

PAST PERFECT

MAPPING THE FUTURE
SUCCESS OF A FAMILY
BUSINESS OFTENTIMES
REQUIRES GLEANING
WISDOM FROM THE PAST
AND STAYING TRUE
TO ONE'S ROOTS.

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YA KUN ORIGINS
A mere 15-year-old when he arrived in Singapore in 1926, Ya Kun founder Loi Ah Koon picked up the skills of brewing traditional coffee and tea, and toasting kaya bread over a charcoal grill, while working as a coffee boy.

There's one simple ingredient in Ya Kun's simple fare of kaya toast and soft-boiled eggs, with traditionally brewed coffee or tea, that executive chairman Adrin Loi does not mind sharing. And that's meticulousness.

This was a trait his father demonstrated from day one of Ya Kun's humble beginnings. In 1926, his father, Loi Ah Koon, a 15-year-old immigrant from Hainan Island, set foot on Singapore soil. In 1944, he started selling the famous slices of

kaya toast in Telok Ayer Basin along Shenton Way.

Growing up, the younger Loi recalls helping his father at the stall. "I managed the toast with my brother and sister to make sure it was crispy and good, while another elder brother took charge of brewing the coffee and preparing the eggs," he says. "I observed how my dad meticulously prepared the toasted bread and beverages to maintain the consistent quality of our products."

Over the years, Ya Kun, now a regional chain, still serves the slices of old favourites to exacting standards, albeit in a modern cafe. "Today, many Singaporeans from all walks of life patronise Ya Kun to savour a good traditional brew or kaya toast to relive the old years."

For many family businesses like Ya Kun, Metro, Cathay Cineplexes and Eu Yan Sang, ensuring that simple traditions and family values are passed on from one generation





FIRST SHOP
In 1944, Loi Ah Koon (above) started his stall in Telok Ayer Basin along Shenton Way, which eventually became Ya Kun. The company, now led by Loi's youngest son, Adrin, now has more than 80 outlets in eight territories including China, Myanmar and South Korea.

to the next is often as important as other pivotal matters such as smooth succession, the grooming of staff and managing cash flow.

Over time, being mindful of one's roots and staying true to family values inevitably become valuable assets in these businesses.

NOSTALGIA SELLS

That's because nostalgia is a coveted commodity these days, says associate professor Annie Koh, who is the academic director of Business Families Institute at Singapore Management University.

"I believe that in our fast-changing world, nostalgia will not only sell, but will also keep us sane. Ultimately, everyone wants to have a point of reference, an anchor, and something that gives comfort. So nostalgia is definitely in.

"We always talk about comfort food when we are on the road, and most of the brands that evoke nostalgia are derived from family businesses." She points out that "Bata, which resonates with so many school-going children (till this day), is a family business".

She added: "Recently, we took a group of business families on a learning journey to Myanmar and, lo and behold, while in a busy shopping area in Yangon, we saw a Ya Kun store. It was like a no-brainer; most folks decided not to bother with shopping. We told the tour guide to stop the bus, and we all alighted for kaya bread and kopi-si or teh-si.

"So, heritage brands like Polar (into its 87th year) or CYC or Crocodile or Cathay cinema – they are all family brands, and they link and bind many generations.

"Therefore, we need as many business families to succeed as possible, because then we will have something in common to share with our next generation and the generation before us, as consumers of such products and services."

EMOTIONAL BOND

For many Singaporeans above 30, memories of some of the island state's

most enduring family businesses will no doubt include buying kacang puteh before a movie at the landmark Cathay Cinema building off Orchard Road, or carrying red Metro laminated-paper shopping bags that had the faces of four kids from different races with the words “Metro is Singapore”.

For Eu Yan Sang, keeping the memories alive has meant keeping its flagship store in South Bridge Road, built in 1910, intact. The global health-care and wellness company with a strong foundation in traditional Chinese medicine was founded in 1879.

Today, one can walk into the very same store where older generations of Singaporeans used to frequent to pick up various Chinese herbs and medicine.

“Nostalgia implies positive emotions towards the business or the brand. Over time, the brand must have built up an emotional bond with its customers that went beyond a transactional value,” says chief executive Richard Eu, a fourth-generation member of the family.

“Sometimes, people remember a specific landmark, or it could be a taste, a smell or some (other) association with childhood,” he notes. “So, the lesson is that what we do today has to have a positive emotional impact for people to remember us in a good light, in years to come.”

