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THE SHIATSU SCHOOL (A)

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Wee Beng Geok and Tom Gleave

In December 1996, Terry Liew gave up a promising career as an accounting manager to pursue his dream of becoming Singapore's leading shiatsu therapy instructor. After working for about one year out of a friend's massage clinic, Liew decided to start his own operation, The Shiatsu School, in a different part of the city's main downtown shopping area. This was a considerable challenge for the fledgling entrepreneur, one that required significant personal investment. In the year that followed, Liew had made a considerable effort at developing the business. However, in December 1999 he was unexpectedly served an eviction notice demanding that he vacate the premises within four months. This meant he had to scramble to find a new location that could accommodate the growing business, as well as appeal to his existing and future customer base. After three months of searching, the choice of where to relocate boiled down to two properties: a shophouse in a commercial district on River Valley Road or a private residence in the affluent neighbourhood of Stevens Close. The decision was critical because of the important implications it had on the company's finances, market positioning and future growth prospects.

Associate Professor Wee Beng Geok and Ivey-Nanyang Case Writer Tom Gleave prepared this case. The case is based on interviews with key personnel from The Shiatsu School. As the case is not intended to illustrate either effective or ineffective practices or policies, the information presented reflects the authors' interpretation of events and serves merely to provide opportunities for class discussion.

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FROM ACCOUNTANT TO ENTREPRENEUR

Terry Liew was born and raised in Singapore, a city-state of about 4.3 million people.¹ After completing his secondary education, he spent two years in Singapore's national military service before attending Otago University in New Zealand, where he completed a Bachelor of Commerce degree majoring in accountancy. Upon graduating in 1989, he assumed an assistant auditor's position with the New Zealand Auditor-General's office. It was during this time that he became increasingly interested in different forms of massage therapy. This was because the chronic back pain that had haunted him since his national service days had not responded to conventional western medical treatments. One of alternative treatments that he discovered was shiatsu, a Japanese form of massage that was based on the use of various "finger pressure" techniques. The objective of shiatsu therapy was to stimulate and invigorate specific parts of the body by improving blood circulation and disperse toxins in an effort to promote healing and general well-being. Given that his back pain subsided soon after he began treatment, Liew decided to learn more about shiatsu from known masters, a quest that eventually took him to Australia, Japan and the USA. (See **Exhibit 1** - An Overview of Shiatsu.)

In 1992, Liew returned to Singapore where he landed the first of several accounting and financial management related positions in the corporate sector. Over the next several years, he assumed roles of increasing responsibility, eventually becoming the cost accountant for a rapidly growing local electronics manufacturer. Although his career was progressing very well, a sense of dissatisfaction began to plague Liew. This was because he felt that the more he progressed up the corporate hierarchy, the more he became involved in "unwanted politicking". His initial solution to this problem was to change employers. However, his interest and curiosity in shiatsu persisted, so much so that he used his holiday time to take trips overseas to learn from his favourite Japanese shiatsu masters. During these trips he came to the realisation that the more he learned about shiatsu, the more he wanted to teach others about its benefits and merits. This led him to start conducting free workshops in the evenings and on weekends for interested staff

employed at hotels, country clubs, fitness clubs, health spas, corporations and polytechnics.

In November 1996, Liew switched employers once again after he was headhunted for an accounting manager's position with Cadbury PLC, the global food manufacturing giant. However, within one month he had become so disillusioned with his traditional career and so consumed with his passion for shiatsu that he decided to make the leap from accountant to shiatsu entrepreneur. When he announced this decision to his family and friends, they were shocked and appalled. His mother, a trained nurse, was particularly concerned because she believed that the security and compensation offered by the accounting profession vastly outweighed the benefits to be gained from operating a shiatsu therapy clinic-cum-training school. Many of his friends said that he was "mad" for throwing away an attractive career for an uncertain future in a business that invited competition from seemingly hundreds of alternative health treatment practitioners scattered throughout Singapore.

