

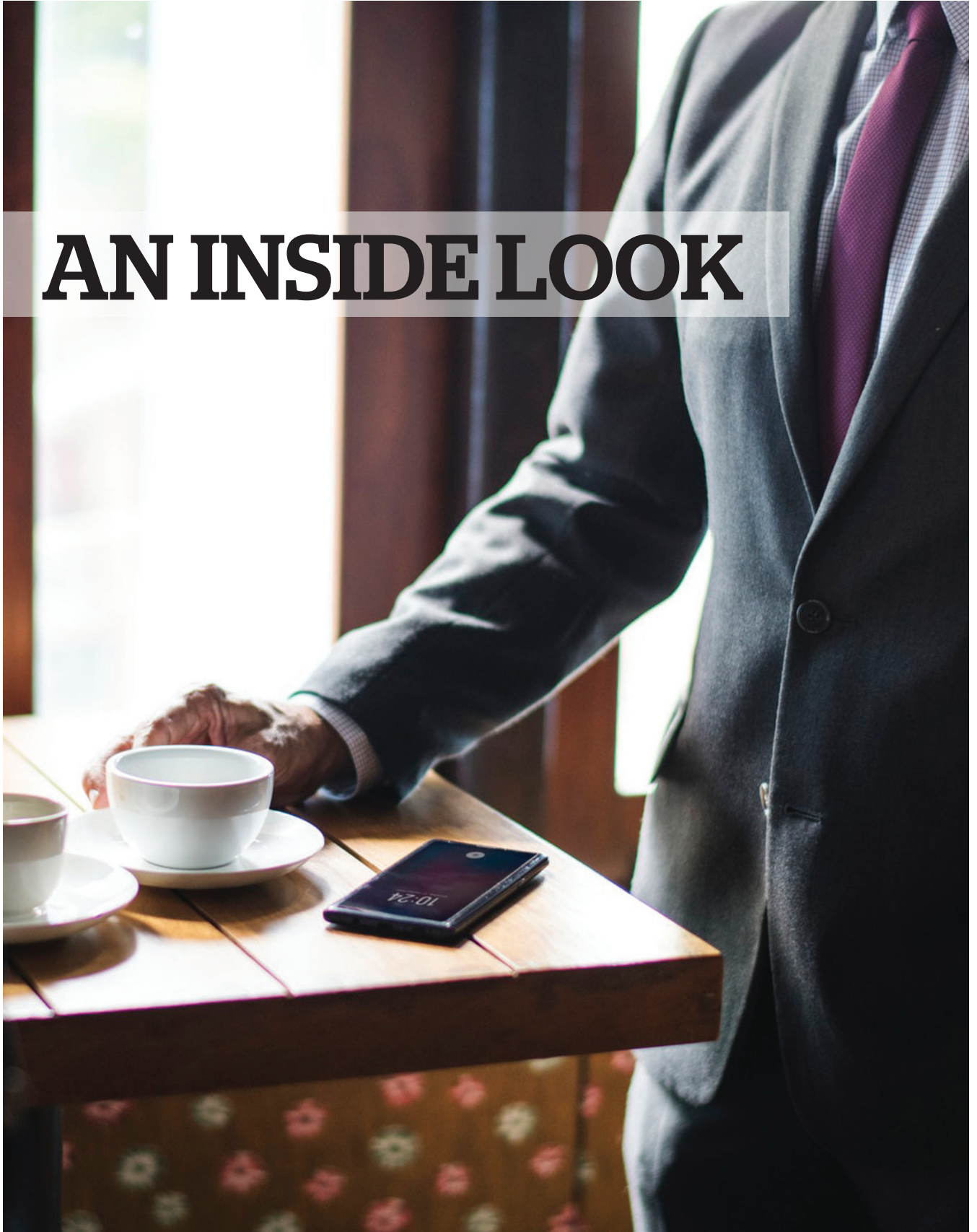
MDBC ONNECTS

MAKERS & DRIVERS OF BUSINESS & COMMERCE



SPECIAL COLLECTION: AN INSIDE LOOK

AN INSIDE LOOK



The Malaysian Dutch Business Council (MDBC) is a not for profit organization which helps to forge and foster business ties between Malaysia and the Netherlands. The broader aim of the Council is to further facilitate investment by Dutch and Malaysian companies in each other's countries.

