**Source:** *The Business Times,* p32
**Date:** 11 October 2016

# Gearing up for future challenges

**By Lim Ming Hao Ivan, Tan Jie Lin and Tan Mei Yu**

WHEN founder Lim Chai Kiui decided to buy a second-hand truck in 1968 and start his own side business for some extra cash, little did he know that it would be a life-changing decision. In five decades, Kim Soon Lee has grown from a single 1.5 tonne Chevrolet truck to an impressive fleet of more than 420 vehicles ranging from lorries to prime movers.

With a history as long as Singapore's own, local transportation and logistics company Kim Soon Lee has progressed together with Singapore through its ups and downs.

In the founding years of the business, Mr Lim transported general food and industrial materials, but gradually turned towards transporting chemical products in the 1970s.

By the mid-1970s, Kim Soon Lee was among the top chemical transportation companies in Singapore. However, its success in the chemical transportation industry was short-lived. The oil crisis of 1979, together with changes in regulatory requirements for chemical transportation, dealt a heavy blow to the company.

As the recession set in and demand for its services declined, Mr Lim made a brave decision to shift the company's focus to heavy transportation in the construction industry, despite having no experience or expertise in the business.

Fortunately, things worked out well and Kim Soon Lee rooted itself in the construction industry. However, it wasn't long before the firm faced its next crisis. In 1997, the collapse of the Thai baht brought about the Asian Financial Crisis, hitting South-east Asian countries badly, including Singapore.

At that time, Kim Soon Lee had been receiving repeated customer enquiries about logistics services for other stages of the transportation and moving process which it did not provide.

It presented the perfect timing for Mr Lim, who realised that what his customers needed was a one-stop supplier who could provide a full spectrum of transportation and logistics services. By 2000, Kim Soon Lee expanded its service range to include machinery packing, crating and moving, cementing its image as a "one-stop transportation and moving specialist".

Since then, the firm has continued to listen to its customers and expand its service range. It has diversified into various related logistics services




**Lim Chai Kiui, founder of Kim Soon Lee, a transportation and logistics company, is bracing for headwinds by diversifying into the warehousing business with its purchase of a 325,211 sq ft Tuas West storage facility.** FILE PHOTO

such as warehousing; and even services such as forklift rental and heavy vehicle parking. Just last year, Kim Soon Lee bought a former storage facility in Tuas West in response to increasing customer demand for warehousing services. With a land area of 325,211 square feet, the Tuas warehouse will be Kim Soon Lee's fourth yard, in addition to existing ones in Bedok, Eunos and Toh Tuck.

Kim Soon Lee is fortunate to operate in an industry which does not face fierce competition for market share. According to Larry Lim, senior operations manager and also senior Mr Lim's youngest son, the transportation industry is one with high barriers to entry. In order to enter the industry, one needs a large amount of initial capital to invest in vehicles and equipment.

To remain relevant, Kim Soon Lee keeps an eye out for its competitors. In 2012, the company invested S$8 million to set up a mobile crane division to go head-to-head with its rivals in the heavy lifting industry. It bought four brand new mobile cranes, which have since increased to a total of nine cranes, ranging from 70 to 200 tonnes.

The firm also differentiates itself from its competitors through its strong track record and solid reputation. Its strength lies in hoisting, heavy transportation and project management. Known for taking on difficult jobs, the company has completed projects such as the recovery of toppled cargo inside a freight container for the Port of Singapore Authority (PSA), which other companies were unwilling to do for fear of damaging the cargo. Having clients like PSA in its portfolio is also testament to the firm's capabilities.

A staunch believer in Confucian values such as honesty, prudence and diligence, Mr Lim has abided by these values for the past 48 years. As a result, his company's solid reputation has attracted new customers through positive word of mouth.

This also allows the firm to charge a premium for its services and obtain discounted rates for new vehicle purchases, which contributes to its profitability.

For now, recruitment and retention of staff remain one of its key challenges due to the labour-intensive nature of the business. The firm has been struggling to recruit Singaporean drivers but the long and irregular working hours and stigma attached to being a driver remain deterrents.

When asked about his plans for future growth, Mr Lim responds: "It is difficult to make detailed plans. Instead, we set targets with shorter time horizons and focus on improving our core business and customer service. However, if we were to discover an opportunity for growth, we will seize it."

Currently, the company is expanding into warehousing services to cement its image as a one-stop provider, and is purchasing new equipment such as forklifts, lorry cranes and scissor-lifts to complement its new warehouse in Tuas, which is undergoing renovation.

Today, with its involvement in the construction of Changi Airport Terminal 5 and the new Mass Rapid Transport (MRT) routes, Kim Soon Lee is constantly striving to stay ahead of the curve.

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