

# STAYING RELEVANT FOR THE LONG TERM

Two local enterprises share their efforts at building sustainable businesses in the face of disruption **BY FRANCIS KAN**

**W**ITH headwinds on multiple fronts, Singapore enterprises are having to find new and innovative ways to grow their businesses amid an uncertain environment. Many traditional companies have come to realise that in an age of technological disruption, the usual rules no longer apply, and age-old formulae for success will need to be overhauled.

Yet, it's not all bad news for local businesses. More progressive management teams are leveraging new digital tools and structured management systems to boost their efficiency, benchmark their performances against best practices, and ultimately deliver superior results to their stakeholders. Two such enterprises share their experiences of transforming their operations to build a more resilient business that is able to stay relevant even amid a shifting landscape.

## LIM KEE FOOD MANUFACTURING: ALIGNING AN ENTIRE ORGANISATION

Lim Kee Food Manufacturing Pte Ltd (Lim Kee) is one of Singapore's leading manufacturers in the Chinese *pau* (filled steamed buns) industry. The company's products are manufactured in-house using proprietary recipes, and it serves customers such as local food services companies, retailers, and international buyers.

Despite being in the business for 30 years, Lim Kee – like many of its peers in the business community – is facing threats from technological disruption, new competitors and a shortage of talent. To deal with these challenges, the company's strategy is to build a resilient and sustainable business model. This strategy involves elements such as building up its human capital, leveraging new technologies and knowledge, building sustainable

*Lim Kee Food Manufacturing has implemented a system for measuring performance in areas such as sales and manufacturing efficiency.*



and profitable channels of growth, and ramping up efficiency. However, executing this plan in a fast-changing environment has proven to be challenging.

In particular the firm faces obstacles in terms of attracting and retaining talent, as well as acquiring knowledge to keep abreast of changes. The management team realised a few years ago that it had to overcome certain challenges that were hampering the company's growth. "Then, actions and initiatives were often misaligned and not integrated, leading to ineffective work processes and poor results," said Ang He Siong, Lim Kee's managing director.

There were also many redundant processes as departments were not openly sharing their knowledge. Finally, the company did not have a proper system for measuring performance across the organisation. As such, the firm sought an external system that could help them tackle these issues. After doing some research, Mr Ang and his team decided to pursue the Singapore Quality Class (SQC) certification, which is part of the Business Excellence (BE) Framework.

## MEASURING PERFORMANCE

After almost two years, Lim Kee successfully adopted the BE Framework and attained SQC in 2018. As a result of the exercise, Lim Kee generated a set of key performance indicators (KPIs) that were objective and quantifiable, and allowed it to better measure its performance, and take corrective actions quicker. The new benchmarks also led to heads of departments and managers being more accountable for their decisions.

One of the biggest achievements to come out of the BE experience was a monthly KPI dashboard, where detailed targets – from sales targets to manufacturing efficiency – could be monitored through a digital dashboard, offering greater visibility and transparency to management.

"Previously, our departments and department heads were unaware of the synergy between individual, team and department contributions towards the company's overall performance. Today, everyone is significantly more aware, and often rely on it as a way to better one-self and also for the company," said Mr Ang. "Having such benchmarks allows for clarity and visibility for all, hence aligning the entire organisation in achieving common goals and expansion plans."

Understandably, there was some resistance from the staff towards the changes, as they feared the scrutiny. Lim Kee's management sought to ease these concerns through education and awareness efforts.

The company also implemented multi-disciplinary monthly meetings to encourage learning and sharing across departments. A system to encourage innovation was also put in place to help Lim Kee remain relevant in a changing marketplace. Adopting the BE Framework also helped move the company's mindset away from focusing on the products, and towards meeting customer needs. Said Mr Ang: "Adopting an accredited system as part of BE journey has allowed Lim Kee to steer away from a non-sustainable approach towards business development."

## MAHA CHEMICALS (ASIA): UNDERGOING A DIGITAL TRANSFORMATION

Faced with the threat of technological disruption, Maha Chemicals (Asia) has sought in recent years to bolster its business mode by developing its talent and increasing its adoption of technology. For instance, the company embarked on a digital transformation journey to better engage its customers and expand its business. Among other measures, this involved developing mobile apps for quoting, inspecting available inventory and querying past purchase history.

Maha distributes speciality chemicals, machineries, and equipment, to a range of industries such as coating, engineering, and living sciences, among others. Chew Chin Seong, managing director at Maha, stresses the significance of technology, "The industry is always susceptible to technological disruption, which drastically affects our business model if we



*"The industry is always susceptible to technological disruption, which drastically affects our business model if we are not reactive enough," says Chew Chin Seong, managing director at Maha Chemicals (Asia).*

are not reactive enough".

This year, the company has turned its focus to developing its people, attracting talent, and launching new initiatives through digital means to achieve its goals. "By developing and building on our human capital, we hope to foster closer bonds with our suppliers and customers. All while creating new initiatives and optimising processes digitally," said Mr Chew.

In the journey of transformation, Maha adopted the Business Excellence (BE) Framework in 2015 and achieved the Singapore Quality Class (SQC). In 2018, it added the SQC with Innovation. Maha found the framework to be robust and the assessment process to be impartial. The BE experience offered the company various learning opportunities to better run its organisation and articulate its "brand promise of market innovation" to both its external and internal stakeholders.

"In the various industries of our business units, staying still will only erode our margin. By applying the knowledge of BE Framework, we take careful steps when looking into each and every aspect of our organisation to improve the business," said Mr Chew.

As a result of BE, the company spends more time and effort to evaluate its performance, while refining its processes and systems. "This is like checking on the speedometer and rear-view mirror while driving. Without doing so, we would get a speed ticket, or worse, end up on the wrong route. BE helps us to identify our gaps, implement solutions, and evaluate whether the gap has narrowed. It keeps us on track and our systems in place."

For other enterprises looking to build a more sustainable business that thrives, Mr Chew advises them to "adopt a global mindset, especially when it comes to building the talent pipeline. It is crucial to find and groom talent through training, development programmes, and of course, a proper succession plan". ■

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