

7-MINUTE SCALING SECRETS

EPISODE 18

THE CRITICAL LEADERSHIP MISTAKE FOUNDERS
MAKE THAT DESTROY THEIR TEAMS



GUEST SPEAKERS



Alvin Poh 0:00

Hey, everyone welcome to another exciting episode or seven minutes gearing secrets where we interview entrepreneurs and learn the secrets on how they scaled up their businesses. Today, we have two special guests, my dear friends, Anna, and Ellen, and we're going to have a deep dive into what made us entrepreneurs and how that journey started. Interesting fact, I actually don't really know, some of the things that we're going to cover in this conversation.

So this is going to be all, you know, expose a no holds barred Foundation. And we were just talking about it. We don't actually know Im story. Yeah. Interesting story. Entrepreneur, serial 00. Like he's a multiple. Elon, I know you started your business in school, you met your co founder school, and this, this is a special person to you as well. You know the story. Tell us a bit more.

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Alan Phua 1:40

So we did meet during the period where we're still in school, but we were not in the same school because she was with us and also SMU. But we actually didn't start off as business partners, we obviously were dating before we started our first business. And then we sold our first business. And then we go into our second business, which is alchemy. Now. For me actually why I wanted to give entrepreneurship a try was because for me, there was only two areas that I think I will be interested to build my life around.

One was either career finance, which I think will be quite an ally. The other will be to try my own feeling startup. So I'm going to entrepreneurship then I was an SMU between what Oh, six to 1020 10. Yeah, so that was also right where subprime happened. And so I saw a lot of ugly things that were happening in the banks. And then obviously, the bank wasn't hiring at that point in time. So even if you're getting you probably can. But there was also a lot of things that made me realize that maybe, as exciting as that may, might sound, maybe I want to try my hand entrepreneurship. And I wanted to also make it a point to try entrepreneurship earlier on before I had significantly more baggage and more dependents.

You know, if you have kids or your parents really need you to supplement their income, then it becomes harder and harder to pull the trigger to good entrepreneurship. So I wanted to just ensure that before I have many of those liabilities, let's get started early.

Alvin Poh 3:05

Wow. So your then fiance or girlfriend, boyfriend? Who now is your wife? The topic of business? How did you convince her? Did she convince you that you guys just like suddenly topping of the idea like, Oh, holy?

Alan Phua 3:22

Yeah. So for me, it was quite a journey. I was reading a lot of self help books. And I was just thinking about what's my personality, right? When I see myself sitting down in a nine to five job for the rest of my life? And answer was no. And then that kind of like decided for my styler. And for her it was kind of subconscious because her dad is entrepreneur. So growing up, she has seen her that you know, take on risk, you know, get rewards, gotten good, good returns on business. And for her it was just a very natural progression that she's something that they want to do.

But I guess what's not obvious at a point in time, right was how do we end up with, you know, our office business, which is so low calorie ice cream, and also alchemy now where we are hoping you should get a cup control. It's, it's at a point in time, it wasn't clear that we're going to hit was food business or we're going to end up you know, coming up with solutions that helps to improve people's lives. But what I also realized about myself at least, is that I think I need to really feel the problem in order to work on a business. So the first reason was a low calorie ice cream business, right? It happened because we were going out a lot of dates. And then when we were gone for days trying to go out for ice cream. I guess partly also because I was posted it's cheaper to go via the Kobo mu.

So so we went to a lot actually followers and I realized that you know, people realize content also put a lot of weight. So they want to grow fat. And so that was one of the core motivation for us to want to start the first business. We subsequently sold that off to a restaurant in three years after studying it. And then we move on to alchemy where we have a sugar control so people can enjoy carbs and sugars without putting on weight. It's one but also more importantly to fight The global diabetes problem. And that really started because of my family history, it's been well ingrained over the decades that I was growing up.

Sounds really old, I spent almost four decades now that I've been around. But what happened was that both my grandmother's they passed away due to diabetes complications. And diabetes, obviously, is a problem that's linked to the diet, especially the dye has a very high refined carbohydrate component to it. And then my mom has 65 of them are diabetic, my mom is still safe. So for me, it was very clear that you know, either we have technology that comes out to help people or you know, what is going to hit my mom or it's going to hit me, and I really don't want that.

And I've seen so many instances that kept shouting to me that, you know, we need a solution. Like, for example, what there was once right, my aunt, she went to for a checkup, she was supposed to have a blood drawn right to measure blood sugar levels. And she basically just told the doctor that she lied flat out to the doctors and say that, Oh, you know, I have a phobia of needles, can I contribute my urine samples instead? So what she did was that she went to the washroom, and then she diluted her samples with water, just so that she can share the test, you know, a guide, my test is also bad, can I have a sugar coffee to categorize him? I just said that.

