

Building a landmark business

Expand Construction rose from the turmoil of the 1998 financial crisis to become a viable business, predicated on treating its workers like family

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SINGAPORE'S skyline is synonymous with the Supertree Grove at Gardens by the Bay and the Marina Bay Promenade. These landmarks, as well as the Lee Kong Chian Natural History Museum at National University of Singapore (NUS), showcase the work of homegrown construction group, Expand Construction.

Expand Construction started as a family signage business, which dwindled during the 1998 financial crisis. Founder and chairman Von Lee Yong Miang decided to quit his job at HDB amid the financial maelstrom to help his brother revive what seemed to be an unsustainable and unprofitable business.

While assessing the company's client list, an opportunity surfaced with NParks, which sought Mr Lee's advice on a bridge maintenance project because of his civil engineering background.

NParks encouraged him to bid for the project, which eventually led to the creation of Expand Construction in 2000.

In the early years, Expand Construction was able to win projects by its competitive pricing. Mr Lee's civil engineering experience enabled him to negotiate better prices from subcontractors by identifying inefficiencies and eliminating unnecessary processes.

It started as a company that could only bid for projects that had a value of S\$500,000. Today, its established track record, competitive pricing and reputation for quality allows it to bid for any project, regardless of value.

Expand Construction's success factors

Mr Lee believes effective leadership is a key factor behind Expand Construction's success. "This is crucial in providing employees with a clear direction, and arming them with a sense of purpose and motivation," he said.

"Setting clear goals and communicating them manages employees' expectations so that everyone is on



(Far left) Founder and chairman Von Lee Yong Miang, of Expand Construction, snagged the third prize at the E50 awards last year. (Above) The Supertree Grove at Gardens by the Bay and (left) the Marina Bay Promenade, two significant milestones for Expand Construction.

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the same page," he added. Mr Lee treats his employees like family members. This tight-knit culture is the reason that he thinks most of his employees have stayed with the company for more than 10 years. "Employees don't stay that long if they are not treated with respect," says Mr Lee.

Over the years, he has witnessed their personal growth, as well as how they have come to care for one another. Mr Lee believes a family-centric approach has enabled his team to work better together as they feel more invested in the company, as well as in one another.

Another key driver of success is the focus on human capital. Expand Construction is building its capacity and capability by attracting top talents with experience in infrastructure projects from around the world.

Expand Construction is also open to joint ventures with other companies to handle infrastructure projects so that cross-learning and skills transfer can take place.

Mr Lee believes that with these

top talents, the company will be able to grow further and take on projects that were previously not possible.

The company also favours being "asset-lite". Mr Lee says that "by being asset-lite, Expand is not bound by our investments in fixed assets to tender for projects to utilise our resources".

For instance, instead of investing in cranes, the company chooses to rent them when required.

This helps the company to move in tandem with the market and allows the flexibility to adjust tender prices. In addition, it can manage its risk since it does not have to tender for projects simply to utilise assets.

Finally, Expand Construction actively seeks to generate passive income from short-term investments. This ensures that the business can sustain itself even during economic downturns.

Mr Lee says that "this way, we don't have to lay off any of our employees". These strategies have helped the company to grow significantly over the years.

Looking to the future

However, the business also has its share of challenges. Mr Lee shares that he is most concerned about the safety of his employees. Since its inception, Expand Construction has continuously sought to improve safety measures to protect its employees.

In recent years, Expand Construction had adopted new technologies to construct 3D models of its projects before constructing them onsite to reduce errors. It is also exploring virtual reality technology to improve its project delivery.

It uses a bottom-up approach where employees are given room and resources to make suggestions. By empowering employees at different levels of management, Mr Lee hopes to boost creativity.

Another concern is the competitive landscape that has intensified with the entry of large foreign players. Some government project tenders have prerequisites such as prior experience in similar or larger-scale projects that tend to favour

foreign firms and government-linked companies.

However, Expand Construction is hopeful that the situation will improve as the Monetary Authority of Singapore will be setting up an infrastructure office to aid local firms and create more opportunities for Expand Construction to form joint ventures and partnerships.

Expand Construction encapsulates its development into three words: growth, strength and sustainability. In the next five years, the company will be entering into a new phase in its quest to become a "great" company. Mr Lee explains that this is not measured in terms of size, but in quality and public recognition.

"I envision Expand to be an established and respectable company in the public eye so that talents would want to join us," Mr Lee explains. With the right attitude and strategies, Mr Lee believes that Expand Construction will be ready to tackle any challenge that may come its way.

The writers are students of NUS Business School.