Established in 1996 by Malaysian and Dutch companies, MDBC is a private, well established, trade support organization with over 250 member companies. It is considered one of the most active councils in Kuala Lumpur, and in Malaysia as a whole. MDBC achieves its high standards through the successful execution of its three objectives:

With the audacious goal of becoming the full fledged service provider for all members and businesses with Malaysian - Dutch links, MDBC achieves its high standards through the successful execution of its three objectives (Business Services, Representation, and Networking). Our core values are to be Entrepreneurial, Independent, Accessible, Responsible, and Service Oriented.

Business Services:

MDBC provides business services and information to our members. MDBC assists members and newcomers to the Malaysian market on issues related to setting up a company or a representative office here.

We also keep members updated on the latest developments in the business world and members' news through our quarterly magazine (the MDBC-CONNECTS), the organisation of informative & educational events, and through the website, electronic newsletters (the e - Update), and e mails. MDBC also publishes a Business Directory every 18 months.

Representation:

MDBC serves as a link to other bilateral Business Associations and Chambers of Commerce. We participate in a dialogue amongst European Union member states in Malaysia and in EU related programs. We also have established relations with various government institutions.

The common business interests of our members, as well as individual needs of companies, are voiced through MDBC to the appropriate authorities in

Malaysia. The Council also looks into combined efforts for representation at exhibitions and into commercial partnerships with Malaysian and Dutch government authorities on behalf of our members.

Networking:

Through our regular (monthly) events, members are able to develop good business contacts with the Dutch - Malaysian business community in Malaysia, as well as with other foreign companies, Malaysian counterparts and government bodies.

On an annual basis, MDBC members receive several dozen event invitations, including signature events such as the MDBC Innovation and Sustainability Awards Program and the MDBC Human Resources Forum.

Numerous social networking events are organised together with other Business Associations and Chambers of Commerce to further extend networking opportunities.

Together with the Economic Department of the Netherlands Embassy and industry associations, the MDBC will, whenever



possible, participate in Trade Exhibitions, Dutch missions to Malaysia, and matchmaking sessions. At exhibitions, MDBC members are invited to present their products and services within a larger "Holland Pavilion". We also support Malaysian missions to The Netherlands.

For more information about MDBC, please visit us at www.mdbc.com.my. You can also find us on Facebook (www.facebook.com/www.mdbc.com.my), on LinkedIn (www.linkedin.com/company/malaysian-dutch-business-council-mdbc-), or on Twitter (twitter.com/MYM-MDBC).

An Inside Look

In 2012, MDBC began a special double page, special feature editorial called "An Inside Look". This editorial focused on the entrepreneurial, or corporate, learning process.

It allows the readers of MDBCCONNECTS to gain special insight into the minds of the people in charge. It asks, what can our readers learn from the experiences of the company / managers that are interviewed, personal, overall corporate and

sector / country / region - related.

Hard copies of the MDBCCONNECTS magazine are distributed to all MDBC members and associated organizations, both in Malaysia and The Netherlands. More than 1,200 copies are printed and distributed to / via:

- o MDBC member companies
- o Selected Ministries, Trade Support Agencies and Corporate Contacts in Malaysia
- o Selected Ministries, Trade Support Agencies and Corporate Contacts in The Netherlands
- o Dutch Business Associations in the ASEAN region
- o KLM Business Lounge in KLIA
- o Embassy of the Kingdom of The Netherlands in Malaysia
- o MDBC meetings, events & exhibitions

Soft copies of the magazine are available online via Issuu (<https://issuu.com/mdbc>) on the MDBC website and social media channels (Facebook, LinkedIn, Twitter).

Premium Partnership

MDBC is one of the most active

Business Councils in Malaysia, and has the largest Malaysian / Dutch business community (with over 250 corporate members), which continues to grow!

MDBC Premium Partners benefit from unparalleled access to MDBC's extensive Malaysian and Dutch business contacts, enabling them to connect to our loyal and ever expanding audience.

Premium Partners enjoy branding exposure at MDBC events and on all MDBC channels: website, electronic newsletters, magazines (Digital & Hard Copies), business directories, social media platforms, and apps. Additionally, from time to time, MDBC looks for additional exposure opportunities for our Premium Partners through partner publications or online media.

If you would like to enjoy the benefits of an MDBC Premium Partnership, please contact us at communications@mdbc.com.my for more information.





**AN INSIDE LOOK:
FRAMES ASIA PACIFIC - JACCO MOOIJER**

Frames has been designing and building technologically advanced high quality process and control systems for the international upstream oil & gas industry since 1983. Privately owned and headquartered in The Netherlands with offices worldwide, Frames specializes in the design, manufacturing, supply, installation and commissioning of complete systems for oil & gas treatment, separation, heat exchanging, flow control and safe guarding.