In making the career switch, Liew's ultimate objective was to eventually be in a position where he could dedicate himself entirely to teaching others about shiatsu. In the meantime, he realised that he needed to "pay the bills". Therefore, he initially focused on providing massage therapy services out of a western massage clinic, where he sub-leased a 90-square-foot room from a friend who had been practicing massage for about 10 years in the Tanglin Shopping Centre. The size of the room meant that Liew had space for only one massage bed, which meant that he could attend to only one customer at a time. Despite the retail center's somewhat old appearance, its location was considered good because it was on the north end of Orchard Road, Singapore's busiest commercial retail street. The surrounding neighbourhood of Tanglin was also upscale, with many local and expatriate residents living in some of the city's most prestigious condominiums and landed properties. These factors helped explain why the Tanglin Shopping Centre had become a home to a cluster of alternative medicine and therapy service providers.

Over the course of the next year, Liew was able to generate a modest S\$25,000 in gross revenue. However, his "take-home" pay was essentially nil

1 The population of Singapore comprised 3.6 million citizens and permanent residents, and 700,000 expatriates. The ethnicity of the citizens and permanent residents were as follows: 76.7 percent Chinese, 14 percent Malay and 7.9 percent Indian and 1.4 percent other. Source: *CIA World Factbook (2001)*

once rent (at S\$1,100 per month), advertising and incidental expenses were taken into account. This meant that he had to survive on a \$30,000 overdraft facility from his bank. He secured the facility prior to quitting his accounting career because he believed it would be virtually impossible to secure such financing once he became a shiatsu entrepreneur. Despite the in living standard, Liew remained undeterred and instead, welcomed the challenge of growing a sustainable and profitable business. As Liew stated:

This is a fiercely competitive industry. The local market is relatively small and we are all fighting for the same client base. This means that all the practitioners around here are colleagues on one level, but stiff competitors on another. This competitive dynamic is intensified by the amount of talking our clients do. Sometimes they don't even realise it but our clients can be our best source of information because they share impressions and details about other businesses that we wouldn't discover ourselves.

It's funny - each of us firmly believes that our own particular methods and approaches to healing are more superior than those of others. This can make for a pretty interesting social dynamic. But at the end of the day, we all share one thing in common - our passion for what we do. This is what keeps us going, even when the money is not great.

DIVING IN THE DEEP END

In December 1998, Liew decided to set up his own clinic in a traditional Chinese shophouse on Devonshire Road, thus The Shiatsu School (the School) was born. The immediate neighbourhood was home to a mix of residential and commercial housing, about three minutes' away from the middle of Orchard Road and the nearest subway station by foot. At about 350 square feet, the clinic had room for only two beds and a small teaching area. Liew believed that the new location, which was about one mile from the Tanglin Shopping Centre, was good value because the monthly rent was only \$200 more than the rate he paid previously. The location also provided easy access for those using either private or public transportation. In addition, by being located in a non-retail environment, Liew believed the clinic would appeal to the growing number of local

celebrities, high-profile executives and ambassadors that he counted as clients. Still, the size of the shophouse meant he had limited capacity to meet any significant upsurge in demand.

In an effort to differentiate his business from the myriad of other massage therapists in Singapore, Liew invested over \$20,000 in décor and renovations. This included a custom-designed Japanese rock garden as well as designer lighting and carpeting throughout the clinic. He also ensured that the treatment rooms were scented with various aromas (such as geranium and frankincense), as well as easy-listening music so that his clients would enjoy a completely soothing atmosphere and experience. Posters of the human anatomy were also tastefully positioned throughout the clinic, along with flower arrangements and pottery. The posters were used to explain the muscular and skeletal structures of the human body, as well as illustrate the nature and origin of any chronic pain or problem that a client might be experiencing. A mini-library was also set up, which provided ample reading material about the human anatomy, shiatsu, other healing arts and Eastern philosophy. The result of these efforts was that many of the School's clients believed that it offered an "ambience" and "feel" that was more pleasant and distinct than most other healing industry entrepreneurs'.

In making the transition to an entrepreneur, Liew's accounting training had taught him the value of prudent investment and expense management. This led to the drafting of pro-forma financial statements that called for aggressive expense controls, as well as the write-off of all start-up costs within the first year of operation. This implied that the School would need to generate sufficient revenue to avoid losses, which in turn, meant that Liew needed to hire additional staff who could provide fee-generating therapy services.

