

## EMBRACING PRODUCTIVITY AND INNOVATION

# All in a day's work

Freshdirect co-founder Desmond Lee believes in instilling a sense of pride in his staff, reports **EVE YEO**

**L**OCAL premium produce supplier Freshdirect is a perfect example of how mechanising seemingly simple processes can go a long way to raising efficiency.

The firm's production arm, Kitchenomics, which cuts, dices, shreds and pre-packs produce for food and beverage (F&B) establishments, invested in equipment such as metal detectors to ensure that no metal has been left on the produce after it has been cut, diced and sliced before being packaged.

That's made all the difference to its processes.

Freshdirect co-founder Desmond Lee said that productivity at Kitchenomics has improved by more than 50 per cent. Now, a tonne of lettuce can be cut up in an hour instead of the four hours previously, says Mr Lee.

Freshdirect is also able to offer over 15 products customised for clients daily with the new technology, compared to having five customised products previously without mechanisation. The use of machines enables them to offer produce that has already been cut up.

"The new machinery takes over simple jobs from the staff, like cutting and washing the vegetables, leaving the staff to be deployed for more critical roles such as quality control," he says.

Staff morale has also received a big boost. "They (the staff) feel that they are adding value to the production line than simply cutting up the produce. With higher morale, happy workers are productive workers."

Freshdirect received funding from Spring Singapore's Technology Innovation Programme (TIP) in 2009, which allowed it to develop Kitchenomics that same year.

The programme aims to strengthen the technological innovation capabilities of small- and medium-sized enterprises.

"The help from Spring Singapore enabled us to move much ahead of our competitors," says Mr Lee.

Strong morale is also key to enhancing efficiency, and Mr Lee recognises this. He has breakfast with his staff at the Pasir Panjang Wholesale Centre every Saturday before starting work for the day. The idea is to make his employees feel proud of their job of handling fruits and vegetables.

He also brings his staff to dine at restaurants that Freshdirect supplies to, such as Garibaldi and Ku De Ta. "When they see that the fresh fruits and vegetables they handle are made into good meals at these places, they will be able to understand the importance of their jobs," says Mr Lee.

"I want my employees to understand that working with fruits and vegetables is not a job

to be ashamed of. It is an honest job; one to be proud of," he adds.

Mr Lee is one of the three founders of Freshdirect. The others are Adrian Lee and Keith Tan, who has since left the company to pursue a teaching career. The trio were friends during their days at Ngee Ann Polytechnic, where they graduated from the Business Studies programme in 1993.

Before starting Freshdirect in 1999, Mr Lee was a financial analyst at Reuters for two-and-a-half years. He takes charge of business development at the Freshdirect, while Mr Adrian Lee is responsible for sourcing produce. Mr Tan was in charge of the company's operations before he left.

Currently, the two remaining founders work with Leonard Oh, Kitchenomics's managing director.

Freshdirect began as an online store supplying produce to households and has since expanded its clientele to include fast-food restaurants, fine-dining restaurants and cafes. Mr Lee says that about 80 per cent of Freshdirect's business comes from fine-dining restaurants.

Last year, the company's turnover was \$13 million, a big leap from the \$300,000 in its initial years.

"Each of us took home \$700 a month at the beginning and everything else was ploughed back to expanding the company. We were 26 when we first started and had no other commitments and could go all out to expand Freshdirect," he says.

The company's goal at the start was to establish a reputation in the market as well as increase its customer base.

"Now, after establishing market reputation among hotels and restaurants, we have to ensure that the produce life cycle of our produce continues to grow, and to provide more varieties of produce," says Mr Lee.

One of the challenges that the company constantly faces is sourcing food sources.

Says Mr Lee, "This is a problem, especially in recent years, because of the changes in the global climate. Temperatures are changing so quickly and, in some cases, unexpectedly and affecting harvests."

As a result, the company sources from farms across different temperate regions to ensure a constant supply of produce all year round.

The challenge lies in understanding the process of preparing the produce at a high level of food safety and extending the shelf life of the products.

Mr Lee says: "Cooking for your family is an art, but cooking for mass production is a science. So there is a need to maintain a high level of consistency."

To improve the shelf life of the produce, Mr Lee is considering new sanitisation meth-



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— Mr Lee (right), with Kitchenomics's managing director Leonard Oh

ods. The current shelf life of produce for restaurants is about four to five days. He aims to increase this to seven to nine days, he adds.

Employees also attend regular training sessions on food safety. "Freshdirect is essentially focused on three things: being efficient, being an affordable source of produce, and being an eco-friendly company."

Freshdirect and Kitchenomics are also expanding into seasonal products for the festive season. Kitchenomics produces pre-cut vegetables used in *mei tau* during Chinese New Year and soups such as brussels sprouts and portobello mushrooms for the Christmas period.

"We would like to take on more customers."

To do so, we have to show that we are adaptable with our products. Customers can also approach us to discuss how we can come up with a product specially customised for their use," says Mr Lee.

To give back to the founders' alma mater, Freshdirect takes in interns from Ngee Ann Polytechnic regularly.

Mr Lee admits that his focus in life has changed since he became a parent and he is content just to go home and see his children's eager faces. He has three children, with the oldest child aged six. He enjoys watching a good game of football in his free time and is a long-time fan of Liverpool Football Club.

A typical work day for Mr Lee begins at

4am. "Australian markets open at that time so I have to be up to catch it," he says.

Office work and production start at 6am, which include preparing produce for delivery in the morning and afternoon. "We would wrap up around 5pm, and that's when the European markets open. Then we work on the US market later around 8pm."

Mr Lee receives calls from his clients, mainly restaurant chefs, later in the night after restaurant businesses have wound down for the day. They discuss what has to be delivered for the following day.

He says of his busy daily schedule: "At the end of the day, you are the boss and it is your business. You don't stop working."