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Instead of cutting costs, Opto-Pharm's managing director Robert Khoo invested in new products, such as this eye wash which comes with disposable cups to prevent contamination.

Solution-maker's solutions to slump

Despite dip in sales, contact-lens solution maker, held up as model of a successful SME, pumped money into new products and research

By **SIM CHI YIN**

CONTACT-LENS solution manufacturer Opto-Pharm's sales have dipped significantly in recent years. But instead of cutting costs and re-trenching staff, it has come up with new products and is investing more heavily than before in research and development.

Although sales figures have stayed at \$2.5 million for the past two years, Mr Robert Khoo, the company's managing director, said that the figures would have been lower if they had not adopted those measures.

The home-grown company was held up by the Singapore Productivity and Standards Board (PSB) yesterday as a good example of how small and medium-sized enterprises (SMEs) can see themselves through the recession.

Mr Khoo, 62, said: "We want to

turn crisis into opportunity."

PSB chief executive Lee Suan Hiang said: "I'd like to urge our SMEs to not just focus on fighting fires. I hope they won't just look at present difficulties but also invest for the future."

The Government has schemes to help such companies here ride out the recession, he explained.

As part of the off-Budget measures announced in October, interest rates for loans taken out under the Local Enterprise Finance Scheme (LeFS) were cut by up to one percentage point for 12 months from Nov 1.

Opto-Pharm has already benefited from this. From this month, it starts paying 6.5 per cent interest on its \$6-million loan, taken in stages to purchase machinery.

A new micro-loan scheme was also launched by the PSB in October to offer short-term loans and

equipment financing of up to \$50,000 to SMEs with 10 or fewer employees.

The manufacturer, which started full operations in 1992, has 30 workers. Its annual turnover fell from about \$3.4 million in 1997 to \$1.7 million in 1999.

To cope, it introduced two new products — last year, an improved contact-lens solution, containing a lubricant which helps to maintain moisture on the lens and, this year, an eye wash which comes with disposable cups to prevent contamination.

The company also opened an optometric clinic on Thursday. This \$70,000 outfit allows it to carry out clinical tests on-site.

Opto-Pharm exports more than 65 per cent of its products to Malaysia, Indonesia, Australia, Hong-kong and Taiwan, among others.

It is also working to increase its market share here from 3 per cent to about 10 per cent.

Asked what advice he has for other SMEs, Mr Khoo said: "Focus on doing what you know and be willing to change. That's the only way to survive."