Locally, Frames Asia Pacific has worked with clients such as SBM Malaysia (supplying the chemical injection and hydraulics equipment for the Aseng Floating Production Storage and Offloading (FPSO) which is to be located offshore Equatorial New Guinea Aseng as well as the chemical injection module at Tepat Teknik in Shah Alam for the N’Goma FPSO which is destined for offshore Angola), Sime Darby Engineering (separator equipment for the B – 193 project of ONGC) and Shell Sarawak Berhad. Via Technip KL and DSME (Daewoo in Korea), Frames is also currently executing a project for Chevron Australia (chemical injection module).

Recently, MDBC had a sit down with the General Manager of Frames Asia Pacific, Jacco Mooijer, a friendly and unpretentious gentleman from Mijdrecht, the Netherlands who is always open to sharing a laugh. A chemical engineer by training, Jacco has been with Frames for 20 years. Having done his internship with them while

at Haagse Hogeschool in The Hague, he accepted the full time position they offered him upon graduation, preferring the family-like environment in the small organization.

MDBC: What made you decide to come to Malaysia?

Jacco Mooijer: My wife Miranda, who works with Shell, was offered a posting in Shell Malaysia as a Flow Assurance Engineer, Projects & Technology. This encouraged me to approach the management of Frames about setting up an entity in KL to cover this region. Even though Frames was focused on Middle East markets at the time, management also knew that floating production facilities manufacturing is done in this region, so if they wanted to be in the supply chain, there would need to be a shift to the east. It was ironic because I had sworn to never live in the tropics, a decision I made after my first visit in 1995 on a job related to Shell Sarawak.

MDBC: What was the first month in Malaysia like for you and your family? Where there big adjustments or major challenges during this startup period?

Jacco: I did the initial preparations from the Netherlands in late 2008, then visited KL and met with MDBC Executive Director Marco Winter who gave me a few tips and guidelines. By 2 January 2009 I arrived in KL with my family and one week later Frames Asia Pacific was set up and running at The AmpWalk.

At the time we lived right across the street at Lanson Place (currently Ambassador Residences) which made everything easy and convenient. The cooperation we got from MIDA and other organizations also enabled the startup period to go very smoothly for me. People were very friendly, playing nice opens a lot of doors. We didn’t have any real issue with cultural adjustments because Miranda and I are both used to travel and have lived in other places before. There were no big issues settling in but the traffic and the climate were the biggest adjustment.

Another thing I had to get used to was the fact that you’re now working alone rather than with a team / colleagues to back you up. I worked pretty autonomously even in the Netherlands so it was manageable. Also, our days became much longer for the first half a year due to the time differences. You work normal days here and extend those hours due to the working hours in the Netherlands which is behind by 6 – 7 hours. We both had to learn to handle that as it’s not sustainable over the long term.

MDBC: What advice would you give others who are now in a similar startup situation?

Jacco: You have to make sure that you do all the things you would do at home, like pay your taxes, especially if you want to set up your company legitimately. On the legal side of things, go with a reputable organization. I would also suggest that if you’re going to be setting up for an existing entity, start with a representative / regional office (which I opted for) first and develop it from there. Also, the most important thing locally is networking. Everything here is ac-

complished through networking so develop that relationship not just professionally but also personally.

MDBC: What lessons have you learned on the way to becoming the General Manager and since?

Jacco: To get something, you have to give first. This is much more important in Asia than it is in the West. I sometimes have to convince people back home of this necessity. I think this works everywhere but the way you present this is what makes cultures different. Also I've learned to cope with the different local employees. The level of commitment here is very different. No one has left the company since they were hired. This loyalty and commitment is amazing.

When you are sincere and honest, and you invest the time (in your employees) you can get a return on that investment, it creates a very strong bond. If an employee is having problems in his personal life it will always affect how they are in the office. I would rather invest the time and care to try and help sort out the problems they may be having rather than looking for another employee to replace them. Showing this level of involvement ensures that people don't look around. Sincerity, honesty, openness are the most important things you need to have to achieve something here and it is also my leadership style. I involve my staff in the decision making process as this engages them, makes them feel like they have a part to play in this company.

MDBC: What are the key challenges for a foreign GM? How did you overcome these challenges?

