

# AT THE FOREFRONT

BY VIVIEN SHIAO

Louken Group's Luke Lim has been the driving force behind many of Singapore SMEs' branding strategies and campaigns

**L**UKE Lim is probably no stranger to many small and medium-sized enterprise (SME) *towkays* here. It is not just because he is an owner of an Enterprise 50 Award-winning company – it is due to the fact that he has been the driving force behind many of Singapore SMEs' branding strategies and campaigns. The art of branding is not something usually deliberated on by local SMEs, which have many other pressing concerns. In many cases, it gets relegated to the marketing department or is dismissed entirely as a business strategy.

But as disruptions occur and competition gets stiffer, SMEs are starting to realise the importance of branding – both online and offline – to differentiate themselves from the pack.

This opens the opportunity to partner enterprises in Asia to navigate the new terrain, says Mr Lim, who is managing director and founder of Louken Group. He shares: "The acceleration of digital transformation can be quite scary to a lot of traditional businesses, so our mission is to help them through the whole process."

While agencies that ride on this wave are now dime a dozen, Louken has been in the branding space for 16 years – long before changes in the digital landscape became a game changer.

Mr Lim believes that the company's holistic integration of offline and online strategies for brand growth gives it a natural advantage as it is able to walk alongside enterprises which struggle to make the transition.

## STARTING YOUNG

Like many Singapore *towkays*, Mr Lim's entrepreneurial streak was apparent since young. During his third and fourth undergraduate years in Nanyang Technological University, he had a T-shirt printing design business on the side.

As a school club president, he had realised after mingling with other student union leaders that clubs across the school – not just his own – often had events that needed T-shirt printing. He was quick to capitalise on this opportunity by offering such a service to his fellow student leaders.

"That was the start of my entrepreneurship seeding process, and I loved entrepreneurship thereafter. It even helped me fund part of my university fees." He added that the school awarded him twice in a row for entrepreneurship, which also gave him a lot of encouragement.

But after graduation, he did not feel that he was ready to start his own business officially. On the advice of a friend, who told him to work at a place that allows him to have a broad perspective



PHOTOGRAPHY: CHING, GREENPLASTICSOLDIERS  
STYLING: JC  
GROOMING: HONG LING  
WARDROBE: HUGO BOSS

of the business world, he decided to join the Trade Development Board, now known as IE Singapore.

It was a job that opened his eyes to see the world. Throughout his short stint there, at least half his time was spent travelling with local enterprises to explore overseas export opportunities. He realised at that time that Singapore companies were not as adept at using intellectual property (IP) and branding as a strategy compared with their Western counterparts.

Mr Lim started to pour himself into research in this field, and eventually pursued a post-graduate degree on branding and IP management. It was then that he resigned from where he was working to start the agency AS Louken, with the vision of supporting enterprises in Asia to become market leaders through branding.

But at that time, the entire premise of brand strategy had not quite taken off yet. He quips: "Sixteen years ago, the concept of branding was very new. And that also made it very tough."

In 2000, starting with four staff and five clients who entrusted their brands to him, the team persevered and eventually amassed a sizeable portfolio of case studies. By 2016, the numbers grew to approximately 92 staff and 1,580 clients. He says: "Word of mouth was the first very important marketing platform that we used to start off. That's how we are able to get new jobs . . . easily 30–40 per cent of our clientele comes from referrals."

In the past, the majority of clients used to be from local enterprises, including SMEs. But as Louken's reputation grew, more multi-national corporations (MNCs) and even overseas brands began to take note. "We went through a period of regional growth, when we started to do a lot of projects in Thailand, Malaysia, Indonesia . . . that made us more interesting as a Singapore agency."

Today, local enterprises and SMEs make up 45 per cent of Louken's client proportion, with the rest comprising MNCs, regional clients and government agencies.

He says: "One award that we are particularly proud of winning is the Enterprise 50 (E50) Award. We are the first brand and communications group to be



PHOTO: YEN MENG JIN

honoured with this prestigious award. It is a testimony of the strength of our relationships with customers."

## DIGITAL GROWTH AND INNOVATION

As the group continued to take strides in the industry over the last few years, its service offerings have likewise grown along with it. It now has the capabilities to offer a holistic suite of services – consultancy and training, brand activation, as well as digital technology.

The group has emerged from five "good years" of digital transformation, Mr Lim says, laying the foundation to make sure that it is ready to capitalise on future growth opportunities in the digital economy.

