

# Growing despite pandemic challenges and global uncertainties

Winners of this year's Enterprise 50 10-year and five-year awards share their thoughts and strategies

### Roundtable participants

- **Vick Aggarwala**, president and chief executive officer of Supreme Components International
- **Vikash Dhanuka**, chief executive officer of Sing Fuels

Moderator: **Venga Subramanian**

SUPREME Components International (SCI) and Sing Fuels (10-year and five-year award winners respectively) – have both made exceptional strides to build their formidable enterprises.

They share with *The Business Times* how they overcame their challenges, and how they are dealing with pandemic-related uncertainties.

**Question: As a multi-year winner of the Enterprise 50 Awards, can you share with us a brief summary of how your company has grown over the years?**

**Vikash Dhanuka:** Our past 10 years have been exceptional. From our beginnings as a small trading operation in Singapore with two people, we have grown to about 60 people.

Starting with some US\$2,000, we have now achieved over US\$600 million in revenue, with businesses in over 350 ports and teams all over the world. This growth has come about as a result of a couple of key strategic imperatives.

First, building a superstar team. We have been able to attract and retain some of the best brains not only from the industry but from far-out industries like finance, tech, sustainability, and others. Building trusted relationships with our suppliers, customers and providing disproportionate value by delivering on our commitments and services were also crucial.

Secondly, working with Singapore government agencies like Enterprise Singapore and the Economic Development Board to springboard our international operations, product breadth, and talent.

Thirdly, diversifying our brand. From being a pure marine fuels trader, we now also invest in technology and emerging alternative energy solutions.

**Vick Aggarwala:** Our journey has been pretty steadfast barring a few hiccups. Starting off as a small enterprise, the focus was more on ensuring the basics were set up and to build a formidable team.

As we continue to grow – globalisation, digitalisation, and expanded product offerings with enhanced engineering capabilities have been the pillars on which the company has been built.

With "speed of thought" being our motto, the management stresses on ensuring that every action is performed promptly so as to provide ease of business to all our customers and suppliers, which is also a quintessential factor differentiating us from our competitors.

With a long-term plan and a talented and energetic team, the SCI group has constantly been able to punch above its weight and continue to serve our 4,500-strong customers globally.

We have also opened new offices across the region and employed experienced personnel who can leverage their well-established, existing networks.

**Question: What were some of the main challenges your company faced and how did you overcome them?**

**Vick Aggarwala:** At the onset, SCI was just another broker for electronic components. So when I took over the company, one of the first things I did was to change the business model to become a franchised distributor.

As a small company with just four employees, it was difficult to convince manufacturers to come on board, as our company did not have a brand reputation to advocate these global manufacturers.

However, by leveraging my extensive network, and gaining customers' support to build a portfolio, SCI started to sign up franchised lines year after year. At present, we have about 130 of them to serve our customers.

During the early days, standardising the quality procedures was a major obstacle. In a market populated with counterfeit parts, the company had to safeguard itself and its customers.

Stringent and focused quality check



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Vick Aggarwala



"While revenue in 2020 dipped, we had very healthy cash flow and this allowed us to double our headcount adequately for increased traction the following year. Our strategy proved successful as we closed 2021 with a 15 per cent revenue increase from 2020."

Vikash Dhanuka

measures were put in place to ensure there were minimal returns or part failures, and we also aligned ourselves with the global ISO standards. We have been ISO 9001:2015 certified now for the last 15 years.

All new suppliers onboarded to our network are closely vetted and qualified after a rigorous quality check procedure and upon my stamp of approval.

All industries and spheres were taken over by the introduction of novel technologies. The electronics industry and supply chain was no exception. Early adoption was the only way to not be left behind the eight ball.

In order to keep up with SCI's aspirations of becoming a leading global company, the company formed a digital tech team with varied skill sets.

Under the visionary tech leadership of Piyush Aggarwala, our director, the team has constantly churned out cutting-edge IT solutions and products to increase productivity and automate mundane processes. This has helped the sales team to better optimise their resources and empowered them to get more done within the same amount of time.

Expanding to other countries and regions was a crucial step for us to becoming global.

However, implementing the company culture in the offices was also critical in ensuring the company's virtues and values were upheld.

To achieve this, we would hire local employees, managers, and temporarily employ them in Singapore and SCI's headquarters.

After this, they will then open an office in their home country and continue to implement SCI's culture while training new employees. The ultimate goal is to have all of SCI's overseas offices function the same way as our corporate headquarters here.

**Vikash Dhanuka:** Operating in a fairly niche industry, attracting the right diverse talent has been one of the main challenges we have had to overcome.

We went from very traditional approaches like recruitment agencies to being fast and nimble with technology-based options and leveraging our existing networks.

