

**A**S MORE and more small and medium-sized enterprises (SMEs) grow their business abroad, many are finding that adopting national and international standards helps them to improve productivity and build overseas markets by facilitating their trade and market access. At the same time, raising quality and standards is a wise business strategy for increasing competitiveness which results in strong business growth.

In this article, we highlight three forward-looking SMEs that have leveraged quality and standards as a strategic tool to build capabilities and gain a competitive edge internationally.

#### SENG HENG ENGINEERING

With 60 years of manufacturing experience under its belt, Seng Heng Engineering is the only fastener company in Singapore and South-east Asia to be certified by the American Petroleum Institute (API) to its API Q1 standard level. It is also among the 10 companies globally to have achieved this certification.

Seng Heng is in the business of making customised high quality bolts and nuts for a wide range of industries. Its customers include Shell, ExxonMobil, Reliance Industries, KBR, SOME and Keppel. The company prides itself for its global reach. It has customers in the United States, Europe, the Middle East, India, China, Japan and Australia.

Managing director Jackie Lau says that in 2013, the company started on its API Q1 certification which is an industry-related quality management system. The following year, it embarked on API Spec 20E Monogram certification, which – while being industry related – is product specific.

Among the international standards that Seng Heng is proud of having achieved are ISO 9001:2008 for quality management and OHAS 18001 for occupational health and safety management system.

“Adopting standards for quality management systems such as ISO 9001 and API Q1 allows the company to be more structured and systematic, and provides a foundation for it to grow in the future by documenting and formalising our internal processes,” says Mr Lau.

“Standards are important to our company especially as we started to internationalise and do business globally. By adopting internationally recognised standards such as ISO 9001, it gives the customer the assurance that our company’s processes and competencies are in place. In many cases, such standards are a mandatory requirement by the customer.

“Standards such as OHAS 18001 also help to prevent and reduce the number of work-related injuries in the company, and this results in an increase in productivity. Our MNC (multinational company) customers will also be performing their due diligence to ensure that we, as their suppliers, are adhering to safe and legal practices.”

Looking ahead, Mr Lau says: “As the industry changes and requirements get higher, we will be looking to attain more standards to improve our product line.” As a firm believer in standards, he advises other companies to start on the journey soonest.

“As the journey for standards adoption takes a long time, from one to two years, I would urge companies to look ahead for any potential window of opportunities or any future industry or customer requirements and try to meet them ahead of time.”

Seng Heng Engineering’s motivation for adopting standards is that it operates in the niche subsea industry which has very high barriers to entry. Competition is intense, and the company has to compete for business against larger international firms with more resources. Significantly, certification helped to enhance Seng Heng’s existing product manufacturing, customer management and internal



◀ **FROM FARM TO FORK**  
The implementation of ISO 22000 has allowed Indoguna to define the management activities needed to achieve a robust food safety management system that ensures total food traceability

# SETTING STANDARDS

BY NARENDRA AGGARWAL

Adopting national and international standards will help SMEs improve productivity and build overseas markets

processes. Standardising and documenting procedures helped the company to minimise rework of parts and internal work flow.

Among the outcomes is that customers’ audits have also been made simpler as the API Q1 standard meets most of the customers’ quality management system requirements. This has enabled customers to include Seng Heng as an approved vendor. For instance, the company was one of the five companies listed in General Electric’s approved vendor list in 2013.

More importantly, following the implementation of API Q1, Seng Heng saw more than 20 per cent increase in orders from customers for subsea related products. Its overall revenue increased by 10 per cent after API Q1 was implemented – from S\$36.5 million in 2013 to S\$40 million in 2014.

Says Mr Lau: “Adopting standards has provided us the platform for doing business globally as these standards are internationally recognised. It has opened the door for our company to supply customers with strict quality and safety standards. Achieving certifications such as API has also boosted our company’s image and also further pushes us to manufacture higher quality fasteners for our customers by further improving our manufacturing process and capabilities.”

Being among the handful of companies in the world that are able to manufacture fasteners according to the API 20E specification also puts Seng Heng in a more favourable position compared to competitors, and naturally the business in this market segment has increased for the company, he adds.

#### TOP OF THE GAME

Seng Heng Engineering, led by executive chairman Jeffrey Lau and managing director Jackie Lau, is the only fastener company in Singapore and South-east Asia to be certified by the American Petroleum Institute to its API Q1 standard level



#### TECKWAH INDUSTRIAL

Teckwah Industrial Corporation is a truly home-grown heartland company, having started out as a simple family-run packaging box manufacturer in a house in 1968. Listed on the Singapore Exchange, it has grown over the years to become an internationally diverse group of companies with a broad spectrum of turnkey services.

With an operational network in 22 countries including Singapore, Malaysia, Indonesia, China, Taiwan, Thailand, Japan and Australia, Teckwah offers its clients cost-effective solutions to suit their individual requirements. Its suite of services includes printing and packaging solutions, value chain management services, pharmaceutical packing services, critical part logistics and reverse logistics services.

Significantly, Teckwah has grown to provide value-added services on top of print. It has set up a repair after warranty service in recent years and has extended its services beyond Singapore to India and Malaysia where its customers are. It serves global players such as Dell, IBM and HP which have appointed it as one of their authorised after warranty repair services centre.

