

From the bottom to the very top

Growing out of humble beginnings, Grandwork Interior now does custom interior fittings for luxury retailers, report **THERESIA CUDORI, DANIEL LING** and **CHRIS WENG**

If you have visited the downtown boutiques of designer labels like Prada, Armani or Dolce & Gabbana, chances are you will be well-acquainted with some of the work Jay Chiu does. But Mr Chiu is not a fashion designer. He owns Grandwork Interior, a multiple-award-winning custom interior fittings firm which counts major bookstores and luxury retailers as its loyal customers.

Mr Chiu's success story started out at the very bottom rung of the ladder. After finishing vocational training at the Institute of Technical Education, he learned the ropes working as an apprentice at a construction company. These humble beginnings armed Mr Chiu with skills that were to serve him in good stead: the knowledge and vocational skills it takes to run such a company, and more importantly, a good work ethic. It was not long before entrepreneurial yearnings stirred in Mr Chiu.

In 1984, after a few years' experience, Mr Chiu struck it out with a colleague, setting up a small general contracting company which did everything from laying pipes to renovations. The company was relatively successful, and was soon expanding its job scope to building whole houses and even factories. However, the construction industry slowed down dramatically in 1996 during the Asian financial crisis. Mr Chiu realised he had to do something.

New direction

Turning lemons into lemonade, Mr Chiu took the company in a new direction, focusing on interiors. It was a good fit; the industry in question was related and therefore Grandwork had much of the core competencies required. Grandwork Interior Pte Ltd was formally incorporated that year.

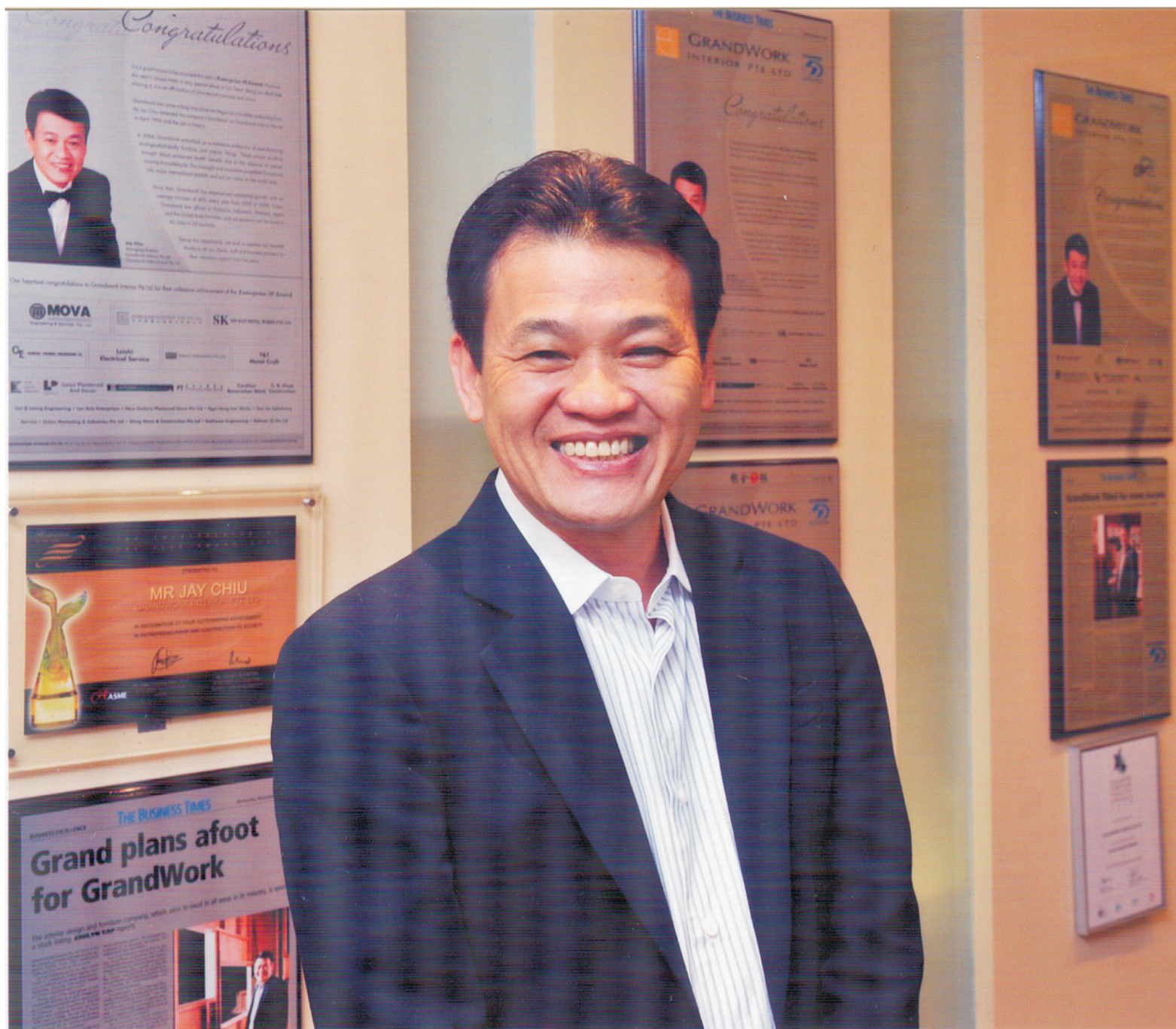
This new direction proved even more lucrative than what Grandwork had been involved in before: construction. Mr Chiu has not looked back since, turning his company into a juggernaut in the local and regional interior industry, bagging many awards in the process. In fact, 2010 marks the fourth year Grandwork has won the coveted Enterprise 50 awards, which recognises local, privately-held companies who have contributed to economic development in Singapore and abroad.

