

COMPANY CASE STUDY SERIES

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Lim Kee: Bringing Singapore's Unique Flavours Abroad

Prepared by the steaming method, the Chinese steamed buns, also known as 'pau', are yeast-leavened bread rolls stuffed with a variety of fillings, ranging from the sweet and velvety flavours of lotus paste to savoury meat-based fillings. These soft and fluffy steamed buns originated from Northern China and are variations of 'mantou' that have remained popular as one of the classic breakfast staples for Singaporeans, as well as ethnic Chinese globally.

In Singapore, Lim Kee Food Manufacturing Pte Ltd (Lim Kee) is a household name and one of the leading food manufacturers and distributors of Chinese pau and convenience food. Its wide variety of steamed buns and food products can be found readily in all major supermarkets and food service outlets like neighbourhood coffee shops and canteens. Founded by Mr. Ang He Siong in 1982, Lim Kee is a family business with more than 30 years of history in the manufacturing and distribution of quality Chinese pau. The homegrown food manufacturer is currently under the helm of the next-generation leader, Mr. Ang Khim



Figure 1 Mr. Ang He Siong and Lim Kee's products.

Wee, who took over officially as Lim Kee's Head of Business Development in 2014 after his corporate stint in government agencies such as Spring Singapore (now Enterprise Singapore)¹.



Figure 2 Mr. Ang He Siong and his family members.

To understand Lim Kee's success, one needs to understand its history and entrepreneurial journey. The company's story is intrinsically linked and rooted in the growth journey of its founder and managing director, Mr. Ang He Siong. Dating decades back, Mr. Ang's future was left in limbo after he dropped out of primary school due to tight family finances. To support

¹ https://www.businesstimes.com.sg/singapore/smes/having-corporate-experience-helps-job-says-lim-kees-next-gen-leader

his family, Mr. Ang entered the world of Chinese pau and began honing his skills through crafting the perfect pau in his first job: an apprentice of a craftsman who specialised in making traditional Chinese pau².

Through years of skills honing and sheer hard work, Lim Kee was established in Mr. Ang's home kitchen where he produced his first Chinese pau in 1982³. From its humble beginning to operating with a food production license, Lim Kee's operation slowly shifted from his home to a coffee shop stall in Ang Mo Kio (AMK)^{2,3}. Slowly and steadfastly, Lim Kee's business grew and flourished. It later shifted to its first production plant in Ang Mo Kio in the 1980s, expanded to three production plants in the 1990s and lastly, centralised all operations to its current premises in Woodlands today³.

Featuring No.13 of the SBF Company Case Study Series, this case study details how Lim Kee grew its business through tenacity and grit to overcome challenges and rose from its humble beginning to become a favourite home-grown and international brand for Chinese pau and food products today.

This case study is a publication of the Research & Publishing Department, Advocacy & Policy Division. This case study does not reflect the views of the sponsoring organisation nor is it intended to suggest correct or incorrect handling of the situation depicted. The case study is not intended to be a primary source of data. The company featured has consented to the publication of the study. References and sources are duly cited in footnotes.

Many thanks to Mr. Ang Khim Wee (Head of Business Development) for making this publication possible and for providing the images in this case study. For more information, kindly contact research@sbf.org.sg.

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² https://www.republicanpost.sg/from-school-dropout-to-singapores-largest-pau-distributor-2/

³ https://limkee.com/ourcompany/

In-Market Knowledge and Diversification – Key to Expansion

Lim Kee's first foray offshore was targeted at the markets of Thailand and China in 2017-2018. Choosing the right market to enter is paramount and a key success factor to its business growth.

Mr. Ang Khim Wee emphasized the importance of conducting in-person market visits and groundwork to get a firsthand experience and sense of potential markets instead of depending solely on third-party advice. The company's offshore journey thus far has been a combination of "hit-and-miss". This hindsight reinforced Lim Kee's resilience and resolve to continuously invest and develop a diversity of channels when expanding – its fundamental approach in sustaining internationalisation efforts.

