

LEVEL 7 ASSESSMENT SPECIFICATION

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**Business Strategy Analysis and Implementation: Oversea Business Development
for SDM Education Group in Pre-School market within Singapore region**

(Part B)

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Doctor of Business Administration

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Strategic Change and Organisations

Part B:

1. Market Objectives
2. Services Focus Strategy
3. Market development Strategy:
 - SWOT Matrix
 - SO Strategies
 - WO Strategies
 - ST Strategies
 - WT Strategies
4. Implementation Plan
 - a. Mergers & Acquisitions
 - Target choice
 - Valuation & Integration
 - Management Focus
5. Evaluation of options
6. Conclusions and Recommendations

Part B: Effects of Strategic choices on entering PSE industry in Singapore

Global expansion can cause confusion and stress, but there is no reason to avoid business internationalize. In today's competitive business environment, global expansion has become an important part of an organization's growth strategy. Understand the importance of establishing market and corporate strategy, and organizations are particularly keen to obtain the advice and guidance of consultants in this regard. About the market strategy and corporate strategy accounted for the largest proportion. Either young entrepreneur or those rich experience businessmen who have been through many obstacles and successes, can be seen to meet at all stages of business development on how to formulate business strategies (Johnson, G., Whittington, R., & Scholes, K. 2011).

1. Market Objectives

Since Singapore childcare and pre-school industries developed in different directions with historical reasons, but the government pulled them together and make collaboration to became today's business model. In normal practice, kindergartens and childcare centers fall under different government body or ministry. In mid-2013, Early Childhood Development Agency (ECDA), an autonomous agency official formed and monitored by the Ministry of Social and Family Development (MSF) and the Ministry of Education (MOE), to serve and regulating for the early childhood sector which include kindergartens and child care centers.

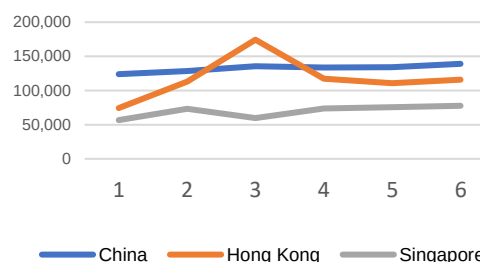
In past years, the government of Singapore provides extensive tax incentives to attract foreign investment. Among them, tax incentives are aimed at promoting the consolidation of businesses in the high value-added services, and to enhance the level of innovation and services expertise, to optimize local business environment to make it more attractive, tax incentives as a fiscal policy tool, effectively highlight as the world's leading business and the international investment hub (Chang 2014). China and Singapore are played the dominant role as economic and trade partners have developed rapidly in recent years, and most of FDI was mergers and acquisitions basis. Since it became the fourth place of largest FDI inflows in the world in 2018, Singapore's traditional target businesses were

sought by international investors and 38% increased within 6 years according to UNCTAD World Investment Report 2019 (Figure 1).

Figure 1: FDI inflows

	United States	China	Hong Kong	Singapore
2013	201,393	123,911	74,294	56,672
2014	201,733	128,500	113,038	73,287
2015	467,625	135,610	174,353	59,700
2016	471,792	133,710	117,387	73,863
2017	277,258	134,063	110,685	75,723
2018	251,814	139,043	115,662	77,646

FDI inflows by country (Asia)



