

LOCAL FIRMS TAKE ON GLOBAL JOBS

VALUE-CHAIN BENEFIT: Three companies share their four-year journey working on KVMRT underground works

THE CONCEPT OF VALUE CHAIN

THE concept of value-chain benefit is important to establish the value proposition it provides to an organisation and, in the process, how it has enriched itself in terms of exposure and experience in an industry.

Ultimately, the idea is for local supply chains, be it supplier of products or services, to achieve greater prominence locally and abroad in a multinational context.

As we know, Multination Enterprises plays an important part in the global economy.

This is of increasing interest to governments as well as employers and workers and their organisations, as being in business abroad can have sustainable benefits to the home and host countries by contributing to the more efficient use of capital, technology and labour.

In the local context, with scores of new projects taking off, it has been the government's long-term vision for local contractors to benefit from such projects for two reasons: to move them up in their technical know-how and expertise with the product knowledge gained from new and niche job markets; and to increase their earnings and elevate their status from low- and medium-scale enterprises (SMEs) to bigger entities leading to multinational enterprises.

In this context, in the competitive environment today, the fittest

firms always stay afloat, and to stay in a healthy competition, local companies, especially SMEs, need to be given the opportunity to build on their experience and exposure working on big projects, which will give them a chance to boost their earnings and performance.

The Klang Valley Mass Rapid Transit is one such project where the local supply chain involved has been at its best. This is understandably so since it is the largest single infrastructure project the government has undertaken.

In the tunnelling and underground section of the project, the involvement of local SMEs reached unprecedented proportions since underground works started in 2012.

Local companies participating in big jobs with KVMRT have raised their standard in line with the standards and requirements imposed by project implementers, and many of them have built up business knowledge to move on to overseas jobs.

LOCAL SMEs CONTRIBUTING TO NATION-BUILDING

MMC-Gamuda KVMRT (T) Sdn Bhd (MGKT) deputy project director Ubull Din Om said just like training the local work force in niche areas of engineering, every local company, big and small, contracted to UG works underwent stringent quality controls before it was contracted as

suppliers or sub-contractors.

MGKT is the work package contractor for the underground works package of the KVMRT Sungai Buloh-Kajang Line.

"Before we impose our high standards on companies, we put them on specific training to raise their bar in terms of standards and quality, especially in safety-related works on site.

"Additionally, we credit ourselves for developing the entire construction industry supply chain to cater for high-value infrastructure, such as the KVMRT project, where local suppliers and service providers needed to enhance their capability.

"They have become more technical and technologically savvy."

He said several local companies had benefited from technology transfer, such as tunnel segment-lining makers, and these SMEs were now supplying their products and wares to overseas projects.

The Tunnel Boring Machine Refurbishment Plant set up by MMC-Gamuda, for example, is the first such set up in the region. It exposes local suppliers and contractors to precision engineering, and those involved in the refurbishing the borers can service the Southeast Asian market in the future.

To illustrate the success stories, three local companies share their four-year journey with us.

The concept of shared values has enabled the local SMEs and consultancies to benefit and compete in the global market.

Ubull said that for the KVMRT Package, the distribution of works to local subcontractors and suppliers was extensive, with 480 SMEs awarded jobs.

LOCAL UTILITY COMPANY ADOPTS GLOBAL STANDARDS

Sri Communications Sdn Bhd seeks continuous improvement and is not motivated by profits alone.

A picture of calmness and enthusiasm, Sri Communications Sdn Bhd managing director Ahmad Madzlan Zahari said profits alone should not be a criterion for a company to grow.

"We have always wanted to be known for our quality and efficiency and that is our strength, and when we got the award to do utility relocation works for underground stations, we faced many challenges.

"The job was not a regular relocation work and we had to come up with ingenious ways and methods of getting the job done within a short time.

"When working in the city with live traffic, closing roads is a constraint, hence, to work around it, we developed a new method called the pre-cast manhole. The pre-cast manhole is constructed off-site and lowered into the ground in just one night. This was never done before

and is extending our technical imagination," he said.

He remembers having to comply with safety standards that were never before required of his company, which has been in business since 1974.

"The paperwork, for example, was much more thorough and tedious and we realised these had prepared us for competing for overseas jobs.

"I don't remember ever having to attend detailed induction training before and I had to for the first time for this project. We have since raised our standards compliance at work.

"Local companies being awarded big jobs is a good way of getting home-grown companies to hone new skills and improve on their expertise so that they become globally competitive.

He said the four years working with MMC-Gamuda had given his people training in new areas, especially in using high technology.