Lim Kee's business model for internationalisation hinges primarily on exports. To create sustainable growth, it believes in exploring the parallel growth of new distribution channels while continuing to grow its existing market share through exports. While confident of the profitability and sustainability of its international business, the company is nonetheless also cognisant of the need to expand sustainably. A key guideline in this regard is to target a realistic but achievable "one new market entry per year".



Figure 3 Lim Kee's participation in THAIFEX - ANUGA ASIA 2023 trade show in Bangkok, Thailand.

To promote its products globally, Lim Kee participates extensively in international trade shows. These exhibitions showcase and create brand awareness and include SIAL Shanghai - SIAL is the French acronym for "Salon International De L'Alimentation", a translation for "International Food Exhibition" - one of Asia's largest food and beverage innovation exhibitions ⁴ and a private brand of

Comexposium Group, the fifth-largest exhibition organizer in the world⁵. Other trade shows include Allgemeine Nahrungs- und Genussmittel-Ausstellung (ANUGA) in Cologne, China International Import Expo (CIIE) in Shanghai, and Wuhan International Food³.

⁴ https://www.sial-network.com/SIAL-exhibitions/SIAL-Shanghai-Asia-s-largest-food-innovation-exhibition

⁵ https://www.sialchina.com/sialchina/aboutus.html

Its global market presence can be found in Asia and Oceania, including Vietnam, Thailand, Hong Kong, China and Australia, and in further regions like the United Kingdom and Canada.

Picking Like-Minded Partners

Collaborating with like-minded partners in its business journey is key to harnessing the collective value for Lim Kee's stakeholders⁶.

An important business tenet for Lim Kee is the need to remain 'grounded'. Mr Ang ascribes Lim Kee's success to the establishment of sustainable long-term partnerships and averting short-term transactional ones. At Lim Kee, the first step in identifying like-minded partners is a 'soft' assessment of the company. This is followed by a technical assessment. Some of its assessment criteria include having the right product fit, possession of strong marketing knowhow and commanding operational capabilities for frozen products, such as cold warehousing and distribution channels. The latter is a principal factor as the shelf-life of frozen products can be shortened drastically from as long as 18 months to 3 days if improperly stored. Ensuring a system of Quality Assurance and Quality Control (QA/QC), partnering with importers that understand the industry norms and developments, as well as having the ability to navigate the complexity and rapidly changing food regulations in the market are some of the other deciding criteria.

Overcoming Resource Limitations

Lim Kee often has to contend with the limitation of resources especially in the areas of finance and market expertise. These have been pertinent challenges from the start.

Product Tailoring and Prioritisation

The journey of building Lim Kee's business to its scale today is an arduous one. Given its brief history of global expansion since 2017, Lim Kee is still in the early stages of internationalisation. Understandably, navigating the global business landscape is not a bed of roses, and the homegrown brand has encountered a myriad of challenges while penetrating international markets.

"Only able to bite the bullet and run along."

 $^{^6 \} https://www.businesstimes.com.sg/singapore/smes/corporate-experience-valuable-job-lim-kees-next-gen-leader$



Figure 4 A tray of Lim Kee's steamed buns.

As an SME, the lack of financial resources is a big hurdle as Lim Kee incurs significantly higher costs for exports vis-à-vis other more established exporters, even for markets nearer to home such as Malaysia and Indonesia. As an example, due to lower export volumes, the cost of trucking and procurement of containers to transport and load the food items for exports can

be 20-30% higher. Unlike its larger multinational counterparts, Lim Kee's production volume is also constrained by manpower shortage and the smaller production capacities of its plants.

Coupled with consumers' diverse preferences, it is often a priority for Lim Kee to find the right product fit to focus its resources on. The company tailors its steamed bun products to suit the palates of consumers in different locations, resulting in local market flavours that embody the Singaporean taste alongside the unique blend of respective food cultures.

Lim Kee's vision for internationalising is simple:

To ensure the right product fit and usher new traditions into every home for consumers worldwide.

Aligning this vision of enabling the right product fit has in part alleviated its resource constraint challenge.

