

Lintec's concrete plans for the future

On top of its plans to expand overseas, Lintec also believes in constant innovation to stay relevant. It is in the midst of expanding its product range so as to boost further growth. By LAU ZHENG FONG, LOO JIA YI CLARISSA, LOW JIE YING and TAN SHI YING

SINCE its incorporation two decades ago, Lintec Concrete Technologies (LCT)'s vision has not wavered. Its CEO Ramamoorthy Sakthivel Murugan, otherwise known as Mr R Sakthi, always strives for the company to become a recognised performance leader in the global infrastructure industry, providing solutions to increase accessibility to every place and city.

"We need to constantly adapt, improve, and seek opportunities to expand businesses and enhance solutions for clients," he says. This has driven LCT to venture beyond Asia, reaching as far as South America by embracing new media and digital marketing.

In its early years, LCT's business mainly involved Singapore and its neighbouring countries. When the 1997 Asian Financial Crisis struck, the company seized the opportunity to diversify geographically to reduce its vulnerability to business cycle fluctuations.

This saw LCT expanding into Sri Lanka, Vietnam, Cambodia and Bangladesh, which were emerging economies with less protectionist regulations. By recalibrating its focus beyond the local shores, it has progressed with minimal refinancing and stable dividends.

European quality at Asian prices

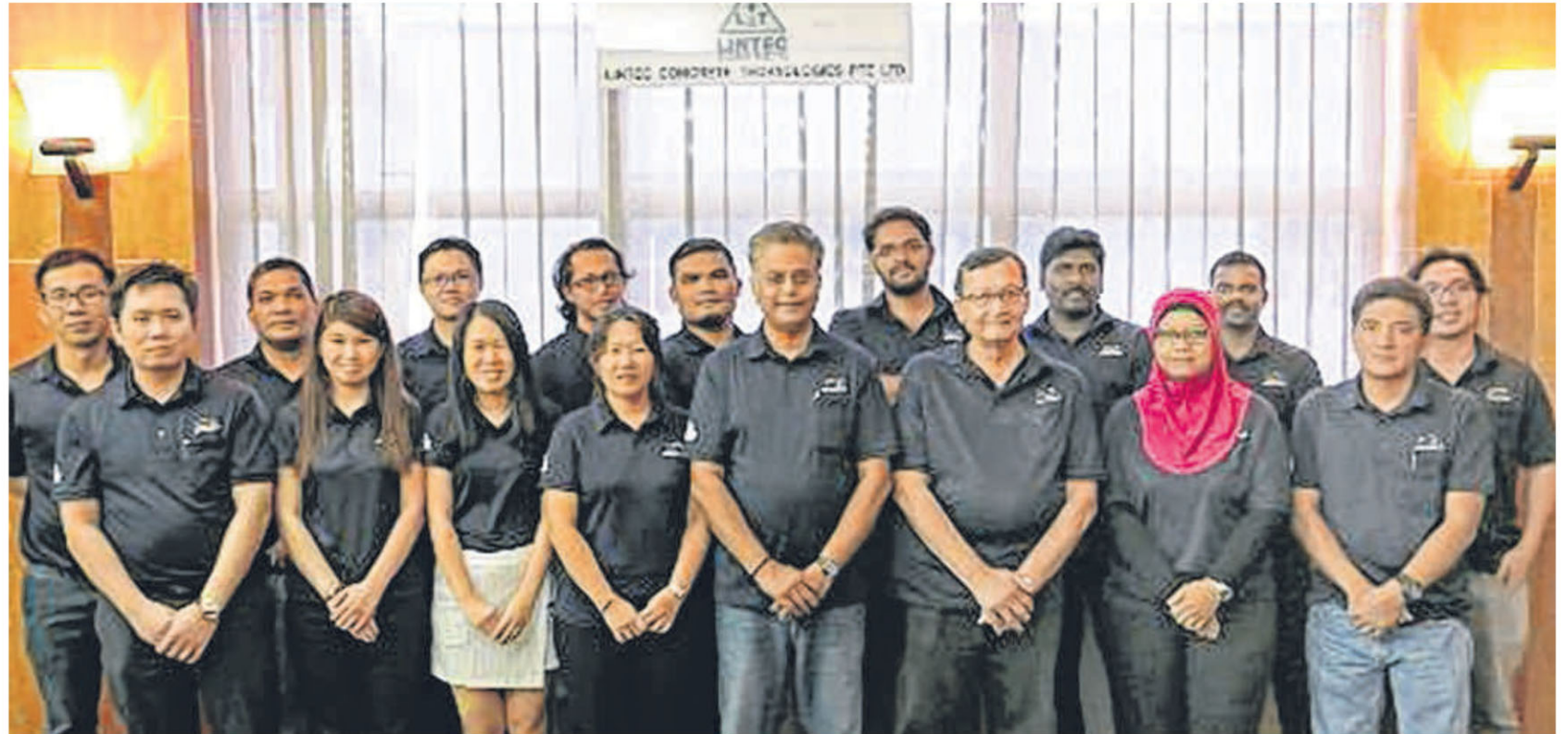
The firm distinguishes itself from competitors through providing European technology at Asian prices. LCT's products are backed by an R&D facility in Buxtehude, Germany, which promises cutting-edge technologies and strict quality control.