Teckwah was an early adopter of multiple international standards in the industry as it recognised the use of standards as a growth strategy. It is the first company in the printing and packaging industries to have achieved third party certification for ISO 9001 in 1989, and for SS 540:2008 (SS 540) Singapore Standard for Business Continuity Management in 2009.

As one of the key players in the printing and packaging industry, Teckwah not only uses standards to help increase efficiency in cost and operations, it also helps to raise the standards of Singapore’s printing and packaging industry by encouraging its suppliers – who are local industries – to also use standards to upgrade themselves.

Teckwah’s chairman and managing director, Thomas Chua, is a firm believer in quality and continuous improvement. This mindset of quality and excellence has been the driving force for the company’s certification to numerous standards. The company has made strategic use of international standards for process improvements and growth internally as well as externally. The proactive stance of adopting international standards has



played a part in ensuring that Teckwah is the best in class and a preferred choice of MNCs.

“Standards provide the appropriate and desired framework to guide us to embark on the right path on our journey towards achieving the business goals which have been mapped out during our planning process,” says Tan Peck Hoon, corporate

planning and enterprise risk management director, who is in charge of the group quality system covering the various standards embraced by Teckwah.

“We institutionalise the standards in our organisation so as to unify everyone through using the same lingo, similar approaches in carrying out the day-to-day operations and move towards the common goals. Being certified to the desired standards is the testament to our world class total quality, and our commitment to our business partners in delivering what we have promised. This is vital in today’s very competitive environment that we operate in,” she adds.

Standards have contributed to Teckwah’s robustness in sustaining its business, especially during unforeseen circumstances. For instance, ISO 22301, Business Continuity Management Standards for which it was the first private sector organisation in Singapore to be successfully certified to, has enabled it to plan, document and communicate to all stakeholders on what the company would do during disasters so that it can resume business within the shortest possible time.

The company conducts a business continuity exercise on an annual basis with the involvement of its key customers and business partners. This has helped it to gain greater confidence from customers as well as build stronger mutual trust with its business alliances.

“Standards have contributed to our regularly reviewing our policies, practices and processes to ensure they are up to date. These have ultimately added value to our effectiveness and efficiency improvement,” says Ms Tan.

And she stresses: “We are not simply an operational user of standards but derive strategic advantage from them, seeing standards as the fundamental commercial tool to help gain access to markets.”

Teckwah has been certified to several standards including ISO 9001, ISO 14001, OHSAS 18000, FSC-CoC, ISO 22301 over the years. Recently, it has adopted and been certified to: • ISO 28000 Security Management System for the supply chain with the certificate received in 2012. The SMS is a combination of systematic and coordinated activities and practices through which the organisation optimally manages its risks, and the associated potential threats and impacts to the secure integrity of its assets, systems and processes. Within the design, the SMS is capable of meeting objectives, maintaining compliance and providing continual improvement.

• Good Distribution Practice for Medical Devices (GDPMDS), certificate received in 2015. The aim of GDPMDS is to ensure that companies dealing with medical devices have a quality distribution system in place. This ensures that the quality of the medical devices is maintained throughout the storage and distribution process. The certification to GDPMDS is a mandatory requirement in the application of an importer’s or wholesaler’s licence.

“We are constantly keeping ourselves abreast of the various standards that are appropriate to our current and future business needs. We will proceed to adopt and be certified to the standards accordingly,” says Ms Tan.

#### INDOGUNA

Standards are important for food manufacturer Indoguna because they form the building blocks for the company’s business development. By establishing consistent protocols that are universally understood and adopted, standards help to fuel compatibility and interoperability.

Says managing director Helene Raudaschl: “Standards also make it easier to understand and benchmark Indoguna against our competitors. As standards are globally adopted and applied in many markets, they facilitate international trade, and provide a platform for Indoguna to expand its business beyond the local shores.”

By adopting standards, Indoguna puts in place new measures and procedures. An example is the enhancement of standards from ISO 9001 to ISO 22000. The new standards provided a perfect pairing between quality management systems addressed in ISO 9001, and food safety management system addressed in ISO 22000. The implementation of ISO 22000 has also allowed Indoguna to define the management activities needed to achieve a robust food safety management system that ensures total food traceability from farm to fork.

“This provides the credibility for business processes and puts Indoguna at an advantage, based on its business and operational capabilities. With standards in place, we are thus able to provide customers with the assurance and confidence to grow their business with us”, Ms Raudaschl adds.

In line with benchmarking itself against international standards, Indoguna has recently adopted the ISO 22301 standards. This has provided the company with the foundation for all business continuity related issues and activities within the organisation. ISO 22301 emphasises the need for a well-defined incident response structure that ensures that when incidents occur, responses are escalated in a timely manner and people are empowered to take the necessary actions to be effective.

“Adopting standards have enabled Indoguna to stay at the forefront of the food distribution and manufacturing industry. They provide us with the platform to be innovative and achieve the benchmark set at international standards. This in turn motivates the staff to do their best, driving up productivity and morale in the long run,” says Ms Raudaschl.

Indoguna Singapore Pte Ltd was established in Singapore in 1993 for importing quality chilled meat from all over the world, with affiliated companies in Dubai, Hong Kong and Indonesia. Over the years, it has expanded its product offering to include other premium food products such as seafood, fine foods and an assortment of artisanal cheeses, chocolates and bakery products. ■

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– Helene Raudaschl, managing director, Indoguna

