

Wheels of fortune

SC Auto Industries changes direction to become the largest bus manufacturer in Singapore

by joyce lin

THINGS were very different for SC Auto Industries in 1981. Then, it was a private transport provider with just one single bus to its name.

Fast-forward 20 years and the company not only designs and produces buses, it is also Singapore's largest bus manufacturer.

This year, the company successfully made it to the prestigious Enterprise 50 Awards list for the first time.

SC Auto Industries chalks up the lion's share of the market as a bus manufacturer by providing a multi-dimensional service which includes designing, engineering and manufacturing all its buses.

It also provides one-stop integrated services to customers, such as motor insurance, hire-purchase financing, repair and servicing as well as handling accident claims.

When Mr Tan Siow Chua, SC Auto Industries' founder and chairman, started the company, it was operating out of rented premises of 30,000 sq ft with 28 employees.

The company now owns a five-storey factory with 100,000 sq ft of space and employs 160 people. It has also increased the number of vehicles it manufactures from 50 to 250 a year.

"We grew from a 10 per cent market share to become the major player and most recognised brand for quality coaches and quality services in Singapore," says Mr Tan.

The company was able to do this on the back of its 15 years of transport service experience, which gave it a better understanding of its customers' needs.

In 1998, SC Auto Industries saw a demand for its services in Hong Kong and started exporting buses and coaches there.

"We expand our businesses through joint ventures and strategic alliances which we believe will complement our current and future businesses," says Mr Tan.

To date, the company has sold 150 buses and coaches to Hong Kong, with a client base that includes major transport operators such as the Hong Kong International Airport, Kwoon Chung Group, Trans-island Limousine Service and Sunbus.

One of SC Auto Industries' biggest achievements is its ability to innovate and introduce new designs to

