



**Mlion Corporation:
Sell Innovative Solutions, Not Products**

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Within a short period of 10 years, Mlion has grown from a start-up to a major steel solutions provider in Southeast Asia with operations in the Philippines, Taiwan, Malaysia, Indonesia, Thailand, and Timor-Leste, aside from its home market, Singapore. Mlion today derives 90% of its sales from its overseas markets.

In 2020, Mlion achieved a sales revenue of USD67 million. This was more than double of what the company achieved a mere four years ago in 2016 (USD23.4 million) and more than thirty times higher than its revenue from its start-up year in 2011 (USD2 million). Despite the ongoing COVID-19 disruptions, Mlion expects to close its 2021 sales in the region of USD104 million, which will be the company's best performing year yet.

Mlion's Co-Founder, Eric Leong, was awarded the 'EY Entrepreneur Of The Year™' - Industrial Solutions 2020, which recognises and celebrates ambitions that deliver innovation, growth and prosperity. *Importantly, they have shown strong business acumen and clear strategic vision, which has enabled their businesses to not only make a mark locally but overseas as well.* Mr. Png Cheong Boon¹ remarked.

In addition, Mlion was one of the Financial Times Asia-Pacific High Growth Companies 2021, a curated list of 500 businesses in the Asia-Pacific region that have achieved the highest compound annual growth in revenue between 2016 and 2019.

"I've always been interested in business from a young age. I started my first business distributing bicycles. I noticed that BMX bicycles had only one main importer at that time, I decided to import, distribute more brands to provide competition.

I started Mlion Corporation because I saw a market niche. I had a different perspective from my former employer, hence I decided to pursue my vision. I pitched the idea of setting up a new business to my partners, and the rest is history."

--- Eric Leong, Chairman and CEO, Mlion Corporation.

¹ CEO of Enterprise Singapore and Chairman of the EY Entrepreneur Of The Year™ 2020 judging panel.

Feature No. 9 of the SBF Company Case Study Series looks at how this Singapore steel supplier and solutions provider successfully created its market niche and navigated through multiple challenges to evolve into a regional player in just 10 years.

Credo: ‘Building Trust with Customer Obsession’

Eric’s credo has always been ‘Building Trust with Customer Obsession.’ It is this belief that made a difference to his business.

“Trust takes a long time to build but can be broken in a second. Through the years, what made Mlion different from many companies is our belief to always put the customer first in every decision we make.

This customer obsession has helped us retain our customer base and many of them approach us because of our ability to provide solutions to solve challenging problems. When we promise a customer that we will deliver, we will do everything it takes to ensure it happens.” Eric recalled.

Always ready to meet

Eric is always ready to hit the road and go the extra mile. During his start-up days, a potential client from the Philippines called him one afternoon just before the end of the business day and requested to meet him in person. Eric promised the client that he would be in his office first thing in the morning. He immediately booked a plane ticket, travelled overnight and turned up at the client’s office as agreed.

Action speaks louder than words. This first handshake created trust and rapport.

It laid the foundation for a bigger prospect. The relationship eventually transformed from that of a supplier-client to a business partnership and a major profit centre for Mlion.

Eric stressed that demonstrating commitment at all times is the key to a successful business.

Sell solutions, forget the products

Mlion’s corporate motto is ‘**Innovative Solutions Redefined**’. In contrast to many in its industry who define their businesses by products e.g. steel supplier of sorts, Mlion sees its business as the provider of innovative solutions. This approach has proven to be very

successful amongst Mlion's growing client base, bringing suppliers and buyers together, in a mutually beneficial win-win relationship.

Mlion unlocked the value of its supply chain by working closely with factories for exclusive products. This gave Mlion the capability to supply tailored solutions, knowing that their suppliers were behind them, supporting Mlion to win contracts.

On client engagement, Eric sells client-centric solutions, instead of products.