Given the dearth of readily available shiatsu therapists in Singapore, Liew decided to hire 50-year old Mark Lee, a friend who had been practicing various types of massage techniques in Singapore for several years. Unfortunately, after two months of working together, Liew determined that Lee was not a suitable employee because he was chronically 10 to 15 minutes late for his scheduled sessions with the School's clients. Therefore, the two men parted ways. Their already awkward friendship became much less than amicable when Liew later discovered that Lee had duplicated the School's client list, which was subsequently used by Lee to solicit new business for himself. Liew immediately began looking for a replacement, but realised that

the process was not going to be easy. As Liew explained:

It is hard to find good people who exhibit the qualities and characteristics I expect of a promising shiatsu therapist. I need employees who have strong people orientation, as well as a healing mindset. This means that they not only have to be able to execute the physical techniques of shiatsu, they must embrace the spiritual aspects as well, which in turn means that I do not want smokers or heavy drinkers. Grooming, appearance and disposition are all very important and cannot be compromised. It would also be helpful, albeit not essential, if they are degree holders because the employees need to learn about the complexities of the human body. I also want them to gradually assume more managerial responsibilities so that I can eventually focus more on teaching. Most importantly, any new employee needs to be very service-minded and hardworking. They must be willing to dedicate a significant part of their lives to helping me make the School a success in the challenging days ahead. I admit it - I have exacting standards and I expect a lot from my employees. But if we are going to charge premium prices, we need to provide premium service. In return, I hope to offer them a promising and rewarding career in shiatsu.

Four weeks after Lee departed, Liew hired David Tay, a 22 year-old secondary school drop-out who displayed an interest in healing therapies and a willingness to learn in the hope of turning, what Liew referred to as, "his reckless life around." Tay proved to be reliable and a quick learner, which put Liew's mind at ease until demand started to increase noticeably some four months later. At this point, he hired 30 year-old William Sun, a secondary school graduate who had worked in a wide variety of jobs over the past 10 years. As was the case with Tay, Liew was pleased by Sun's progress in learning shiatsu, as well as various clerical responsibilities. He attributed the two employee's positive performance to the much better-than-average compensation he was prepared to pay the assistants. In an effort to secure loyal employees, Liew provided a base salary of \$3,500 per month, which was twice the norm. He also offered a 10-percent commission

for all new clients attracted to the business and a 25-percent year-end annualised bonus based on client retention. Given the favourable performance that the two assistants had shown, Liew decided to pass on an increasing number of his clients onto them so that he could dedicate more time to teaching and managing the business.

POSITIONING THE SHIATSU SCHOOL

Singapore was home to a diverse array of massage and alternative therapy practitioners. The upscale end of the market was dominated by a growing number of spas and retreats, some of which were associated with certain prestigious hotels and resorts. These players offered premium-priced stress relief therapies in exotic and luxurious surroundings for as much as S\$140 per hour. The opposite end of the market comprised a large concentration of budget-priced massage and alternative therapy practitioners who typically specialised in one discipline, such as foot reflexology, acupuncture, Thai massage, among other therapies. A great many of these businesses were located in second and third-tier retail locations, with prices typically ranging between \$20 to \$30 per hour. The middle segment of the market was dominated by professionally trained chiropractors and physiotherapists. These practitioners often worked out of office buildings and charged prices nearer to, but not as high as, the spas and retreats.

In establishing the School, Liew's initial mission was to improve the quality of life of clients and students by becoming the foremost provider of high quality shiatsu therapy services in Singapore. These services would be used to support his ultimate vision of being a dedicated instructor at the premiere shiatsu training institution in Southeast Asia. To this end, he offered a regime of "no nonsense, no short cut" rehabilitative and pain control therapies that were consistent with the more rigorous and disciplined nature of traditional Japanese anma massage vis-à-vis shiatsu. At the same time, he marketed the service as "shiatsu" massage because it was a "modern, sexy buzzword" that had become increasingly popular in recent years. Therapy services constituted the company's principal revenue-generating stream, and were geared towards those who suffered from muscle strains, sprains, aches and other physical ailments brought on by sports injuries, accident traumas or those in need of post-operative recovery care. Liew also targeted individuals suffering from work-related stress, high blood pressure, digestive problems or acute menstrual cramps. An emphasis was placed

on the non-intrusive and non-violent nature of the therapies offered. This meant that customers remained fully clothed during the sessions, and no pins, needles or other objects were used to stimulate parts of the body.