Iterating, Transiting, Automating

Lim Kee's belated entry into the international markets and its initial nescience of pitfalls place it in an unfavourable position compared to its more experienced counterparts. Ensuring compliance, navigating the diversity of stringent food regulations across different jurisdictions, finding the right product fit, searching for the right vendor, and devising specific go-to-market strategies are other encumbrances encountered.

"Ultimately it's about iterating along the way," says Mr. Ang Khim Wee.

The COVID-19 pandemic has also brought about significant challenges for Lim Kee's operations in different markets. The pandemic accelerated organisational transformation and

expedited Lim Kee's transition from the traditional wholesale distribution model to a diversified B2B-B2C business model. It also shifted its production process from one which is largely labour-intensive to one that is driven by a complementary mix of labour and automation.

Overcoming Market Saturation

Recognising Upside Risks

To succeed and establish a presence internationally, it is critical for food manufacturers to offer products that align with the consumers' palates and food preferences in the respective target markets.

Globally, the outlook for the bread and bakery product market is positive, with an expected revenue growth of 7.1% annually and an expected volume of 789.5 billion kg by 2028⁷. In Asia and Eastern regions of the world, wheat and rice products are characterised as staples and are often prepared in a variety of methods: grounded to flour, baked or cooked. For Lim Kee, its speciality steamed bun is a widely accepted and commonly consumed food product in these countries. This is especially so for China, the birthplace of Chinese steamed buns, which has a growing food market forecasted to be worth US\$1.5 trillion in revenue in 2023⁸. Its 1.4 billion Chinese population is also a huge potential customer base for Lim Kee given China's long history of consuming steamed buns as traditional staple foods. In other Southeast Asian countries and other parts of the world, the substantial proportion of the Chinese diaspora and the growing popularity of oriental cuisines also provide upside risks for Lim Kee's products.

Leveraging on the Singapore Brand

Lim Kee is cognisant of its significantly smaller production capacity compared to its competitors so it cannot just rely on production volume to compete internationally. To stand above the crowd and thrive within the saturated landscape, finding a unique niche that embodies authenticity and product differentiation are requisites in gaining a competitive edge.

⁷ https://www.statista.com/outlook/cmo/food/bread-cereal-products/worldwide#:~:text=Definition%3A,wheat%2C%20oats%2C%20and%20rice.

⁸https://www.statista.com/outlook/cmo/food/china#:~:text=Revenue%20in%20the%20Food%20market,US%24 260.40bn%20in%202023.

Staying true to its brand and emphasising its authenticity and heritage as a true Singaporean brand are key differentiators for Lim Kee's products. Through its variety of steamed buns offered, it aims to bring out the unique taste of Singapore cuisine, a 'rojak' that is a result of the melting pot of food cultures. Curry chicken bun, Hainanese chicken bun, and braised pork bun are



Figure 5 Lim Kee's line up of steamed meat paus.

some of the notable products that were inspired by Singapore's popular and iconic local food culture.



Figure 6 Chef-Inspired Series products showcase.

Some of these products were also inspired⁹ by celebrity chef Eric Teo ¹⁰ who has amassed a wealth of culinary experiences and a host of awards and accolades. Exuding quality and exclusivity differentiated Lim Kee's products – a 'premiumisation' strategy that is often used to raise the level of trust and achieve brand growth in a saturated market. Lim Kee's product

offerings also extend to the realm of convenience food products, such as pre-packed glutinous rice (Lo Mai Kai), 'BBQ char-siew' rice and curry chicken rice, which reflect Singapore's unique food culture.

Digital Transformation for Continued Growth

In today's hyper-connected world, digital technologies allow businesses to open new avenues of revenue and markets, overcome unexpected business disruptions, and thrive even amidst uncertainties as was the case during the COVID-19 pandemic.

⁹ https://www.facebook.com/limkeefood/posts/10155149467750216/

¹⁰ Chef Eric Teo is the President of the Singapore Chefs' Association from 2005 to 2013 and President of Bocuse d'Or Academy Singapore (2017 and 2021). He is a public figure familiar to many for his participation in Chinese variety shows and his exemplary culinary skills.

