

# Precisely what customers ordered

Onn Wah Precision Engineering remains confident that the expertise it has amassed over the years in its niche area will continue to support the business. However, it is not resting on its laurels as it seeks to expand overseas and conduct more research and development to stay relevant

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**W**HEN Lam Keng Yew's father first established the manufacturing business under the name of Onn Wah Engineering Works in 1961, there were only four workers and a few machines.

Over the years, as the family business grew and the second generation took over, the company was renamed Onn Wah Precision Engineering. From a small business that focused on contract-based general ad hoc projects, Onn Wah is now a holding company consisting of four entities and over 250 employees.

Onn Wah specialises in high-end computer numerical control (CNC) machining of medium-sized components. This is the process of using computer programmed machining tools to create products using precise specifications. Its complete suite of manufacturing expertise, including consignment and supply chain management, serves the oil and gas, aerospace and semiconductor industries.

Onn Wah's continuous hard work and relentless effort to meet customers' needs was recognised when the company ranked first in the Enterprise 50 Awards back in 2017.

## Against all odds

In the 1970s, the manufacturing industry was the main driver of growth for Singapore and there were plenty of business opportunities in the mass production industry.

Onn Wah recognised that trends are ever changing and decided to focus on establishing a niche by providing "high mix-low volume" production and services for highly complex parts. Onn Wah's assembly line featured many copyrighted and patented products that vary in application, lot size and production processes.

While the emergence of the Chinese market has intensified competition, Onn Wah remains confident that the expertise it has amassed over the years in this niche area will continue to support the business.

When the financial crisis hit in 2008, Onn Wah diversified from its core business by establishing strategic alliances. Onn Wah Tech was co-founded in 2009 with Leong Kwong, whose own company manufactured and supplied precision tools that could be customised. This spirit of flexibility and dynamism helped Onn Wah pull through the financial crisis and enabled them to recover quickly.

Onn Wah believes that a good cor-



Lam Keng Yew (left), managing director, and Lam Keng Wah, technical manager director, of Onn Wah Precision Engineering. The company believes that a good corporate culture attracts and retains talents. Hence, its vision is to build a great workplace culture and treat employees as family members. BT FILE PHOTO

porate culture attracts and retains talents. Hence, the company's vision is very clear – to build a great workplace culture and treat employees as family members. Thus, the company adopts a flat management structure that treats every employee equally, regardless of their position.

"In the company, we address one another by first names," says Mr Lam, managing director of Onn Wah. "We also advocate open communication and encourage employees to voice their opinions regardless of their positions in the company."

With more than 250 technicians and engineers from Singapore, Malaysia, China and India, Onn Wah believes that people are its most indispensable resource. Given the nature of "high mix-low volume", employees frequently deal with differentiated

and demanding orders. Therefore, Onn Wah looks for people who "enjoy challenges and derive satisfaction from solving them".

Investing in human capital also goes beyond communications and technical skills; the company prioritises maintaining a high standard of employee welfare and creating a holistic work environment to keep its staff engaged.

## Customer satisfaction

Onn Wah is dedicated to meeting customers' needs by offering high quality complex products at competitive prices.

To stay productive, innovative and competitive, Onn Wah has established in-house training programmes to keep its technicians up-to-date with the rapid technological ad-

vances. In addition, Onn Wah encourages exchange of knowledge through pairing new hires with experienced engineers. It also engages various engineers and consultants to impart technological knowledge about best practices to its staff members.

At the same time, the company continuously aims for innovation from its own engineering team by encouraging the willingness to try new things and to learn from the market.

Looking to the future, Mr Lam believes that talent management will be one of the main challenges as employees are the company's greatest resource. Onn Wah recognises the shortage of skilled labour not only in Singapore, but also in China and other parts of the world. Most engineers and technicians choose to leave for greener pastures after gaining experi-

ence and skills in the company.

Furthermore, it is difficult to attract locals who are willing to work the long hours on the shop floor. Thus, attracting younger workers will remain a challenge for Onn Wah. The company also faces uncertainties caused by the volatile global economy and disruptive technologies.

## Priorities

Onn Wah's priorities are to expand overseas and conduct more research and development to stay relevant. It has been exporting its products to China, Europe, Indonesia, Malaysia, the Philippines, Taiwan, Thailand, the United States and Vietnam through overseas distributors.

Working across geographies has enabled Onn Wah's employees to embrace challenges, to be resilient and

culturally sensitive. As a result, the company has seen improvements in service-response time and product quality. It now feels confident that it can fulfil even more stringent and demanding expectations from customers.

To innovate, Onn Wah plans to tap government initiatives such as "Industry 4.0" and "Smart Nation" to pursue more research and development and to evaluate new manufacturing capabilities. This will enable it to seek new partnerships and strategic alliances with like-minded SMEs in Singapore, reducing the over-reliance on its core businesses and venturing forth as a team to compete with larger overseas players.

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