The prices charged for the massage-based therapies were similar to those charged by the local physiotherapists and chiropractors. This meant that the cost of each 50-minute shiatsu massage was S\$60 if the session was conducted by one of Liew's trained assistants, or S\$80 if Liew conducted the session. Given his fervent belief in the superior quality of his services due to their association with anma massage, Liew was very hesitant and selective when it came to offering price discounts. In fact, after he made the move from Tanglin Shopping Centre to Devonshire Road, he immediately raised his therapy session prices by \$20 in an attempt to recoup some of the higher operating costs. Soon after, his list of regular clients dropped dramatically from about 120 to 30 after the price hike.

The money earned from therapy services was used to subsidise the training courses that Liew had developed for shiatsu enthusiasts and aspiring therapists. The objective of the classes was to give students a thorough overview of the physical, spiritual and business elements associated with shiatsu therapy and training. To this end, he developed a comprehensive foundation training course that provided 36 hours of classroom instruction over a two week period. The course sought to impart a basic understanding of the structure and functions of the human body, and how it responds to shiatsu therapy. Insights were also provided into the various forms of Eastern philosophy that complemented shiatsu. Issues related to the professional, ethical and time commitments required to manage a shiatsu practice were also provided. The cost for the course was \$1200. For an additional \$300, the student received 18 hours of practical training working alongside Liew and his assistants, as well as a certificate of completion awarded by the School.²

Apart from its flagship foundation course, the School offered three different specialist courses: Japanese facial massage, Japanese oil massage, and Japanese foot massage. The price for each course was \$1200 for 36 hours of instruction. Unlike the

foundation courses, which were regularly scheduled to start in the middle of every month (except December, January and February), the specialist courses were held on an ad-hoc basis as demand warranted.³

SUCCESS FACTORS FOR GROWTH

The move to Devonshire Road in late 1998 proved propitious, as the Shiatsu School experienced a fivefold increase in revenue over the next year. This level of growth allowed Liew to write off his start-up costs according to schedule, as well as provide for a modest profit that was re-invested in the company. In terms of therapy-related services, between 80 percent and 90 percent of the company's clients had been females, ranging in age from 18 to 80. Most were school teachers, executives or housewives suffering from stress, digestive problems or serious menstrual pains. By the end of the year, Liew and his two assistants had each established ongoing relationships with about 50 clients, some of whom came in as often as twice a week for treatments, while others would show up once every three to four months.

In terms of the foundation training classes, an average of three to five students enrolled every quarter, with the number of females slightly outnumbering the number of males. When the classes first began they attracted a large percentage of well-to-do local housewives who were seeking activities that would enhance their own personal development. However, by the end of 1999, Liew had been successful in his conscious efforts to attract more people who were interested in pursuing shiatsu therapy as an alternative career or who were already involved in the healing industry and wished to enhance their repertoire of skills. Liew was particularly encouraged by the increasing numbers of students coming from the US, Europe or Japan, thus signifying the School's growing international reputation within a short period of time. Still, due to space limitations, some of the students had to sit on the floor, a situation Liew characterised as "less than acceptable, but we try to make it Zen in appearance, while keeping the classes thorough in practice."

Liew attributed the School's success in 1999 to a combination of factors, one of which was its unique

² The certificate was not considered a formal designation or recognised by any industry association.

³ The foundation courses were not scheduled for the stated three months because of the Christmas and Chinese New Year holidays.

selling proposition. Given that there were very few other shiatsu practitioners in Singapore, the company enjoyed a relatively uncluttered, albeit narrow, niche in the market. The location of the new office on Devonshire Road also helped because of its convenient access to public and private transportation. Liew believed that his ability to identify and train suitable assistants who learned quickly and provided high quality service had also helped the School substantially.

Another important success factor was related to the amount of time Liew had devoted to raising awareness and educating the public about shiatsu and the School. These efforts entailed offering the same type of demonstration workshops that he had been conducting since 1993. He had also spent a substantial amount of time attempting to generate free publicity by explaining to leisure and health reporters the benefits of shiatsu. These efforts paid off, as the School was eventually profiled in the leisure or health sections of several local Chinese, English and Japanese newspapers and magazines. In addition, he managed to secure television appearances on the local English, Malay and Mandarin language channels, as well as a live appearance in Japan. Each appearance provided an opportunity to explain the basics of shiatsu, as well as demonstrate certain techniques.

