

Building quality with innovation

As the local contracting market is saturated, Seiko Architectural Wall Systems ventures overseas while keeping quality control within its crosshairs

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As a building façade specialist, Seiko Architectural Wall Systems completes the look of buildings by providing and installing building façade components. Building façades do not just improve the aesthetics of a building, but also act as a layer of protection to shield the building from the elements.

As part of succession planning, Rodney Cheong joined the family business in 1994 under the advice of his father, the non-executive chairman of Seiko. The younger man saw it as a perfect learning opportunity to develop his management skills. In 2001, he succeeded Yan Chi Kong, the founder of the company, as Seiko's managing director.

Under Mr Cheong's leadership, Seiko went through major shifts in its business model to adapt to changes in the business environment.

Triumph over setbacks

Seiko started as a glass fabricator and installer in 1978. From the mid-80s to 90s, it changed its core business and started exporting aluminium panels, sending these to markets such as Hong Kong, Taiwan, Japan and China.

Faced with stiff competition from Chinese suppliers in the late 1990s, the company again changed tack and focused on contracting and project management. Unfortunately, the switch met with setbacks.

Mr Cheong recalled: "When we started out in the early 2000s, we did not know how to run construction projects. We could not find sufficient talents in the façade industry and lacked design and project management skills. "As a result, we were unable to deliver the standards that were agreed upon, missed the stipulated deadlines, and therefore had to pay damages."

With time, Seiko learnt from its mistakes and found its footing. It started a design office in Shanghai in 2007 as a branch office, which was converted into a subsidiary in 2011.



Seiko's MD Rodney Cheong, who took the company back into exporting fabricated materials last year. It last did this in the mid-80s.

This gave Seiko access to the vast pool of talents there. Having recruited the right talents, the company introduced proper project management systems, which enabled it to expand its contracting business with the establishment of another subsidiary. The contracting business thrived and Mr Cheong continued to build expertise in design and project management through these subsidiaries.

The contracting business started with projects with value as low as S\$300,000 in 2005; today, the value runs from S\$10 million to S\$30 million.

Understanding customers' needs

Seiko prides itself on being able to provide tailored solutions. No two buildings are the same, and therefore, the requirements for building external façades vary.

Occasionally, research and development (R&D) is needed to develop innovative solutions. An example was a project which involved the installation of motorised fins in Le Nouvel Ardmore, a residential property in Ardmore.

Seiko collaborated with the Singapore Institute of Manufacturing Technology (SIMTech), a research institute under A*Star, to produce the customised motorised aluminium sun shading fins that could slide and rotate.

Last year, Seiko ventured back into the export business. As the local contracting market was saturated and lacked sufficient talents in design engineering and project management, Mr Cheong decided to pursue growth in overseas markets through supplying fabricated materials again.

It established a new subsidiary, Seikotech Management Private Limited (STM), to open up markets in the region, going as far as the United States.

Although Seiko's reversion to its export business model may seem strange at first, Mr Cheong said the relevance of the move depends on the existing business environment.

Another reason is the change in customers' preferences. Over the years, clients have placed greater emphasis on product quality and service over costs. This is advantageous to Singapore companies like Seiko, which are

reputed to deliver quality products and service.

From hereon, the company aims to maintain the size of its local contracting business while exploring overseas markets for more growth opportunities.

Innovation from bottom-up

Seiko feels the pressure to innovate in order to differentiate itself from its competitors. To this end, Mr Cheong set up the Innovation and Productivity Committee. Comprising the general manager and various departmental heads, the committee provides a mechanism for employees to suggest improvements on operational processes to increase productivity. It is recognised that employees working on-site often have a better understanding of the issues faced on the ground.

General manager Pang Tee Lian said: "Managers are like shepherds who lead from the back. Ultimately, their function is to harness and harvest the spark of brilliance from their people."

More recently, the management introduced an incentive scheme to further encourage employees to share their ideas. Different tiers of rewards are given to employees depending on the feasibility of the suggestions. This incentive system complements the innovation committee well.

Mr Pang said: "Innovation efforts have been driven from bottom up rather than it being simply just managerial prescriptions, as the best ideas are usually the simplest ones."

Quality façades, safe buildings

Above all, delivering quality products and service remains Seiko's top priority. Apart from maximising customer satisfaction, the company takes stringent measures to ensure its product quality adheres to regulatory requirements.

Regulatory compliance is a serious matter. When contractors deliver sloppy work, they risk the lives of many who live and work in those buildings. Mr Cheong cited the recent

Grenfell Tower fire in London as an example of how things can go wrong when contractors cut corners. The blaze killed 80 people, and investigations found later that the building's cladding was made of improper material.

Something similar happened in Singapore in May, when an industrial building in Toh Guan Road caught fire. These events prompted the local authorities to carry out investigations on similar buildings island-wide. Thus far, the Singapore Civil Defence Force has identified more than 30 buildings with non-compliant claddings.

Mr Cheong said: "Seiko uses only materials that comply with the fire code. We are not worried about checks on our buildings."

With its dedicated team of management, Seiko has made its mark in the construction industry as a go-to façade specialist contractor.

■ The writers are students from NUS Business School



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