"We don't work like a 'supermarket' whereby a customer walks in, asks for the best price. Mlion figures out what the client is going to build, say a port, and hence the expected lifespan of the steel required, e.g. 30 or 50 years. Furthermore, Mlion figures out the depth of the soil, the soil profile at the client's construction site, as well as many other factors. Mlion formulates the best possible solution based on their customer's priority, which could be price, turnaround time or ease of installation, etc." Eric said.

Be bold, challenge the norms

"The road less travelled is the pathway to building your business, this is where you find your customers," Eric remarked.

Mlion was approached by the owners of a hydroelectric power plant with the challenging task of rolling steel pipes with no electricity supply in the remote mountainous region of the Philippines. It seemed like an impossible task as pipes were traditionally rolled in factories in the city with stable grid power.

Mlion took on the challenge. Being a materials supplier, Mlion had little experience or machinery know-how. The team learned from scratch, devoted two years to research on how best to get all the moving parts to work together. Eventually, Mlion turned the project into reality. The company redefined the industry, extended its business from being a materials supplier to becoming a turn-key solutions provider.

A good website means serious business

A company's website is often the first exposure to many potential customers, especially for overseas clients. Even if the business is run primarily offline, digital/online presence remains a powerful marketing tool.

As a construction material provider, products showcased on the website say a lot about what the company is and can provide. The ability to highlight differentiated offerings and key product features is critical.

“You must have a good website. My business partner in the Philippines discovered our company digitally. He found a product listed on our website, he was interested to find out more. It was a product not commonly available in his country. He quickly followed up via an enquiry call. The rest is history.” Eric emphasised.

Own your customers

Eric travelled intensively to his overseas offices and visited his clients during pre-Covid days to build relationships, gather market intelligence and customer feedback, and in so doing, sharpened Mlion's product offerings. Owning your clients and keeping them in close contact (instead of relying on middlemen) is a common practice across successful entrepreneurs.

He also spent time with his customers to understand what challenges they faced and worked closely to provide solutions, going the extra mile for the customers.

This direct client-supplier relationship, the trust, and rapport that Eric established over time continue to power his business through the pandemic despite border closures and travel disruptions.

Client first, always

The emergence of new technology in steel production had presented opportunities for clients to save costs even though this meant lower margins for Mlion initially. This client-first approach went to the extent that Mlion proactively educated and pushed cost-effective next-generation products even when their clients would have preferred to stay on with the current products (which were more profitable for Mlion).

‘Client first’ paid off. Eric started to cross-sell and moved his clients to the more cost-effective options a few years ago. Mlion’s clients were amongst the first to benefit from the transition, and they stayed on with Mlion. Today, the lower cost material is an industry-standard. If Mlion had not converted their clients, some of them might have attrited and moved on to other suppliers.

Furthermore, to deepen client engagement and loyalty, Mlion delivered multiple tailored solutions to the same customer base. Mlion pursued a proactive cross-sell strategy across its client base and grew by adding new product lines to its portfolio. For example, when Mlion first started, they were focused on steel piles. Over time, the company found that its client base was also in the port sector and therefore rails, fenders, and bollards became the natural product extension items. Mlion added them into its product suite.

Trusted partnership

Milon has plans to further internationalise beyond the 6 countries (Philippines, Taiwan, Malaysia, Indonesia, Thailand, Timor-Leste). Eric explained that Mlion follows a carefully planned 3-stage internationalisation process.

Stage 1. Low commitment. Export to overseas markets via CIF shipping arrangement. i.e. charges are paid by the seller to cover the ‘Costs, Insurance, and Freight’ while the cargo is in transit.

Stage 2. Medium commitment. With positive responses from overseas buyers and repeat orders, Mlion proceeds to recruit staff to sell locally.

Stage 3. High commitment. With the volume build-up and regular repeat orders, Mlion looks out for local partners or joint-venture opportunities.

For Mlion’s business, having a local office with **import permits** is essential to provide uninterrupted supply to clients in the destination country. Mlion understands that many of its customers prefer dealing with local currencies and having the materials delivered to their site. Clients also value immediate stock availability. It is inevitable, in the longer term, that having a local partner is essential to business continuity and expansion.

