

How going green drives success

ONE of the largest privately owned transport businesses in Malaysia, the Lee Ting San (LTS) group of companies has added another feather to its cap by clinching the Best Green Initiative Award (Silver) in The Star Outstanding Business Awards (SOBA).

The group is recognised for its environmentally friendly initiatives that have helped to reposition the logistics industry, which has long been regarded as one of the world's worst environmental polluters. The industry contributes the highest amount of carbon dioxide and nitrogen oxide emissions in Malaysia.

LTS, however, has gained a game-changing competitive advantage. Backed by innovative solutions, cutting-edge technology and a fleet of over 2,000 vehicles, the group started going green with its operations in 2016, with the purchase of 70 green trucks from leading international suppliers of commercial vehicles and transport solutions MAN Truck and Bus AG for RM21mil.

Considered as the biggest investment of its kind in a conservative industry that traditionally favours cheaper second-hand vehicles, the investment was necessary to win in an increasingly green-conscious global marketplace.

"By doing the right thing, we hope to reposition our industry as a green contributor that can make the world a better place," said group chief executive officer Lee Kah Chye.

The group has adopted an

integrated strategy of both green transport and non-transport related initiatives as it gradually broadens the scope of its services and expands its market. These comprised managing overall vehicle fuel efficiency, crucial in minimising environmental impact.

Ageing trucks are not fuel-efficient and the group maintains a low ageing inventory with over half of its 2,000 vehicles being new and the rest below 12 years old.

The vehicles are purchased from well-established brands renowned for fuel-efficient technologies such as MAN, Volvo, Scania, Hino and Fuso.

The group has also instilled in its drivers a culture of fuel-efficient driving through in-house training activities. It is in the process of setting up a driver's academy to upgrade skills.

Skilled driving is essential to saving fuel, which currently represents 35% of total costs.

Drivers are well trained and equipped with knowledge on vehicle efficiency and keeping vehicles as "green" as possible on the roads.

Lee said the green initiatives have boosted the group's brand value significantly as evidenced by the following accolades:

- Certified by the Land Public Transport Commission or Suruhanjaya Pengangkutan Awam Darat (SPAD) as SPAD-compliant with all its 26 safety codes, which means that all engines are energy-efficient and safe to use on the road.

- Won Best Freight Operator

Category at the SPAD Land Public Transport Symposium Awards 2015, which recognises a company for being efficient and excellent in its daily operations and innovative approaches to solving industry challenges.

- Industry awards from Sin Chew Daily, Nanyang Siang Pau, SOBA, SME Recognition Award, Asia Pacific International Honesty Enterprise Keris Award, including for CSR categories.

"We want to send out the message that transportation companies can do something positive to reduce their carbon footprint," Lee added.

He said another impact from the green initiatives was its cost-saving measures.

The group's RM21mil MAN truck investment paid off with a 4% to 6% overall fuel savings, with up to 30% fuel saved during idling, in just slightly under a year. Lee said going green has given the group a powerful competitive advantage as that translated to over RM1.5mil in revenues from new customers as green policies became the deciding factor why LTS was selected.

From a small company providing basic goods delivery in Penang in 1974, LTS has transformed into a trusted name in transportation and logistics in the country. It is now synonymous with excellent customer service, efficiency and competitiveness and provides standard and customised solutions in point-to-point delivery, container haulage, leasing, distribution and warehousing.



Over half of LTS Group's 2,000 vehicles are new and fuel-efficient.



Its green initiatives have earned the LTS Group accolades and boosted its brand value.