Lintec’s concrete plans for the future

On top of its plans to expand overseas, Lintec also believes in constant innovation to stay relevant. It is in the midst of expanding its product range so as to boost further growth. By LAU ZHENG FONG, LUO JIA YI CLARISSA, LOW JIE YING and TAM SHI YING

SINCE its incorporation two decades ago, Lintec Concrete Technologies’ (LCT’s) vision has not wavered. Its CEO Ramamoomathy Sakthivel Murugan, otherwise known as Mr Sakthi, always strives for the company to become a recognised performance leader in the global infrastructure industry, providing solutions to increase accessibility to every place and city.

“We need to constantly adapt, improve, and seek opportunities to expand businesses and enhance solutions for clients,” he says. This has driven LCT to venture beyond Asia, reaching as far as South America by embarking on new media and digital marketing.

In its early years, LCT’s business mainly involved Singapore and its neighboring countries. When the 1997 Asian Financial Crisis struck, the company seized the opportunity to diversify geographically to reduce its vulnerability to business cycle fluctuations.

This saw LCT expanding into Sri Lanka, Vietnam, Cambodia and Bangladesh, which were emerging economies with less protective regulations. By recalibrating its focus beyond the local shores, it has progressed with minimal refinancing and stable dividends.

European quality at Asian prices

The firm distinguishes itself from competitors through providing European technology at Asian prices. LCT’s products are backed by an R&D facility in Backnang, Germany, which promotes cutting-edge technologies and strict quality control.

At the same time, LCT remains committed to its Asian pricing strategy, manufacturing cost savings to customers. This is achieved by obtaining supplies at low cost from Asian manufacturing plants, importing only critical parts from Europe.

Providing customers the best service

Mr Sakthi attributes LCT’s success to a combination of factors - being customer-oriented, maintaining strong relationships with stakeholders, embracing innovation and creativity, and adopting a sustainable business model. This personal approach to running the business puts him on a hectic schedule, in which companies travelling frequently to ensure smooth business operations. Mr Sakthi compares this to a popular mobile game: “The industry works like a game of Temple Run, you just have to keep running.”

Mr Sakthi believes that providing the best for customers will earn their loyalty. Sales representatives are trained to provide professional advice. The Tote Diagnostic Model enables LCT engineers to conduct initial diagnostics of plants without being physically present, increasing the efficiency of its troubleshooting process.

With constant innovation and strong customer relations, LCT’s track record comprises numerous repeatable projects. This includes supplying its M2 Horizontal Plants for the Reinf Solid Waste Recycling Plant in Singapore, which was dubbed as the largest refinery plant in Southeast Asia. Its newest product line, ECOTEC, boasts of recent processes that eliminate the need for foundation. Coupling portable concrete plants with an in-house management software, the costs of setting up and tracking information are greatly reduced.

Help from Enterprise Singapore

Despite being a big market player, LCT is not immune to competition. Pricing pressures, coupled with rising costs, pose challenges for LCT to maintain quality services within a narrow margin.

Mr Sakthi explains the importance for LCT to diversify its suppliers to overcome this challenge. “By sourcing from various countries, we are able to moderate our prices in case of currency fluctuations or major price changes by any supplier.”

In an effort to establish more extensive connections with suppliers, LCT maintains close communication with government agency Enterprise Singapore, which has provided the firm with assistance in identifying local distributors in new markets and financial support such as the Market Readiness Assistance Grant to enable LCT’s participation in overseas trade shows. It has also allowed LCT to successfully diversify its suppliers.

In response to growing concerns on environmental sustainability, LCT incorporated green technology in its plant designs. A testament to its commitment, LCT opted to use energy efficient electrical motors in its plants despite the higher price tag. This reduces energy usage, which translates to lower running costs for customers. To eliminate the undesirable by-products of plant operations, air bag systems are also installed to prevent the release of pollutants into the environment.

2017 milestone

2017 proved to be a breakthrough year for LCT, as it clinched its first Enterprise 50 award. The win was a significant milestone for the company that has successfully established itself as a trusted business partner for projects of all sizes.

In an effort to expand its operations abroad, LCT also believes in constant innovation to further growth. To further differentiate itself from its competitors and stay relevant, LCT is in the midst of expanding its product range.

When evaluating the factors leading to the feasibility of its expansion plans, Mr Sakthivel believes that his cohesive team contributes largely to its success. With its in-house engineering team, LCT is indeed able to go the extra mile for customers to resolve their problems.

In a bid to provide a holistic solution for customers, LCT maintains close connections with its sister company and the Lintec & Linsfeld holdings. The group, which owns multiple factories in China and design departments in Germany, Italy, and Singapore, enables LCT to leverage available resources to map economies of scale.

In the future, LCT intends to list the company on the Singapore Exchange. It is far from being complacent despite its achievements. “Improvement is an ongoing process,” Mr Sakthivel notes. “These achievements serve as checkpoints along LCT’s path to greater success.”

If the writers are students at NUS Business School.