“Take the Philippines, for example. Setting up a sales office wasn’t difficult, but getting an import permit was extremely challenging! It took us nearly 2 years and we were still unable to

receive an import permit. In Malaysia, it took us close to 1.5 years to get the local authorities to approve our piles for use and import. In Indonesia, we continue to work with government authorities on import quotas to get uninterrupted shipments into the country. Having a good local partner helps us overcome a lot of these difficulties. A local partner is always of great help. They help to solve a lot of challenges, save us tuition fees and level the learning curve. Being locals, they are already in the market. Some businesses worry about going into a partnership. However, with a well-thought-out business plan, a joint venture can be very beneficial to all parties,” Eric explained.

Targeted internationalisation

Mlion has identified its target markets to be waterfront and underground developments. They are core projects for every economy and contribute to the economy in more ways than one. For developing countries, in particular, the waterfront is their lifeblood, Eric said. Goods and commodities enter the economy via ports. Commodities such as cement, coal, grains are transported through bulk vessels to the country. As the economies become more advanced, products such as electronics and pharmaceutical items pass through the gateway. Power generation via LNG (Liquefied Natural Gas) and other cleaner forms of fossil fuel also require a waterfront as the gateway. “The waterfront is always a component of economic development,” Eric remarked. As economies expand and space becomes a constraint, infrastructure development goes underground e.g. basements, tunnels, etc. These projects play on Mlion’s strengths.

Pandemic regardless, countries recognise that roads, rivers, bridges, and tunnels still have to be built.

“2021 will likely be our best year in terms of revenue and profits,” Eric said.



Steel solutions for waterfront and underground construction

Providing engineering solutions that will solve tomorrow's problems will continue to power us forward as we grow, expand and redefine our industry. We love to solve difficult problems. When we can provide a solution, we find a great sense of satisfaction." Eric reflected.



"We are excited about where Mlion has gone in the last 10 years, we are looking forward to another exciting decade ahead."

**--- Eric Leong, Chairman & CEO,
Mlion Corporation**

Epilogue - the future is bright for internationalisation

Mlion navigated through multiple challenges and has evolved into a regional player deriving 90% of its revenue from its overseas markets. The company leveraged the opportunities presented during its course of expansion, turned challenges into opportunities, built its client base grounded on experience and credentials, exercised flexibility in strategy and execution, and displayed boldness in taking on new frontiers. Despite the COVID-19 pandemic, the company achieved its highest revenue performance in 2020 and it is expected to close 2021 with record sales.

The company is currently embarking on two projects with funding from Enterprise Singapore (ESG). The first project, GoListid (pronounced as Go-List-It), is a digital marketplace that gives pre-owned steel a second lease of life. The platform provides sellers with an extensive network of buyers. It helps sellers list their items in confidence and with transparency. Services such as logistics, financing, and storage will also be provided as part of the value-added services. With rising construction costs, Mlion envisages the project to offer many contractors a channel to realise better resale value for their construction materials instead of otherwise, wastefully scrapping them. The project will support sustainability and reduce the cost of construction.

The second project, GoTagID (pronounced as Go-Tag-It), is a tagging system that provides a unique ID to every single pile. Steel, when produced, is identified by a sticker. During shipment or storage, these stickers degrade and fall off, making it difficult to trace them back to their source. GoTagID deploys technologies embedded in the steel material to provide reliable tracking and tracing of the source and quality documents. Contractors, consultants, and regulatory authorities will be able to trace and verify the quality with ease and confidence.

There is synergy between GoListid and GoTagID where items listed on the GoListid can be authenticated by GoTagID for quality assurance. The tags are designed to withstand the rigors of construction in harsh outdoor conditions.

Milon's relentless focus on innovative solutions along with its sharp-sighted management and support from various government schemes has indeed paid off.

Pillars of internationalisation



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