LOCAL LOGISTIC COMPANY STRIKES STRATEGIC ALLIANCES WITH OVERSEAS PARTNERS

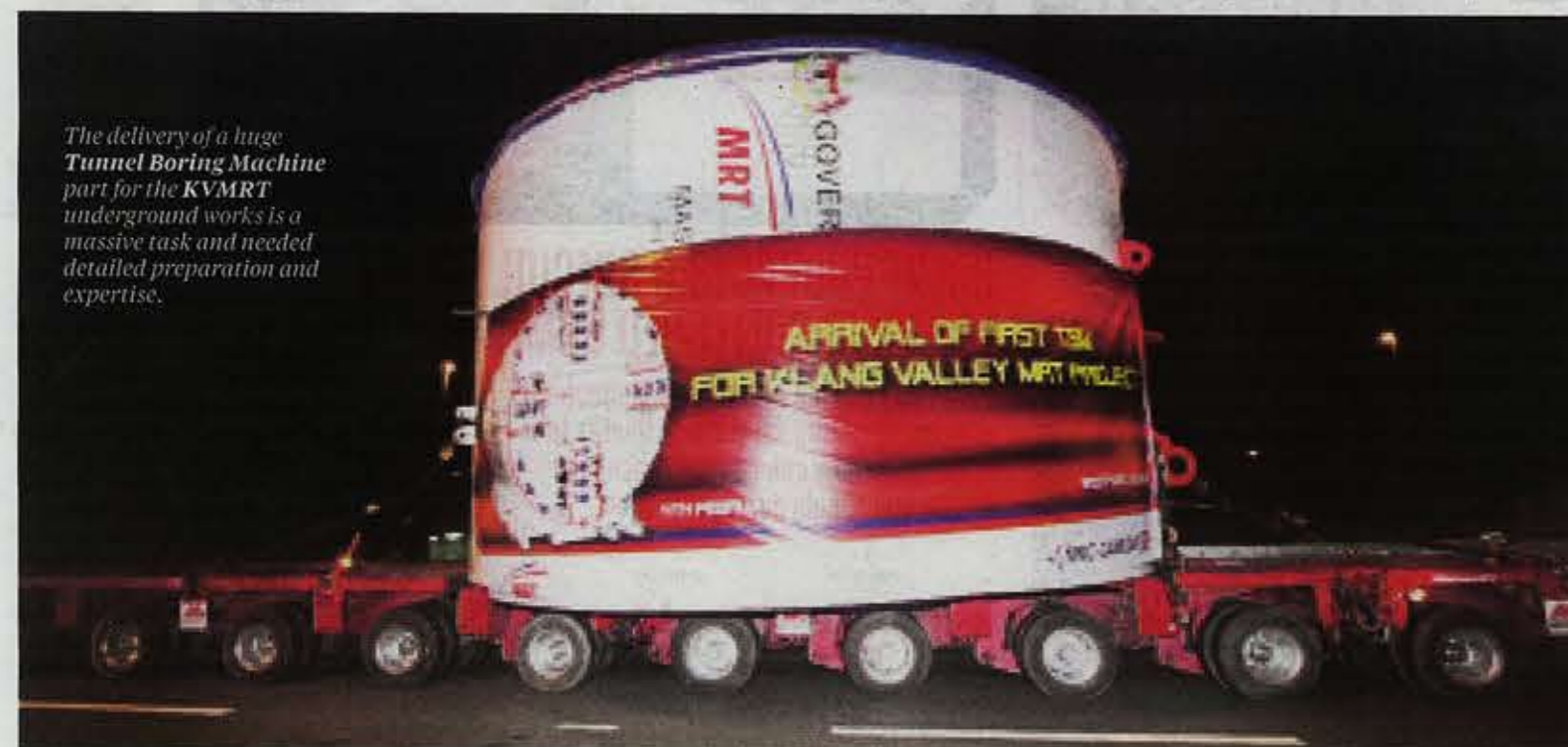
Multimodal Freight Sdn Bhd has been in operation since 1985 and has gained experience working on the KVMRT underground project.

Multimodal assistant general manager Hamdan Ab Razak talks



The segment lining used in the construction of the KVMRT's 7.5km tunnels.

The pre-cast manhole being lowered into the ground.



The delivery of a huge Tunnel Boring Machine part for the KVMRT underground works is a massive task and needed detailed preparation and expertise.



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passionately about his work all these years and yet, when he was involved in the delivery of the huge tunnel borers for KVMRT, he was far from prepared.

"We have mostly been involved in local deliveries until recently, when we needed to deal with our logistic partners and freight forwarders from other countries, where we had to form strategic alliances with."

He added that the company had to learn and get accustomed to processes and procedures of other ports and this had opened them up in terms of business opportunities.

"Our job value may not be big but we have gained big from this project in non-monetary ways. In this context, our company hired locals for KVMRT-related jobs and they have been trained on the job.

"When involved in a high-profile project, everything about the company changes.

"We have to work differently, leaving no room for errors, and this kept us on our toes. In the process, we have grown in terms of efficiency and delivery quality."

For KVMRT's 7.5km of tunnels,

some 5,400 rings segment lining were required to be cast off site and brought to site.

TECHNOLOGY SUPPORT IMPORTANT FOR KNOWLEDGE GROWTH

SPC Industries Sdn Bhd was contracted as one of the suppliers. Even with years of experience in segment lining production, Christina Chia from SPC Industries acknowledged that it was a challenge as steel fibre was adopted to replace conventional reinforcement for the first time in Malaysia.

The technical support provided by MMC-Gamuda had given insights to SPC Industries in tackling this challenge.

SPC Industries is grateful to be given the chance to grow with MMC-Gamuda. The new insights into producing steel fibre segments have let SPC Industries be at the forefront of its industry.

Ubull said that to maintain and sustain the value gained from exposure in these projects, a continuous stream of jobs was needed so that local companies would continue to invest in human capital and equipment to boost their position through growth, which would support national building sustainable economic growth.