

SMESpotlight

Taking a 'landmark' business to greater heights

Expand Construction aims to become a well-recognised firm that attracts top talent

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, showcase the work of home-grown construction group, Expand Construction.

It 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 with its competitive pricing. Mr Lee's civil engineering experience enabled him to negotiate better prices with subcontractors by identifying inefficiencies and eliminating unnecessary processes.

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

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 says.

"Setting clear goals and communicating them manages employees' expectations so that everyone is on the same page," he adds.



Landmarks such as the Supertree Grove at Gardens by the Bay (above) and the Marina Bay Promenade showcase the work of home-grown construction group, Expand Construction. Effective leadership and a family-centric approach are some of the key factors for the company's success, says founder and chairman Von Lee Yong Miang. ST FILE PHOTO

Mr Lee treats his employees like family. 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," he says.

Over the years, he has witnessed their personal growth, as well as

MAKETHINGS CLEAR

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MR VON LEE YONG MIANG, on how to equip employees with a sense of purpose.

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 and one another.

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

It 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 top talent, 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 firm to move in tandem with the market and allows for flexibility to adjust tender prices. In addition, it can manage its risks 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 says 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, it has 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 ten-

ders 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.

The company encapsulates its development into three words: growth, strength and sustainability. In the next five years, it 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 talent would want to join us," he says.

With the right attitude and strategies, Mr Lee believes that the company will be ready to tackle any challenge that may come its way.

• The writers are students of NUS Business School. This series is part of the Enterprise 50 Educational Project between the E50 partners and the NUS Business School.