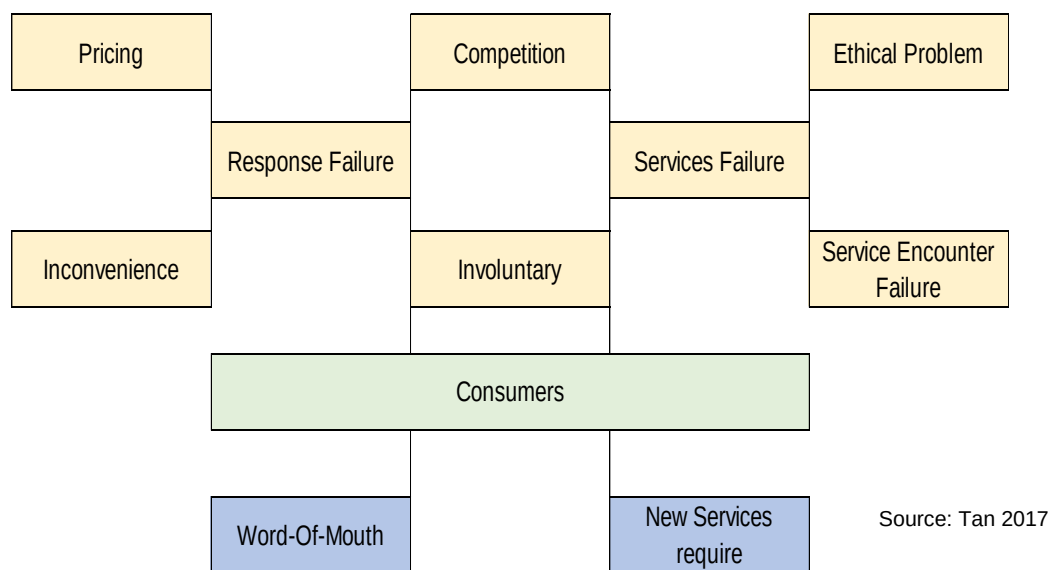
Source: UNCTAD World Investment Report 2019

Predominantly, PSE in Singapore are operating by individual private sectors, they tended to focus on specific area and neighborhoods which already have own demand such as Bedok, Kaki Bukit, Jurong West, Sengkang, Tampines, Simei, and Woodlands, in result with high utilization and major competition, and many of those districts are with higher house income as well. Since the Singapore government launched the education assistant to parents, many other districts that ran behind average will become a hot choice. Subsequently, aside from the higher-income group and demand, many districts are getting develop and increasing population. Those newly growth and re-develop districts should be the priority choice for SDM growth approach. In general, younger parents are tended to move in there and those groups normally are middle-income classes with family. According to the Concept Plan 2011 of Singapore Urban Redevelopment Authority (URA) shown the strategies were to sustain and built a high-value living environment with good affordable home, integrating natural and transport connectivity enhancement, activity economy with stable jobs, and most importantly, to ensure room to grow in future. Thus, the most significant demand increase occurred in the first 3 years of 2010, with the numbers of private childcare providers fourfold in this period (Chang 2014). Nevertheless, child-care consumers are getting concerned the services such as pre-purchase phase,

facilities set-up, capacity, teachers' abilities, and teaching model. That toward many of those small and medium enterprises are facing eliminated by a large group.

2. Services Focus Strategy

Keaveney (1995), Khoo (2010) suggest that in-direct consumers tend to ignore the level of transparent direct service, they are more interested in the level of word-of-mouth communications. While child-care is a serving child, but the parent is the buyer, thus, they might not be able to make purchase decisions during the process because they are not the ones to experience the services first-hand. Singaporean parents have more relied on social media commentaries and other parents' complaining or stories. Therefore, service focus strategy will play a functioning role to operate and improve services to stay relevant industry. It is what Tan (2017) in his exploration and finding the following conceptual of consumers' switching behavior, there are eight various elements to be able to illustrate the post-decision and pre-decision that may need to concentrate or aware of (Fig 2).



