June 2020

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Richard Koh, FCA (Singapore), Group CEO and Founder, M-DAQ Group of Companies

Aladdin is the flagship product of Singaporean financial technology (fintech) company, M-DAQ Pte Ltd, which may just be the most promising startup you’ve never heard of. But that’s how CEO and Founder Richard Koh, 48, likes it. An accountant by training but a technologist at heart, Mr Koh is not a fan of splashy headlines and even flashier lifestyles. Instead, it is his brand of level-headedness and conservatism that has led M-DAQ to become one of ASEAN’s biggest fintech firms, currently valued at between $0.5 billion to $1 billion.

How did an accountancy professional find himself at the helm of what has been pegged as Singapore’s next billion-dollar company?

COMING FULL CIRCLE

Born into a working-class family, Mr Koh, an only child, recalls spending his teenage years tinkering with technology and at age 14, built his own gaming software. The budding inventor, however, failed to secure a spot at the junior college of his choice to study computer science by one point, and found himself studying accountancy at another school instead. It was a mentor he met at the Singapore Computer Society, an accountancy veteran, who advised the 17-year-old Koh to stick to accountancy and pursue his passion on the side; IT wasn’t yet a “mainstream” profession at the time. Little did he know that this stumbling block was actually a stepping stone in disguise.

After his “A” levels, the young Koh won a scholarship from PricewaterhouseCoopers (PwC) to study for his Bachelor of Accountancy at Nanyang Technological University, and subsequently worked as an auditor at PwC for a couple of years, before opportunity came knocking. A client, JPMorgan Chase, was setting up its e-forex business in Asia, and needed someone with business savvy and technological proficiency - someone exactly like Mr Koh. With the blessings of his former employer, he joined the bank and dived into the “opaque” world of investment banking, which opened his eyes to what seemed to be glaring market gaps in the forex industry. Surely there must be a solution to help make cross-border transactions less costly, more transparent and less risky?

After an intense decade in forex in an investment bank, in 2010, Mr Koh

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struck out on his own with his former colleagues and clients at JPMorgan. To say that the next 10 years were some of the most exciting times of his life is probably an understatement. In 2012, the company ran out of cash for about 11 months due to a fallout between two potential blue-chip investors. Mr Koh himself went without a salary for a year. On top of that, the Koh family expanded – by one headcount each year – for four consecutive years. In 2013, M-DAQ launched its first over-the-top (OTT) application, Trading the Right Chart™, powered by proprietary data technology. “Imagine you want to buy some Apple shares, but they’re in US dollars. You are planning your retirement income, time horizon and such, based on Singapore dollars (SGD). Wouldn’t it be nice if you could buy Apple shares in SGD, track they’re in SGD and sell it in SGD?” he asks rhetorically. In 2015, the company launched Aladdin, an e-commerce pricing solution which enables customers to do their online shopping in their home currency, while allowing merchants to receive payments in their desired currency; the product won in the Open category at the inaugural Singapore MAS FinTech awards in 2016. "Who says you can’t start your dream business, jump into a new life, and have a big family – all at the same time?" the doting father says with a chuckle. The award-winning innovation helped propel an explosive 1,000-fold growth over the next four financial years. M-DAQ reported its first-ever profitable quarter in 2018 and has maintained nine successive profitable quarters to date – an especially notable achievement considering that some of the biggest tech giants around are still in the red despite having burned through hundreds of millions of investor money. M-DAQ’s cash burn – the amount a startup spends before starting to make a profit – is "one of the lowest in the world" at $25 million, shares Mr Koh. While original plans for an initial public offering this year or the first half of next year have been shelved due to Covid-19, the company has continued its growth streak, reporting a "miraculous" first-quarter profit this year. "I think my accountancy experience has been a key reason why we have not failed. It gave the grounding we needed as a startup to build a solid foundation before scaling up," says Mr Koh. He credits his ISCA membership since 1997 as a source of support through the early days. "It wasn’t just about me and my job and my own effort. It was the conviction of Singapore-born-and-bred innovation and enable a world-class startup ecosystem to flourish here." He continues, “Our education system has brought us up as a nation of engineers and professional managers, but not entrepreneurs. We at M-DAQ hope to show that Singapore has what it takes to nurture the next wave of innovators and entrepreneurs.” He credits his family and faith as his bedrock of support through the early days. “It wasn’t just about me and my job and my own effort. It was the conviction of a calling to enrich communities, to build wonderful companies and create jobs, and to inspire others to do the same. Conviction is a powerful thing.”

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