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In just 25 years, home-grown jeweller Soo Kee has expanded across Singapore and Malaysia and become more than a purveyor of shiny, covetable objects. Its co-founder and chairman Peter Lim, winner of the EY Entrepreneur of the Year Award in the Lifestyle and Retail category, explains how he is positioning the group for the future.

| BY MICHELLE TEO |

Peter Lim talks a mile a minute as he leads his guests through an exhibition set up in the lobby of his new headquarters in Changi, recounting how the family sundry shop has flourished into the diversified corporation it is today.

Lim is chairman of Soo Kee Group, which operates a chain of jewellery stores under the brands Soo Kee, SK Jewellery and Love & Co. The group has also spun off a pawnbroking business, Money-Max Financial Services, which started trading on Catalist in 2013.

More recently, the group launched SK Bullion, a gold and silver dealer that also offers storage and trading services. Soo Kee had an IPO on Catalist last year, netting about \$31.6 million in funds for expansion.

The way Lim tells it, the story of Soo Kee is one of shrewd bets and experiments, and decisions taken with guts that have propelled the company to set up more than 60 stores across Singapore and Malaysia. Its expansion has been premised on the positioning of gold, not as a product on its own, but one with a

story; and more recently, as an investment.

Lim's father ran a sundry shop in Joo Chiat in the early 1960s. In the 1970s, as photo imaging technology began to take off, the store offered photocopying services. In 1986, the little shop added camera film processing under a Fujifilm franchise.

From Fujifilm, Lim recounts, the family picked up important lessons in management and marketing. Fujifilm photographic paper, for instance, showed up skin tone variations very well, and the company played up that strength against its competitors' landscape photography bias. "It's a world-class company. So [we thought], let's benchmark against them," Lim says.

By this time, the family had moved the business to Bedok Central. But while they were doing comfortably well, their neighbours in Joo Chiat seemed to be doing better; a number of them were goldsmiths.

"My father wanted to open a goldsmith shop, but didn't manage to. So, we decided to use his brand, Soo Kee, to do so." Lim, his elder sister, Mary, and younger brother, Daniel, got together to convert the 700 sq ft shop in Bedok Central into a goldsmith's.

"We were the 11th goldsmith in the area. So it was very, very tough," Lim recalls. "The other shops had 50, 60 years of history — in the goldsmith business, it's all about trust. So, we needed to build up the trust [among customers] and it was an uphill task for us."

Building from scratch

When Soo Kee opened its first goldsmith shop at Bedok Central in 1991, it was a grand affair. There were the traditional Chinese dancing lions and the television celebrities of the day, Li Nanxing and Chen Liping, were guests. Director-actor Jack Neo, who started out as a TV host, was the emcee. Lim remembers the day vividly. "I asked [Jack Neo], 'You aren't a star, why are you still charging me \$1,600?'" The celebrities posed for a large group photo alongside Lim and members of his extended family. "It's a team effort to build a business," he says.

In 1995, Soo Kee opened its second store at Century Square, in Tampines Town. Two more stores were soon added, in Jurong Point and Ang Mo Kio Hub, located in the respective major residential town centres.

By the following year, however, Lim felt that he needed to take things up a notch. "We needed to change our shopping environment, our business concept," he says. Most of the goldsmiths in Singapore were concentrating on yellow gold jewellery and many stores had been operating in the same way for decades — intimidating interiors with iron or steel bars above the counters and on top of showcases. "In the past, goldsmiths took the business very seriously. If you weren't going to buy something, you wouldn't even step into the shop," Lim explains.

Soo Kee's stores had open concepts — customers were free to walk around and browse. "We did things differently, and I think it was the right thing to do. There was much better turnover." And significantly, Soo Kee launched a range of white gold jewellery with diamond settings. Lim adds that the group sold its own designs based on what they had learnt about their customers' tastes over the years.

In 1999, Lim decided that the group needed yet another boost. "We were a local brand, and we believed that we should carry an international brand," he explains. Soo Kee then secured the exclusive distributorship rights for the Brilliant Rose™ cut diamonds. These 66-faceted diamonds were created in 1996 by Simon Levi and Avraham Nandar of the Schachter Namdar Asia Group of Companies, headquartered in Hong Kong. "We were the first to bring in the branded diamond concept, and it proved to be a success, too. They transferred their know-how to us, and we learnt how to manage a good brand."

The group continued to increase its outlets. Here, again, Soo Kee was different from its competitors. "They didn't open more stores because they couldn't trust anyone else," Lim says. "They could only have two or three stores; each would be run by a sibling."

Lim was also looking to expand overseas. "I felt that if we wanted to expand our business, we needed to step out of our comfort zone." In 2002, Soo Kee set up shop at KL Sentral in Malaysia and participated in its first international jewellery fair in Surabaya, Indonesia. The idea was to gain access to international customers and suppliers, and for a couple of years, the company functioned as a wholesaler and went to exhibitions in Hong Kong and Abu Dhabi as well.