Pre-decision elements

Pricing:

School fee with or without Partner Operator Scheme (POP) assistant, Additional enrichment, Fee increase, hiding cost and another administration charge;

Competition:

Better services, Brand

Ethical Problem:

Hard sell, Unsafe, Cheating, Compliance default

Response Failure:

Reluctant Response, Culture Gap, Negative and NO Response,

Services Failure:

Facility, Mistakes, Billing errors, Knowledge know-how, Quality

Inconvenience:

Location, Operating Hours, Transportation, Timeless services

Service Encounter:

Impolite, Unresponsive, Uncaring, Poor arrangement

Involuntary:

Regulation issues, Crisis, Accident, Force majeure

Post-decision elements:

Word-Of-Months:

Social media commentary, Other stories and experience

New Service Require:

Moved, Self-Willingness, Children growth

Services focus organization is tended to speed up to improve core services faster than other competitors in the competitive battle. Usually, the new entry will be reducing the cost or bundling with extra services for value-adding, create or developing service uniqueness for differentiation, aggressively focusing on marketing activities to promote the brand, build customers' experience and engage consumer relationships which are associate with clients focus. Any foreign direct investment or global expansion that is not

focused on the same products or services as parent companies are likely to default at the end (Chellaraj and Mattoo 2019). Therefore, SDM should focus on the customer-centered service quality management model, based on three dimensions, servicing strategy, servicing system, and service personnel. This service golden triangle framework with customers as the core, it must have a set of clear service strategy, which must be based on customers' expectations and segmentation, need to cooperate with the fundamental service process, and high-level of services personal for delivering and meet customers' need (Choo 2010). This composition is the most fundamental element and the cornerstone of the success of servicing organization. Through this concept of Service Golden Triangle, develop a comprehensive curriculum, hiring top-tier enthusiasm teachers, state-of-arts facilities, experiences customer service team, ethical and compliance operating process, compulsory continue training program and customer relationship management system (CRM) to build a lock-in mechanism for clients engagement to ensure business sustainability.

Another focus is market and geography goals, urban planning is a specialized discipline that deals with engineering, economic, social, land-use layout, and predictions of future development in cities and their immediate vicinity, the objective is focused on the design infrastructure, involving the industrial area layout, building area layout and classification control, road and transport facilities, public facilities planning and construction and urban engineering arrangements, the main contents of space planning, road traffic planning, green vegetation and water body planning and so on (Choo 2010). Selecting a location or area which got better growth potential will ensure business stability in the future. Based on Singapore Urban Redevelopment Authority (URA) Concept Plan 2017 shown, strongly suggested SDM should select few areas such as Choa Chu Kang (CCK), Bukit Panjang, Hougang, Woodlands and Pasir Tis are high potential growth districts, and worth to develop, consideration is based on the below four criteria (Figure 3):

1. High Utilization (Average Utilization > Market Utilization)
2. Increasing Utilization from 2016-2018
3. Demand growth > Supply growth (Enrolment Growth Rate > Capacity Growth Rate)

4. High Room for Enrolment to Grow (Enrolment/no. of kids which is lower than the market average)

Also, URA 2018 Master Planning shown CCK and Woodlands will be increase 75,000 living units build by 2025, meaning will have many young families move in.