Tie-ups with some local banks and international credit card companies also provided Liew with an avenue for generating advertising and publicity. Given that his services were perceived as high quality, various financial institutions were willing to include a profile of the School in their preferred customer account mailings. These mailings would entitle account holders to a \$20 discount off the School's regular prices. In return, the School would gain exposure to a wide audience of high net worth locals and expatriates.

Apart from attempting to generate free publicity, Liew spent a good deal of time working with various local newspapers and magazines to develop appropriately targeted advertisements. In keeping with the School's widely defined target market, these publications covered a wide range of demographic and psychographic segments. A moderate emphasis was placed on developing ad placements for Japanese language magazines and newspapers because the Japanese expatriate community represented a potentially large, high income target

segment⁴. The much wider Anglo-European expatriate community was targeted through advertisements placed in magazines like *The Finder*, a free monthly publication. About half of *The Finder's* 15,000 copies were distributed through direct mail. The other half was available at magazines stands located in key retail locations. (See **Exhibit 2 - Selected Publications Used for Advertising.**)

Finally, and most importantly, Liew attributed the success of the business to sheer hard work, determination and a measure of good luck. Over the course of the year, he typically worked 12 to 16 hours virtually everyday, including public holidays. About 50 percent of this time was dedicated to providing shiatsu therapy, 20 percent to teaching and the remaining 30 percent to managing the business. As Liew suggested, "Most people would never go into this business if they looked only at the financial numbers or the hours involved. But this is my passion - it is much more important to me than making enormous profits."

HEIGHTENED COMPETITION

As the reputation of the School began to grow, Liew witnessed increased interest from other players trying to enter the niche market. The most apparent new entrant was Singapore's Shiatsu Master School, which operated out of a small clinic in a third-tier retail center on Orchard Road, less than a 10-minute walk away from The Shiatsu School. Liew believed that the owner-operator of the Singapore's Shiatsu Master School had previously offered other types of massage therapies under a different company name, but decided to capitalise on the growing interest in shiatsu, thus precipitating the competitor's name change. Subsequently, the *Singapore's Shiatsu Master School* began to offer shiatsu facial massage training courses, which were conducted over 13 sessions lasting one hour each. The repositioned competitor also began offering a foot reflexology training course, which was covered over 10 sessions each lasting 75 minutes. Both courses cost \$600 each. A nine-hour massage training course focusing on the neck, head, shoulders and hands was also offered for \$350.

Despite the similarity in the competitor's name, and its apparent desire to target the same customers (as evidenced by some of the advertisements placed in several local publications), Liew did not feel

4 The Japanese community in Singapore was estimated to be about 30,000.

threatened by *Singapore's Shiatsu Master School*, as he suggested:

That fellow is running his business out of a small clinic in one of Orchard Road's older lower-end retail centers. The clients he attracts are not the same as those who we are targeting, namely people are willing to pay a premium for privacy, atmosphere and high quality service. I have actually taken some of his therapy sessions just to see what he is all about. I think if you are a newcomer to shiatsu you might be satisfied with his techniques. They are adequate and lower priced, but they are not nearly as thorough as ours. I think he might also have a credibility problem in terms of training. I have actually had students come to my School after they attended his classes because they were not satisfied with his training. And his classes appear slightly more expensive than ours.

Apart from direct competitors, the School also needed to contend with a growing number of high-end spas looking to capitalise on the 30- percent industry growth rate that the Lion City had been experiencing in recent years. About half of these operations were known as stand-alone or day spas. Several other amenity spas had also been established in association with high-end hotel and resort operators (such as the Westin Hotel and Banyan Tree Hotel and Resorts groups). More still had been established in association with medical clinics and sports clubs.

The growth in the number of spas could be attributed, in part, to the active role played by the Singapore government in encouraging the development of such operations in the city-state, particularly those that could attract tourists. Correspondingly, the Spa Association of Singapore (SAS) was established in October 1998 with the objective of enhancing the level of professionalism in the industry. In addition, the SAS was expected to work with the Singapore Tourist Board to develop programs that would attract overseas spa patrons. The association's influence was soon felt when it successfully lobbied the Singapore government to impose certain legal and operating requirements on businesses that wished to be designated as "spas". The intent of this lobbying effort was to ensure that spas were readily distinguishable from the myriad number of lower priced massage services available in Singapore. To this end, new regulations were established which stipulated that at least 70 percent

of a spa's therapists had to have some form of professional qualifications, as well as be registered members of the SAS. In addition, age restrictions governing clientele were lifted, which meant that clients no longer needed to be at least 18 years old. A demonstration of Singapore's growing influence as a spa destination came in May 1999, when the city played host to the inaugural International Spa Association Asia-Pacific Summit.

