream of any entrepreneur, but as tech whiz Steven Zhou knows, it will not happen without a key ingredient - start-up capital.

Mr Zhou, 32, the brains behind software firm MXR Corporation, told The Straits Times that seed funding was “the first and probably most important step” in realising his entrepreneurial dream.

The National University of Singapore (NUS) alumnus added: “If not (for start-up capital), I would probably have just continued being a researcher and never known what my innovations would have come to.”

The seed money has allowed MXR, which develops patented “mixed reality” learning products, to gain traction in the industry to the point where it has developed ambitious expansion plans.

But failing to get start-up cash has crippled many a budding entrepreneur, which is why Spring Singapore introduced the Young Entrepreneur Scheme for Startups, or YES! Startups, last November.

The programme will run for five years and provide up to $50,000 for each venture at a ratio of 4:1. This means applicants can get up to 80 per cent support, but they will first have to raise a minimum of 20 per cent on their own.

With backing from Spring and NUS Venture Support, Mr Zhou received $40,000 in seed funding and raised an additional $10,000 himself.

“The funds were then used to build my first presentable prototype, and subsequently with that prototype, I’ve managed to raise an additional $2.5 million over the last few years,” said the China-born Singapore permanent resident.

YES! Startups complements an earlier programme introduced in 2004 – the Entrepreneurship Talent Development Fund (ETDF), which was aimed at providing seed money to students to help commercialise their ideas and innovations.

The extra cash available from the YES! Startups scheme means the helping hand can now be extended to all Singaporeans and permanent residents up to the age of 25.

It has meant more flexibility when it comes to providing the seed money, said Mr Sim Choon Siong, Spring’s deputy director for entrepreneurship development.

“While YES! Startups was meant for youths who are ready to start their own businesses, we recognise that nurturing an entrepreneurial and innovative spirit is a long-term effort,” he added.

To date, 10 start-ups have benefited from YES! Startups, while ETDF has supported almost 30 local firms over the last four years.

Spring evaluates applications and business plans based on how innovative an idea is, as well as its market potential and the feasibility of the business model. The approval process takes about a month.

Mr Sim believes the downturn is “as good a time as any” for individuals to be entrepreneurs.

Mr Zhou cannot agree more. MXR is shrugged off the downturn and planning to recruit more staff to help the firm break into markets such as the United States and Europe.

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