And cheating of the test, of course, is not a solution, eventually the consequence come back by level D pressure me like that, you know, I think we need a good solution. Otherwise, quality of life for everybody, intelligence by family will be affected. And that's how we then you know, ventured out and started alchemy.

Alvin Poh 6:23

So the I love the fact that it's all tied to like, something that's personal to you. Problem. That's one of the things that, I think, is the fundamental pillars of a good business, that it's rooted in a purpose, a problem, or, you know, solving a need in the market. What about you, Anna? How do you get started?

Anna Haotanto 6:49

Actually, it's quite interesting. And, you know, I was, as I was listening to Elvis, I realized that we have known each other for so many years, and hanging out so often. I've never heard his stories, right. So, okay, for me, I think it's, it's very interesting that I'm speaking to the two of you, because in my head, I just kept thinking that the two of you are the OG entrepreneurs, right? You guys were entrepreneurs, before entrepreneurs become cool. You know? Elon, and I, I think three of us graduated around the same time. I graduated in

Alan Phua 7:23

around two. These round,

Anna Haotanto 7:31

I guess I graduated earlier, in Oh, eight, right. And, and like the both of you have never wanted to be entrepreneur or founder, all I wanted to do was actually be in finance. And the reason is, because I wanted to, I mean, I, Alan's wife, girlfriend, then my family had our own family business. And we have always struggled with it. And during financial crisis, it was I think we were we were not doing very well.

So growing up, I always recognized that money was hard. And I knew that being the oldest author on this kid, I have to be the one paying off the debt, right? So all I wanted to do was work in finance, get financial security. So I actually spent about 10 years in finance, in various departments, the last being wealth management. And I left it even until then, I never wanted to be I never wanted to be a founder. I thought that was the worst horrible thing that you can do to yourself and your family.

Alvin Poh 8:37

Story, I am the eldest in my family to and I took it to my upon myself to you know, take like clear the family debt and take care of the family's financial situation. But for me, it was like very clear that I had to run a business in order to do that. It's so strange. Oh, yeah, like completely different tasks from the same like stimulus.

Anna Haotanto 8:59

I didn't sell any business for 30 billion.

Alvin Poh 9:03

I did not start a \$30 million business. I started a \$300 business.

Anna Haotanto 9:09

I think that also shows your courage right and your clarity for me.

Alvin Poh 9:14

stupidity and the EBT

Anna Haotanto 9:17

what's yours, Alan?

Alan Phua 9:20

Oh, if being stupid makes me 30 mil. I would love to be stupid. Everyday

Alvin Poh 9:30

ignorance of you guys.

Alan Phua 9:33

There's a lot of relates a lot of bootstrapping.

Anna Haotanto 9:37

I mean, what's interesting is that I think I've been at that point of time, there was no I believe that most of most of us wanted to be a consultant, a banker, you know, a lawyer or a doctor right? Being entrepreneur wasn't really something that was widely accepted or was was not invoked. Like today. Yeah, so I Yeah, I think even when I left my banking job I was I started a new study that was my first foray into founding a company. And I wanted to do it for fun.

I actually had health issues. So I mean, I left my job. And I thought to myself, you know, I've been very lucky, throughout my whole journey, you know, I've achieved a lot of things that I wanted, I have bought. So one of the first financial goals I have was to buy a HDb, as I was sharing earlier, right at 21 years old, was the

Alvin Poh 10:33

result of one specific course in SMU that changed your life.

Anna Haotanto 10:40

I mean, I think we all live in, oh, 607, where everything was going up, you know, stock market rental. It's almost like the past few years. And I think at this point of time, only my mom was working, and we couldn't afford an increase in rent. So I always leave with the fear of not having

a home, right. And like I mentioned, I always wanted, and I thought to myself, Okay, you know, what, you know, being young and dumb and naive, right? I said, I want to buy a home for my family. And it just means that purities to me and being 21, I really didn't realize how expensive HTTPS, I thought, you know, can be that expensive, right? So in that, particularly costs that you are currently teaching. I actually Googled, you know, how much does the HDB costs? And it was like, I think about 500,000. Got really shocked, because to me, how can I, you know, a very ordinary, very, very plain 21 year old, right, with no special talent. afford that.

So so that was the start of my financial journey, and also of how setting financial goal being very clear of what I wanted, I managed to achieve that. And I think during my health care, I thought to myself, I've been very, very blessed. How can I help others, because when you look at people around your age, right, they were at the time, they were complaining about, you know, HDB, being very expensive. It is. So a lot of us who don't have, you know, financial peace from our parents, I think it's very important to make very good financial decisions. And that was why I started the new survey.