MOVE WHERE?

In December 1999, Liew's landlord served notice that the Devonshire Road office had to be vacated by April 30, 2000 to make way for the redevelopment of the property. The news came as a complete shock to Liew because the landlord was a friend who had agreed that the School could stay for a minimum of two years, with the possibility of an extension of two years once the initial term had expired. Given that he had invested a considerable amount in the property, including fixtures and features that could not be removed, Liew felt betrayed, particularly since his landlord did not compensate him in any way. Nevertheless, he set his emotions aside because he knew that he had to focus on finding a suitable new location. After three months of searching, he narrowed his options down to two properties: a shophouse in a commercial district on River Valley Road or a private home in the quiet residential neighbourhood of Stevens Close. Each location had a number of different merits and drawbacks. They also had two key similarities. First, the landlords of both properties explicitly stated in writing that the School could make use of their properties for an initial two-year period, as well as extend the lease for a further two-year period if Liew desired. Second, an estimated \$30,000 would be needed to renovate either premise sufficiently enough to provide an aesthetic environment that was consistent with the imagery and positioning of the School.

The River Valley Road option was a brand new four-storey shophouse that appeared traditional on the outside, while having modern amenities on the inside. The property offered 2200 square feet of floor space. This meant that Liew could comfortably install 10 beds, with the possibility of adding four more if demand warranted. In addition, there would also be ample space for a dedicated classroom, so future students would find the training programs more comfortable than before. Still, Liew had concerns that the interior would be perceived as "cold" because the floors were concrete and, in contrast to traditional Chinese shophouses, this one lacked the heavy use of wood on the inside.

Although River Valley Road was not as bustling as Orchard Road (which was about 1.5 kilometres away), it was nonetheless a busy street that provided easy access for those driving or taking a taxi or bus to the clinic. The area was surrounded by other shophouses that were home to various types of businesses, including travel agencies, antique furniture shops, lighting stores, bars and restaurants. The opposite side of the street comprised both residential condominiums and retail and office properties. At S\$6,000 per month, Liew considered the rent good value, especially since he had discovered that similar properties in the immediate vicinity were renting for substantially higher rates. At the same time, however, he was worried that the noise caused by the close proximity to the traffic might interfere with the quiet and comforting atmosphere that he would try to create inside the shophouse.

The private residence at Stevens Close was a three level, 3,000-square-foot semi-detached home located in one of Singapore's more affluent neighbourhoods, about one kilometre from the Tanglin Shopping Center. One of the elements that Liew found compelling about this location was that it was situated on a very quiet tree-lined street running of the busier Stevens Road. He envisioned that clients coming to the School would enjoy gradually melding into a soothing residential environment as they made their way to the clinic. This was a stark contrast to the River Valley Road location, which had a constant stream of cars, buses and trucks passing by throughout the day and night. In addition, the inside of the house contained a high concentration of wood features, which gave it a warm soothing feeling. Unlike the shophouse, the house also had a backyard that would allow clients to go outside and rest beside a manicured flower garden or Japanese rock garden that Liew would have installed. Moreover, the monthly rent was S\$1,000 less than the River Valley Road option.

Despite its merits, Liew had several concerns about the Stevens Close property. One clear drawback was that those who traveled to the School using public transportation would find the journey cumbersome because they would probably need to take a combination of buses to the intersection of Stevens Road and Stevens Close, from where they would have to walk. Another concern stemmed from

a possible loss of credibility by being located in a residential neighbourhood as opposed to being in a more business-like milieu, like on River Valley Road. The lack of commercial or retail activity in the area also meant that it would be problematic for Liew and his employees to have easy access to restaurants or hawker centers. Given that Liew did not want any cooking inside the house since the smells would not blend well with the aromas permeating the atmosphere, he and his employees would have to walk for at least 15 minutes to buy food and refreshments.

