

EMERGING ENTERPRISE

Providing a full customer experience

With an impressive customer retention rate of almost 95%, Stolz Engineering appears to have hit upon a winning formula, reports **WONG SU-JIN**

JUST three years ago, Mark Tan struck out on his own to found Stolz Engineering – an audacious venture which last year netted a revenue of \$15 million. Within that short time, the cooling towers specialist has captured an estimated 35 per cent of the industrial market and 20 per cent of the commercial market.

Aside from being short-listed as a finalist for the Emerging Enterprise Award 2011, Stolz has already garnered multiple accolades, including the Singapore Prestige Brand Award for Promising Brand and Entrepreneur of the Year Award. It has also since diversified into Stolz Holdings, Stolz Tradings, and Stolz Logistics & Transportation.

The towering success can be attributed to "vision, experience, and discipline", says Mr Tan, managing director of Stolz Engineering.

After graduating from Nanyang Technological University (NTU) with a degree in mechanical engineering, specialising in thermodynamics, Mr Tan worked in different capacities for a series of multinationals, as well as completing a short stint at his father's firm.

"I took eight years to go through all those different roles – design, project, sales, management – before starting on my own. These roles I took very conscientiously because I believe that if you fail to plan, you plan to fail," says Mr Tan of the experience, which gave him a "firm foundation" to draw upon later.

Due to differences between him and his father on how to run the company, Mr Tan decided to start his own company specialising in cooling processes for the industrial sector, while his father specialised in the commercial side.

"Commercial and industrial cooling have very different consequences and expectations... if the cooling breaks down in an industrial plant, you're talking thousands of dollars per hour in lost productivity," he explains.

Because the demands on industrial cooling processes are substantially higher, clients are reluctant to skimp, instead opting for "more reliable, robust equipment". To meet customer's needs, Stolz car-



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ries heavy-duty, reputable brands such as Belimo and Armstrong.

"If you sell a branded good, you should live up to the brand's name. Our after-sales services complement the premium brands that we carry," says Mr Tan, who places great emphasis on providing the "full customer experience".

Counting industry leaders such as Pfizer, ExxonMobil, and Intel among its clients, Stolz also caters to district cooling of large-scale commercial areas such as Raffles City and Gardens by the Bay.

"We need to understand their needs, be cost effective, and provide timely solutions," says Mr Tan, fondly recounting an incident where a rubber chemical plant was fixed within 36 hours of the breakdown.

"Because of our clientele, we're able to keep spare parts on hand. This allows us a very quick turnaround time, coupled with our team which is available 24/7," he says.

With an impressive customer retention rate of almost 95 per cent, Stolz appears to have hit upon a winning formula.

In order to keep ahead of their competitors, Stolz "works closely with the government, universities,

and Institute of Engineers Singapore (IES)" to keep abreast of the latest innovations in cooling, such as the use of liquid desiccant in air conditioning.

Not only has the firm conducted two IES-accredited seminars on sustainability, Mr Tan also serves as chairman of facilities management of IES' Engineering Technical Committee.

Of course, Stolz is also quick to credit its "meteoric rise" to its devoted staff of 40, which has swelled from the original headcount of seven. "Just like Singapore, the value of the company lies in the value of the people," says Mr Tan.

Although many fresh graduates in Singapore prefer to work for

MNCs rather than local SMEs, Mr Tan believes that a "healthy company culture helps to attract talent and prevent talent drain".

To this end, he vigorously promotes team-building and leadership activities among his staff to boost productivity and loyalty, a practice gleaned from the MNCs he was exposed to.

Stolz is also one of the few SMEs to practise corporate social responsibility (CSR), undertaking projects such as fundraising for the President's Challenge F1 Charity Lunch in 2009 and a newspaper collection drive in 2011.

Aside from providing the complete consumer experience, Stolz is also committed to creating the "staff experience", sponsoring bi-monthly bonding retreats ranging from movie nights to the charter of a catamaran. "If it was my father's company, this would never happen," he laughs. "There would be no budget for it!"

Having found success in Singapore, Stolz now looks to expand into Vietnam and China, where he foresees a demand for "value-added services". The company has already set up an office in West Malaysia.

Stolz is also currently heading in the direction of an initial public offering, although the firm will not necessarily list on the exchange. Achieving the stringent requirements to be listed is a "good direction", one which will help drive the company to further success.

Despite the company's breakneck pace of success, Mr Tan remains appreciative of the people who helped to make it happen.

"Sometimes on the weekends, I'll buy some coffee down to the site for the workers who work overtime to get the project done on schedule. You have to show them you care."

This is the last of a series of features on the 15 finalists of the Emerging Enterprise 2011 Awards. Jointly presented by The Business Times and OCBC Bank, EE 2011 recognises promising enterprises which are up to 10 years old and have an annual turnover of \$10 million or less. It is supported by RSM Chio Lim, Spring Singapore, NUS Extension, SingTel, and Acom Marketing & Research. The winners will be unveiled at a gala dinner on June 23.