Alvin Poh 12:23

No, again, it boils back down to purpose, right? It can't be just a business or an idea that we have some passing interest in, that is not going to keep you going because business, all of us went through it, right? The initial stages, when business was tough, you don't know where your revenue is coming in, you don't know whether your team is going to stay in tech, you don't know your customers are going to renew or even like buy more things from you. You don't know if your product or service is good enough.

In spite of all these like challenges, you've got to keep going. And unless you have something stronger, like a purpose, or, you know, a problem that you really want to solve, and you can like obsess about, I think it's very hard to really grow a business. And this one people I think, these days tend to miss out on like, they see the glory of like, successful entrepreneurs and CEOs like Bezos and Elon Musk, and they want that, but you don't see the journey that it takes right to actually get the means like sleepless nights anxiety, stress, burnout or whatnot. Right. And that is what's necessary to have that purpose to keep you going.

Anna Haotanto 13:39

Actually, I have a very interesting story about this. So which highlights? I mean, I think I, about one and a half years after I started the new service, we were growing quickly. And we wanted to raise our Series A right. And what happened is we got hacked. So

Alvin Poh 13:56

I noticed already you knew about this.

Anna Haotanto 14:00

Yeah. And we have 1000s of articles. And everything was wiped wiped out, right. I mean, it's very dramatic. It you can actually see as the day goes by, you know, you just there was something wrong with the website. I just can't figure out why. But I think after the fourth day,

everything was gone. And, and, and then you know, I mean, it was a flurry of events. We got other developers to help us we had three backups, right. And then they demanded 30 Bitcoins. The hackers demanded the DB coins. Yeah. But what I mean the whole we never really recovered it. In fact, even after one two months after we rebuilt the site, I have to call like, you know, the telco saying hey, you know, can you please take me down from unsafe site because we got hacked and all that because we will actually put on unsafe site we have never really recovered. But even during those times, I think it was very traumatizing for me.

First, you know, you have to lead the team. Right. Number two, you I'm also answerable to investors and to our readers. But also, I think on a personal scale, like what you say it highlights all your inadequacies and all your weaknesses. And then, you know, you ask yourself, why are you doing this? And who are you to think that you can even solve these problems? Right?

Alvin Poh 15:19

Yeah, exactly. Man. So they do end up paying that 30 Bitcoin ransom or?

Anna Haotanto 15:26

No, we never. Yeah, I mean, the good thing is, we actually have a lot of help from other developers. I think, you know, I think I find technical people, a very special group of people, they have all this sense of justice, you know, so they were all helping me pro bono right over. But we never pay. We tried to rebuild the site. I actually wanted to just give up, you know, and I wrote, I remember drinking myself every night. And one day, I just said, Okay, no, if I don't do this, let me write down everything I can do.

Right, like, including going back to the bank. And I was like, Why do you want to be a founder? Right? Because you actually earn a lot more money in a corporate, most people do is more stable. You have, you know, you don't have the stress is different. I don't I mean, in corporate, you have a lot of stress. But I think having being a founder is like being a parent is 24/7.

Alvin Poh 16:19

Yeah, no, as

Alan Phua 16:22

much when you're single when that happened?

Anna Haotanto 16:26

Was I single? No. Oh, boy. Oh,

Alan Phua 16:28

I was thinking, Do you think that was where the engineers were helping?

Anna Haotanto 16:35

Actually, I was, I was dating, a startup founder and his, his engineers helped me also run it. Yeah, I

Alan Phua 16:48

was curious.

Anna Haotanto 16:49

But also, I think it kind of highlighted, you know, everything that I wasn't good at. Like, which is technical knowledge, right. And it was really a period where I went, I dig deep and think, really wonder, you know, what, what is this right? Like, why am I doing this? And yeah, I mean, going back to Alvin's point, it really highlights the purpose beyond yourself. You know, I think for Elon, and it's really about helping people and making sure that you do a good job for the people that you're trying to help.

Alvin Poh 17:26

Yeah, when I was brought up, I think I was really like, having these values of responsibility drilled into me, and that I think it's something that I hold very core to myself a very responsibility to my commitments to, you know, my customers, to my team, to my co founders. I think there's something that is my one of my primary drivers as well. Oh, Ellen, do you have any, like stories where your site gets hacked, you know, your business is just inaccessible for many days and things like that.