Jacco: Learning to balance being a boss and being friendly. Level with your colleagues when needed, but also employ authority when you need to. That balance is important. If you're playing the boss all the time, you don't have the loyalty you need. If you're a friend all the time, you don't have any authority. If you're too bossy, no one will come in and ask for help so it's really important to be approachable as well. This is the cultural divide in Asia, the hierarchy. It is an unwritten rule that respect comes with age. Elderly people are far more respected here than in the Netherlands. I would say that the cultural differences are the key challenges for a foreign GM so you have to learn to communicate.

I managed to overcome these instinctually. If you come across as sincere, honest and open, it will be easier. Stick to your own personality and don't put on a façade. Also, try and figure out how to make things for the common benefit. With that, you can get people enthusiastic and involved. Then as a leader, you have to radiate the

enthusiasm you want your team to have, but do it in your own way; don't be someone you're not. One thing people will sense immediately is if you're not yourself.

Externally, in terms of dealing with clients, sometimes it's a struggle to become acquainted with their working methods. We are assembling an Electrostatic Coalescer (Oil – Water Separator) for Bumi Armada which is needed on the Apache Balnaves FPSO destined to operate in offshore Australia. Though this was rewarding in the end, it took us a long time to become a part of the sub-vendor circle for this new client. The directness of the Dutch doesn't help when explaining how to handle certain issues during the project execution or tendering stage. Often, acting as the me-

“Identifying top performers is intuitive. In terms of developing them, you have to give people the space to develop.”

diator between HQ in Europe and the local clients in Malaysia and the ASEAN region as a whole, is a prerequisite to getting anywhere. This means that the accepted behavior of one's own colleagues when applied back home, requires adaptation once doing business in the region.

Another important challenge to learn to cope with is the “speed” with which Malaysian “Upstream Oil & Gas” projects take shape. This can be extremely slow and might be a consequence of the protected market we operate in. Westerners are sometimes too eager to help (force) clients



in making decisions at a point in time at which it is way too early to already push for such decision-making at the client side, let alone properly judging the level at which the client DMU is actually situated at the client's organization. The call for high efficiency processes and organization in many perspectives is actually something that one needs to harmonize first with all stakeholders prior to starting to build upon each other. Hiring an experienced local Malaysian in “networking” is a great help in bridging gaps and rapidly getting to know the ways of the marketplace you're acting in.

MDBC: How do you identify and develop your top performers? What do you look for in your successor?

Jacco: Identifying top performers is intuitive. In terms of developing them, you have to give people the space to develop. Top performers must be creative but you have to remember that creativity comes in many forms. It is taking my own desire to interfere and letting that go. It also means that you have to trust in the people around you. Without trust, there is a barrier and there will never be a good relationship. Knowing where people have their shortcomings does not mean that there isn't any trust. It just tells you where you have to be supportive. This is also something that my successor will need to have, trust worthiness, sincerity and honesty in his doings. He will have to be a professional who will be able to elevate this facility to the next level.

MDBC: What lesson(s) will you be taking with you?

Jacco: There will be a couple bags full of life experiences both professionally and personally that I will be taking with me. I have matured as a people manager and I have also become a bridge builder. Where I see local clients and colleagues with the same problem or similar issues, I can bring them together so that the issue can be solved. Also, I have learned to go beyond the surface appearance. Although I was initially a bit insecure about picking up this challenge, I would not have changed this experience for anything in the world. It has taught me never to say never again (in reference to his decision to “never live in the tropics”). We may come back here. It's the first time we've been outside of the Netherlands for so long and for our daughter Maren, she will probably have challenges adjusting to life there. I am curious to see how we will adapt to being home. It sounds a bit cliché but it has been a really good time here. Officially our assignment ends 31 December so our stay may be ending for us some time during the first half of 2013. But who knows, we may apply for the TalentCorp Residence Pass and come back to Malaysia in the future.



AN INSIDE LOOK: RESQTEC ZUMRO - JAN - PIETER MAARSCHALK

RESQTEC is a leading manufacturer in the rescue industry. They develop, manufacture and market high performance rescue solutions. Major products consist of hydraulic and pneumatic rescue systems from cutters, spreaders, rams and lifting bags. Through their own Research & Development departments and manufacturing plants, their products are used around the world by fire fighters, police, military and smart teams amongst others.

Over the past four decades, RESQTEC has also positioned themselves to become a service-oriented company, delivering rescue equipment, training, service and support in their four fields of expertise: Heavy Rescue, USAR, Extrication and Aircraft Recovery. They are responsible for major innovations like the NT lifting bag, R2s Aircraft Recovery System and the Q1 confined space cutter. All RESQTEC products are similar in the way that they are all dedicated to saving lives or protecting citizens. During the development process, they strive to always provide high performance and smart solutions by making use of the latest technologies in materials and engineering.