DECISION TIME

With less than six weeks to go before he had to vacate the Devonshire Road shophouse, Liew was pondering the critical decision before him. Summarising some of his concerns, he stated:

Regardless of where we relocate, I am going to need to hire at least two new people just to make sure we keep our beds filled because we are really going to have to drive our revenues up just to pay the rent. This is not going to be easy because it is hard to find good people who exhibit all the qualities and characteristics that are expected of a promising shiatsu therapist. Of course, we could easily move back into a small clinic in one of the second or third-tier retail shopping centers, but that would just send a confusing signal to the market. Besides, we were already having difficulty managing the number of clients and students coming through our doors, so having a bigger place will really help manage growth. The big questions are cost and accessibility. At this point in the company's evolution, every dollar counts... even a S\$500 or S\$1,000 difference in monthly expenses is a big deal. We are also expecting our customers to be ready and willing to travel to a new location, something we shouldn't take for granted. Regardless of where we move, one thing is certain...my staff and I are going to have to work very hard just to survive.

EXHIBIT 1

AN OVERVIEW OF SHIATSU

Shiatsu is a form of therapy that allows patients to get in touch with their own healing abilities. It attempts to create an interactive relationship between practitioner and patient, one in which the healing power of both build upon each other to clear and balance the vital life force energy - known as Ki. Shiatsu comes from 'Shi' meaning 'finger' and 'atsu' meaning 'pressure'. The therapy employs a combination of sweeping, shaking, rotating, vibrating, patting, lifting, rolling pressure and assisted-stretching techniques. The practitioner's hands are placed at various points of the body sending the energy to more than 300 acupoints. The process is done with the patient lying fully clothed on a mat on the floor or on a table. The atmosphere should be calm, with soft lighting and music if desired.

Shiatsu is a healing art that is rooted in the philosophy and practices of traditional Chinese medicine, along with the ancient form of Japanese massage known as Anma. In the 10th century, Japanese monks began to study Buddhism in China. They also observed the healing methods of traditional Chinese medicine, which they took back to Japan. Some of the returning monks fused traditional Chinese medical practices with traditional Japanese approaches to healing, including Anma massage.

Due to its origin, Shiatsu is often incorrectly interpreted, performed and taught in the Western world. It is also often confused with Anma massage. However, Anma massage is considered more rigorous and disciplined than other types of Japanese massage because of the high degree of manual dexterity required. Eventually, a fusion of philosophical elements and Anma techniques led to the creation of a new form of massage toward the end of the Meiji period. In an effort to skirt government regulations, like those that governed the practice of Anma massage, the practitioners of this new fusion therapy coined a wide variety of names before finally settling on Shiatsu.

In 1925, Shiatsu started to gain interest in Japan when Dr. Tokujiro Namikoshi established the country's first school dedicated to teaching the healing therapy. In establishing the school, Tokujiro elected to fuse Western approaches to anatomical and physiological analysis with various Shiatsu techniques. Over the next 30 years, this relatively younger form of therapy enjoyed steady albeit modest popularity, while the more intense discipline of Anma massage began to fade out of the mainstream. However, it was not until 1955 that the Japanese government recognized Shiatsu as a legitimate form of healing therapy. Today, Shiatsu enjoys a wide following in Japan. By contrast, Anma massage is practiced only by a small group of professionals and few adherents who remained attached to its historical value.

EXHIBIT 2
SELECTED PUBLICATIONS USED FOR ADVERTISING

Title	Frequency	Circulation (estimated)	Target Audience
Her World	Monthly	64,000	Modern minded, inquiring woman; career oriented and juggling family demands
Flirt	Monthly	Not available	Daring and dynamic 20-something woman with a zest for life
Citta Bella	Monthly	27,000	Chinese-literate women aged 20-39 and cosmopolitan in outlook.
NSMan	Bi-monthly	130,000	National servicemen and reservists
Inspirational Homes	Bi-annual	10,000	Coffee table interiors book for all home lovers and a showcase for talented designers
The Finder	Monthly	15,000	English-literate expatriates interested in leisure and the arts
Numerous Japanese Magazines and Newspapers	Weekly Bi-weekly Monthly	Not available	Wide range of Japanese expatriate demographic and psychographic groups

Source: The Shiatsu School