Alan Phua 18:03

I mean, I think throughout the entrepreneurship journey, there's been a lot of times where people prompt this is really what I want to do, actually, this behavior from the very beginning. So for me, when I was a kid, I hated studying. So you know, I was from the normal academic extreme, and then couldn't be good to JC. So I went to Polly and then my, my parents are more or less thinking that, you know, there's probably no chance that this guy's going to go to university. And then, and then when I didn't make it, they were like, Oh, my God, they must have gotten the name wrong, but I will take it. And then whenever when I finally completed my studies, and I told them, they were completing my degree, right? In my undergrad studies, and they were thinking that finally outside, I can go find a job in the bank and get like, decently paid.

And we told them, I told my parents that, you know, I'm not going to find a job because I want to start my own business. And then they totally flipped. And then I remember one day, my dad came in with an article from Chase and I say, you know, SMU grads, finance degree tends to start from this pay this pay, you know, the top echelon starts with this pay raise, you're not at the top echelon, you are getting quite decent pay, you know, are you sure this is what you want to do? Yeah, so I think a lot of times there were a lot of students that were thrown. I mean, okay, I think people do it out of the goodness of their hearts, especially when my parents do they were fearful for me and quite fairly, right.

There's a lot of reasons entrepreneurship, but there were also times where even like, my SMU schoolmates, who after graduation, they all have like, good paying bank jobs. Couple of years after I started out, I'm still struggling and then you're asking, you know, when Are you finally

going to get a proper job? So I think our trump truck drama like there's always been a lot of like hurdles. But then I realized that the if you believe the mission, that's what always gonna keep you going. Throughout this, we've been hit by many different crises as well. I think COVID hit us pretty hard because we, we will actually just tell the story This dates back to about 2020 When COVID first happened. We had a series of launch event that was every At predesign, it also has been planted by the various partners, rational partners. And we even have event host that was secured.

We were going to host this big launch event in SMU actually, scofflaw because that there was the time where school involved Yes, we even had ministers as guest of honor there was a really secure the media has been seeded everyone RSVP that they were going to come. And then suddenly coffee, no event was allowed. And then no dining was allowed. And then suddenly, no, everybody was saying, you know, we got to push that are launched. And then a lot of things was dependent on that launch, because we were building up the story, right, you're getting the product into the market, we're getting feedback, we're getting media buzz, and then we this is a nice story for us to raise our next round, if you will, as a startup, before you launch your product, you're basically in no way the first five years of our project is a lot of r&d is locked into studies filing for patents, because we really want to make products that work, we don't have to sell fluff, in order to make sure it works that we had to do a lot of tests, a lot of r&d, a lot of these cyclical studies.

So we were all ramping up to this big launch, right so that we can reach around and then we can expand the team and we can provide more jobs and we can get more solutions and more people who need it. And it's not a coincidence it, it ends, we have to pivot everything we there was no launch, there was no revenue of a company at that point in time, at least not on time. And then suddenly, you're you may not be able to race around, but you have people to feed people to take care of. So you have to go into the office, you have to face them, you have to I think one of the challenge that I have constantly faces or so how much of the brunt of outside work should we be sharing with also our people, because our team is made up of like a mixture of people who are more experienced, and some of them are also a lot younger.

So yeah, when when for those who have dependents at home, whether it be kids or elder parents, we also are very mindful that they need a secure income. So I think when when when crises like that hit us, it was it was very difficult times anxiety, it was very difficult to sleep everyday, it was long nights, it was talking to a lot of investors talking a lot partners, you okay, we launch earlier, and then pivoting our plans and pivoting the product. And because we have physical product business, right. Pivoting product takes a lot takes time. Because you see you need a production plan out and you need to get your plans done on board. And then they have to get our marketing team on board any point in time, most people are just trying to survive. Restaurants are not allowed to operate, which and I will know very well.

You're only allowed to do like delivery sales, right? So nobody was in the right frame of mind to launch anything new. But at the same time, we also had to keep our people alive and death. And I remember I had this talk with the rest of the company. And this is probably standard, you

know, we're going to do everything that we can to avoid any retrenchment to avoid any low pay leave to avoid any pay cut. So even if it means that the founder is going to take a hit on their shareholdings, you know, if we can raise capital to keep everybody alive, this is what we're going to do. And then fortunately, we went to our various investors, and then they saw technology, the sport that, especially on the corporate side, we have quite a number of companies that invested, they see that, you know, COVID is going to come and go, but diabetes can still be here, right? Our technology is going to be needed, we can supercharge many of the future products in which they will launch in the decades to come. So they will bring the support.