Lim Kee acknowledges that the go-to-market strategy or commercial planning of the past needs to be relooked. It also acknowledges the positive outlook afforded by the advent of technologies and digital applications, especially in the face of increasing labour and production costs. For instance, the use of artificial intelligence (AI), augmented reality (AR), and data analytics have important roles that can readily be integrated into the company's upstream and downstream processes.

Digitalisation of Operations for Quality Control

Lim Kee has tapped into digital engagement channels to enhance its reach and the impact of digitalisation on the company is felt most in the area of operations.



Figure 7 Digitalisation of operations for quality control.

Unlike in the past where the quality of the buns can vary according to the chef in attendant, digitalisation has helped to ensure a certain consistency in the quality of buns produced by standardising the manufacturing process using microprocessors. Through the control of the chain of individual processes, the quality of the end product is assured. Lim Kee also introduced automated sealing machines, which have proven

effective in reducing the reliance on manpower while raising production efficiency. However, Mr Ang noted that finding the appropriate balance based on fit, scale and pace is necessary to reduce the chances of counterproductive outcomes.

Lim Kee also integrated the use of data analytics and intelligent systems into its operations and shifted away from its traditional way of working which relied heavily on an intuitive 'gut' feel. The evidence-based approach of the former helped reduce the risk of errors and ensured sustainability in business growth.

Finding Solutions - The Digital Way

Providing solutions for consumers and business needs is one key impetus in Lim Kee's quest for digitalisation.

While Lim Kee's core business is still in the B2B wholesale distribution sector, it recognises the rise of hybrid and B2B2C channels and is increasingly rolling out e-commerce solutions

and securing e-commerce partnerships. However, these digitalisation solutions may not always be fully accepted or easily adopted. For example, some of Lim Kee's wholesale customers have initial apprehensions regarding digital payments like PayNow Corporate.

In the same spirit, Electronic Delivery Order (EDO) is another prospective area where Lim Kee wishes to explore greater digitalisation initiatives, as physical copies of delivery orders create a large amount of paper waste.

Upskilling Digital Capabilities

As a small company comprising a large proportion of long-time employees who are accustomed to the traditional ways of working, coupled with the persistent challenge of recruiting new hires with the appropriate digital know-how, it soon became clear that upskilling of existing staff should become a key component in Lim Kee's overall digitalisation strategy.



Figure 8 Upskilling of staff in digital capabilities.

To this end, Lim Kee partnered with consultants from the Institute for Adult Learning Singapore, Centre for Workplace Learning & Performance (IAL-CWLP) and developed a learning regime to reskill its staff into embracing and taking the lead for digitalisation. Over time, this workplace transformation project bore positive outcomes that (i) enabled the training of supervisors in technologies, (ii) developed On-the-Job Training blueprints, as well as (iii) instituted training programmes and (iv) career roadmaps for existing employees and new hires to support digital and workplace transformations¹¹.

Summing up how Lim Kee overcame its challenges regarding digitalisation transformation, Mr Ang has this to say:

"Start small, aim far, go deep.

Do not over-invest, do not over-procure.

Understand what the true needs are, address them and slowly build up."

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¹¹ https://workplacelearning.ial.edu.sg/stories/details/lim-kee-food-manufacturing

Commitment to ESG Sustainability

"Sustainability is survivability"

Consumers are gaining greater awareness of the impact unsustainable business practices have on the environment. There is an increasing preference for purchasing from brands that align with their personal values on sustainability¹².

Being environmentally and socially responsible are key goals that the Lim Kee brand commits to. Its three key strategies for sustainability are:

- 1. Redesigning products
- 2. Redesigning processes, and
- 3. Redesigning people.



Figure 9 Lim Kee's products with sustainable packaging

Lim Kee tries to align its internal ESG strategies with the UN Development Goals and the company is determined to actualise its vision of building an international brand that anchors ESG practices at its core. With limited resources, the company places its focus on a few key areas such as responsible consumption and production by leveraging on data analytics.