Figure 3: Urban Redevelopment Authority (URA) Concept Plan 2017

Sorted according to Utilization	Average Utilization (Enrolment/Capacity)		Annual Rate of Change of Utilization		Enrolment Growth Rate/Capacity Growth Rate		Average Enrolment Rate (Enrollment/#3-6 kids)	
Indicator	> Average Market Total (74%)		>0		>1		< Average Market Total (0.77)	
Choa Chu Kang	81%	✓	3%	✓	1.21	✓	0.63	✓
Bukit Panjang	79%	✓	2%	✓	1.24	✓	0.6	✓
Hougang	77%	✓	2%	✓	1.21	✓	0.59	✓
Woodlands	76%	✓	3%	✓	2.13	✓	0.64	✓
Pasir Ris	75%	✓	3%	✓	1.47	✓	0.64	✓
Yishun	80%	✓	3%	✓	1.32	✓	0.82	
Serangoon	74%		2%	✓	1.23	✓	0.58	✓
Tampines / Simei	79%	✓	-2%		0.88		0.63	✓
Punggol	78%	✓	-4%		0.84		1.29	
Sengkang	78%	✓	1%	✓	1.09	✓	0.97	
Queenstown /AR Rajah	76%	✓	0%		0.97		0.7	✓
Jurong West	75%	✓	-1%		0.82		0.62	✓
Marine Parade / East Coast	75%	✓	-4%		1.71	*	0.75	✓
Bedok /Kaki Bukit	73%		0%		0.94		0.53	✓
Clementi / West Coast	73%		-1%		0.92		0.64	✓
Toa Payoh / PG. Pasir	73%		-5%		0.53		0.76	✓
Bukit Timah	65%		7%	✓	2.96	✓	1.43	
Ang Mo Kio	68%		-5%		0.55		0.75	✓
Bukit Batok	68%		4%	✓	1.42	✓	0.62	✓
Geylang	72%		0%		0.97		1.34	
Sembawang	71%		-7%		0.66		0.9	
Bukit Merah /T Blangah /T Bahru	70%		-1%		0.88		0.96	
Jurong East	69%		-1%		0.78		0.85	
Kallang / Whampoa	69%		-2%		0.66		1.17	
Bishan	67%		-5%		0.46		0.77	
Central	65%		-7%		0.54		1.61	

Source: Urban Redevelopment Authority (URA)

3. Market development Strategy:

➤ TOWS Matrix

Most organizations feel comfortable executing global expansion development strategy based on past characterize of mutual networks and complacency using internal resources for implementation (Li 1995). Simerson (2011) was found that strategy logic is due to

prospective thinking and retrospective thinking which could drive an organization to identify necessary strategies with proper analysis of alternatives and creative, integrated to the short- and long-term plan to achieve business objectives. Strategy logic needs according to the economic environment and existing business flows, which must be systemic, practical, and innovative to simultaneously with an action plan for decision making. To identify business strategies should be engineer for converting market demands to keep pace with economic changes, political and industry phenomenon (Johnson, Whittington and Scholes 2011). TOWS Matrix is one of the effective and strategic analysis tools to evaluate the captioned business situation and forms the key strategic planning process, to build the strong strategy framework will base on four perspectives: Financial (F), Customers (C), Internal and Learning (I) & Growth (G).

- SO Strategies

Formulate proper strategies and action planning aim to leverage organization strengths factors to maximize the opportunities:

- | | |
|---------------|--|
| (C) SO1: | Expand SDM brand name in Singapore |
| (I) S5O5: | Providing continuous professional training (CPT) to become a key model within industry |
| (C) S2O4: | Global connect among existing education hub |
| (F) S3O5O6: | Globalization strive business growth |
| (I) S5O2O4O5: | FDI strategy and objectives |
| (C) S6S7O2O5: | Leverage experience and market position for global growth |

As can be illustrated from the results of the above, the sum of internal development factors were shown positive for SDM international expansion to Singapore. That can be leverage the financial and internal excess resources for FDI development, although the clear mandate will be the PSE industry, but the company should have prioritized the planning proposition and effectively manipulate the actions of constituents.

- WO Strategies

- (C) W1W4O2O5: Multi Culturalism operation standard
- (G) W2O3O4: Diversify organizational portfolio via in-organic growth
- (I) W3W4O2O5: Strategic focus
- (G) W5O4O5: Culture collaboration and improve
- (I) W7O3O6: Localization and restructuring

Most organizations have managed on a performance basis, which is a business behavioral. Typical management will concentrate on financial performance and results, such objective management is only interested in the results, therefore, it might miss out on other factors toward the quality improvement (Johnson, Whittington and Scholes 2011). Being a Hong Kong organization ambitiously enters into a culture rich and wealthy city in south-east Asia, particularly aim to access the social welfare sector with the utmost human resources demand and wide cultural background. While engaging a core operating team, they need to focus on talent recruiting, raising public awareness, and collaborating on the internal policy which seamlessly integrates into the local community. Such action planning should be a more-less partnership with domestic players for successful assurance. .