**Question: In the war for talent, how do you attract new talent and retain existing staff to ensure you have a competitive team?**

**Vikash Dhanuka:** Sing Fuels' most valuable asset is its people. We have a top-notch talent acquisition strategy with attractive employee benefits. By regularly promoting our ethos, culture and values, we position the company as an employer of choice to attract top talent.

Sing Fuels Leads Academy was recently launched by the company to provide a structured and comprehensive training programme for fresh graduates while nurturing them to be professional bunker traders.

The employee retention policy in Sing Fuels is supported by good internal programmes, including career mobility, up-skilling, recognition, and rewards. It also includes team building sessions and Town Hall events to promote open communication and build trust.

**Vick Aggarwala:** SCI strives to be a fair employer, providing equal opportunities and scope for employees to grow. While salespeople stand to gain commissions for their sales, non-sales staff who work in other functional roles are also incentivised by quarterly management by objectives (MBO)-based pay-offs.

Since SCI is a vital cog in the electronics industry supply chain, the growth of the company is inevitable. As the industry continues to grow as a whole, SCI is well-placed to enjoy the shared benefits that come our way.

Also, being a multiple award-winning Singaporean brand helps a lot. We have been recognised by the Singapore government, by some of Singapore's leading publications and bodies – which goes a long way.

Additionally, international publications like *SourceToday* recognised SCI to be among the best electronic component distributors to be watched out for four consecutive years since 2019. They have also ranked SCI in eighth place in Asia-Pacific's Top 30 Electronic Distributors list for 2022. *The Financial Times* and *Nikkei Asia* have also ranked SCI among Asia-Pacific's Top 500 High Growth companies in 2020

and 2021. These build a brand image where employees know that they are working for a high-intensity, results oriented organisation which is constantly on the verge of over-delivering and pushing our limits.

SCI also ranked twice – in 2020 and 2023 – among the 100 Fastest Growing Companies of Singapore by Statista and *The Straits Times* based on absolute revenue growth for the previous three financial years.

**Question: Do you have any expansion plans either in Singapore or overseas?**

**Vick Aggarwala:** We are always planning for overseas expansion. In our headquarters, owing to the increase in orders and shipments, the office is already bustling and with many new hires in the pipeline, there are plans to expand to a bigger space.

As far as overseas expansion is concerned, the long-term goal is to be physically present in all major continents and Europe – Germany is next in line.

**Vikash Dhanuka:** Our traditional marine business is inherently global even though Singapore is one of the top 10 ports in the world.

Since day one, we knew that our business had to go global, and this plan has enabled us to grow exponentially around the world, with a significant presence in big ports like the UAE and Greece. Coupled with the expansion of our product portfolio, our reach will grow even further as we roll out new plans in developing global sales strategies and establishing operations procedures.

**Question: Coming out of the pandemic, there are now uncertainties related to geopolitical issues, inflation, and rising energy prices. How do you navigate such uncertainties?**

**Vikash Dhanuka:** When Covid-19 hit in early 2020, the oil price plunge brought major negative impacts on the marine and offshore industry. Almost all cruise vessels and most oil rigs and offshore support vessels have been idle since Q2 2020, and

most oil tankers have been used as oil storage units since the oil price crash in April 2020. This has substantially reduced the demand for marine fuels. Coupled with an almost 50 per cent reduction in marine fuel prices from Q1 2020 to Q2 2020, Sing Fuels' revenues decreased year on year.

To ensure the sustainability of the business, Sing Fuels went into preservation mode and adopted a defensive posture of doing less business. We halted trading with new customers and only focused on key existing accounts that we were more familiar with and have more knowledge of how they manage risks.

While revenue in 2020 dipped, we had very healthy cash flow and this allowed us to double our headcount adequately for increased traction the following year. Our strategy proved successful as we closed 2021 with a 15 per cent revenue increase from 2020.

**Vick Aggarwala:** SCI has already faced the consequences of rising geopolitical tensions between a few countries. When the US and China were in a trade war, many customers were impacted in that they could not continue to procure parts from China. However, we were able to easily mitigate this, courtesy of our varied supplier network which spans across multiple continents.

Inflation is a universal problem. But in our industry, most of the price rise is due to demand and supply imbalance. This, in a way, works in our favour, so we tend to go above and beyond to reach out to more customers and provide them with the benefits of our expansive sourcing network. Our specialisation in being able to procure hard-to-find, costly and long lead time parts, in cheaper and shorter lead times, works in our favour.

Also, we have aligned ourselves with second-tier suppliers who offer the same or even better technology in some cases compared to first-tier suppliers. This gives us the advantage of shorter lead times and better prices with one-to-one drop-in replacements of tier-one suppliers.

We move at the "speed of thought" and prefer to work with suppliers, customers, and other stakeholders who also share the same philosophy as us in terms of quick service and fast responses.