

SCG Enters Business Start Up



Siam Cement Group (SCG) has moved into corporate venture activities by corporate venture activities by setting up “AddVentures”, aiming to invest in startups in enterprise, industrial and business-to-business (B2B) verticals. Yuttana Jiamtragan, vice president for corporate administration, said SCG’s corporate venture capital (CVC) arm, AddVentures, would enable the conglomerate to diversify and strengthen its innovation portfolio through investment in and collaboration with regional and global start-ups, allowing SCG to improve its competitiveness in the digital age. The move was in response to the group’s realization that rapidly changing technologies were significantly influencing changes in consumers’ needs and behavior, creating both opportunities and challenges for entrepreneurs and corporate worldwide. The engagement with start-ups will not only allow SCG to tap into business-model innovation and cutting-edge technologies, but will also provide opportunities for start-ups in SCG’s related verticals to scale in Southeast Asia, Yuttana said.

“We believe that the collaboration will benefit both parties. Start-ups can scale up by leveraging SCG’s assets

and expertise in relevant industries, while SCG can grow sustainably with start-ups’ business-model innovation and technologies. Bringing entrepreneurial culture into the corporation will also help us learn to work in an even faster and more agile fashion in rapidly changing business environments,” Yuttana said. Backed by SCG’s strengths and resources, AddVentures aims to support and contribute to the Thailand and Asean start-ups eco-systems. SCG’s management envisages that this effort will become part of the driving force for Thailand’s new new growth direction in line with “Thailand 4.0” initiatives. “Local start-ups tend to understand customer behaviour and pain points very well. Many of them have very promising solutions that can address pain points in larger scale. If possible, we want to help them scale up,” he added. He said that this year, AddVentures expected to spend between 300 million baht (Us\$8.8 million) and 500 million baht.

However, over the next three to five years, its total outlay will be 2.5 billion baht to 3 billion baht. Joshua said the company planned to collaborate with start-ups in various ways ranging from commercial deals, licensing, investing or even mergers and acquisitions. “We would want to extend our resources, industry (expertise), and access to Asean markets to start-up in order to help them scale faster and more sustainably,” he said. In the first three to five years, AddVentures plans to spend between \$1 million and \$5 million per deal on average. The geographical focus covers Thailand, other countries in Southeast Asia, China, Tel Aviv and Silicon Valley.