

Grand Work builds winning formula

Interior design firm, which is aiming for a listing next year, counts on long-term clients with regional presence

BY CHUA HIAN HOU



BIG SCOOP: Mr Chiu started Grand Work as a building firm but soon switched to interior design, furnishing stores for blue-chip commercial clients such as ice-cream parlour Haagen-Dazs, popular restaurant Les Amis, high-fashion label Prada and bookstore chain Kinokuniya.

YES, China is a huge market. Yes, it is growing at an unprecedented rate. And yes, many business and political leaders are encouraging Singapore companies to expand there.

But no, home-grown interior design firm Grand Work Interior will not do business in China.

All the hype has made the Chinese market "too saturated", says the firm's managing director and founder, Mr Jay Chiu, 47.

Today, he says, "there are Taiwanese companies, Hong Kong companies, Western companies, Singapore companies, not to mention Chinese companies, too", all fighting for crumbs of the pie.

Instead, Grand Work will focus on other emerging markets such as India and the Middle East, as well as developed ones like Japan.

These, says Mr Chiu, offer opportunities as good as those in China but with less competition.

Grand Work specialises in furnishing stores for commercial clients such as the popular restaurant Les Amis, high-fashion label Prada, bookstore chain Kinokuniya and ice-cream parlour Haagen-Dazs.

Mr Chiu's journey to winning such blue-chip clients began when he entered the building game as an apprentice.

After two years, he left to start his own company at just age 24 and made a reasonable living building houses and small commercial buildings.

However, he found the length of time each project took to complete frustrating, as it locked up all his company's resources and hindered growth opportunities.

"Every year, I could do only maybe three projects," he said.

As a builder, he worked with many interior designers and soon realised that their work was done in weeks.

So in 1996, he abandoned the building business and embarked on the interior design trade.

He swiftly signed up Kinokuniya as one of Grand Work's first clients. The bookstore chain

employed the company to renovate its Liang Court outlet and set up its Bugis Junction shop.

Grand Work also had the opportunity to set up Kinokuniya's New York and Sydney outlets, as well as about 15 of its stores in Japan.

Going the distance

MR CHIU regards long-term client relationships, like that with Kinokuniya, as the key to his company's success.

Many of his customers, he says, have been with his company for many years because they have come to trust that Grand Work "delivers on our promises".

As many of these clients have regional headquarters in Singapore, they will want someone they know and trust to set up and furnish outlets when they expand into countries such as India or Indonesia, says Mr Chiu.

So who better than the company that did their Singapore outlet for them, he adds.

The home-grown company has four offices in the region – in Malaysia, Thailand, Indonesia and Japan. It also set up a branch in Dubai last year and is looking to launch its India office by this year.

Its Ang Mo Kio office and factory remain Grand Work's base of operations, with 175 staff generating more than 80 per cent of its sales and manufacturing its trademark eco-friendly furniture.

It has about 30 staff in regional offices, mostly handling day-to-day operations.

The company, which picked up an Enterprise 50 award last year for entrepreneurship, made a profit of \$2.1 million last year on revenue of \$24.3 million. This beat 2006's profit of \$1.5 million and trumped the \$410,000 racked up in 2005.

It is looking at a listing on the Singapore Exchange next year to help fund its expansion into India and the Middle East.

A bigger problem than raising capital, says Mr Chiu, is attracting talent to help it grow.

TOO CROWDED

"There're Taiwanese companies, Hong Kong companies, Western companies, Singapore companies, not to mention Chinese companies, too."

MR CHIU, on why he feels the China market may be "too saturated"

Many job seekers, especially younger, educated ones, prefer to work for multinational giants or foreign banks, and turn up their noses at smaller local companies such as Grand Work, he says.

They are under the impression that small and medium-sized enterprises do not have anything to offer yet, he adds.

But Mr Chiu points out that a smaller company is likely to offer training in a wider range of skills compared with larger companies that prefer employees to specialise in certain areas.

And those that prove themselves, he says can expect a fast rise through the ranks.

Mr Chiu's designated successor, for instance, is in her late 20s. And if Grand Work's plans to be listed next year go smoothly, the successor can expect to be a director of a listed company – an achievement few of her peers would be able to boast of, he says.

Starting a successful company has also taught him that there are multiple routes to success.

"I was never very good at studies myself," says Mr Chiu, who entered his apprentice programme after his national service.

Unlike the traditional Chinese parents who might try to push their children into becoming "doctors, lawyers or engineers", Mr Chiu will allow his children – a girl, 12, and a boy, five – to pursue their interests.

One thing remains constant though – a parent's unconditional love.

"Whatever their interests, be it academic or business, I will support them," adds Mr Chiu.