Samwoh's road to the top

It has won top spot in the E50 awards for two years running, report **GUAN MEISI, LEE KANG HAO** and **LIM JIA YING**

Mr Koh: *Runs the family-owned business like any well-oiled modern corporation*

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CRUISE down an expressway in Singapore and it is quite likely that you have need to thank Samwoh for your smooth journey. The home-grown company, which received top spot in the Enterprise 50 awards for the second year running in 2010, is one of the leading civil engineering contractors responsible for the maintenance and upgrading of major expressways in Singapore. The group has also been entrusted with the testing of roads throughout Singapore by the Land Transport Authority (LTA), as well as aircraft pavements by the Changi Airport. The group has also been engaged to work on the resurfacing of the runways and taxiways at Changi Airport.

Samwoh is recognised as a one-stop solutions provider in the construction industry. Road maintenance services aside, one of Samwoh's core businesses is in the supply of building materials, such as the supply and lay of asphalt premix and concrete, in which it is a market leader. Samwoh also offers green building materials, such as recycled materials, infrastructure construction and consultancy services, and other specialised products and services, including semi-rigid pavement, decorative concrete systems, anti-skid solutions, blasting services, and many others. After 36 years in operation, the group has a considerable local presence and owns more than 10 plants and over 20 companies in Singapore.

People-centric culture

Samwoh has come a long way from its humble beginnings as a logistics and transportation company started by three lorry drivers in 1975. The group's name, San He, in Mandarin, was adopted in celebration of the easy camaraderie among the three founders. Today, Samwoh's managing director Elvin Koh, whose father was one of the founders, runs the family-owned business like any well-oiled modern corporation. The 1,000-strong group employs some 100 engineers, many of them being civil engineers.

"Our employees are a key asset to the company. We place a strong emphasis on the welfare of our staff, and have set up a recreation committee to organise recreational activities to promote work-life balance and foster team spirit among our staff," said Mr Koh.

Indeed, employee welfare is highly regarded in the group, which hosts an in-house gym and provides enrichment courses for its staff. In 2009, the group was awarded the bizSAFE Star level certification and in 2010, the Safety and Health Award Recognition for Projects (SHARP), a nod to Samwoh's high commitment to worker health and safety. As Mr Koh aptly put it, the long-time workers are "like family".

Through the years, Samwoh has also been actively growing its capabilities and portfolio of offerings through acquisitions. By buying new businesses within the industry, such as Megastone Holdings in 2003 and Tong Seng Concrete Products Trading in 2006, and restructuring them, Samwoh effectively consolidated its position as market leader in existing businesses. Acquisitions also provide Samwoh an easy entry point into new businesses, such as in sea sand supply. Along the vertical supply chain, Samwoh diversified downstream into shipping services by forming Infinite Prosperity, in 2009.

Samwoh also has operations overseas, including in Malaysia, Myanmar and Indonesia, where it owns a granite quarry.

Samwoh is also big on green issues as it is a major green building materials supplier in Singapore. Since 2004, Samwoh has ventured into the research and production of recycled building materials, earning it top honours in numerous awards, such as the inaugural Singapore Outstanding Sustainability Awards (OSA) and the Singapore Environmental Achievement Awards (SEAA) in 2010. "We strongly believe that recycling is the key to achieving sustainable development as it helps to provide a substitute for natural materials and alleviate waste disposal problems," said Mr Koh.

Indeed, he sees a Singapore where stringent environmental standards would be implemented for building materials. The well-travelled Mr Koh noted that some of these standards have been mandatory in the United States, Japan and Europe for years.

To keep up with the latest construction technologies, Samwoh houses its own research and development (R&D) centre. The centre engages in collaborative research with universities and local authorities. A joint study with the Building and Construction Authority (BCA) and the Nanyang Technological University (NTU) in 2005 gave birth to recycled concrete aggregate (RCA), which can be used to replace natural aggregates in concrete. As Ho Nyok Yong, technical director of the company, elaborated: "The collaboration saw good synergies among the industry, tertiary institution and authorities. Since then, we have carried out collaborative research with other institutions including NUS (National University of Singapore), Singapore Polytechnic, Ngee Ann Polytechnic as well as government agencies including BCA, LTA and CAAS (Civil Aviation Authority of Singapore)."

Technological breakthrough

In March last year, the group launched the Samwoh Eco-Green Building (Platinum award, BCA Green Mark certification) the first of its kind in the region which is constructed with concrete containing up to 100 per cent RCA. This represented a breakthrough in construction technology as before that, recycled materials were not allowed in the construction of buildings in Singapore. Extensive research work and laboratory tests had been conducted to ensure the comparable performance of the high percentage RCA, and advanced instrumentation has been installed in the building to monitor its performance.

Incidentally, RCA used in the construction of the Eco-Green building was produced by the green concrete plant also housed on Eco-Green premises. The R&D centre has also engaged in studies with LTA and the National Environment Agency (NEA) since 2007 to explore the use of asphalt waste which may be processed into reclaimed asphalt pavement (RAP) in road construction. To date, RAP has been approved by the LTA for use in asphalt premix. This has promoted the role of RAP from a backfilling material to a high-value material which may substitute natural aggregate and bitumen, and work towards conserving the diminishing pools of these natural resources.

In 2010, Samwoh enjoyed yet another profitable financial year. With its healthy finances and strong cash flow, it is of little surprise that Samwoh has bagged the top E50 award yet again this year.

So, with all this success, what is on the cards for Samwoh? Mr Koh said: "We aim to expand our green business in line with the government's growing acceptance of the use of recycled materials for construction applications."

At the time of the interview, the industrious folks at Samwoh's R&D centre were working on the possibility of recycling other waste materials such as incinerator bottom ash and scrap tyres for construction applications. With more research, we are a step closer to a more sustainable future, a future that Samwoh is working towards, where nothing goes to waste.

The writers are students from NUS Business School