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“Think like a corporate and act like a start-up.”

Steen Puggaard once walked out on a company, only to return to finish what he started.

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Steen Puggaard is the first to admit he's a bit stubborn. It was this character trait that triggered his departure from 4FINGERS Crispy Chicken after just months in the top job, and it was the same tenacity that saw him return less than a year later to catapult the business into multiple stores and overseas markets.

When the CEO of 4FINGERS Crispy Chicken first tasted the Korean-style crispy fried chicken at Singapore's ION Orchard shopping complex in 2013, he was clearly impressed by the disruptive brand and the unique flavours tantalising his tastebuds. But the concept of serving freshly made fast food in a unique, casual dining environment also intrigued. With 20 years of food and beverage experience, including time at McDonald's and Burger King, Steen realised 4FINGERS offered the perfect solution to diners wanting the experience of a unique, easy night out to eat delicious and distinctive chicken without fuss. No waiters, no tips, just extraordinary tasty food enjoyed at the table amid a vibrant, buzzing atmosphere.

The founders of 4FINGERS were just as impressed by Steen's extraordinary credentials and wasted no time recruiting him, enticing him with promises of funds for the growth he envisioned. Steen knew the company could expand globally and he wanted to take it there. However, within months, Steen was out the door, taking his big ideas with him. "4FINGERS was just one store, and I joined on the predication that the owners would inject some funding into the business to get it off the ground and expand," Steen explains. "I knew it was a great business, but the ownership structure and lack of funding was holding it back. Promised funding never came, so I left, telling the owners to call me when they were ready to put the funding in."

Tired of waiting for that call, but still keen to lead the business and take

it forward, Steen assisted with a change in ownership and within six months he was back, joining the board before taking the helm as CEO. To prove his commitment to the new owner and his confidence in the business potential, Steen invested a three per cent stake in the company. "At that time, we were kind of a one-outlet chain," Steen laughs. "I suppose it was my determination and my will to see my vision through that carried us through a transition of ownership and drove the growth from one store to 12 in Singapore and Malaysia in just four years. And, of course, with the right resources and one major shareholder, my team and I are able to make big decisions very fast."

Steen's approach to business is simple. It's a tried-and-tested philosophy that has pushed him to expand from one 4FINGERS outlet to 12 in Singapore, four in Malaysia (July 2017), two in Indonesia, three in Australia (June 2017), as well as good progress with the launch in the US. Further targets are European markets such as the UK and Germany.

"Think like a corporate and act like a start-up," he says. "It's about structuring the company properly and being very smart about strategies and long-term goals. But do it with the energy, the enthusiasm and passion that you'd find in a start-up."

"When I talk to people with strong corporate backgrounds about joining us, I explain they should come onboard, not despite our small size, but because of it," Steen adds. "They can be a big fish in a small but fast-expanding sea where they have the opportunity to apply everything they've learned in a meaningful way and help shape something very special."

The founders brought the idea for 4FINGERS to Singapore after a trip to

DID YOU KNOW?

4FINGERS supported national rower Saiyidah Aisyah during the Rio Summer Olympics last year. As Singapore's first Olympic rower, Saiyidah was relying on crowdfunding to raise money for her training and preparation until 4FINGERS entered into a three-month cash sponsorship with the athlete and contributed a portion of proceeds from the sales of its secret menu item the X.B.F.F burger. Company CEO Steen Puggaard sees the partnership as a perfect fit. He is a keen rower himself, having won Singapore National Rowing titles, and while hoping to raise Saiyidah's profile and increase awareness of the sport, he also believes Saiyidah displays the same fearlessness and dedication that 4FINGERS is driven by in its pursuit of continued international growth and the disruption it wants to create in the fast casual restaurant industry.

chicken brands? "It's like chalk and cheese," Steen says. "For a start, there are no pre-cooked foods at 4FINGERS. Our dishes are made to order, fresh and on the spot. Our chicken is hand brushed with artisanal sauces, cooked to render out the flavour with natural herbs and spices, and without artificial flavours or MSG. "From a brand positioning point of view, we are not so much focusing on speed and convenience, as on quality and experience," Steen adds. "Our store

designs, our uniforms, the kind of music we play, all reflect that. We are about casual dining, not fast food."

Steen's plan for further expansion overseas is focused on more mature Western markets where diners, disgruntled with old established brands, are open to new options. He doggedly ensures three criteria – legal, financial and commercial – are met before he considers a country 4FINGERS-ready. "Legally, we like to do business in countries that respect the rule of law. Financially, we always assess the resources, the purchasing power, and the currency stability in relation to the business potential. Commercially, we look for consumers wanting new and better brands," Steen explains. "When this criteria is met, we come in with a brand that's fresh, different, disruptive, »

New York. Dining in Koreatown, they were captivated by the flavours of the unique Korean-style fried chicken. After some research into the recipe and method of cooking, they took the idea home but developed the 4FINGERS brand and concept before launching the first store in 2009 at ION on Orchard Road in Singapore. "Rather than theme it as a Korean chain serving fried chicken, they honoured New York instead. The store had a more cosmopolitan feel, making it a vibrant place to visit. It was all about being a brand rather than just a chicken joint," Steen says.

Dining at a 4FINGERS outlet is definitely entertaining – it exudes New York grunge with subway signs, graffiti walls, and a sense of underground insurgency. Meanwhile, on the website, words like 'rebellion', 'revolution' and 'disrupt' are splashed about, with diners urged to 'Fight the good fight' and competitors warned that 'It's game on!'