And then we got the funding and then went back to my team and say that, you know, I've kind of I promised, you know, we kept everybody alive. So there was there was something that was very relieved, I think, especially for those dependents, they will relive as well. But there's there's just one of many, many instances where you know, I think believing in the mission is very important. It's very important. I think if we didn't believe that, you know, we're doing something important for the world, probably we will just go look for a job, it's so much easier to look for a job. Yeah, I

Alvin Poh 23:33

love what you did. Because I mean, it really shows. That's that's leadership, right? And it's not what you say, but what you do that truly represents you. And I think in in good times, it's really easy to say and say that you do things, but it's the bad times that leaders people are able to show your true values by what they do. And I think what you did, when times were bad and you had to really, you know, act on your word and find that kind of capital to keep the company alive and keep the team intact, I think really shows leadership. So yeah, kudos. Yeah, you guys.

That's, I think that's the responsibility of a business leader, founder and entrepreneur is not just our allies already. At first, when I was growing my business, I thought we were just about making money. And then after that, I realized our customers dependent on us, then I realized the team dependent on us, or in fact, like the co founders, my my co founder and I write and and there was so much responsibility. I couldn't wake up one day and say, You know what, I don't feel like doing it. This is gonna let go everything I can't. There's a team that I need to take care of their customers that have their businesses depend on us. And that was something that you know, we He shook me and showed me that entrepreneurship wasn't just about simple, like, you know, money making venture. You're so much deeper than that.

Anna Haotanto 25:09

I think. You know, I agree with both of you. There was one, I think I said this before, when you're, all of us started wanting to do a business whether to solve a problem or to make money, right. But ultimately, I think we are actually, you know, we are responsible for the people that employ us, rather than our customers. And by return, you're actually responsible for their families. And that's a very great responsibility. Yeah.

Alvin Poh 25:39

Yeah. I think I think I was always there was one time, I think I just got a one of those like panic loops or anxiety loops, because you start thinking, holy crap, sometimes these people that are your teams are like the breadwinners of their family. Sometimes they are the sole breadwinners, and suddenly, the weight of responsibility becomes so much more magnified. Yeah.

Anna Haotanto 26:04

Remember, when there's one time during COVID? At the start of COVID? I remember texting that, you know, in our group chat, right, I was like, I'm very evil. There was before of the the Fourth Circuit Breaker. And I thought, you know, I just had some talks with my partners. And, you know, we were saying, What is the worst that can happen? Right? And the worst is that we shut down our businesses, and I told them, like, okay, you know, think my only request is let's not, let's not let anyone go. Right? That's all we can don't take money we can do.

But let us take care of everyone. Even if we have to put them on a no pay leave that just try to keep everyone on payroll. Until we we survived. And no, none of us could have predicted how bad the past is. I mean, how bad COVID was right? I mean, circuit breaker, all that. And I think it's a very harrowing time for most people. It's very traumatic, traumatic, right. And but also, I guess, you learn a lot and you become more resilient. And your teams actually work better with each other. Yeah, I

Alvin Poh 27:13

remember you were telling us that you were doing deliveries, like all of the founders were doing delivery. Nice cars. Yeah, some very fancy cars, right. Like you're doing deliveries. But I mean, that is, again, leadership. I think leadership isn't just being a manager. It's also something that needs you to demonstrate the things that you You're demanding for your demanding for punctuality, then you better be punctual. If you are demanding for people to be responsible, then you should be responsible yourself, right. And if you're demanding for people to go the extra mile for the customer, then you as the founder better, make sure that you are also somebody that will go the extra mile for the customer. When that that I think to me is something that differentiates a good leader from somebody that maybe is just, you know, not so good.

Anna Haotanto 28:10

Actually, talking about customer service, I must say that, you know, I was very impressed with you and your co founder. When I first started the new survey, to understand this is like a 10 year back, okay, I know nothing, and the website was down. And this was the day why remember all these things? The day before a public holiday, but not wrong. It's a Good Friday. And actually, your, your co founder called me at 11 to troubleshoot the problem at 11am and 11pm. And I was like, Okay, this is amazing. And then they managed to resolve the issue. You know, we did a few hours. Yeah.

Alvin Poh 28:49

Sometimes there will be calls at 3am because people just call just to talk to us. Like they didn't have a problem. I think our problem was that they will only

Alan Phua 28:58

only they found how you look at the disorder call you.

Alvin Poh 29:09

Yeah, I don't handle CID y calls right now. My co founder doesn't handle CRDi calls also. But that was that was the best way back when we had no team we had to reveal everything ourselves and like calls emails. That was all done by us. So yeah.