Despite his hectic schedule, RESQTEC CEO Jan-Pieter Maarschalk agreed to this interview with MDBC recently. Hailing from Haarlem but living in Amsterdam, Jan-Pieter, the son of RESQTEC founder Axel Maarschalk, joined the company in 2005 and was appointed to CEO in 2011. Prior to joining RESQTEC, Jan-Pieter

worked for Sara Lee and in his family's other businesses throughout the world.

MDBC: What made you decide to come to Malaysia and start RESQTEC here?

Jan-Pieter: My father had the foresight to see Malaysia was the ideal country. Besides growing economically itself, giving opportunities for a company like ours (we are seen as an infrastructure company), it is ideal from a sales and manufacturing standpoint. Asia is logically a growing area for us and we decided to have a local presence, something our competitors do not have. The multicultural heritage makes it easy to find people that speak different languages which enables us to easily communicate with China, Indonesia and all English speaking countries.

MDBC: Were there any major challenges during this set up period?

Jan-Pieter: I wouldn't say any major challenges. It did take a while to get the licenses required and it was not always a very transparent process, but that can happen in many other countries as well. Finding the right suppliers takes time, it took a while before we could source enough goods from Malaysia. Communication with European counterparts was sometimes difficult as I believe it is important for colleagues to have met each other before they cooperate. Also, the issue of quality versus speed. We found that Malaysians tend to focus on speed of production whereas we would rather have a good quality product

which takes a little longer to produce than a not so good product which is produced very quickly.

MDBC: You worked at different companies and industries prior to joining RESQTEC. Were there any lessons learned during that time that have since served you well in your new role as CEO here?

Jan-Pieter: Yes, very much so. I would say that it all helped me in my job now. At Sara Lee I did product development and brand management. We worked with a lot of design and engineering companies and from that I learned to mix commerce and engineering, to bring that balance. It's part of the reason why we won 6 design awards. Importantly, I learned that the form of a product and what it communicates visually is just as important as the technical capabilities of a product. Technologically, your product may be the best there is, but if consumers have no confidence in its reliability, strength and performance based on the visual aspect of the product, then it has no value. We are visual people so good product development must align the technical and visual aspect equally. If the visual aspect doesn't match with the consumer's perception of what the product should convey, then the conclusion is that the customer doesn't believe the product can do its job.

MDBC: RESQTEC does a lot of special procurement as it works very closely with government entities due to the (rescue) products that it supplies. Do you have any advice for others on procurement?

Jan-Pieter: With any government it is sometimes hard to see what their processes

are (for procurement choices). It's very easy to jump to conclusions sometimes because we may only see part of the picture. I'd suggest that first, it's best to get advice. Use the resources that are available to you, resources like MDBC, or MIDA or the Embassy's Trade Department to gain a better understanding of how the country works instead of making any assumptions. Each country has their own way of doing things. Don't act too quickly, do your research first. Also, appoint an agent. RESQTEC uses local agents as we have seen that they know how things work in their countries.

MDBC: Do you find niche marketing to be very different from that of regular industries? What are the key differences?

Jan-Pieter: Yes, there are differences. One of the key differences is the way you use media. You're not going to reach your target audience through traditional media in niche marketing. We find that face to face interactions tend to be more effective. We rely much more on our dealers having that direct, people to people connection to reach the customer.

MDBC: Niche players tend to have a deep understanding of their customers and their needs, as well as have an ability to stay engaged with those customers. What are some tips / lessons that you can share with others that you have learned along the way?

Jan-Pieter: The first thing to understand is that things don't happen behind your computer so don't hide behind your desk. The real world is outside, get your ideas from there and go meet the people. We demonstrate our products to our customers, the sales guys are constantly in contact with our customers. The leadership / management should also go on trips, talk to the customers themselves, get to know them. You've got to lead from the front lines whenever possible. You've also got to innovate. Innovation, especially product innovation is the capitalizer of everything. You need to constantly innovate, need to have good innovations.

MDBC: How do you manage organizational politics, conflicting personalities, interest and views?

Jan-Pieter: The Dutch are quite flexible which makes it easier I think. We have to watch our directness as we may not mean it the wrong way, but the receiver may view it that way. Out of personal experience, I feel that Malaysians may not always like our way of working initially, but they are interested as well, eager to learn other ways of doing things. For example, Europeans are used to an open office environment. When we decided to do the same thing here, most were strongly against it, but after a while

everybody got used to it and didn't want to change back.

