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Supreme Components believes in human touch

By Aileen Fu, Goh Kong Tat, Tan Ying Hui and Yang Shin Young

HAVING celebrated its 15th anniversary in 2016, Supreme Components International (SCI) prides itself as one of the fastest-franchised distributors of high-tech electronic and LED components.

It has over 2,000 global clients, such as Foxconn, Samsung and ST Electronics. It has seven offices in five countries including Australia, Canada, Thailand and India, with several other offices under way.

Financially, it boasts an annual revenue of close to US$11 million and has been enjoying positive profits almost every year for the past 12 years.

Bagging the Enterprise 50 Award for the past six years is a testament to its success and foresight.

However, SCI did not have a rosy start. The company was first founded in 2001 as an independent trading firm, buying and reselling electronic components without official distribution contracts. By 2005, it was teetering on the verge of bankruptcy with only US$300,000 in annual revenue.

Burning dream to be an entrepreneur

Things turned round when Vick Aggarwala bought over the company and took over as CEO and president in 2005.

An engineer by training, Mr Aggarwala is an industry veteran with more than four decades of experience. He says: "From the moment I started working, it was my dream to set up my own company."

Although his dream of being an entrepreneur kept getting delayed as he climbed the corporate ladder, it never left him.

He took on roles as an "intrapreneur" in his company, honing his management skills and building firm connections. These eventually proved to be useful when he took over SCI and embarked on his journey as an entrepreneur.

Customer is key

"Service, service, service," is Mr Aggarwala's mantra. He understands how vital clients are to SCI as a distributor and aims to be a one-stop solution for them.

He strongly believes that in order to succeed, a service provider like SCI should not be placing emphasis on cost-cutting.

"We cannot cut down our expenses. We have to be with them (customers) when they need us. Instead, we should bring in more revenue and everything else will fall into place."

For him, it was imperative that SCI focused on retaining its clients while leveraging on the reputation generated from exemplary service to source for new streams of revenue.

He related an example of being there for one of his Australian clients recently. The client operated a fishing farm which purchased components of LED lights from SCI for salmon breeding and was having issues with the components. Within a week, SCI representatives were there in Australia to solve the problem.

Human touch

Citing language as an explicit barrier to conducting businesses globally, Mr Aggarwala believes the key is in having soft skills to assess subtleties such as body language and being culturally sensitive.

"Each country has its own nuances in doing business," he says. Today, SCI prides itself in having employees from more than 10 different countries who are adept in more than 12 languages and are capable of navigating the cultural nuances to ensure client satisfaction.

"I still believe that even with e-mails and social media, nothing can replace the human touch. Whether you are in the 18th century or 25th century, I firmly believe that you have to meet one-on-one, face-to-face. It is critical."

Hence, as SCI ventures abroad, it introduces physical branch offices globally to provide direct services to its clients.

ENTERPRISE 50
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This series is part of the Enterprise 50 Educational Project between the E50 partners and the NUS Business School. Supreme Components International (SCI) was among the winners in 2016. The annual E50 ranking is co-organised by The Business Times and KPMG, sponsored by OCBC Bank, and supported by Spring Singapore, IE Singapore, Singapore Exchange and Singapore Business Federation.

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Foresight

Mr Aggarwala's foresight had a part to play in SCI's current accomplishments. He made the deliberate decision to venture into LED lighting in 2007.

Having years of experience with some of the titans in the electronics industry, he understood that companies can fade into irrelevance if they do not adapt. To ensure longevity, the company would need to develop new lines of business.

Almost serendipitously, the demand for LED lighting surged, allowing SCI to ride on this wave to achieve growth. Ten years on, SCI's LED business shows no signs of slowing. It currently accounts for 25 per cent of its revenue, up from 20 per cent the previous year.

Its next possible venture could be components for devices connected to the Internet of Things (IoT). He predicts that such gadgets will become omnipresent when adoption rates rise with improved technology, making it feasible and affordable for clients.

SCI also swiftly adjusts to global headwinds and adapts accordingly.

In response to the protectionist rhetoric of US President Donald Trump, SCI opened a branch office in Canada specifically to cater to the expected increase in North American clients.

In addition, SCI aggressively increased operations in India with three new branch offices there. This way it would be able to ride on India's economic growth and business boom under Prime Minister Narendra Modi's economic policies.

Looking forward

For now, SCI has no plans for listing.

"Our company has zero debt. The company is cash-rich and we do not believe in taking loans from banks. We try to work on organic growth," Mr Aggarwala says.

Over the next couple of years, SCI plans to continue aggressive expansion into overseas markets. It also plans to open two additional physical branches in Shenzhen, China, and Germany in 2018 and 2019 respectively to work more closely with its clients.

"We need to prepare for tomorrow's future today."

The writers are students from NUS Business School.



Mr Vick Aggarwala, (with trophy) at the 2016 E50 ceremony. SCI prides itself in having employees from more than 10 different countries, who are adept in more than 12 languages, as part of its customer service.

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