

# UOB-SMU

## Asian Enterprise Institute

### Heritage Snacks with a Difference: **Lek Lim Nonya Cake Confectionery**



Holding firm to the belief that delicious *kueh* (cakes and confectionaries) can bring joy to anyone who tastes them, Lek Lim Nonya Cake Confectionery Pte Ltd (Lek Lim) was co-founded in a home kitchen by Lek Peng Kwang in the 1960s. More than 40 years later, with the business now being managed by the third generation of the family, the philosophy underlying its establishment still holds true. This is why Lek Lim continues its aspiration to spread the simple joys that *kueh*, and other Nonya and local delicacies, can bring to today's consumers, and have adapted its traditional *kueh* recipes and given them a new twist to satiate the evolving palates of different generations.

Since its inception, the company has successfully developed a B2B business by providing most of its products to hawkers, stallholders, caterers, hotels and restaurants. In recent years, it has also opened a retail store to directly serve its customers.

#### **A *kueh* by any other name...**

Singapore, a renowned food paradise, is also a flourishing haven for snacks and desserts. Local brands jostle for space – and business – standing alongside some of the world's most renowned brands that have sunk roots in the city-state. The frequent spawning of yet more innovative concepts and refreshing themes shows no sign of stopping, and it is within this challenging landscape that Lek Lim must compete. In particular, it wants to grow its market share among the younger segment of consumers.

"One cannot manage what one cannot measure", and having a "gut feeling or estimation of what we observed" were just not good enough reasons for the company to "derive business direction and risk utilising resources and time on an idea not backed by data", shared Gavan Sing, Manager, Lek Lim. With this in mind, the company participated in UOB-SMU Asian Enterprise Institute (AEI)'s flagship Consulting Programme, in the hope of gathering data to ascertain or dispute its anecdotal observations about its brand.

That the research would be conducted by a team of student-consultants, closely supervised by an industry veteran, was a huge plus point for the SME as it aligns with the company's desire to better appreciate its target youth segment.

#### **The sweeter things in life**

The team of student-consultants embarked on a brand audit that spans a review of Lek Lim's operations to determine its value propositions, as well as where it stands among its direct and indirect competitors and target consumers.

Using a methodical and scientific approach – the basis of UOB-SMU AEI's Consulting Programme – the team leveraged its combined knowledge to utilise a SWOT analysis and Porter's Five Forces to examine Lek Lim's business in terms of competition and strategy. An extensive analysis of the competitors was also carried out.

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The team was rigorous in its procedures, developing a systematic way to fathom the Nonya *kuéh* confectionary's business landscape. They conducted preliminary on-site surveys at Lek Lim's retail store before proceeding to an Experiential Study using a self-developed, customised checklist to conduct surveys at the competitors' outlets. To get a grip of consumer sentiment and perception, there were focus group discussions as well as an online survey that collated the views of over 100 respondents.

Armed with qualitative and quantitative findings derived from relevant and real data, the team was able to determine Lek Lim's standing among its competitors and its target youth market. The recommendations, which included immediate and long-term actions for the company's consideration, addressed some of issues and smoothed the way for the company to reach out to the youth market.

### **Tasty, traditional-with-a-twist snacks**

Lek Lim Manager Mr Sing was impressed with the work of the student-consultants. He shared that he had made arrangements for them to "refine the recommendations in a follow-up project with a group of professional branding consultants" – a private arrangement that went beyond the scope of the Consulting Programme. So impressed was he with the recommendations that he had "specifically requested" the professional consultants to wait for the team's final report so that the recommendations could be integrated in their proposal. With this arrangement, the student-consultants would also have the opportunity to "witness professional consultants at work and learn some of their methodologies," he explained.

Understandably, grappling with time emerged as a big challenge for the student-consultants as they tried to synchronise their individual schedules and commitments in order to fulfil the demands of the consulting project. "Coming up with effective solutions and obtaining relevant information" posed another challenge, they said. With the view that their recommendations to Lek Lim – and whether the SME succeeded or not after that – was, to them, akin to a "grade" even though the project was not graded *per se*, it was "critical that we deliver a good job, gain recognition for our work and have the opportunity to do consulting work with an SME".

Project Advisor Chua Swee Kiat ensured that the student-consultants understood the issues faced by the SME, and had these issues clearly in mind throughout the project. He was also on hand to guide them, as well as remind them that recommendations must be "grounded on sound theories and yet work in the real world".

Mr Chua was happy with his charges as they were "enthusiastic about their involvement and confident about making it a success". When asked about how he felt in his role as Advisor, he proclaimed, "I have greatly enjoyed the experience!"

<b>Project Advisor</b>	Chua Swee Kiat
<b>Student-consultants</b>	Ben Lim
	Ben Ow
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