Anna Haotanto 29:30

My phone number is the reservation for Miss for Mrs. For like the actual for them. Oh, what do you want? Okay, I'll order can i Yeah.

Alvin Poh 29:44

I think this is I think it's something again, like what leadership means I remember there was an engineer, a software engineer that we had a programmer who told me something couldn't be done. And I was like, it can be done and I took out some some time I a few hours to actually show him that it's possible. And I think it's, it's, it's a, it's really powerful when you're able to show your team that you can do the things that you're asking them to do.

It lends a lot of respect and a lot of, you know, they start to believe in the things that you say and ask of them as well. So that kind of leadership is kind of like servant leadership, I think showing that you're down in the trenches with them, you're willing to do the work that you're asking them to do. You're not afraid of getting your hands dirty.

Alan Phua 30:38

Yeah. But this also reminds me, it can spark a different reaction, depending on who you're talking to. I think those that are driven, they start to realize that, hey, you know, my boss can do I can do it, too. But I also met people who have gone through the same exercise with them, right, you know, we can close our customers, why can't you NSA data responses? Boss? You're good?

Alvin Poh 31:07

Yeah, depends on personality depends on character as well. And also depends on like, the kind of training systems are included in your business, right? So I always believe that, you know, a founder, let's say they can do like 100% of the job, right? That kind of performance. When you start hiring a team, you're not going to be able to find somebody that's able to perform 100%. But you can find somebody that really performs at about 60 70%. But I can finally find many people like that. And that's how we start building a team, right? The idea of the team is not so that you can replicate yourself, but the team can support everybody. And everybody's workload gets like distributed, and responsibilities get actually.

Alan Phua 31:46

And today, the systems and adequate assistance with your book.

Anna Haotanto 31:53

Actually give your books as gifts to so many people. Yeah,

Alvin Poh 32:00

thanks. I hope they enjoy it. I know. I saw some stories being posted. Yeah, I actually think this is the last run of the books already. So I will, yeah, probably not gonna be having physical copies anymore. It's just way too much of a hassle. So are we going to be online or through Amazon? Yeah. So these are limited.

Alan Phua 32:25

Limited Edition. Exactly. I still have carousel now. After five years. Ellen. Corner, the market manipulation, auto finance. option to buy the book? The finance

Alvin Poh 32:49

people. Yeah, so yeah. So that's how we all got started. I love the fact that we all had a purpose and we're driven. I know Elon pivoted his business, right? Why? Why was the original business of of Serato? The low calorie soy? Rice? Yeah. Why? Why was that something that you wanted to exit at that point of time?

Alan Phua 33:18

Yeah. Because at that point, we were already in like, major supermarkets, we started having some early exports. But yes, the consumer packaged food. Thank you so much. In the consumer food space, I think you do the branding power, you do need money. In order to go the next phase, there's only so long, you can stay online recruiter, you hit that the ceiling, right, and you go off like that you need money. And so it was at that point, the choices would raise money for the asking project, or double down on the alchemy project, because we were running both at the same time. But in terms of impact in terms of potential in terms of just my family history.

You know, I think alchemy spoke a lot more to me, it made a lot more sense. That's why we had to divest one. And it's very difficult to also raise funds for your projects. If you're if you tell investors Hey, I'm also working on something else. If your attention divided, I think they're going to be very, very concerned. Yeah. In fact, I remember the first time sheet, we signed the first investment document that we signed, it mandated that we had to stay in the company for at least three years. And we had to be full time. So I really saw it coming. And I think that if I put myself into their shoes, this is what I will experience what otherwise why do I invest? What am I investing in, in the early stage for investing the people and the people is not here half the time? Yeah,

Anna Haotanto 34:27

yes, is actually not very long, right.

Alan Phua 34:31

Three years is not too long. Yeah, actually. So but that's not too bad. And the subsequent agreement that we signed, we didn't have that clause. But I think it's also very clear that we're very committed to this crisis or the crisis, we had a holding power and we pivoted in different ways. We started the project for alchemy on trying to make more of the starchy foods and staples like rice and bread healthier so that you have stable blood sugars after right now we pivoted more into also sugar control. So we have to reduce sugar and things like cakes and and cookies. And we saw the pivoting also because it's there's a lot of market feedback. You know, a lot of wish lists. A lot of people say that, you know, if you can make this cookie, sugar free, you made a cake, the ice cream sugar free, lower fat, you know, I'm just gonna buy this take my money.