MDBC: If someone were to ask you, "What is your most valuable asset?" what would your answer be?

Jan-Pieter: My most valuable asset is definitely the people. Having the right people. If you don't have the right people, you're lost. Those people are the ones that make your company succeed. In the end it boils down to having the right people because all of your ideas, being able to implement things successfully, etc., they all come from having the right people.

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MDBC: One of the common traits of a successful niche business is good human resource policies and labor relations. How has RESQTEC handled this?

Jan-Pieter: The retention of production co-workers can be an issue. If a worker can get a little more money elsewhere, they tend to switch easily and in our case this can be an issue because we need to educate our people intensively. This wasn't really unexpected; the loyalty (or lack thereof) of employees among the production line is something that we can see is a common thing in a growing economy. We try to handle it by offering a premium in our performance bonus structure. We also have people wanting to come back after seeing our corporate culture and respect that we have for our people. This affects others as

well and makes them think before leaving.

MDBC: What do you see as the key future direction(s) for companies within your sector? Where do you see your industry going?

Jan-Pieter: I think innovation and modularity is going to be THE key direction for the industry. Rescue teams now have to be more multifunctional so it's important to integrate tools that are multifunctional. But it cannot be a tool that does both functions on a mediocre level, these tools have to be the best at all functions they are supposed to carry out. No matter what they are utilized for, performance is key.

MDBC: What do you think are the three most important characteristics of a successful entrepreneur?

Jan-Pieter: Three characteristics... Having no ego definitely. It allows you to decentralize things and share the responsibility. If you're self confident then you can give the people around you responsibility and if they succeed at what you've tasked them with you should be happy. This means that sharing is important because if you cannot share then you cannot multiply, grow.

Thinking is also important. Henry Ford (who started the Ford Motor Company) once hired a supply chain expert to come in and review his factory to see if things were running efficiently. After going through and observing the factory the expert came back to Mr. Ford and said that everyone in the factory was busy except one individual. Mr. Ford said, "Yes, me. Somebody has to do the thinking." Somebody has to do the thinking and come up with the strategy that will lead the organization forward and to ever greater success. And as one last thing, motivate. I think it's important that leaders motivate the team. As Mr. Ford said, "Enthusiasm is the yeast that makes your hopes shine to the stars. Enthusiasm is the sparkle in your eyes, the swing in your gait. The grip of your hand, the irresistible surge of will and energy to execute your ideas."



AN INSIDE LOOK: AIR FRANCE / KLM - ESTEE NG

KLM Royal Dutch Airlines was founded in 1919, making it the world's oldest airline still operating under its original name. In 2004, Air France and KLM merged to form AIR FRANCE / KLM (AFKL). The merger produced the strongest European airline group based on two powerful brands and hubs – Amsterdam Airport Schipol and Paris Charles de Gaulle. Retaining its own identity, the group focuses on three core businesses: passenger transport, cargo and aircraft maintenance. KLM serves all its destinations using a modern fleet and employs over 33,000 people around the world. It is a leader in the airline industry, offering reliable operations and customer oriented products resulting from its policy of enthusiasm and sustainable innovation. KLM is a member of the global SkyTeam airline alliance, offering customers an extensive worldwide network.

Led by AFKL Country Manager Estee Ng, the small, friendly and more than capable team here in Malaysia is a close knit and unified one due to her guidance and leadership by example. Always on the go, with multiple things clamoring for her attention constantly, this unassuming and approachable woman from humble origins is a Malaysian native from the small town of Raub, Pahang. The 6th of 7 children, she comes from a hard working but happy family that didn't have a lot growing up and usually worked during school holidays to help the family make ends meet. She has accomplished an amazing amount so far through hard work and her refusal to acknowledge traditional barriers; it leaves anyone who has ever met her wondering how much more she will accomplish by the next time they meet.

MDBC: How long have you been with KLM and how did you get started?

Estee: I never thought about working in the industry when I was younger. It wasn't until one of my neighbors suggested working for a travel agency and shared some of the places that she had been able to travel to through work that I gave it some consideration. It was during the break after my A levels exam so I went home, opened the telephone directory and picked the top three travel agencies with the biggest ads and approached them for jobs. I was invited for an interview by one of these agencies and they are, to this day, the ones I consider responsible for my being in this career. I walked in and told them that I wanted to be a tour leader. With no prior experience in the industry and without any

idea of what a tour leader was supposed to do, I asked for the job anyway.

