

ADVERTORIAL

Perseverance is the key to success

The leader of Singapore’s first scrap metal recycling company with a vertical integration strategy shares his story on 20 years of hard work to transform his family’s business.

“I’m excited about the recycling industry. I think what we do has got no end,” enthuses Lim Teck Siang (TS), General Manager of Kim Hock Corporation Pte Ltd (KHC). “Scrap is not waste and recycling is a way of life for a sustainable world,” he adds.

Founded by TS’s father, Mr Lim Kim Hock, in 1970 and incorporated in 2003, KHC is today one of the largest recyclers of metal and wood waste in Singapore, exporting via their own tugs and barges. The business provides a one-stop service centre for scrap metals, including collection, treatment and recycling, and has since built a reputation synonymous with clean and high density steel scrap for steel making throughout Southeast Asia. TS points out that the scrap resources the company handles – including wood – are finite. Therefore by collecting and reusing these resources, the company is playing its part in making Singapore more sustainable in the longer term.

Childhood ambitions

Today, KHC’s recycling business is heavily reliant on machinery and automation. TS recalls how as a child he was fascinated with all things mechanical. Indeed, he has fond memories of playing with Lego bricks and model cars. He also remembers a time when his father’s business was less reliant on equipment and heavily dependent on manual labour. Trips abroad were an eye-opener, which inspired TS to change this, and fuelled his ambition to advance the company.

“When I was in high school, I had the opportunity to travel around North America during school breaks. I saw many scrap yards along the way and witnessed first-hand the differences between my father’s karung guni operations and what was possible,” TS explains. “This kicked off my aspiration to improve and evolve our family business.”

Transforming the business

TS joined KHC in 1995 upon graduating from York University in Canada. Less than a decade later, he became the principal decision-maker for the company, and immediately set about transforming the company from an organisation characterised by manual processes to one that leverages automation and cutting-edge equipment – making the business much more productive and hence more profitable.

In 1996, TS had the foresight to introduce higher value services to KHC’s customers. Instead of concentrating on the collection of scrap metals from scrap suppliers and the subsequent separation of materials, TS brought the company one step up the value chain into densification of recycled metals. This was made possible by purchasing automatic hydraulic press and shear equipment, which enables the company to process scrap metals faster and into higher density material that commands a higher selling price.

“Only until recently have we started to enjoy the benefits of productivity,” says TS. “For instance, a man with a gas torch cutting scrap can, at his best, process between 10 and 15 tonnes a day. The automatic hydraulic press and shear can do this amount in less than an hour,” he adds.

TS’s ambition did not end there. He saw synergy between his two business divisions of scrap metal and wood waste recycling, and harnessed the opportunity of generating electricity from the biomass wood waste to power the scrap processing plant and machinery. This complemented his scrap recycling business and was an opportunity few would think of. Substantial financial savings has been reaped from this green energy investment. In addition,

responded positively to our plans to develop an industry first – a greenfield automated recycling plant powered by its own biomass energy plant.” remarks TS. Complementing the company’s accomplishments to date, TS hopes to leverage the firm’s expertise in steel recycling and biomass energy to venture into new markets.

On what keeps him going, TS says, “This is a constantly

evolving industry and the potential to explore new opportunities is limitless. When people are crazy about their hobby, they are willing to skip meals and sleep to do it. To work in an industry that one loves is a dream come true.”

Yau Mei Yoke, Head of Mid-Market Enterprises (MME), HSBC Singapore, remarks, “We were as excited when we first heard about Teck Siang’s vision. A recycling plant powered by its own

energy facility is a forward-thinking idea and he made us believe in it as well.”

“While the economic contribution of MMEs in Singapore is substantial, they are often faced with ‘middle-child’ syndrome – they are not large enough to be seen as influential government stakeholders, but are too big to benefit from support offered to smaller companies. HSBC is keen to help these businesses grow and bring new and

innovative ideas to the market,” Yau adds.

Of KHC’s growth journey, TS concludes: “I believe the road to success is one of patience and perseverance. Never give up and drive change to keep up with times.”

To learn more about Lim Teck Siang’s story, visit www.hsbc.com.sg/itsneverjustbusiness



Lim Teck Siang, General Manager of Singapore’s first scrap metal recycling company, believes patience and perseverance are key to finding long-term success.

it brought about further efficiency and provided an unparalleled competitive advantage to the company.

Growing pains

With businesses of this kind few and far in Singapore, numerous obstacles were prevalent during the early years of TS’s leadership. For instance, as automated machinery for metals and wood recycling are largely manufactured in the West, this meant that when equipment faltered, replacing and maintaining components was costly. The business would often have to wait for weeks for a spare part to be sent from places like Europe, North America and Japan.

“Being the only user of some of such machinery in Singapore meant dependency on non-Singapore based service providers from different time zones, which can be expensive and can result in long lead times for machinery components to be delivered,” TS explains.

A seemingly insurmountable obstacle was raising enough capital to fund the firm’s expansion. “A common challenge facing businesses like ours is that the types of financing available tends to be asset-backed, where what a bank lends is equal to the value of the customer’s assets,” explains TS. “My advice is to be open with your banking partners – they can help to bring your business closer to where and what you want to be.”

A journey, not a destination

According to TS, the company’s journey to where it is today has been long and at times challenging – it took him 20 years. While TS acknowledges that his ambitions have taken longer to realise than when he first envisioned, he nonetheless believes the company has achieved a milestone recently with the installation of new facilities.

“We are fortunate to have supporters who had

This is the first of a four-part series on the ambitions behind today’s enterprising leaders.

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