- ST Strategies

- (G) S1T1T3: Recruiting professional and skilled caregivers and educators
- (I) S6T2T3: Comprehensive rewarding scheme for reducing turnover
- (G) S3T3T4: Global taxation and exchange migration
- (G) S4S7T5: Engage local solution and marketing strategy
- (I) S7T2T3: Company culture and operating system

With strong financial, corporate managing, and multi-national operating background, although a shortage of local experiences, SDM can easily adept the Singapore local business model and offering the best enrichment program which already success in the last decade. Pre-school parents always seeking the value-added program for children, an average 2.5 enrichment program was included in children daily education learning (MOE 2018). Since SDM became the Asia lead of Commonwealth Society of Teachers of Dancing (CSTD) in 2015, over 7,000 students and 187 kindergartens were associated with enrichment programs, rich experiences should be able to provide better bundling service with core competence.

- WT Strategies

- (G) W1T1T3: Develop a natural and culture link in between
- (I) W2W6T2: Review policy and organization structure
- (C) W5T5: Service focus vs. pricing strategy
- (I) W6T4: Review tax policy and currency exchange burden
- (I) W7T2: Develop local expertise network

The least appealing strategies of the TOWS is to develop and implement for any risk concern and encourage teamwork communication and build among the organization or others. Objectives can reduce lead time, improve quality, and engineer resources. Enter a new dimension, local partnerships engagement is of utmost importance, to establish and build out a mission-critical framework that allows the company to have an exit mode in any risk occur (Simerson 2011). Moreover, to ensure the organization performs in a way that can maximize the capacity and avoid any political or legislation risk, also need to rely on leadership management individuals for responsible daily operations, organizational function system, contribute short term and long term goal and process among the local team (Figure 4).

	Strengths	Weaknesses
Internal	S1 Strong brand S2 Group passion S3 Financial support S4 Strong enrichment education background	W1 Social and cultural barriers W2 Organizational transformation W3 Being FDI new entry W4 Lack of localize solution
External	S5 International networking S6 MNC management background S7 Listed company	W5 Educational system differences W6 The knowledge of local legislation W7 Human resources handicap
Opportunities	SO	WO
O1 Increase value proposition O2 Join venture with global partners O3 Leverage existing resources O4 Build a Global network in PSE industry O5 International development in relative business O6 Resource allocation and cost saving	S1O1 Expand SDM brand name in Singapore S5O5 Providing continuous professional training (CPT) to become a key model within industry S2O4 Global connect among existing education hub S3O5O6 Globalization strive business growth S5O2O4O5 FDI strategy and objectives S6S7O2O5O6 Leverage experience and market position for global growth	W1W4O2O5 Multi Culturalism operation standard W2O3O4 Diversify organizational portfolio via in-organic growth W3W4O2O5 Strategic focus W5O4O5 Culture collaboration and improvable W7O3O6 Localization and restructuring
Threats	ST	WT
T1 Culture gap challenging T2 Labor guideline T3 New build infrastructure to be a hurdle T4 Legalization change to resist FDI T5 Competitive pricing strategy	S1T1T3 Recruiting professional and skilled caregivers and educators S6T2T3 Comprehensive rewarding scheme for reducing turnover S3T3T4 Global taxation and exchange migration S4S7T5 Engage local solution and marketing strategy S7T2T3 Company culture and operating system	W1T1T3 Develop a natural and culture link in between W2W6T2T4 Review policy and organization structure W5T5 Service focus vs. pricing strategy W6T4 Review tax policy and currency exchange burden W7T2 Develop local expertise network

