

## **LOCAL SME ENHANCE PRODUCTIVITY, INNOVATE AND INTERNATIONALISE WITH GOVERNMENT'S HELP**

1. To be competitive in the global economy, SMEs need to upgrade their capabilities and transform themselves, providing greater value through technology innovation and business expansion. Minister of State for Trade and Industry Teo Ser Luck visited SC Auto today to learn how government support has helped the company to internationalise, innovate, and increase productivity – all of which have enabled it to sustain its growth in the challenging global climate.
2. SC Auto is a leading bus and coach manufacturer in Singapore, with the capabilities to design, engineer and manufacture specialised vehicles to its customers' specific requirements.
3. During the visit, SC Auto shared their business in Hong Kong and recent expansion into Myanmar. With a limited market in Singapore, SC Auto recognised the need to expand overseas to sustain its growth. The company re-adjusted their business model and started to tap external opportunities more actively. Apart from selling their buses to Myanmar's major fleet operators, SC Auto is also looking to set up an assembly plant in the market, which will allow them to react faster to their clients' needs and grow further.
4. With a track record of producing buses that meet specific needs, SC Auto's clients are willing to pay a premium for their buses. This is made possible through the company's constant investments in R&D, which allowed them to create superior buses with in-house design, and manufacture improved component parts. One example is an automatic self-adjusting air-conditioning bracket which reduces the need for bus operators to regularly tighten the air-conditioning belt in their vehicles, hence saving time and costs.

5. Speaking at the visit, Mr Teo said, "SC Auto is an excellent example of a company that has seized opportunities in Singapore and the region. By tapping on Government support, the company has quickly expanded into Myanmar and made a name for itself in the market through its quality products and services. Its investment in technology innovation has led to increased productivity and higher quality and standards in its products. We urge more companies to learn from SC Auto and transform your business so as to stay competitive."

6. A mindset of constant improvement within SC Auto has led to a variety of productivity initiatives which has led to significant process improvements. Previously, each worker on the shop floor would make an average of two trips to the warehouse daily, spending about an hour collecting various parts required. With the new "push" system in place, the parts required for each day are calculated in advance and "pushed" down to the shop floor automatically, saving a total of almost 150 hours per day. The introduction of a barcode inventory system with handheld scanners has further reduced the time spent on stock taking, on top of the fall in discrepancies of stock from 15% to 0.02% in 2013. The workers are able to spend the time saved on higher value activities such as welding and bus assembly.

7. "The culture of innovation and productivity mindset is strong at SC Auto," said Mr Tan Siow Chua, Founder and Chairman of SC Auto. "We are committed to achieving higher standards with our products through research and innovation. Even in day-to-day work, everyone is encouraged to think of better and more productive ways of doing things. This has proven to be a successful strategy for us, as it is especially critical for SMEs like ourselves to continuously strive to improve to drive business growth."

**MINISTRY OF TRADE & INDUSTRY, SPRING SINGAPORE AND IE SINGAPORE  
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