

SMESpotlight

Hong Guan eyes a bigger catch with new ideas

Fishing tackle business aims to reel in more business with concept store and other plans

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Fishing demands patience and perseverance. While some may prefer to wait in their boats for the first bite of the day, others favour changing their fishing techniques to secure their catch.

The same strategy applies to running a business, said Mr Lee Seng Shoy, the managing director of Hong Guan (Tackle), a Singapore-based distributor of fishing tackle.

The company, a first-time winner of the Enterprise 50 Award last year, is known for Pioneer Tackle, its proprietary brand of fishing gear that is distributed in 31 nations.

Despite its foothold in the industry, Hong Guan continues to explore new ways to improve. "Business is a probability game. Those who dare to try will live to fight another day," said Mr Lee.

Hong Guan, founded in 1942 by Mr Lee's great-grandfather, was a typical family business that distributed ropes, hardware and fishing nets. While business had been stable, Mr Lee saw potential for greater growth and made key changes to revitalise the firm shortly after taking over in 1997.

The company stopped its distribution of commercial fishing equipment and focused on the fishing

tackle business, as Mr Lee believed that doing so would be the key to Hong Guan's survival.

He was also optimistic that lifestyle businesses would thrive amid South-east Asia's emerging economies and growing affluence.

"I have always had faith in South-east Asia as an emerging market. The population is large, young and dynamic," said Mr Lee.

Venturing abroad was imperative for the company, given the small domestic market. Hong Guan initially represented several contracted suppliers in agreed territories.

However, Mr Lee realised he had no control over the company's growth and was unable to meet customer needs, due to geographical restrictions imposed by the suppliers.

"By having your own proprietary brand, you decide what, where,

how, and whom to sell to. The whole world becomes your stage," he said. One incident involving the sudden termination of a distributorship agreement gave Mr Lee the final push to launch Hong Guan's very first brand, Pioneer Tackle.

While establishing the Pioneer brand overseas is no easy feat, the company sets itself apart by marketing the brand to beginners willing to pay a bit more for a better product.

Hong Guan also emphasises customisation – for instance, it studies local fishing styles and cultures by staying close to the ground. The products are tailored to suit the needs of each market, such as by modifying the appearance, pricing or even the marketing style used.

The company has also recognised the need to tap social media – it utilises local influencers and social

media to engage its customers. For example, Mr Clarke Gayford, the host of the fishing documentary show *Fish of the Day*, is endorsing Pioneer's products in New Zealand.

Hong Guan continues to trial new ideas to cover a wider spectrum of fishing and related activities. Mr Lee said he encourages his teammates to challenge norms and come up with "constructive, innovative and crazy ideas".

Last year, Hong Guan re-entered the Singapore retail market after a six-year absence, launching its first Pioneer concept store in Ubi, along with an online store.

And while still in its early stages, Hong Guan has begun introducing services such as boat chartering to complement its retail business.

Hong Guan has also introduced new methods of marketing and sell-

ing fishing gear in Singapore. The concept store in Ubi houses the first fishing simulator in Singapore, which allows customers to test fishing rods on a machine that mimics the movements of a real fish.

Hong Guan plans to further develop its line of vending machines rolled out near local fishing spots last year. As labour costs increase, especially in markets like Singapore, Mr Lee hopes to use vending machines to supply anglers with equipment, and offer greater convenience to fishing enthusiasts.

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



Mr Lee Seng Shoy, managing director of Hong Guan (Tackle), says he has faith in South-east Asia as an emerging market, citing the region's "large, young and dynamic" population. PHOTO: HONG GUAN TACKLE

GAME FOR NEW VENTURES

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MR LEE SENG SHOY, managing director of Hong Guan (Tackle), on exploring new ways to grow the company.