Source: By researcher

4. Implementation Plan

Most organization when they are in the bottleneck and seeking international growth, they have chosen strategic partnership as the entry method. A strategic partnership with the targeted market can allow the FDI organization to shorten the path or reduce the risk. Mergers and Acquisitions are the most selected methodology for global expansion, that can optimize the sales force and supply chain by improve efficiency and eliminate any non-necessary burdens or obstacles (Deng 2007). Besides, to expand the market rapidly, recruit talent, develop intellectual property and obtain or learn local ideas for core competence sustainable. There are five important conditions while the international expansion:

a) Start with light footprint

Many companies are starting to defer heavy hard costs investments until their foreign operations mature. This is a good way to justify costs and ensure the company meets a

long-term ROI. But cannot be too far away, such as human capital is priceless, strong local talents can evaluate market penetration plans daily, identify untapped opportunities, and adjust if necessary. The key to recruitment is to be lightweight and agile, but to balance risk reduction. Hiring international contractors is often extremely risky (Jovanovic 2013).

b) Strategic Partnerships

Before beginning a global expansion journey, be sure to work with leading companies to protect yourself, with a primary focus on identifying warning signals and understanding potential risks. Rely on partners - whether you're hiring a local lawyer to protect, a consultant for information, or velocity Global to manage the entire recruitment and global expansion process, you'll avoid serious pain in the future. Acquiring a local company can be the gateway for local growth (Luo 2003).

c) Return, re-invest and repeat

Select an international market to introduce core business in a low-competitive situation. This will build up additional revenue to reinvest domestically and continue to gain market share. Take a lean approach to help to control external resources of funding and maintain your equity.

d) Adopt a clear marketing strategy

Develop a "leading" products or services that encourage to expand globally, and leverage core competency in the target market to ensure success and determine if adjustments are required. Although the captioned business line is booming apparently, don't assume that it will do better overseas (Maurin and Yeophantong 2013). Always recruit local talents to monitor new developments, stay in touch with decision-makers and identify opportunities.

e) Proactive and be active

Global expansion is one of the key hallmarks of any business plan. Establishing an entity for entering another country is a long-term plan. Therefore, access to new markets should

be proactive. Ensure conducting a comprehensive analysis and research to make sure the entire team is aligned with this long-term strategic plan.

➤ Mergers and Acquisitions

When an organization can maintain the organic growth and be at the plateau within the industry, normally will seeking in-organic growth opportunities such as increase company value, creating organization positioning, compound growth with value and supply chain, ultimately leverage their business on strategic methodology (Johnson, Whittington & Scholes 2011). Mergers and acquisitions (M & A) seem like the common formulation to expand into new markets or improve bottom-line revenue. In general, to reach break-even for a childcare center or kindergarten need about 3.5 years (Bennett 2010). Purchasing another company can acquire business and market shares quicker than normal growth, this turn-key operation model also can improve business efficiency and enlarge business scale. To select the target prospects and execute always the critical process and strategy tactic.

▪ Target choice

Based on the competitors' analysis (Figure 5a-c) shown, there are few education groups could meet SDM requirement. Those with a good market position and better capabilities should less dealing and negotiation hurdles would be considered. Simerson (2011) rational argued that financial risks and emotional are the key elements for willing and dealing, Therefore to select the popular target company is the crucial success factor for any M&A. Being a new entry for the Singapore PSE market, SDM should approach the school chain with 5 or less centers, they are Amazing Stars and Eager Beaver, because they are operating stable, good capacity, good location, simple operation, and hand-on ownership. Amazing Star Childcare has 5 centers with a total of 564 capacity and 74.3% utilization, and Eager Beaver has 2 centers with 220 capacity and 70.5% utilization (ECDA). There are three reasons behind, a smaller number of schools will be less capital investment for the pilot phase which allows the company to keep the light footprint for testing the new market. Based on the business analysis report shown, Amazing Stars Childcare has 5 centers and Eager Beaver has 2 centers, they both located within CCK,

Woodlands, and Hougang, their all are the high growth areas with mid-class level residents, better acceptance for foreign PSE operator.

