

Keeping an essential service going

Integrated warehousing and logistics solutions provider GKE Corporation overcame the challenges of Covid-19 to continue operating and even managed to grow its customer base



By Rachel Ng

When Malaysia announced its movement control order (MCO), integrated warehousing and logistics solutions provider GKE Corporation had to quickly find accommodation for its Malaysian workers who commuted daily to work in Singapore.

Within a day, its human resources found lodging for them and helped subsidise costs.

“As we provide an essential service, our operations still had to continue despite the shortage of workers. The rules changed overnight, and we had to adapt quickly,” says Mr Neo Cheow Hui, chief executive officer of GKE

Corporation.

GKE tried to retain as many employees as possible and reduced their working hours or found other roles in the company for them.

Swift reaction

Like many other businesses, GKE also encountered other problems caused by the pandemic.

It had to reduce physical interaction between staff. Fortunately, it was already moving towards a digitisation of its processes to manage the receiving, storage and despatch of cargo.

This move to digitise data not only reduced paper use and storage



Preparedness, strategic planning and strong management and operating processes were some of the key factors that helped GKE Corporation push ahead. PHOTO: GKE CORPORATION

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space, but also improved efficiency among staff.

The pandemic also caused uncertainty among many of GKE's customers about their future orders, and some reduced their storage volume or requested a discount.

However, by implementing its business continuity plan and reassuring customers that their supply chain will not be disrupted, it gave customers confidence in GKE, and some even increased their orders.

Aiming for business sustainability

That GKE could respond swiftly to the unforeseen circumstances was due to a belief in being prepared, having strategic planning and

strong management and operating processes in place.

Acquisition was one of its strategies to grow the company.

In 2015, it acquired marine logistics provider and chemical warehouse operator Marquis Services, while in 2016, it acquired freight forwarder TNS Ocean Lines, which allowed it to expand its services into the area of maritime logistics.

October 2017 saw the completion of a new warehouse at 39 Benoi Road, which became operationally ready in 2019. The company plans to grow its warehouse space at about a rate of 20 per cent per annum from its current one million sq ft as it prepares for even greater growth going forward.

Business growth has been healthy in recent years with revenue at over S\$107,000 in FY2020 from S\$88,000 in FY2019.

Diversification of its customer base also helped the company be more resilient to an economic downturn. While its customers in the oil and gas and clean-energy industries were affected by the pandemic and reduced orders, others such as healthcare, electronics and food and beverage were still operating and helped make up for the shortfall in revenue.

“One of the biggest lessons this past year for us was about preservation and preparation. By utilising current resources to their full potential and maintaining good relationships with banks, customers and other stakeholders, we have managed to get on top of things,” says Mr Neo.

He reveals that GKE is also exploring other business opportunities — providing indoor farming solutions and operating an indoor farm in a controlled environment in its currently unutilised office space.

It intends to produce locally grown vegetables in Singapore, aligned with the government's 30-by-30 food security goal.

“This is a great opportunity we can leverage. By diversifying the business, we can gain an additional revenue stream and continue to build the business,” says Mr Neo.