So I think this was the one thing that we we learned a lot over the years is really important to keep our ears on the ground. Listen to people. Yeah. And then no matter how big you become, even though we're not big yet, I hope that we'll always remember no matter how big we become, right, we've got to spend some time on the ground, understanding the customer's wishes, I think what LVNs partners has done very well do every single call, maybe not every single call during some sales call some of the troubleshooting and customer service, I think is what really keeps you in the know of what's happening your business otherwise, you know, it's not going to happen. So that's how we also ended up pivoting. And I'm really glad that we did. Because right now we're in the phase where we're working with some international fast food restaurants. And that wouldn't have been possible if we didn't have this pivot. So I think pivot is like the only constant.

Alvin Poh 35:59

Yeah, and pivot, not for pivot sake, but pivot based on what the market is requesting for. And sometimes that's the best way to find out all right, you just got to make sure that you're out there, you're talking to your customers, you're putting things out in the market, and getting the feedback. I think all entrepreneurs also asked me because of super scaling, and all the people that I talk to, sometimes they are just afraid of putting themselves out there. And they are just looking for that perfect answer before they begin.

But guess what, I think entrepreneurship is never something that you know, you'll be able to have a perfect plan for. Everything is gonna change. I don't know what's gonna happen to my business tomorrow or next week, right? Like, if you ask me what happened like six months ago, you know, hell, even three months ago, I wouldn't have expected that, right. So there are so many changes. And I think Change is the only constant that we can prepare ourselves for,

Alan Phua 36:51

should always spark so many thoughts in my head, because I've had people come from like, a very impressive history of corporate jobs. And they have this perfectionist mentality that everything must be perfect. And it really drove me crazy, because it takes you forever to build a perfect product. Sometimes if there's only two or three core attributes that people want a

product a people are willing to buy. But then they delay then But then we end up delaying launches, delaying campaigns, delaying things. And because we're always trying to be perfect. It drove me really crazy.

Alvin Poh 37:21

That can't happen with our businesses, especially at a start, we've got to be nimble. I think that's the only way businesses can stay ahead of like, especially the big giants, right? MNCs cannot innovate or be as agile as a small businesses. And the nimbleness needs to be inherent in everybody, right that the difference between perfection and progress needs to be clear, right progress over perfection. I think that's the mantra that entrepreneurs need to instill in the organizations.

Alan Phua 37:50

So Rana, wherever it could be poor, I tried to look for I mean, we need different skill set for different positions, obviously. But then the overarching qualities, I look for energy of openness. People who came come see with like over oversized baggage, handle the fever, well, because they think, oh, I need to be perfect. I need to do this the whole way. And these are just going to come to drag the stock.

Alvin Poh 38:12

Cool. Yeah, that's clarity of values and attributes that make up for your makeup, your company culture. Awesome. All right, I'm looking at the time and I'm cognizant of the fact that we are nearing our heart limit. And so these are two questions that I always ask guests on the seven minute scaling secrets podcast. And I asked this of both of us. Well, the first question, what is the most important habit to be a successful entrepreneur? Instead of Anna?

Anna Haotanto 38:47

I will say consistency. So I think as an entrepreneur, you need to be consistent in the things that you do. The things that you say and your values. I think that's very important. I mean, it's a lot of what you preach, right? Whether it's, you know, whether it's fitness, or you know, it's easy to get motivated and to get excited by new shiny, you know, ideas, but you really need to have consistency to achieve your goals.

Alvin Poh 39:15

Oh, I love that. Yeah, and I say that all the time, too. It's not the intensity of things. It's really just being consistent and showing up on a daily basis. Taking a small step towards your goal all the time.

Anna Haotanto 39:27

Consistently drinking

Alvin Poh 39:35

Sam is the one that's gonna

Alan Phua 39:40

tell you I actually had consistency as one of my points, but unfortunately, not the only point. Yeah, but I think for me, anyway, on reading consistency factor, I also read a report right? There was a study that was done across all systems for entrepreneurs, they found it number one, you can't be stupid. But number two, being a genius also doesn't mean that you're going to meet a cut beyond a certain IQ threshold, right? It's all about grit and consistency, being there showing up every day.

So this is something that I, I hold very dear to my heart. And I also remind my people and myself, especially, but I think the number one habit I feel someone needs to have. And you know, to be successful is to have humility, is that is to be humble. I think at the very start, when things don't work out, we need to, you know, put our egos aside, you know, whether we were the ones to make the wrong call or not, it doesn't matter, we just had to put egos aside and try to find the root of problems so that we can scale and grow to the next stage. And also, I do see this becoming ego, as well as humility becoming a big problem for people who have achieved some kind of success.

