

Screwing on the right bolts

Sin Hong Hardware is battening down the hatches to weather the downturn, but it's keeping its regional ambition alive, reports **ZEINAB YUSUF**

INDUSTRIAL fasteners supplier Sin Hong Hardware is taking the recessionary bull by its horns – paring costs every which way except retrenchment.

Directors are strongly against retrenchment as they believe their staff of 80-odd people are the company's "greatest treasures". They hope to use this time to re-inculcate basic values of thrift and responsibility.

For example, the company has made the effort to lower operating costs by reducing utilities usage – switching off lights and air-conditioners when not in use.

"It is these small things that can go a long way – something that many of us took for granted in the past," says director Elvin Teo, son of company founder Teo Teck Puay. "This crisis is a good time to put to use these old values."

The younger Mr Teo now helms the company, one of the largest stockists, distributors and manufacturers of industrial fasteners in Singapore. Sing Hong manufactures and distributes industrial fasteners and custom-made parts for assembly requirements to various sectors, such as the machinery and marine industries.

And the ace in hand for the company is its carefully cultivated contact base. "Our contacts usually provide us with inside information about the products the industry may be requiring, allowing us to be a step ahead of the rest and stock up on what will be required," explains Mr Teo.

This is very handy when competition is increasing, with many international firms having set up branches in Singapore.

Providing products to customers from their stock houses, however, is only one of the various business operations of Sin Hong Hardware. The company is also still involved in the traditional trading business of import and export.

It imports fasteners, bolts, nuts and screws from markets such as Taiwan, Japan, China and Europe for export to regional countries and more recently to the United States of America and the United Arab Emirates (UAE).

Also, a substantial 20-30 per cent of the company's revenue comes from supplying a wide range of industrial fasteners to stockists and retail hardware stores in Singapore.

Downturn cushion

With a business model so open and varied, one would expect the current economic crisis to have taken a toll on the company. However, while the company has seen a dip in revenue, new and one-off projects such as the integrated resorts have cushioned the full blow of the downturn, making up somewhat for the drop in usual orders.

Its current order book is filled with requests from IR contractors for trader rods and anchor bolts – instruments that will be used for supporting equipment such as air-con ducts.

So, despite the contraction, the company, which recorded a revenue of more than \$20

million last year, is confident of achieving similar sales this year with its new projects and cost-cutting measures.

The company has come a long way from its founding in the early 1980s, when Mr Teo's father, an accountant by training, decided to venture out on his own in this sector.

The odds were certainly against him then, for he was newly married with a family to support. And little capital to boot.

But he sensed that demand for fasteners was growing and that his chance was then in mid-1984 or never. Pooling together personal and family savings, he secured close to \$100,000, just enough to buy supplies and rent an office-shop to carry out his trading business.

Soon after, his brother, Vincent, joined him and they built up the company from there.

Now, with the second generation of the family at the helm, Sin Hong aspires to grow and take shape like Bossard, a Swiss fastener parts provider, that has been around in Singapore for the past 10 years.

To achieve an international stature similar to the Swiss company, Sin Hong hopes to expand in the China market through acquisitions or partnerships as "we are quite familiar with the country and how things there work".

However, that will have to wait till the economy recovers. Right now, the company is actively increasing sourcing for competitive prices so as to be able to provide customers with the best and most attractive deals, as according to Mr Teo, "right now, the war is really on prices".



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