At the same time, LCT remains committed to its Asian pricing strategy, transferring cost savings to customers. This is achieved by obtaining supplies at low cost from Asian manufacturing plants, importing only critical parts from Europe.

Providing customers the best service

Mr Sakthi attributes LCT's success to a combination of factors – being customer-oriented, maintaining strong relationships with stakeholders, embracing innovation and creativity, and adopting a sustainable business model. His personal approach to running the business puts him on a hectic schedule, which encompasses travelling frequently to ensure smooth business operations. Mr Sakthi compares this to a popular mobile game: "The industry works like a game of Temple Run, you just have to keep running."

Mr Sakthi believes that providing the best for customers would earn their loyalty. Sales representatives are trained to provide professional advice. The Tele Diagnostic Model enables LCT engineers to conduct initial diagnostics of plants without being physically



The Lintec Concrete Technologies team led by CEO Ramamoorthy Sakthivel Murugan (centre). Mr Sakthi believes that the company's success is largely due to its cohesive team.
PHOTO: LINTEC CONCRETE TECHNOLOGIES

present, increasing the efficiency of its troubleshooting process.

With constant innovation and strong customer relations, LCT's track record comprises numerous reputable projects. This includes supplying its MZ Horizontal Plants for the Refinery and Petrochemical Integrated Development (RAPID) Project, which was dubbed as the largest refinery project in Southeast Asia.

Its newest product line, ECOTEC, boasts efficient processes that eliminate the need for foundation. Coupling portable concrete plants with an in-house management software, the costs of setting up and tracking information are greatly reduced.

Help from Enterprise Singapore

Despite being a big market player, LCT is not immune to competition. Pricing pressures, coupled with rising costs, pose challenges for LCT to maintain quality services within a narrow margin.

Mr Sakthi explains the importance for LCT to diversify its suppliers to overcome this challenge. "By sourcing from various countries, we are able to moderate our prices in case of currency fluctuations or major price changes by any supplier."

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In a bid to establish more extensive connections with suppliers, LCT maintains close communication with government agency Enterprise Singapore. It has provided the firm with assistance in identifying local distributors in new markets and financial support such as the Market Readiness Assistance Grant to enable LCT's participation in overseas trade shows. It has also allowed LCT to successfully diversify its suppliers.

In response to growing concerns on environmental sustainability, LCT incorporated green technology in its plant designs. As a testament to its commitment, LCT opted to use energy efficient electrical motors in its plants despite the higher price tag. This reduces energy usage, which translates to lower running cost for customers. To eliminate the undesirable by-products of plant operations, air bag systems are also installed to prevent the release of pollutants into the environment.

2017 milestone

2017 proved to be a breakthrough year for LCT, as it clinched its first Enterprise 50 award. The win was a significant milestone for the company that has successfully established itself as a trusted business partner for projects of all sizes.

On top of its expansion plans abroad, LCT also believes in constant innovation to further growth. To further differentiate itself from its competitors and stay relevant, LCT is in the midst of expanding its product range.

When evaluating the factors leading to the feasibility of its expansion plans, Mr Sakthi believes that his cohesive team contributes largely to its success. With its in-house engineering team, LCT is indeed the to-go stop for customers to resolve their problems.

In a bid to provide a holistic solution for customers, LCT maintains close connections with its sister companies and the Lintec & Linhoff Holdings. The group, which owns multiple factories in China and design departments in China, Germany, Italy, and Singapore, enables LCT to leverage available resources to reap economies of scale.

In the future, LCT intends to list the company on the Singapore Exchange.

But it is far from being complacent despite its achievements. "Improvement is an ongoing process," Mr Sakthi reiterates. "These achievements serve as checkpoints along LCT's path to greater success."

■ The writers are students at NUS Business School.