

Traditional values melded into modern tableware

By WANG XIN MIN

IF YOU find yourself dining in the Shangri-La Hotels & Resorts, the Las Vegas Sands, Four Seasons Hotels & Resorts, the Ritz-Carlton or any such high-end hotel or restaurant and turn over the tableware, chances are you will find the name Luzerne etched on the back. The homegrown, family-owned global tableware company has offices here and in China and London, an 800-strong staff and 30 distributors worldwide.

Twenty million pieces of tableware roll off its assembly lines each year. Its annual turnover is US\$30 million. In the last three years, its sales turnover has grown at a double-digit rate each year.

Luzerne now has a managing director in Peter Lek, whose father founded the company in 1947. Back then, the company imported quality tableware from Europe and Japan and redistributed it in Asia. But with high labour costs shutting down the factories supplying such wares, Luzerne took to setting up its own factory in China, riding on the availability of raw materials and expertise in the region.

Since then, it has engaged in original equipment manufacturing (OEM) for large brands, as well as developed china under its own name. Its OEM operations now make up half its business, but Luzerne is shifting its focus towards developing and marketing its own brand. Eventually, this will make up 60-70 per cent of the business.

Mr Lek says: "We could be making the best-quality products, but no one would know they're by Luzerne. Now, as more hoteliers know about us and associate us with good-quality products, it's better to control our own destiny, rather than ride along with the big OEM brands."

Luzerne has taken a step towards pushing its own name out more aggressively by launching its Luzerne New Bone collection, which marries Japanese technology with Chinese artisan craftsmanship to produce a more environment-friendly and durable alternative to traditional bone china. Unlike bone china, Luzerne New Bone contains no animal bone ash, and is the first in the world to be accredited with halal certification. It is more durable than traditional bone china too, and is able to last up to 5,000 wash cycles or five years. Bone china lasts up to 1,000 wash cycles.

The durability of Luzerne New Bone comes from its being made by a high-temperature glaze, unlike traditional bone china's low-temperature glaze. Luzerne New Bone thus withstands the extreme temperatures in microwaves or ovens better, which is important to the hotels and restaurants in Luzerne's customer base.

Mr Lek says that many competitors focus on churning out volume, but not on quality. Cheaper tableware tends to absorb water and expand, making them less durable. He adds that Luzerne is confident enough in its product to stamp the date of manufacture on the back of each piece it makes – an industry first.

His niece, Elaine, who heads Luzerne's global brand team, says: "We are not a mass-product brand. We produce a high-quality product, so it's not so much the quantity but the quality of our wares and who we sell to that's important to us."

Growing brand presence

Customer relationship for Luzerne takes the form of customising the colour and design of its tableware for hotels and restaurants. Its compact Japanese-organised factory does this customising, undertaking jobs of all sizes.

Luzerne has conceptualised 13 unique collections, themed according to various dining experiences. These range from its Oriental collection, which includes traditional Chinese soup spoons and bowls, to its flexible Gastro collection, which can be used to serve up a range of cuisines.

To develop brand presence, Luzerne is engaging in domestic and international partnerships and sponsorships to shift its focus from contract manufacturing towards developing its private brand, and to build the brand's profile globally. Domestically, it has worked with the Singapore Turf Club to host the Luzerne Cup, a racing event which showed off Luzerne's manufacturing competencies in tableware and the trophies as well.

Luzerne has also inked partnerships with the National Heritage Board and the Singapore Arts Museum to manufacture everyday art objects and collectibles that showcase Luzerne's craftsmanship. On the international front, the company is now a sponsor for the World Gourmet Summit, the annual international gastronomic event held here. It has also worked with international wine brokerage Fred Tibbitts & Associates to tap a network of hospitality leaders from the Asia-Pacific to New York.

Ms Lek says that five core values – the five Rs – underpin the company's caring for the community and its commitment to environmentally sound manufacturing: Reduce, Re-use, Renew, Recycle, and Respect. Some people may question the viability of businesses in the hands of the third generation, but both Mr Lek and Ms Lek say that success is possible if all parties respect one another.

He says: "A lot of people believe it's impossible to continue a business into the third generation, but that depends on building harmonious relationships, teamwork and understanding. We hope the third generation respects its responsibilities and works as a team. Once you divide the team, you tend to have competition within the family, and that's harmful for the journey."

Ms Lek agrees, saying that the third generation in the business respects the experience chalked up by the second, while bringing to the table fresh ideas. "But we always bear in mind what the second generation has gone through, so we learn from their mistakes and make ideas even better. That's how we can bring the business to the next level – a good mix of the old and the new for the future."

'It's not so much the quantity but the quality of our wares and who we sell to that's important to us.'

– Elaine Lek (with her uncle, managing director Peter Lek)



PHOTO: ARTHUR LEE



Overcome the Crunch

Bring out the best in every worker with the right training

To overcome the labour crunch, Metro has always looked for ways to bring out the best in every worker. Aside from job enlargement schemes and incentive packages, Metro invests judiciously in staff training. Metro's Approved Training Organisation (ATO) status has enabled it to capitalise on Singapore Workforce Development Agency's (WDA) initiatives to upskill its workforce.

Mr Edward Tan says, "We've found that after employees attend training, they are better at multi-tasking. They are also more positive and ready for added responsibility and deployment to other roles. And we are pleased to see results in terms of increased sales dollar per transaction."

To expedite the training of its staff and to ensure quality of training, Metro adopted the Singapore Workforce Skills Qualifications (WSQ) programmes, which are delivered by in-house trainers and supplemented by external training providers.

With in-house training, Metro is able to develop the skill sets of the staff quickly, as well as build up their in-house capabilities to train and coach. The training programme works for the company as it is cost effective and directly addresses organisational needs.

With over 40 years of experience operating department stores in Singapore, Isetan has developed strategies to keep its manpower stable. Now the challenge is to operate more stores with fewer people. All their systems and processes are being reviewed with this objective in mind.

Isetan's in-company training was kick-started with the help of its parent company in Japan. Its training system is built upon in-house experts training in-house staff.

Mr Gerard Cheng says, "When WSQ came along, we found that it complemented our in-company training very well, and the modules address current and relevant issues. They are presented in bite sizes and tailored for those more comfortable with hands-on practice. Over the years, Isetan has seen benefits in terms of better productivity, improved staff morale and staff retention with training."

He added that the company has seen productivity increase by default as it is operating with a lower headcount. However, Isetan ensures that it continues to build desired relationships with customers with better service and products. Isetan invests in training because the cost of not training can be significantly high. Most of its training programmes are targeted at entry-level staff and supervisors who lead teams.



Edward Tan
Director Operations/
Human Resources &
Administration,
Metro Paragon

Chew Lee Keow
Sales Coordinator,
Metro Paragon



"Now when new stocks arrive, I'm more confident about displaying the merchandise on the mannequin by myself. In the past, I would get my supervisor's help. I feel good when the display looks beautiful and attractive!"

Chew Lee Keow,
Sales Coordinator,
Metro Paragon



Lynn Tay
Supervisor,
Isetan Scotts

Gerard Cheng
Director Human Resource,
Sales & Merchandising
Support, Subsidiary,
Isetan Foundation



"The WSQ training has truly helped me and my colleagues to upgrade our skills."

Lynn Tay,
Supervisor,
Isetan Scotts

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