This success is all the more impressive given the industry's challenging nature. While lucrative, the high-end commercial interior fittings business is a demanding environment to operate in. Schedules are incredibly tight as retailers in prime shopping districts face exorbitant rentals and can ill afford downtime for renovations. Worse, these retailers have exacting demands as their brand image hinges not just on the quality of their goods but also the appearance of their stores. Add to this low-cost competition from cheaper regional fabricators and one gets the idea that this success must be the result of some unique factors.

Mr Chiu attributed this success first and foremost to Grandwork's human capital. "Staff are key. We tell our staff when they join that sometimes their job will require them to work around the clock to meet deadlines. Those that choose to stay become part of a dedicated team. It is not uncommon to have them work overnight to finish projects on time."

Grandwork's second key to success has been its focus on quality. It was this emphasis on quality that has won Grandwork an impressive list of long-term corporate clients, some of whom have entrusted Grandwork with their interior fittings needs for over 10 years. Starting with their very first interior client, Haagen Dazs, which Grandwork still does work for, Grandwork has moved on to handling the interiors for other upmarket establishments in a variety of industries, including The Hour Glass, Miu Miu, Helmut Lang and Vertu. Some, like bookstore Kinokuniya, have been so impressed they have got Grandwork to do the interiors for their stores back home in Japan.

Grandwork's business has grown regionally and internationally, its products finding their way to places as far away as Switzerland. Still, Mr Chiu firmly believes in selling the



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"made in Singapore" brand. He believes that the Singapore brand has a unique value proposition: quality at competitive prices. "China may be much cheaper, but their workmanship and reliability cannot compare with Singapore's. At the same time, we are still cheaper than Japan and Australia, where many of the actual shop floor workers are diploma or even degree holders."

Key focus

Couple that with an efficient logistics infrastructure, which is key in this deadline-driven industry, and one can see why Mr Chiu has insisted on keeping Grandwork's manufacturing facilities in Singapore despite cheaper labour available elsewhere in the region.

Mr Chiu is not one to rest on his laurels. While quality remains a key focus for Grandwork, green technologies and sustainable building practices have come to the fore as the world becomes more aware of climate change. In 2006, it attained the Japan Poison Information Centre Formaldehyde-free standard, a move considered ahead of the curve in a region where environmental legislation for building materials still lags behind countries such as the US, the EU and Japan. Urea-formaldehyde is commonly found in adhesives used to make composite wood products such as fibreboard, and is a known carcinogen. Eliminating formaldehyde from its products allowed Grandwork to carry out its project for Kinokuniya in Japan, and puts Grandwork at the forefront of environmentally-sustainable building here.

Like many Singaporean businesses, Grandwork faces the spectre of increased labour

costs this coming year. The government has raised the foreign worker levy, calling on companies to raise productivity to remain competitive. However, Mr Chiu expressed confidence in Grandwork's ability to remain competitive through more judicious applications of his existing manpower, as well as a leaner, more efficient Grandwork.

He also brought up the perennial challenge SMCs face in attracting talent. "The pay is actually attractive, but undergraduates looking for jobs rarely join SMCs. Their first-choice firms are usually the big companies and MNCs." But while SMCs are seen by some as being less glamorous, they can allow more room for personal growth, career progression, flexibility and work-life balance. Many also offer competitive benefits and compensation packages. Mr Chiu pointed out that Grandwork's general manager, Fion Ng, who joined fresh out of NUS with a Bachelor of Science in Building, now manages a team of over 220 staff.

Mr Chiu has also made no secret of his plans to eventually take Grandwork public. In spite of recent pressures from policy changes, the rapidly recovering global market has certainly benefited Grandwork's overseas operations. And strong demand for interior fittings in Singapore due to the IR-induced tourist boom has Mr Chiu confident of keeping IPO ambitions on track. "2012 and 2013 are going to be very exciting for us. If things go as planned, we are confident that we should be able to IPO within the next three years."

The writers are students of NUS Business School



Celebrating Singapore's Enterprising Spirit 2011

This series is part of the Enterprise 50 Educational Project between the E50 partners and the NUS Business School. Grandwork Interior Pte Ltd and Lian Soon Construction Pte Ltd were among the E50 winners in 2010. The annual E50 ranking is co-organised by The Business Times and KPMG, sponsored by OCBC Bank, and supported by Spring Singapore, IE Singapore, Infocomm Development Authority and Singapore Business Federation.

