

INGAPORE'S food and beverage (F&B) sector - while exciting and thriving – is notorious for being fickle and competitive, with new F&B brands emerging every other week, but with many also pulling down their shutters. "When it comes to F&B, Singapore is the toughest market to crack," Sebastian Low, the Singapore CEO of Malaysian restaurant chain PappaRich, once said, citing manpower, rental and competition. Nonetheless, he chose to seize the challenge, setting up shop here in 2012. Today, PappaRich has at least five outlets islandwide.

Several local brands have also found success, not just in Singapore but across the globe. Bakery group BreadTalk, founded in 2000, has since expanded beyond baked goods to new concepts such as Toast Box, RamenPlay and Food Republic, and are now sited in over 15 countries.

Casual eatery Thai Express has, since its founding in 2002, expanded to some 100 stores across Asia-Pacific, and is said to be currently exploring a foray into the Middle East.

TungLok Group, established here in 1984, is today recognised as a leading upscale Chinese restaurant chain, with many of its restaurants in Singapore, China, Japan and Indonesia offering unique and multi-sensory dining concepts.

Luxury tea brand TWG, born in 2008, has found fans across Asia, Europe and the US with its well over 800 tea blends (believed to be the largest in the world), tea accessories, tea-inspired savoury food and patisserie.

Big names aside, there are thousands of small players here struggling every day to beat the odds in the F&B space. According to Spring Singapore, there were 6,751 F&B establishments in 2013, with a combined operating receipt of S\$8.3 billion. This compares to 5,969 establishments and a combined receipt of S\$5.6 billion in 2009.

Interestingly, what one home-grown startup has done in the last year is build an online platform to showcase and sell artisanal Singaporean food products ranging from unusual fruit jams to wineinspired teas.

Crateful, which was launched late last year, seeks to be a channel for home-grown F&B producers to exchange ideas and collaborate, while championing the "Made in Singapore" movement.

Of course, running an F&B business is no walk in the park, as all aspiring entrepreneurs ought to know.

A recent study commissioned by Spring Singapore has found that only six in 10 small F&B businesses - referring to those which bring in less than S\$1 million in annual revenue, and which constitute 85 per cent of food enterprises in this sector – make it past the five-year mark.



## FOOD FOR **THOUGHT**

As part of the study, a comparison between the less successful outfits with successful ones also found that F&B businesses that did well had greater focus on their core business. This means an emphasis on a lean workflow, sound menu engineering and financial management, over ancillary aspects such as the design of the outlet or its branding.

But even as nearly half of the 216 small F&B businesses polled in the study revealed that they were struggling to stay afloat, two-thirds  $\,$ of them said that they were passionate about the industry. This should come as no surprise; after all, eating is widely considered to be the national pastime in Singapore.

In this segment, we profile a home-grown company that has refused to bow down to the challenges of the F&B industry for over 60 years, and has fostered a baking brand that is now a household name.



## STILL REIGNING

GIM Hin Lee, with its flagship product line named Bake King, needs little introduction

Founded in 1952 by the late Tan Yee Wan, the company is one of Singapore's pioneers in the manufacture and distribution of baking ingredients.

Today, it runs an online bake store and even baking courses for both children and adults alike.

Bake King products, which range from food flavours and biscuit mixes to bread improvers and cake spices, are entirely manufactured locally – using local ingredients – in a factory at Kampong Ampat, making the company distinctly Singaporean, says Teresa Tan, director of Gim Hin Lee.

"Some of our products are uniquely Singapore. For example, our Bake King Rempah Kueh was developed by our founder and a well-known Malay baking teacher in the 1960s. We still follow the same recipe.

"Our customers appreciate this as they are assured that their *kueh lapis* will taste the same as that made by their grandmothers," says Ms Tan.

Even as the company remains rooted in tradition, it recognises the need to keep up with the times. It recently appointed a consultancy company to facilitate business transformation and branding innovation under a Spring Singapore grant.

Ms Tan says: "When the programme is finalised, we expect to have increased presence in retail as well as in current distribution through supermarkets. We will also introduce new Bake King products."

Gim Hin Lee currently has one retail outlet at Haig Road, which stores an array of baking and cooking ingredients, utensils, cutters and moulds

A unique feature of this outlet, says Ms Tan, is that it stocks all Bake King products in varying sizes, and baking specialities that are rarely available elsewhere

Since 2010, the company has also



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## **Cutting Edge**



PHOTO: YEN MENG IIIN

to have its products certified by Majlis Ugama Islam Singapore (Muis).

To-date, more than 60 Bake King products have been issued with Muis *halal* certificates, including almost all the basic cake, cookie and *kueh kueh* making ingredients required by most housewives and bakeries, says Ms Tan.

She adds: "Singaporeans are cosmopolitan and

are interested in new F&B lifestyle and products. In recognition of this, we are working with well-established companies in Europe, UK and US to bring the latest trend and products to Singapore."

On top of the Bake King line, Gim Hin Lee currently distributes imported goods such as cake decoration items from Italy and baking products from Sweden. These include Billington's

## *<b><i><b>ALL THE INGREDIENTS*

Ms Tan says that Gim Hin Lee's Haig Road retail outlet stocks all Bake King products in varying sizes, and baking specialities that are rarely available elsewhere

unrefined sugars, Silver Spoon sugar and Silver Spoon Create cake decorating products, George East Housewares featuring Tala and Chef Aid, Nordia or Siluett products from cake cases and dollies to glassine paper, GSD household goods, Signwin puddings and jellies, LorAnn Oils flavours and colours, Focus Group Housewares featuring Chicago Metallic and Amco, Cakeplay Isomalt, Modecor cake decoration products, as well as CK products.

"We expect the F&B business in Singapore to consolidate and grow. The main issues are manpower, cost of ingredients and rent. Some businesses will fail but new ones will take their place," Ms Tan says.

"To improve productivity, we are working with suppliers to replace our current machines with new ones that require less manpower," she adds.

To facilitate this, Gim Hin Lee will increase its production area – its next big project, and one that it is looking to embark on in the next five years. ■

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