So what exactly is the difference between 4FINGERS and established

"It's a pleasure being the preferred beverage partner of 4FINGERS. Steen values the importance of transparent data sharing and regular business reviews to exchange best practices and insights, so that strategic win-win business decisions and continuous business improvement can be made." – Bernie Ng, General Sales Manager, Coca-Cola Singapore Beverages



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and offers a great product. We understand that consumers in mature markets are becoming increasingly fatigued with old brands – brands that have been around for too long and are resisting change. So, while the potential markets we have selected for growth plans – like Australia, the US, the UK and Germany – are very competitive, we have an excellent brand proposition to offer. If we align our brand and our proposition to match our consumers’ needs, we will capture these markets.

“Trends in real estate are also working for us,” Steen adds. “In many cases, as established brands continue to expand their market presence, landlords are increasingly looking for new brands to help differentiate their properties.”

While in many markets there’s growing awareness of the importance of eating a balanced and healthy diet, Steen is unfazed by any suggestion that 4FINGERS food is unhealthy. “We’ve done lab testing of our food and portion sizes, so we know we’re

within the recommended daily intake. I feed my young children 4FINGERS – of course I do; it’s the only thing that keeps them quiet for a while,” he laughs. “But seriously, I know our product inside and out. I know that our chicken and the rest of our raw material is delivered fresh every morning. I know how it is prepared, that we have no artificial additives and flavours in our chicken. Everything is made from natural ingredients. We’ve provided meals for my kids’ school as a sponsorship, and I’m totally happy to do it because I know what goes into it. We’re aware that consumers are more mindful of health and nutrition,” he adds. “But it depends on how much you eat, doesn’t it? In general, if you maintain a balance of how much you take in and how much you expend, there is no problem. But 4FINGERS is not competing with low calorie food; we focus on tasty and enjoyable food.”

While Steen may have sound advice for balancing more weighty problems, ask

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him about his work–life balance and he’s momentarily confused. “I don’t have a job; I have a purpose,” he says. “It would have been easy not to bother with 4FINGERS after I initially left the company. I could have looked for a corporate job, but I really believed in 4FINGERS’ potential to grow. Having seen the company through the process of change of ownership and re-funding, I’m now driven by a very strong sense of purpose. It’s not just a job to me. I want to – I must – see this thing through, because I really believe in it.

“Sure, as we increase our staff strength and the wheels continue turning when I’m not there, I can occasionally go and pick up the kids from school,” he says. “But when I returned to 4FINGERS in 2014, it was basically me and an accountant, so I was handling more or less three jobs at the same time. It was during that time that my job became my purpose and it will remain my purpose as long as I can continue to add shareholder value.”

Right now, Steen is the perfect man for the job. 4FINGERS expects to record S\$40 million in sales this year, up significantly from S\$2 million in 2013 when he left the company. It is now Singapore’s second-largest chicken brand

after KFC, and Steen aims to open four more stores in Singapore by the end of 2017. At the moment, the company operates on a lean but very hard-working management team of a dozen staff with another 150 manning the stores. Steen strongly encourages progression through the ranks and is recognised not only as a mentor within his own business but also to aspiring entrepreneurs trying to succeed in a variety of fields.

“I try to keep our staff engaged,” he says. “Staff who are willing to stay with us – and fortunately most of them are – definitely have opportunities for advancement. We have very loyal employees who have stayed with us from the beginning, and I try to pay that forward by continuing to take good care of them and provide a place where they can grow and prosper.

“This is not only in the context of 4FINGERS but also the context of our industry association. The food and beverage industry is facing some fundamental structural problems – the increasing cost of labour and rent among them – and

owners and operators need to assess which changes they must make to their business model

in order to continue

to keep it competitive and profitable,” Steen explains. “Because our business is structurally very healthy,

4FINGERS was recently asked by one of Singapore’s statutory boards if we would mind sharing

some of our key success drivers. I am willing to share,

but only to a point of course,” he laughs. “I don’t want to shoot myself in the foot by giving away too many secrets.”

Steen will never forget a pivotal career moment when, in his mid-20s and on the cusp of launching a life in business, he found himself on a plane next to a businessman about 30 years older. »

FAST FACT

While the idea for taking Korean-style fried chicken to Singapore emerged after the founders feasted on it in New York’s Koreatown, the concept is not Korean. The 4FINGERS brand and concept was originally created and launched in Singapore in 2009.

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Salted Chicken



He's never forgotten the conversation that ensued. "As a young man, I was somewhat in awe and told the gentleman that his age and wealth of experience would make him much smarter than me," Steen remembers. "He replied that sometimes having experience is like having a ticket to a train that's left the station, meaning you should never assume you know everything and never take anything for granted. I think there's something very salient about that which I often remind myself of."

"What I think now, and what I try to do, is to use a combination of experience and inexperience to explore all options. After the change of ownership in 2014, when our new owner asked me to prepare a business plan to take 4FINGERS to a S\$100-million valuation, I might've said it can't be done, that it's too small, or there's too little time. But because I'd never been faced with such a unique opportunity, I approached the challenge without inhibition. I really do embrace the idea that as a leader, while experience is important, it can also at times be counterproductive and actually hold back your thinking."

Steen regards it as a huge advantage to be the last to market with a fried chicken

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brand in markets that are already saturated with established food chains. Rather than trying to reinvent an existing, tired brand, he embraces the freedom to shape and structure his new brand how he likes.

"There are so many F&B brands and business models that have lost relevance and competitiveness because they're not in sync with the way that things are today," Steen explains. "We can shape our brand and our business to match current consumer demands, not struggle against how things were conceived 50 years ago and battle to overhaul thousands of stores. No-one knows 4FINGERS better than my team and me, and we're always looking for disruption and standing out rather than blending in. We want to disrupt at all levels: as an employer, a franchisor, a brand, and as a business." ■

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