The boss, who has since retired but whom I still keep in touch with, recalls fondly how he decided to take a chance and hire a gutsy and confident "greenhorn" by countering with a travel consultant position; I would like to think that he is proud of how I turned out. I excelled there but after deciding that I had already learnt all I could at the position, it was time to move on for a new challenge and joined KLM in 1998 as a sales executive.

MDBC: Having worked your way up through the ranks, would you say that this gives you a definite advantage in your current position?

Estee: I didn't stay with KLM the entire time. After my initial 6 years with KLM there was no prospect of progressing further at that point so I decided to accept a job offer from Asiana Airlines who was looking for a Marketing Manager here in Malaysia. I was the only employee here as they were represented by a General Sales Agent and reported to the Singapore office. It was a good move for me as it meant gaining and widening my industry contacts, comprehensive knowledge of the operations and gaining further experience especially as the route which I was working on was the Asian transpacific route which is different from the Europe transatlantic. Having started the introduction of Asiana to Malaysians, I worked closely with the Korean Tourism board which was based in Singapore to help them gain recognition locally; they kindly acknowledged my accomplishments with a recognition award from their Minister. I treasure the time that I had with them and it gave me invaluable hands on experience and knowledge which proved to be instrumental in my career progression path.

In my 7th year with Asiana, the product was pretty established for the offline passenger product and stable cargo operation with colleagues who were handling that part of the business. When the Sales Manager retired and KLM offered me the position, I wholeheartedly accepted as I believe the blue has always been in my blood, as so many colleagues have fondly told me. Since then, there's been no turning back.

The knowledge that I gained by starting something from the ground up, working with various entities and coming up through the ranks gives me the knowledge



and experience I need to successfully guide my team. Whenever issues crop up, I can empathize and guide them by sharing my experiences. It enables me to workshop solutions with my team to ensure a successful outcome. The office here focuses mostly on Passenger flights so there is naturally an emphasis on sales. Industry intelligence and customer loyalty is important as it helps you in ensuring your sales revenue.

MDBC: The Malaysian Government has pushed for an increasing number of women in leadership positions but men are still openly favored for such positions. You have obviously overcome that difficulty. Moreover, you are a woman in charge of a European multinational in an Asian country. How much of a challenge has this been? And what does this mean in terms creating the right corporate culture at AFKL Malaysia?

Estee: There have been no real issues being a woman in a leadership position at AFKL. The management style of AFKL is to recognize the talent of its staff. Also, there are open companywide standard guidelines, such as policies related to work information and also service standards which all employees are subscribed to. It is systematic with clear-cut policies and procedures in place which is standard European and it certainly makes it easy for communication within the organization. Local staff also has their Collective Labour Agreement which specifies work benefits and rules. Locally, depending on the workload, some adjustments are made in view of the multi-cultural environment here in Malaysia. Also, we strongly encourage open communication. I always encourage it so my staff knows that they can always talk



to me. In a way, I would say that the individual, the leader in charge is the one that sets the (right) corporate culture, not just the company guidelines.

MDBC: Europeans tend to focus more on work / life balance than Asians, whereas Asians tend to place more focus on work. How do you balance the two into something that creates a successful team?

Estee: We all have our individual responsibilities, and while some are able to leave on the dot, others stay on to get their work done. The focus is on meeting your deliverable; I work with all of my team members to help them do this more efficiently. They are equipped with access to the work site even when away from the office, like at home or while travelling. Everyone is accountable and the priority is on delivering the results, which for the main part is the establishment results where all have a shared responsibility. Also, we have a backup, buddy system in place. There is always someone around to take over in case of absences or emergencies as there are a great deal of multi-tasking in this small organization. It helps to create a stronger team. I always focus on having a unified team; I tell them that if one of us fails, we all fail. So the unity that we have makes us a successful organization. We have regular meetings where everyone is invited to participate and we update our latest establishment result which reflects to everyone that we are all working towards the same goal.

MDBC: In 2004, Air France and KLM went through a merger. By all accounts, this merger has gone well. How have you personally dealt with the merger and how

has this affected your team?

Estee: The merger meant 2 very established and valuable brand names joining forces - when it happened there were 2 managers - one from KLM which was me and one from Air France, Patrick Low, of whom I have the highest regard as a respected industry veteran. He opted for early retirement so I took over the reins for the first co-located AFKL office. I decided early on that we had to embrace the change, to adapt and adopt the new processes which would come eventually - grab the bull by its horns as you may term it. As a leader, you have to change the mindset of your employees as you can imagine the questions and reluctance to embrace new things at first, no matter how exciting it may seem. We were one of the first stations worldwide to be successfully and fully integrated. At that time, Air France was offline so we adopted 1 ticket stock for Malaysia, the KLM ticket for both AF and KL sales to simplify the process for the agents.