LESSONS LEARNT

It would also seem then that family brands, regardless of their products and services, are in the business of keeping memories alive. In this

regard, Prof Koh says that the art of storytelling should not be underestimated.

“Enduring business families have members who can always quote stories of how it all began – the stories that lead to a common thread binding the family members together,” she says. “Stories about how the forefathers endured the war, or had to grow tapioca or breed chickens to ensure that every one was fed.”

She highlights three other key traits of such successful businesses.

First, family cohesiveness. “Resilient business families put family relationships first. They would rather be able to sit down and continue to have meals and gatherings with one another and business is secondary.”

STRONG MEDICINE

Eu Yan Sang was founded in 1879 by Chinese immigrant Eu Kong. Despite having expanded to Malaysia, Hong Kong, Macau and China, the company hangs onto its flagship store in Singapore, built in South Bridge Road in 1910. It’s now helmed by fourth-generation family member Richard Eu (below, far left), pictured with his parents and siblings.



PHOTOS EU YAN SANG INTERNATIONAL

Second, ownership mentality. This means that “the members may not all be working in the business, but they are conscious that they carry the name”.

Third: Family values will dictate business values. Hence, even as family businesses expand, in terms of revenue and geography, they do not shed the past completely. In fact, the successful ones treasure it. “We learnt from our ancestors that we have to earn the trust of our customers and this is something we pass on to future generations,” says Eu.

In the case of Ya Kun, Loi’s remembrance of his father’s meticulousness, while making the famous kaya toast, has been instrumental in transforming Ya Kun into an enduring brand. ☺



WE ARE FAMILY

Here’s a look at some of Singapore’s favourite family businesses that have endured decades and given us lasting memories of our childhood.



POLAR PUFFS & CAKES

SINCE 1926
Polar Cafe at 51 High Street was a dream realised for founder Chan Hinky, who arrived in Singapore with only 90 cents in his pocket. Before World War II, the cafe was often frequented by expatriates and rich merchants. In 1986, the Government acquired the location to build a new Parliament House.

TODAY The relatively low-profile Chan family has moved from the cafe concept to selling its popular curry puffs and cream cakes at over 30 takeaway outlets.



METRO HOLDINGS SINCE 1957

Metro started out in a two-storey shophouse in High Street. Over the years, it flourished under the astute leadership of founder Ong Tjoe Kim, who was born in Fujian, China, but moved to Indonesia in his teens, and then to Singapore. Metro was very popular with Indonesian housewives. The group brought in American brands such as Toys “R” Us, Esprit and K-Mart. Not all its ventures proved to be successful, yet the company has endured the seasons.

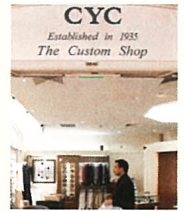
TODAY Headed by Jopie Ong, the founder’s son, the group has branched out to property, construction and hotels. It has three department stores here, comprising its flagship store at Paragon and two suburban outlets. Metro also has a retail presence in China, Indonesia and Malaysia.



C. K. TANG SINCE 1958

Founder Tang Choon Keng, nicknamed “Tin-trunk Man”, arrived in Singapore in 1923 from Swatow, China. Then in his early 20s, he went door-to-door carrying his trunk to sell handmade lace and embroidery. In 1958, he bought a plot of land in Orchard Road, despite it facing a cemetery, because the location was good. That plot of land at the junction of Scotts and Orchard roads is still the location of its flagship store.

TODAY Tang’s second son, Wee Sung, heads the business. The family business has had its fair share of ups and downs, yet it has stayed relevant. Last year, the company announced a \$45-million, three-year plan to overhaul its flagship store.



CYC THE CUSTOM SHOP SINCE 1935

Originally from Shanghai, founder Chiang Yick Ching moved to Singapore, Guangdong, in the 1930s to seek his fortune. He later moved to Singapore, where he established CYC Shanghai Shirt Co. Being the first on the island to offer custom-made shirts, Chiang’s business was brisk and he soon offered off-the-rack garments. By the 1960s, his customer base had expanded to Indonesia and Malaysia. The company went on to open six branches and a factory in MacPherson capable of producing up to 20,000 pieces a month.

TODAY After struggling in the late 1980s and 1990s, the company has bounced back. In the mid-1990s, Chiang’s granddaughter, Fong Loo Fern, took over the reins and refocused the business on custom-made shirts. Today, it has a customer base of 16,000.