



Principal Rules and Trading Secrets: Toyo Adtec Pte Ltd

Located in Singapore, Toyo Adtec Pte Ltd is the regional headquarters for the Toyo Adtec group. As the principal for established brands in the electronics and medical care industries, the company provides clients with smart solutions. Collaborative relationship building among principals or business partners, and customers is the cornerstone of the Toyo Adtec business model.

The company is helmed by a core team of four directors who founded Toyo Adtec in 2004. Although it was an affiliate of the Nikkei-listed Denka until 2008, Toyo Adtec had strategic autonomy to develop its business and markets beyond Japan. “The intent from the beginning was to create a regional network of entrepreneurial teams, regardless of the product,” explained Managing Director (MD) Noni Limpo. Today, Toyo Adtec’s core team, which has remained intact and comprises a Filipino, two Singaporeans and a Taiwanese, oversees the regional business from the company’s offices in Singapore, Malaysia, the Philippines, China and Taiwan. “We have a total staff strength of 120, up from the 80 head count this time last year,” informed Noni at end-April 2019. The 53-year-old is a co-founder and member of the core team. “By the end of 2019, we expect to have around 150 staff.”

While the barriers to entry for wholesale trading seem low, the founders knew that for a start-up to thrive, it had to find its own niche, and they identified technology products as that niche. High-tech products are “unique” because they require “a lot of knowledge transfer and training of the customer, aside from constant handholding (customer service)”. High-touch service delivery allows the company to deepen relations with the customers, identifying needs as these develop, and support the customers as they move towards more upscale products (migration to or expansion of product offerings). Such opportunities to grow with customer needs contribute to the company’s strength; at the same time, “they encourage established principals to trust us to be their frontline team in the market,” said Noni.

Local problem-solvers everywhere

When asked about the company’s strategic strengths, Noni revealed that “we are a problem-solver – responsive, flexible, nimble”. The company’s “local everywhere” approach, as staff are based where the clients are located, enables the company to stay relevant and effective with its clients. From knowledge transfer to product upgrading, from maintenance, repair and modification to new capital acquisition, local Toyo Adtec staff members have the capability to support clients across a range of essential services.

Being present locally means that Toyo Adtec has deep insights into the specific conditions and needs of the market and its clients. This has proven instrumental to Toyo Adtec’s continued growth. For example, an entry-level medical product may be suitable for a regional hospital in a developing country, while a more sophisticated model of the same product might be better suited to a leading hospital in the same country. “The market tells us what it needs,” shared Noni. As principal representative, the company is broadly akin to a matchmaker as it provides customers with the right products that fulfil their requirements. And when the customers are ready for higher-end products, Toyo Adtec is there to capture the opportunities quickly.

“Fearless experimentation”

It wasn’t all smooth sailing for the company, which experienced its most significant breakthrough, ironically, during the global financial crisis of 2008 – a time which, according to *Encyclopaedia Britannica* online, “the world economy faced its most dangerous crisis since the Great Depression of the 1930s”. Casting his mind back to that dark period, Noni recalled, “It was a life and death situation (for the

company) and we had to ask ourselves, ‘Do we really want to do this (carry on)?’” They did. It was a unanimous decision, and it would prove to be a watershed for the SME.

“We took stock of what we were doing right, recommitted ourselves to keep the business going, bought out our Japanese shareholders, landed our biggest principal for electronics, and joined an SME contest – which we normally wouldn’t take the time to do,” related the MD. The company pulled through. How? – “in moments of crisis, you sharpen your focus on the things that matter; you don’t have time for fluff,” he replied, simply. The contest was the Emerging Enterprise Award jointly presented by OCBC Bank and *The Business Times*; Toyo Adtec was recognised as one of the Top 15 Emerging Enterprise 2010 awardees. It would go on to earn a place in the Singapore SME 1000 – ranked by DP Information Group (rebranded as Experian from May 2019) – every year from 2013.

Like many SMEs, Toyo Adtec has a lean corporate structure and staff are encouraged to go straight to the top with their suggestions. “We foster creativity and innovation by allowing fearless experimentation and failure,” said Noni, of his management philosophy. Entrepreneurship is welcome and sales staff are free to propose a project and justify why it would be good for the company. At the company level, “we do the math” to assess its business viability.

Ongoing Challenges

As is common among business entities, Toyo Adtec’s business structure, which is described in management books as the customer-focused profitability model, also faces interesting challenges. The strategy of “being local everywhere” sees micro-cultures developing in the different regional or business-specific teams within Toyo Adtec. Furthermore, customising solutions to specific customer needs goes beyond product and service offerings and extends to finance and accounting, human resource selection, allocation and skills training. The continuous study of “what is possible” becomes imperative. Engaging the customer (to understand his business needs) and the principal (to uncover possible business solutions) is a continuous exploration possible only on a platform of trust. Trust is the fundamental requirement of any sustainable business relationship. Toyo Adtec members, beginning with Noni, operate on building trust. Profitability is regarded as a consequence of enduring trust.



Toyo Adtec’s core team