Building up its human capital is also part of Lim Kee's strategy to enable a sustainable and resilient business model¹³. One key approach is the fostering of a culture of innovation that facilitates the redesigning of new product types that align with its sustainability vision. Its human resource hiring and retention policies also seek to promote diversity, inclusiveness and reduce inequalities in the workplace by giving equal opportunities to all. Looking after older staff, such as through the introduction of ergonomic workspaces and looking into the redesigning of work processes, ensures work productivity and improves staff retention.

¹² https://www.weforum.org/agenda/2021/12/people-prefer-brands-with-aligned-corporate-purpose-and-values/

¹³ https://www.businesstimes.com.sg/singapore/smes/mark-excellence/staying-relevant-long-term

Sustainable and Healthier Food Options

Singapore's promotion of preventive healthcare is an ongoing effort led by the Ministry of Health, done in part through national initiatives like Healthier SG. This comes on the back of the national 'War on Diabetes' which was declared in 2016¹⁴, the COVID-19 pandemic, and the rise of chronic ailments amidst an ageing population.

Globally, the COVID-19 pandemic has also prompted conscious eating. In a survey conducted by McKinsey in the US, 50% of respondents indicated healthy eating as their top priority ¹⁵. Another survey by GlobalData also revealed that consumers are more likely to be influenced by the health impact of food than its price when shopping ¹⁶. Climate change has impacted food with Alchemy Fibre.



Figure 10 Braised Pork Rice and Curry Chicken Rice cooked with Alchemy Fibre.

production, with the subject of food security becoming a pressing issue in resource-scarce Singapore. The need to tap into agri-food technologies to secure a sustainable food future is now more imminent.

In response to these rising trends, Lim Kee collaborated with Alchemy Foodtech¹⁷ to redesign its convenience meals into healthier and sustainable options by using the patented Alchemy Fibre to introduce higher dietary plant-based fibre, protein, and prebiotics. These fibres lower the sodium levels in meals, making them more nutritious yet preserving the authentic and familiar taste. Using Alchemy fibre, Lim Kee successfully introduced the wholemeal range of bun products that is 25% lower in sugar content compared to its regular range of bun products. Such innovations create healthier food options.

Integrating ESG sustainability practices into its day-to-day operations and supply chain, yet ensuring that the process remains practical, are important elements in Lim Kee's overall approach to the topic of sustainability. In this regard, Lim Kee's internationalisation journey

¹⁴ https://www.moh.gov.sg/wodci

 $^{^{15}\} https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/hungry-and-confused-the-winding-road-to-conscious-eating$

¹⁶ https://www.just-food.com/news/food-trends-health-more-influential-on-behaviour-than-price/

¹⁷ https://alchemyfoodtech.com/blog-lim-kee-food-manufacturing/

has provided it with valuable opportunities to learn forward-looking sustainable practices from larger international companies.

Epilogue



Figure 11 Mr. Ang He Siong and Lim Kee Food Manufacturing premises in Woodlands.

Lim Kee's entrepreneurial journey has come a long way since the 1980s. Lim Kee believes that partnering helps to level up its growth journey into the future. Tapping on government grants, such as the Enterprise Development Grant (EDG), has enabled the business to scale greater heights by facilitating the process redesign of the company. Tapping on EDG has also provided an opportunity for the company to enable the

necessary checks to ensure that the automation approach proposed is technically sound and cost-effective. This further reinforces its belief in the exploration and adoption of other forms of new technology.

Lim Kee's ongoing dedication to business transformation, consistent pursuit of upholding quality and the strengthening of capabilities in ESG are values and practices that have kept its business thriving in the global competitive food space.

"Start small, aim far, go deep. Foundations are the key. Regardless of how big or small one is, building a strong foundation while leveraging on humility and agility is still the key."

Mr Ang Khim Wee

Head of Business Development, Lim Kee Food Manufacturing Pte Ltd

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