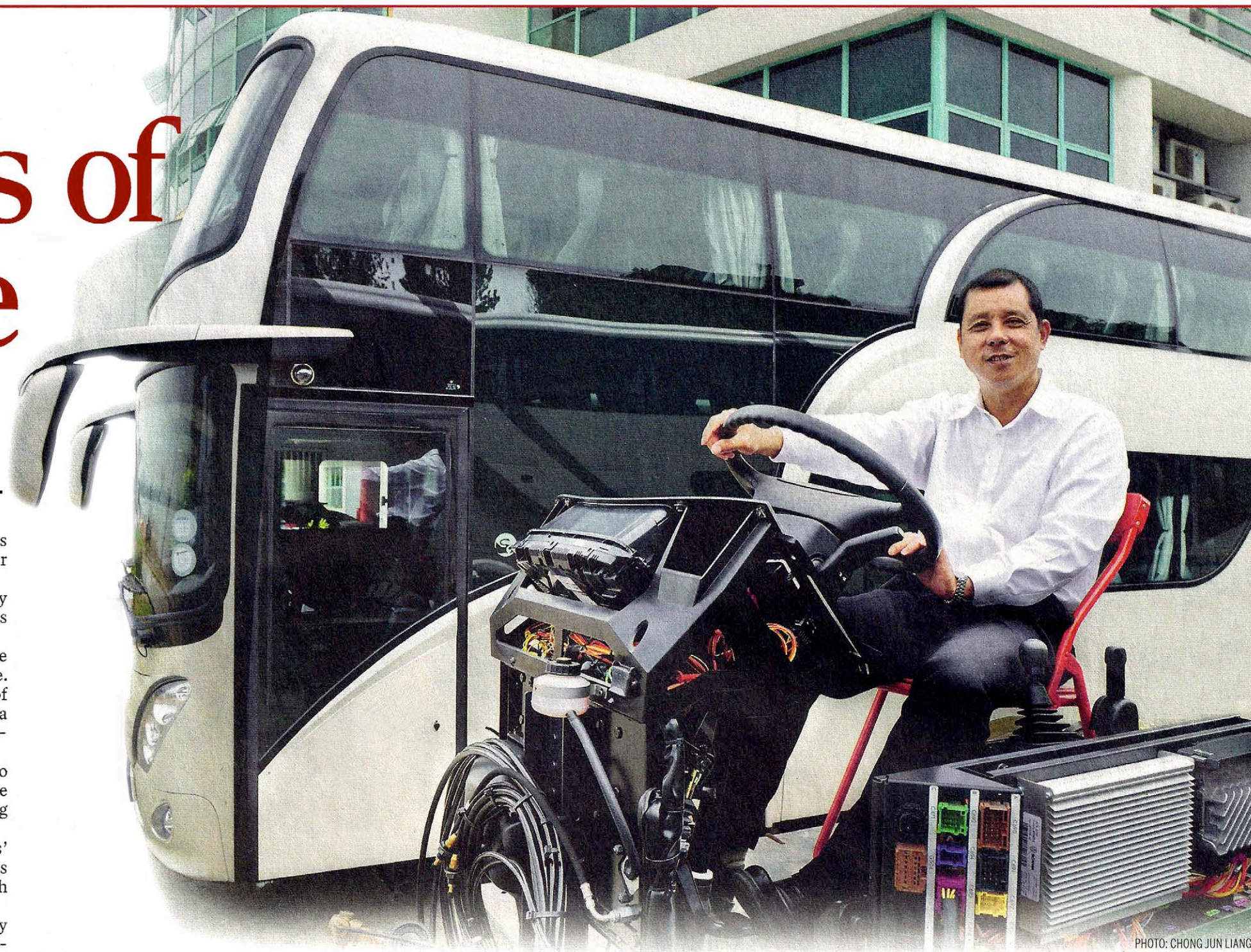


PHOTO: CHONG JUN LIANG

“We reinvented our production process and invested in technology such as robotic welding arms to boost productivity.”

— Mr Tan Siow Chua (above), founder and chairman, SC Auto Industries

the market even before the need exists.

"Our in-depth research has allowed us to create new designs that have gained wide acceptance in the market. We aim to stay at the forefront of our customers' needs with each new design we introduce," says Mr Tan.

As a private enterprise, SC Auto Industries gains an edge by focusing on research and development.

"We believe that continual development and improvement of our products and work processes is key to maintaining a competitive advantage," says Mr Tan.

Its in-house Design, Research and Development

team works closely with customers to design, develop and engineer innovative products. The company has also invested in engineering software such as 3D Auto-Inventor, Solidworks and CAD-CAM.

"We also invested in two CNC metalworking machines costing \$1 million — something typically unheard of in the bus manufacturing industry," adds Mr Tan.

With its strong base of research and development and high-tech equipment, SC Auto Industries was able to pull off its biggest project this year — designing and manufacturing a 63-seater, single-deck bus and an 80-seater double-decker bus.

This was in response to the limited talent pool for bus drivers and the need to cater to the growing number of commuters. The larger buses are able to accommodate more passengers, helping transport operators to reduce operational costs substantially.

SC Auto Industries believes its employees are assets and invests in them by upgrading their skills and knowledge with continuous training.

The training helps engage employees, retains the

needed talent and allows the company to produce quality buses and coaches on time. There is teamwork and camaraderie from the top down, from management to engineers, supervisors and skilled workers.

While one of the challenges for the company was the shortage of skilled workers and restrictions on hiring foreign workers, this was overcome using technology.

Mr Tan says: "We reinvented our production process and invested in technology such as robotic welding arms to boost productivity."

The company has plans for expansion into emerging markets in the region.

Mr Tan says: "We are currently investing in the development of a new product which we expect will change the competition landscape altogether and bring our business to the next phase of growth."

"We have plans to make our brand stronger, especially for our overseas market. Industry players in Singapore and Hong Kong may already know who SC Auto Industries is, but we aim to establish an even greater presence on the global platform."