The organisation is seeing the fruits of its labour slowly come to pass. Currently, digital-related services make up about half of Louken's revenue, compared to just 5 per cent in 2010 when the transformation kicked off. The group forecasts its digital division to hit 80 per cent of total revenue by 2020.

Mr Lim attributes its average compounded average growth rate (CAGR) growth of 28 per cent in the past 15 years to its culture of constant innovation. "We always ask ourselves what else is next in the coming three to five years. In order for us to capture the new wave, we have to cast our vision a lot further."

To do so, Louken co-invested 10 per cent in Ebeltoft Group, an alliance network of consulting businesses across the world which conducts global research and trend studies. Members meet every six months to learn about upcoming trends in a different host country.

It was through this network that the company saw that the digital trend was coming into the Asia-Pacific region, and the group started to look at ways to transform itself.

Initially, Louken depended on organic growth, but

**"INNOVATION WILL STRENGTHEN AN ORGANISATION, GIVE IT COMPETITIVE ADVANTAGE AND MAKE A BRAND GREAT AGAIN."**

– Luke Lim, managing director and founder, Louken Group



PHOTO: YEN MENG JIN

“THE ACCELERATION OF DIGITAL TRANSFORMATION CAN BE QUITE SCARY TO A LOT OF TRADITIONAL BUSINESSES, SO OUR MISSION IS TO HELP THEM THROUGH THE WHOLE PROCESS.”

– Mr Lim

now it is in a mode of inorganic growth. Mr Lim says: “We are partnering with agencies, investing and collaborating with them. We also invest in digital service and social media providers. Doing this accelerates our pace of change and innovation.”

The organisation is also on the lookout for investments in technology companies, especially startups. Mr Lim says that the group is motivated to work with startups as they have energy and can bring a lot of value to the current eco-system.

It is the group’s own experience with transformation that enables it to empathise with traditional SMEs that are slow or reluctant to innovate. Mr Lim observes: “For any traditional player to transform, they have the legacy to overcome. At the same time, they have to hasten the pace. So it’s a fine balance.” He fears that if these businesses do not change, many will become obsolete in the aspect of brand management.

The group runs Louken Academy, its education arm, which is a platform for potential clients to learn about its services and what it can offer them. It also holds seminars and conferences at its office in order to update clients on developments in the branding and digital space.

“We are also hand-holding them through the digital transformation . . . We don’t want them to do big things at the start. We need to help them make small changes first; and when they are comfortable, they will do more.”

He says that among the company’s SME clients, about 50 per cent are in the process of digital transformation. For many of these family-run businesses, the second generation is starting to take over the reins, and they are more receptive to the need for change.

**LOOKING AHEAD**

When asked about his biggest achievement, Mr Lim says that it is grooming the team of leaders who have stayed on and believed in the firm. “I see my leaders and staff as partners – we grow together. As a group, we say we are a brand growth partner. This philosophy transcends to the team as well. We want to grow with our staff through seasons of life.”

He was astonished to realise recently that one of his staff’s daughter just passed her PSLE (Primary School Leaving Examination). He had, in fact, held her as a one-year-old. Mr Lim muses:

“These are touching moments . . . I have seen my staff and their family grow. And I have also grown with them.”

But while the organisation has been fortunate to have many staff who have been with it for a long time, he considers grooming and retaining talent a challenge still.

Another challenge that he is keeping his eye on is the “ominous Uber-isation of the industry” that has been impacting many players aside from them. He explains the term: “Anyone . . . can be their own private consultants. For example, why join ComfortDelgro when you can be your own Uber driver? For us, we are aware and sensitive of these trends.”

Going forward, the group hopes to start a new movement known as Brand Bull Run. It is also the title of a book by Mr Lim, with the intention to use it as a platform to explain why some brands grow faster than others in the midst of disruption.

He says that most people miss the point of innovation. “People always equate innovation to technology alone – that’s not the case. Innovation is a means to an end in creating unique competitive advantage. Innovation will strengthen an organisation, give it competitive advantage and make a brand great again. So technology is an application, not the end point.”

As an organisation that has walked the talk by never resting on its laurels, Louken knows what it is talking about. Mr Lim adds: “We want to constantly transform ourselves, to be the disruptor in our industry. Hopefully, we will always be the forerunner of brand building, both digitally and offline.” ■