- Valuation & Integration

During the mergers and acquisitions, evaluate the business and make an offer consideration are the most important decisions making procedures. Most cases of analysis will only base on EBIT (Earnings Before Interest and Tax) or EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization) with few qualitative factors such as locations advantage, core team structure, accounting stability potential growth and operating history, to determine the value of the business. If the market trend for the PSE industry of break-even factor in 3.5 years, to determine the value of targeted business could rely on the most popular valuation metric the EV/EBITDA or PE ratio (Price-to earn) should not be over 5 times. In additions, there are more issue must be considerate during the transaction. Some businesses might look like a perfect deal from the beginning, but during the transaction they always happen with some transitional risk such as legal and regulatory issues, financial consolidation errors, valuation on deferred liability, all of the above, and elements might be the hurdle of the completion.

Mergers and acquisition diligent processes can also be creating timely battle, this unintended consequence always involved with undefined intellectual property value, local accounting standard, ownership authorization, and materials review. Because involve in different country legal policies, thus, recruit a local accounting and legal firm, able to obtain in-depth opinions and professional advice to avert any litigation in the future (Johnson, Whittington & Scholes 2011).

Cultural battle for foreign direct investment is one of the most critical factors for business success (Johnson, Whittington & Scholes 2011). SDM needs to understand Singapore social culture, such as lifestyle and working habits, religions, and food preferences, especially for those key personnel after business merged. If forced to fit two different culture to one, will likely end with some valuable employees to join the company, and worst, will demolish the existing workforce and team spirit. Foreign direct investors are likely to input some of the change and ideas to the targeted business, such integrating

new concept will create the complexity of the business operation. After completed the merge, SDM should be trying to maintain the existing operations until the business mature that may be optimal in some situations.

➤ Management focus

DuFour (2004) claimed that many entrepreneurs always questioning the ability of the existing workforce, they try to attempt to input their ideas or integrating some of their existing operation methodology into the new system. Therefore SDM needs to maintain the separate operation and building the right team with separate leadership in local for the acquired business. Team members are not limited to the below:

To have a better understand the opportunities and risk control, a crowd of experience and strong background of board members is very important. Those individuals should be industrial expertise, local celebrity, professional and financial institutions, with their in-depth understanding of operating and business processes, could be able to minimize the potential risks and attract industry talents to join the company. Another important progress is to build a strong investment banking team, which can be leveraging the capital investment throughout the merger and acquisitions inside-out, acting sales process navigator, and compose an overall seamless acquiring progress (Deng 2007). This core team also needs to arrange lead financial experts to drive the pre-budgeting and forecast for executive board approval, much of the due diligence process. KPMG (2015) claimed that more than 42% of the oversea management team are judged mission failure, thus, needs a multi-cultural talent to build a strong local management team is the most important success factor for such globalization expansion.

5. Evaluation of options

Most organizations are quickly successful in seizing an oversea expansion without and contingency planning, such as implement a performance evaluation matrix and measurement tool for maintaining the core sustainable competency. Often, the company relies upon any facial reporting and unrealistic promise by that ambiguous management

with no prioritization (Simerson 2011). Result of operating lost control and financial default that much more concern for investor satisfaction.

➤ Performance benchmark & Measurement

There are five benchmarks in quantitative and qualitative performance measure for the childcare industry:

- ✓ Utilization ratio,
- ✓ Accreditation and compliance standard,
- ✓ Service quality,
- ✓ HR turn-over and
- ✓ Financial return.

