

UOB-SMU Asian Enterprise Institute



For a Better Tomorrow

Lim Kee Food Manufacturing has come a long way since the 1980s, when it operated a production plant in Ang Mo Kio Industrial Park 1. There, the dedicated team produced freshly made paus filled with the delectable flavours that generations have grown up with – and still relish today. Demand grew quickly and by the 1990s, the small and mediumsized enterprise (SME) had expanded to three production units.

To keep pace with the changing business environment and evolving culinary trends, the top management – comprising Managing Director (MD) Ang He Siong, now 62, and his wife Bay Que Huay – corporatised Lim Kee in 2002. "The more 'command-and-control style' was replaced by corporate governance, and proper systems and protocols. It's all part of big boss' vision that the company should go auto-pilot one day," shares Ang Khim Wee, 34, Head of Business Development (BD). "Big boss" refers to MD Mr Ang, who is Khim Wee's father. Both Khim Wee's sisters Ang Limin (elder sister) and Ang Shumin (younger sister) also work there and like him, they are in the middle management, alongside other business unit (BU) leaders.



From left: Ms. Ang Shumin (younger sister), Mr. Ang He Song ("Big Boss" MD and Father), Mr Ang Khim Wee (middle son) and Ms. Ang Limin (elder sister)

In 2004, two years after corporatisation, the company completed its move to its current premises at Woodlands Terrace. With grounds measuring 18,000 square feet, or 18 times the size of its previous location, the SME centralised all its administrative and production functions; it also invested in technology and automated its processes. The modernisation efforts enhanced productivity and efficiency, enabling the company to achieve ongoing growth.



Lim Kee, a big believer in innovation, continues to delight its customers over the years with creative additions to its traditional range of steamed paus. It introduced <u>new flavours</u> and added a series of <u>"festive" and "occasion" paus</u>. Attuned to shifting consumer preferences for healthier food, the company launched a range of nutritious steamed paus, which soon became a welcome addition to its traditional flavours; rice and other products, and retail packs were also added to its menu.



New flavours include wholemeal Paus like the picture above.

An insatiable appetite

"Continuous improvement is in our DNA," declares Khim Wee, and everyone in the company embraces this philosophy – or they wouldn't be there long. While the turnover among its new hires is "very high", if they "survive" the first three months, they are likely to be a good fit for the "high-stress environment", he explains. As a case in point, Lim Kee's long-service awards recognise staff for 10, 15, 20 or more years of service, which contrast with other food manufacturers whose awards are more often for two or five years.

The innovation mindset is deeply engrained and the desire for improvement is embedded in the company culture. Annually, each BU will undertake a keynote project aimed at boosting productivity and efficiency; but daily, staff are constantly thinking about the virtual cycle of growth as they go about their work. "Big boss likes to go around asking the question, 'How can you do things better tomorrow?'" says Khim Wee. Because of the unrelenting push towards productivity and efficiency, the SME is "very tolerant of mistakes and failures; otherwise, no one will dare to take risks". The way the company sees it, for every 10 innovations implemented, as long as one or two succeed, efficiency would go up.

The real transformation for the company occurred in the last decade, reckons the BD Head. While its S\$2-million investment in Woodlands Terrace was considered "super costly" at that time, the company has been reaping good returns over the years. Especially during the period 2010 to 2020, the investment has truly proven its worth.

From 2010 to 2015, when several of its key B2B (business-to-business) clients turned to in-sourcing instead of outsourcing to Lim Kee, and business dropped significantly; and from 2015 to 2020, when commodity prices such as those for flour, rice and sugar – core ingredients for Lim Kee's products – were fluctuating, the company's fortunes did not falter; instead, it experienced "high organic growth", discloses Khim Wee. "We looked at our internal systems and asked ourselves, 'How can we maximise our investments?' – and made changes to become even more productive."

Through a combination of various redesign efforts and strategies, Lim Kee successfully scaled up production each time. "In 2020, our topline growth jumped 50% while our bottomline growth was on par with listed companies," reveals Khim Wee. In the food industry where "almost positive bottomline growth" is the norm, the SME is definitely above average.





The innovation mindset and the desire for improvement is embedded in LimKee's company culture .

A delightful blend

Amid the quest to be better tomorrow than today, the end-consumer remains at the heart of the company's redesign initiatives. The MD's refrain serves as a constant reminder, "Don't overcomplicate things for the end-consumers. They should only think about two things: price and quality!" Therefore, when his staff contemplate ways to raise productivity and efficiency, the deliberation must go beyond the B2B realm to encompass the B2C (business-to-consumer).

To explain the B2B and B2C synergy, Khim Wee cites the example of a typical coffeeshop, where the workers at the drinks counter frequently perform a multitude of tasks – they make beverages and sell canned drinks, prepare different styles of bread and eggs, and serve other cooked items such as paus, kuehs or pancakes. "They really have their hands full," he points out. "If we can take one or two tasks away from these busy workers, maybe they'll have time to ask the customer, 'Would you like a pau with your coffee?"

For this B2B client, Lim Kee had turned to technology, upgrading all its steamers from analogue to digital. "Just push three buttons on the steamer every morning and it auto-runs, auto-calibrates and auto-shuts down. It's really easy to operate, and frees up the workers' time," Khim Wee enthuses.

As a family business with a deep-seated family culture, relationships – both within and outside the company – are important to Lim Kee. This is why it does not have a dedicated sales team – "it's too transactional!" asserts Khim Wee. Instead, for 16 or so years now, the company's client-facing teams of service technicians, administrative staff and delivery drivers have been the ones responsible for bringing in the sales. It is quite intuitive when you think about it – they are the clients' primary points of contact, they service clients' accounts, and they interact with clients on the ground. "Business is all about 'face interaction', and we advocate a more personal, people-to-people engagement approach," he explains.

Flavouring the future

While it's often said that there is no accounting for taste, the SME is likely to tell you that research can shed light on the reasons underlying consumers' food choices. In fact, through research and development collaborations, Lim Kee aims to be at the leading edge of food innovation. It is working with ingredient houses, food startups, culinary houses and chefs, and research institutes to develop new ingredients and flavours, cuisines and menus.



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The last two to three years have been particularly exciting due to the rapid development in food technologies. Low GI (glycemic index) diets, plant-based meat, vegan foods, etc are appearing on the local food scene as people become more conscious about healthier options and sustainability issues. "But 'Impossible Burger' and 'Beyond Meat' are mostly western concepts. Why can't we have our own 'impossible' pau, plant-based pau or a vegan series?" he asks, rhetorically, before divulging that the company has put in place product strategies till end-2022, which include similarly creative options, albeit in Lim Kee's signature oriental style and heritage tastes. Given the shorter product cycles of just two to three years, compared to the eight to 10 years just five years back, it is essential to prepare ahead of time. "When the market is ready, we will launch our products," informs the BD Head.

In the meantime, Khim Wee highlights Lim Kee's "quick meal" concept of rice products catering to local consumers. Launched in December 2020, the meals are packed with mouth-watering flavours that are scientifically proven to be healthier versions of such foods. "The meals are lower in GI, high in protein, low in sodium and contains prebiotics – with all the attendant health benefits," he updates.

In the pipeline are more of the SME's gastronomic creations to tantalise discerning palates and excite the tastebuds. What remains constant is the Lim Kee promise of high food quality and safety in its delicious food products, which are prepared using only the finest ingredients and inhouse recipes. Clearly, Lim Kee is reinforcing its position as a leading homegrown food manufacturer in the oriental ready-to-eat sector.



Family business with a deep-seated family culture and relationships are important to MD Mr. Ang (centre).