Sometimes, because you know, because of past success, they will feel that I cannot be wrong, or maybe this book then he should work now. But I think what I realized is that for companies and teams that have been successful over long periods of time, is not the successful in long periods of time, not because they started being successful years ago, they're successful, because they kept renewing the classes over and over again, they review what has been happening in their business, whether the market has moved, and then they pivot over and over again, the renewal success over and over again, I think this ties down to can only it can only happen if someone is truly humble, and purchase with you things with humility. So I think that will be the most important have you for me.

Anna Haotanto 41:18

I want to echo what Elon said because, you know, being an entrepreneur, right, it's really a lesson in humility, right? Because you're always very humbled by how bad your products and how much you're gonna as a leader, I mean,

Alan Phua 41:36

I hobbled by my wallet.

Anna Haotanto 41:40

No, but I mean, even as a leader, because you don't know everything, right. I mean, none of us were born entrepreneurs, none of us were born a leader, we will never in like big organizations. So you really need to take feedback, and most of them are not great feedback, right? You have good ones, but a lot of them are not. Most of them are ways to improve. And also, I mean, if you're fundraising, I always say that being an entrepreneur is like kneeling on broken glass all the time. I feel like I'm just begging everybody to do to give me something. Yeah. So you kind of need to have that humility to ask for help to ask for funding to ask feedback, and have the same humility to, to actually really improve. Yeah,

Alvin Poh 42:26

I completely agree. I think humility is not just, you know, something that shows that you can eat, you know, economy go rises on day, it's really a state of mind that allows you to be open to feedback to changes. And, you know, from that always be nimble enough to pivot or, or to, you know, to handle any changes in the, you know, major economic trends or the market changing market demands or anything like that. Cool. And the second question, the last question of the episode, what advice would you give to another business owner? Let's start with Alan this time.

Alan Phua 43:11

Okay, let's go to relax all. I think for me, other than the mission, you know, we think I spoke at length, you know, believing what you do. Be important, because it gives you true challenges. I think the other part, the other strong advice would be to find product market fit early on. There's also been quite a number of studies that published that the number one reason why startups die within the first one to three years because they fail to establish product market fit. And I think product market fit is also a function of timing.

Sometimes we've seen good ideas that you know, I think are really great, frankly, but they are so ahead of their time, that they are probably not going to last until the point they launched the product. So I think that you're finding exercises, you're getting ways to test your product market fit will be very, very important.

Anna Haotanto 44:01

Can I just do.

Alvin Poh 44:04

Okay, Anna?

Anna Haotanto 44:09

Okay, I think on top of what Ellen said, I will say, measure the right metrics and goals. A lot of entrepreneurs, I think a lot of us, you know, because of the media and whatever is out there, we tend to go for vanity metrics. You know, whether it's PR or exposure, you know, and I realized that over the years that you really, really need to hunker down and be very focused on a few correct metrics. If you're not even optimizing for the right objectives, then, you know, you're doing it all wrong. And I will say that, okay, I guess this is a good ending. But the second advice is to actually find a group of people who understand your struggles, you know, whether it's the super scaling circles and, you know, friends like the two of you, right, I think both of you at all.

A lot of my entrepreneur friends are people that can understand what I'm going through and can give me actionable insights and advice. I have a lot of friends in corporate and sometimes I tell them my issues but to be honest, I mean to be fair, they are not equipped to share with me some of the how to handle these problems right but if let's say today I have a fundraising problems I have a marketing or branding problem I think I can go to the two of you and ask for advice. Whether it to optimize my operations or to scale my businesses. Yeah. So I think it's very important to have a good group of people that you can depend on

Alvin Poh 45:38

that's what we're doing and super scaling awesome. I mean, my my journey with vodien was quite lonely. So I know what you're talking about what you're talking about that the network that support is absolutely crucial. The audience will probably want to learn how to reach out to you and your business so what's the best way for people to reach out to you or your business?

Alan Phua 46:07

I guess if so, me personally, Instagram would be a good one because my profile is public. Anyone can text me this this is a worthless thing. To write into my business, I guess you can reach out to us at Hello at alchemy for tech.com

Alvin Poh 46:25

All right, I'll have that linked down in the show notes below also, enter mobile you

Anna Haotanto 46:32

well, LinkedIn or Instagram for me under my name, Anna how Title and email will be partner at the news.com

Alvin Poh 46:40

crew also have that linked down below so that people can reach out to you guys. Hey, thank you, everybody. Thanks to both of you, Ellen. And this has been another exciting episode this time. Super exciting because we've got you on the show. So thanks, everybody, for listening in. Please remember to like, subscribe, share this episode with somebody that will enjoy this episode as well. And I look forward to hearing and talking to you guys. In the next episode. Take care. Thanks. Bye