However, the disadvantage was that Soo Kee's products were being sold under other brands. "We became a factory to supply these other brands. I didn't like this idea at all," Lim says. "They might buy five pieces from you, but then go back and make a hundred copies. Or you become their slave and earn very little [profit]."

"If you don't own your brand, it is difficult to survive. I didn't want to be a factory. I wanted to be a brand owner. This would be our future."

Soo Kee stopped exhibiting after a couple of years. Nevertheless, there was a benefit derived from the fairs. "We gathered a lot of research about customers' tastes across different regions. We also learnt who we could collaborate with in the future."

Then, Lim hit on another idea that would give Soo Kee international exposure. "I thought, if we aren't able to bring our products overseas, how else are we able to reach customers outside Singapore?" Soon, Soo Kee's products were available for purchase on Singapore Airlines' inflight shopping catalogue, KrisShop. "Sure, they'll 'squeeze' you and you won't earn much, but you are on display along with international brands, and it creates awareness about us," Lim says.

Pushing the envelope

A sparkling diamond dances, seemingly unfettered, in the centre of the heart-shaped setting. The ring is part of the The Dancing Star collection, which is cleverly designed to make the tiny oscillating stone appear larger and more luminous than it actually is, in a typical setting. The SK Jewellery collection is yet another Soo Kee innovation aimed at bringing more customers to the brands. In August, SK Jewellery won the Singapore Intellectual Property Office's award for Trade Mark Portfolio, which recognises brands for their success in leveraging their trademark portfolio to grow their business.

Indeed, Lim's efforts — in trying out a variety of angles to keep Soo Kee growing — have certainly paid off. At last year's IPO, the group was valued at more than \$160 million in market capitalisation.



The opening of the first Soo Kee goldsmith shop in 1991 was a grand affair, attended by local celebrities and Lim's extended family

"When you are a newcomer to the business, it's difficult," he says. "But we thought we should just do it — put in effort, and have good designs and customer service." Even at the beginning, the company paid their suppliers a little extra in order to have customised jewellery, which would then help Soo Kee stand out among its competitors. "We knew how to design jewellery, to market ourselves and cater for our customers' demands. Then we slowly built our brand."

The group has also ventured into other businesses. It started the pawnbroking business, MoneyMax, in 2008, just as the global financial crisis hit. Earlier this year, MoneyMax started providing similar pawning, selling and trading-in services for luxury bags and accessories. Some of the outlets have Hermes' coveted Birkins and Prada's Saffiano leather bags. A suite of Louis Vuitton monogrammed luggage is on display at Soo Kee's headquarters.

In July, Soo Kee launched SK Bullion, a platform that allows customers to buy and sell as well as store physical stocks of investment-grade gold and silver. The venture rides on the government's drive for Singapore to become a precious metals trading hub as well as investors' increasing appetite for safe haven assets such as bullion. The group is working on building a precious metals storage vault that will be operated robotically, giving customers total privacy.

Soo Kee has also announced a partnership with Sarine Technologies, which makes hi-tech equipment for the diamond industry such as machines that evaluate, cut, shape, polish, and grade diamonds and other gemstones. Soo Kee's Love & Co stores in Singapore and Malaysia will feature Sarine's digital diamond display equipment to help customers assess the stones better before making a purchase.

For posterity

A landmark year for Singapore was 2015. And, as the nation celebrated 50 years of independence, people were keen to get their hands on collectibles and memorabilia that ranged from commemorative stamps to 999 Pure Gold bars etched with orchids or Singapore's skyline. The gold bars, sold under SK Jewellery, have been quite a hit, Lim says. And they require significant skill to produce: the intricate designs have to be carefully engraved onto the soft, flat bars.

The way Lim sees it, Soo Kee has expanded into related businesses that are able to leverage the group's expertise in gold. And, it seems that Lim has quite the Midas touch: Just about every venture has turned out successfully. Still, there have been detractors. "People have said we are taking too many risks," Lim says. But, he believes it is only right that the company study its options. "Can we afford to fail? If we can, then it's okay to try because we have to step out of our comfort zone; otherwise there is no future."

Today, Daniel is Soo Kee group CEO while Mary is chief operating officer. Lim is also CEO of MoneyMax. Following the IPO last year, the family and their re-



From early on, Soo Kee paid attention to customers' tastes and started selling its own jewellery designs



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lations now hold an 81.75% stake in the group. Lim asserts that the family does not take the business and its interests lightly and that operations are run professionally. Nevertheless, "if we don't do well, it will hurt us the most".

For 1HFY2016 ended June, the group posted revenue growth of 10.6% year on year to \$72.3 million. Earnings for the period fell by 41.5% to \$3.1 million, owing to a rise in the cost of materials, as well as higher finance costs and losses from foreign exchange adjustments.

Whatever the case, Lim is confident that Soo Kee is on the right path to posterity. "Gold doesn't have an expiration date." **E**