

Starting small and then scaling up

Despite challenges, many SMEs – like the ones featured here – have gone on to become key players in their industries. BY ANNIE KOH AND ESTHER KONG

SINGAPORE has achieved incredible economic success in the last 51 years since independence. At the heart of this success are family businesses that started as small and medium-sized enterprises (SMEs) and continue to contribute substantially to the economy. Many may not be aware that approximately 180,000 Singapore-based SMEs contribute towards nearly half of the nation's GDP each year and provide jobs for 70 per cent of the workforce.

However, many SMEs today are increasingly challenged by the slowdown in the economy, manpower shortage, difficulty in attracting talent and technological disruptions.

Despite these challenges, many of them have been successful in distinguishing themselves from the herd and have become key players in their respective industries, bagging many accolades and awards along the way.

They were once small, but nothing keeps them from growing and scaling up.

LEADERSHIP AND BRANDING

Good leaders set the vision for the business, anticipate changes in the future and make bold decisions that capitalise on potential opportunities to grow. With sheer tenacity, they rise above adversities to break through norms and strongly position themselves in their respective niche markets.

Founded in 1988, Valuemax is one of Singapore's most established pawn-broking chains. Led by an experienced management team with in-depth and extensive industry knowledge, the company has embarked on a steady expansion over the years and now has operations in Malaysia. The group attributes its growth to the strong emphasis it places on the relationship, trust and goodwill which it has developed over the years with customers, by consistently delivering "Maximum Value" to them. Over 10 years, Valuemax successfully transformed and rebranded itself from a traditional pawnshop to a modern and professional financial services provider and jewellery retailer. To improve productivity and customer experience, it also invested in technological systems that automated its processes and brought about more efficient services.

"Sheng Siong ... all for you" is both a familiar jingle to many heartland households and a motto of the Sheng Siong Group. Under the leadership of executive chairman Lim Hock Eng, it has grown from a small provision stall selling chilled pork in 1985 to being listed on the Singapore Exchange in 2011. It is today one of Singapore's largest grocery retail chain, with 43 outlets located across the island, and over 400 products being sold under its 10 house brands. At the Sheng Siong Mandai Link Distribution Centre where it manages its inventories with an advanced IT system, the company runs an efficient distribution network to provide the freshest produce to its consumers both online and at its supermarkets, at competitive prices. Its outreach to end-consumers through *The Sheng Siong Show*, a "live" television variety show, has enabled it to build a strong following in Singapore.

INNOVATION AND GLOBALISATION

Innovation is a vital key to success and failing to do so may inevitably lead to the decline of any business. If done well, innovation will bring about new processes and business systems which will make a positive impact on productivity and growth.

Cycle & Electric Company (Cyclect) is an exemplary firm in this respect. Back in 1943, Cyclect began as a corner shop offering electrical repair service services. It has since grown to comprise 20 companies in nine countries. From its first contract with the Royal British Navy in 1957, Cyclect has served over 2,500 corporate customers, cutting across marine, infrastructure and energy sectors. Melvin Tan, managing director of Cyclect, shares: "Our secret is keeping a spirit of adventure. Seventy three years of exploration brought us to new markets overseas. Innovation brought about new products and solutions. We grew from repairers to constructors, to robotics and clean energy developers. Singapore's market is limited. It was essential to explore other markets such as Myanmar, Indonesia and beyond. We will keep our foot on

the pedal, hands on the wheel and eyes on the horizon"

Fancy hot food within three minutes, available 24 hours a day and seven days a week? Chef-in-Box, an innovative product by JR Group, has just the answer. Riding on the success of its *bento* meals vending machines, the VendCafé pilot project operated by JR Vending was an instant hit when it was launched in August this year. Besides demonstrating how innovation can reduce the food and beverage sector's high dependency on labour, the new product filled a gap in the market by offering fuss-free, ready-to-eat meal solutions in local flavours, sold throughout the day. Since its beginnings in 2001, the group has continually innovated and

developed new products to meet the needs of both B2B and B2C customers. Equipped with a central kitchen using state-of-the-art machinery and automated equipment, it is well supported by its Research & Development and Quality Assurance facilities to venture into China and beyond.

DEEP SKILLS AND TECHNOLOGY

Singapore has been able to develop its economy by enhancing productivity by upskilling its workforce in the last three decades. Its companies have built up a reputation internationally for being efficient, enterprising, competent and trustworthy.

Tat Hong Holdings Ltd is one such firm with an interest in the continuous upgrading of its employees. Tat

Hong considers human capital as its greatest asset and invests in the training and development of its staff so that they can continuously upskill to deliver safe, cost-effective and reliable lifting solutions. Established in Singapore in the 1970s as a supplier of cranes and heavy equipment, it became publicly listed in 2000. Tat Hong now owns a fleet of over 1,500 crawlers, mobile and tower cranes, and is ranked, in terms of aggregate tonnage, as the largest crane company in the Asia-Pacific region and seventh largest globally. In a span of over four decades, Tat Hong has expanded its operations beyond Singapore and South-east Asia to include Australia, Africa, China, India and Papua New Guinea.

Founded in 1987, Sunray Woodcraft Construction Pte Ltd is another local company which has grown to become one of Singapore's largest commercial fit-out specialists today. Some of its most prominent projects include Resorts World Sentosa, Marina Bay Sands, BNP Paribas Training Campus, Suntec City and Hotel Jen Orchard Gateway. In order to ensure excellent quality in its finished products, Sunray is relentless in its investment in technology and in the training of its skilled craftsmen. Its modern manufacturing facilities enable wood and metal works to be crafted to perfection. Not resting on its



The VendCafé pilot project operated by JR Vending was an instant hit when it was launched last August. FILE PHOTO

laurels in Singapore, Sunray has expanded to Malaysia, Myanmar and into key markets within China, India and Indonesia. Charles Tan, executive director of Sunray, explains: "By adopting technology in our communication channels, information is disseminated at a much-quicker pace, thereby boosting the efficiency in project execution. We are also trying out new e-platforms to make our services more accessible to a wider group of consumers."

On top of the above, what can SMEs here do to stay in the game? The global trend is for economies to transform digitally. In an increasingly competitive environment, SMEs would need to determine the need for business restructuring and actively seek out opportunities to collaborate. At

the same time, talent recruitment and management should also be a foremost concern. If every job can be made purposeful and engaging, employees will be motivated to strive to be masters of their trade and the culture of continuous learning will prevail. As Singapore enters a new phase of development, deep skills and innovation are the key pillars that will enable SMEs to stay competitive and go global.

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