



Quintessentially Singapore

Residents living near Hougang Avenue 1 or Yishun Ring Road may be frequent patrons of their respective neighbourhood Chia Siang Heng (CSH) grocery shops, without realising that they are also buying from CSH, albeit indirectly, when they shop at the supermarkets, dine out or pack food from their favourite eateries. There is a simple explanation for this – CSH is a leading local importer, wholesaler and distributor of dried produce and general provisions; it serves a broad customer base spanning supermarket chains, provision shops, food and beverage outlets and, through the two shops, also direct customers. From onions and garlic to dried anchovies and cuttlefish; from beans, seeds, nuts and spices to condiments and more, the small and medium-sized enterprise (SME) is one of only a handful of companies operating in the same niche segment in Singapore.

CSH has come a long way since it was just a stall in the old Beach Road Market in 1958. Over the years, as it shifted from one location to another, it also expanded organically and moved up the value chain. In recent times, as it was facing space constraints due to the increasing range and quantity of goods, the SME rented a 7,000-square-foot warehouse in 2015. As the business continued to scale up, the company owners decided to purchase a 22,300-square-foot warehouse in 2020 to house its growing operations.



CSH's fresh produce are stored in cold rooms to retain their quality

Today, more than six decades since its humble beginning, the home-grown business is being managed by the second and third generations but its commitment to the customers remains unchanged. As reflected in the company's mission statement, CSH wants to serve the local markets by providing the freshest, highest-quality dried goods and provisions at affordable prices.

People, processes and products

“My second uncle heads the company which was started by my grandfather. He is in charge of operations while I oversee the non-ops functions such as human resources (HR), administration and finance,” says Lester Chia, Director of Business Development. The 35-year-old engineering graduate joined the family business in 2018, after eight years at a statutory board.

“When the call came for me to step up, it wasn’t a difficult decision to make,” he acknowledges. Mr Chia is the only son and the eldest among his siblings, and he also possesses the appropriate “character, aptitude and attitude” to undertake the role. That he was asked to join the family business when he was only in his early 30s was part of CSH’s succession and sustainability planning. His uncle, now 61, wanted his input to shape the company that he would one day take over.

HR sustainability for the top management is not an issue for CSH but, like many smaller organisations, attracting and retaining young people to build a talent pipeline for other roles is a challenge. “Fresh graduates have the knowledge but not the experience; joining an SME is just a stepping stone for them. They will leave after two or three years, and the pool does not build up,” explains Mr Chia. The issue is exacerbated by CSH’s B2B (business-to-business) model, which is a key reason for its low brand awareness among the general public and potential candidates for hire. Thus, getting the right people in, and having them stay and grow with the company, remains a work in progress.

At the corporate level, when Mr Chia came onboard CSH, he introduced a formal organisational structure that can support the company’s scalability and sustainability. Whereas his uncle used to oversee everything from procurement to sales and operations, this arrangement was no longer feasible, given the company’s longer-term plans, and the increasingly complex external business environment. The SME now has a proper company structure with delineated roles and job scopes, and clear reporting lines for its total staff strength of 40.

Transformation, technology and trends

Among the innovations initiated by Mr Chia to date, the most impactful is probably the integration of technology in the business operations. The SME uses an ERP (enterprise resource planning) system to organise its multiple processes and manage them on a single platform. “ERP is scalable, and it provides us with a more ‘visible view’ of our products in relation to our customers,” he informs.

With about 60 products and multiple customers placing orders for different quantities, the impact of technology is obvious – the ERP system records and captures data accurately and, more significantly, the company can tap on data analytics to extract crucial insights to advise its future strategies, such as “packaging the pricing to get customers to buy more”.

“Technology enables us to track our ‘lost’ customers – for example, those who have not bought from us for the last two months – so the team can follow up with them,” says Mr Chia. Routine processes like order taking and invoicing, which were manually performed previously, have also been automated.

Although the technology innovation took a year to implement, the company is reaping the returns. “We have improved our customer retention rate – which contributes to our profit margins – and we have enhanced our operational efficiency,” reveals the Director of Business Development.

When it comes to CSH’s transformation, Mr Chia’s experience at the statutory board proved fortuitous. “I was doing innovation and policy work which entailed a whole-of-government approach, so I am familiar with the numerous programmes offered by the government agencies, such as which schemes are the best fit for a company of a certain size, at a certain phase of development,” he says. “With this knowledge, when I approached Enterprise Singapore (ESG) for support to transform CSH, I was quickly directed to the right person, who linked me up with the relevant agencies; it was very efficient.” His knowledge “saved” the few months that might otherwise have been spent to assess the SME, and to find the most suitable programmes to advance its business objectives.

A taste of Singapore

In addition to the internal innovations, such as the setting up of the company structure and technology integration, the SME’s transformation efforts include branding, which pertains more to what the company is, and what it represents, to an external audience. Simply put, branding is a process designed to give a meaning or an identity to an organisation or product, to distinguish it from the others. With CSH’s plans to scale up and out of Singapore, branding becomes an essential component of its sustainability journey.

According to Mr Chia, the safe management measures to combat the spread of COVID-19 here have not dampened the demand for its products. “Everyone has to eat. Whether they cook at home, pack takeaways, order in or dine out, the same number of people are eating.” While the unvarying number sounds reassuring, particularly in the face of the disruptions caused by the pandemic, from a business standpoint, it also points to the limited size of the domestic market. This means that any significant growth must come from beyond Singapore’s shores – something Mr Chia is cognisant of and has been working hard on.

For product innovation, CSH is looking to manufacture its own brand of packaged food items. “We should finalise the product branding and the brand story by end-2021,” he updates. The SME is working closely with ESG on its internationalisation thrust, and leveraging the sterling reputation that the “Made in Singapore” brand has in the overseas markets. “Asia food products with the Singapore brand are trusted for their safety and quality. We expect our new products to be well received, especially in countries like China and Indonesia – our target markets,” he discloses.

“We have a three-year plan for our packaged products but due to the pandemic, we had to push back some of the arrangements,” he says. The travel restrictions had made it impossible for him to source for overseas food manufacturing facilities and also to build relationships with foreign food suppliers. With border restrictions slowly lifting, Mr Chia expects to pick up speed on the company’s latest venture when the time is right.

In the meantime, there is much to be done as the management prepares for 2022, considers other innovations and schemes to boost company growth, and work on its plans for the future.



A wide selection of dried goods is available at CSH's heartland retail outlets



CSH's delivery fleet and containers: loading and unloading of goods for delivery