Performance measurement is the key successful elements for any operation practices in every days, weeks and months. In Singapore, the average utilization of childcare center is around 82% (MOE 2016) and financial break-even point should be more-less 70% (KPMG 2015), that depends on the student's enrollment strategy and the effort for retaining. PSE operators must need to follow the requirement of accreditation standard and compliance regulations for childcare and kindergarten by ECDA & MOE. Childhood institutions with qualified educators and teachers will have a better market position and outstanding students. The user of the childcare industry tended to obtain the market commentaries and word-of-mouth marketing, therefore, outstanding service quality is the key success factor. Parents are much like to pay attention to the teachers' profile and experiences, school facility set-up, transportation arrangement, food and beverage for children, school uniform, in-class activities, and security guard. Based on ECDA (2016) described, human capital is a direct link with business performance and effective people management structure. As a result, those schools with high human resources turnover ratios are normally having lower utilization (Bennett, 2008). Being a distance operator, a monthly performance dashboard, balance sheet and financial statement which able to track some of the performance indicators such as budgeting, business forecast, market share, return on investment (ROI), shareholder value, break-even point, cost-effective, rate of employee turnover and risk assessment, this tangible business practice lead to reduce cost, improve productivity and increase organizational value. Simple measuring is

sometimes difficult to identify the root cause, conduct, and compose a variable objective to compare or against the measurement of performance will be able to serve the purpose.

In case of any deviation occurred, the organization must take necessary corrective action if needs. This essential action must carry detailed data and analysis of the failure factors, to discover the hiding reasons and allow management for strategy reformulating which might require resource allocation, management alternation, financial reframe, or lastly, proceed with the exit mode.

6. Conclusions and Recommendations

Childcare and early education are an important industry for supporting economic growth and social infrastructure development for every country. But this economic development often involved with many policies and regulations which always leading business operators to face different barriers such as educator workforce, capital burden, and facility reluctant (KPMG 2015). The report also indicated more than 73% of childcare centers and kindergartens are suffering from a shortage of teachers, wages is one of the most important elements for talent retaining. Career path for early childhood education is very limited and narrow, experienced educators will select relocate if they cannot find him/herself for internal promotion, likewise increase remuneration that will create financial distress (Marcelo, Reinert, and Fabiane 2019). It seems like talent retaining will only rely on salary increments, which will not be able to build employee engagement and will affect parents' loyalty. Most importantly, being a listed organization with financial advantage, acquire a career college such as CSE (Childhood Service Education) in Australia, will be able to extend the education business leverage the supply chain management into the childhood workforce industry.

Numbers of students' capacity and tuition fees were fixed when the permit of school granted, thus, the limited top-line revenue but the operating cost is increasing continuously that toward profit margin decreasing onward. All tangible assets such as real estate and property value increasing rapidly during global economic growth that affect the rental expenses for school operator. KPMG (2015) also pointed out the rental has a significant climb since 2010 and will continuously increase for the next decade. Also,

protectionism has been promoted globally that could ignite MOE to modify the policy and regulations more benefit to local operators. Therefore, SDM needs to ensure this global expansion for early child business in Singapore is a success, need to build an experience and well local connected strong management team for daily operation, and compose an inter-network and a comprehensive finance and accounting policy which able to manage information flow and monitoring business processing in efficiency manner.

Confrontation in specific industries has become intense and fierce that leading the competitive position toward to a lead firm for growth and surviving (Marcelo, Reinert and Fabiane 2019). Thus, foreign direct investors must heavily depend on strategic resource allocation to complete and counterbalance with local long-establish rivals. Different dynamics support such as vulnerability management become an optimal strategy by parent company will be able to cease the evolution of oversea investment stabilize accreditation of resources such as procurement of supply, capital flexibility, human resources management, long term commitment and build sustainable competitive for future development initiatives, that will bolster oversea subsidiary performance whether than micromanagement such as sunk cost and blurred goalposts may diminish the morale and attributes. Distance control flexibility and local responsiveness can influence the oversea subsidiary operation and local workforce, to ensure the empowerment can sufficient to decide for adapting the business environment instead of rigid parental control, which could discourage company growth potential, restricts the learning experiences, and might formulate a long-haul internal evolution. Yet, any oversea expansion will not favorable on regulatory uncertainty, so that the local level of strategic responsiveness with parental resources is likely able to host country success.

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