Of course, staff had to learn 2 different brands (Air France and KLM) which meant we had to know the product and technical specifics of both airlines instead of before, where staff only had to know all about one product - either AF or KLM. The staff takes their cue from the leaders so if you're hesitant, they will be too.

From the start of the merger, the corporate decision was that each was valuable in its own right as both has its own group of loyal customers, so both brands are separate even though it's one company. With AFKL we can choose which brand we want to use to represent us in any given activity or market. The other thing to remember is that this was a merger, not a takeover. We have a dedicated work force who believes in what they do and it's actually all about how you portray yourself to the market. For example, with the coming April online op-

erations of Air France in the local market, we will now have 2 distinct brands which we will use for specific activities including 2 different websites www.klm.com.my and www.airfrance.com.my, unlike before when we had only the KLM site as KL was the only online flight. People will always be more comfortable with one brand or the other so we don't view Air France and KLM in competition with each other, but rather that we're offering our customers more choices and more benefits as now there are 2 online hubs (Amsterdam and Paris) for passengers to choose from direct from KLIA (unlike before where Singapore was the nearest option for AF).

MDBC: What do you see as the future of the industry?

Estee: No one airline can operate to every destination in the world, so code shares (which must be granted regulatory approval) are the future. If you can co-operate with a partner airline, synergize, then it's ok. That's why alliances are given prominence. Sometimes even with full loads, the operating cost where fuel is a major cost concern will not ensure your revenue is optimal. The opportunities where possible to code share will become a common feature as this benefit will enable airlines to sell tickets even to destinations that they do not operate in (by using the resources of their codeshare partner).

For KLM, we cannot rest on our accomplishments. We can leverage on our strengths but must continue to be innovative. We were the first to offer internet check-ins and were the first user of the CUSS kiosks at KLIA, offering mobile check in for our passengers. That push for innovation continues with the work we're doing to reduce CO2 emissions with the use of biofuel, our waste to energy programs and many other CSR initiatives.

Top: the KLM Malaysia team at the 14th annual Charity Tulip Sale in Sungai Wang on Saturday, 12 May 2012; Below: Estee (left) with colleagues Julia Godet (Commercial Director, SEA) and Andrew Lee (Sales Information & Revenue Manager)



AN INSIDE LOOK: HQ PACK - ERWIN GRAVENBERCH



Erwin Gravenberch is the Managing Director for HQPack Sdn Bhd which designs and produces high tech packaging for the semiconductor machinery industry in Asia, Europe and the US. He started out in the industry as a Project Manager to support the automation in the newspaper industry in the Netherlands and Australia. With more than 40 years of experience in computer automation and computer networking industry, Erwin specializes in business development and customer satisfaction. He has been successful in the turn around and management of distressed companies. Under his supervision, the company recently incorporated HQPack Inc in Milpitas, California, USA, to serve their customers in the Silicon Valley area more proficiently. Born in Paramaribo, Suriname, Erwin and his wife Lia have two sons, both of whom are currently living in the Netherlands.

MDBC: You come from Paramaribo, the largest city and capital of Suriname. You've received your education in the Netherlands, have worked in a variety of countries and occupations before ending up here in Malaysia. What made you decide to leave home and explore the world?

Erwin: Although it was not my personal decision as I was much too young to get involved in this family decision, it turned out to be a good one for me and my siblings. We moved to Holland because my father's employer (The Royal Dutch Army) gave him a choice of staying in Suriname as a subaltern officer, or be promoted (and stay until retirement) in the Netherlands as a senior officer. As for leaving the Netherlands and exploring the world, both my wife and I enjoy travelling and meeting different cultures.

MDBC: What made you decide to come to Malaysia and join HQ Pack?

Erwin: Initially I came to Malaysia in 2010 as a part time independent consultant looking to assist European companies in their offshore outsourcing and to enjoy and improve my golf game. Providing consultancy to HQPack, a non-IT but definitely a high-tech company, was instigated by my son who is the CTD (Commercial Technical Director) at the headquarters of HQPack in the Netherlands. Before I joined HQPack, the company was already dealing with a number of packaging foils and plastic producers in Asia, primarily Malaysia.

MDBC: What is your most important professional achievement at HQPack? And how did you do it?

Erwin: I set up the factory from scratch and was up-and-running within 5 months. I was able to get the right experts in and outside HQPack involved. HQPack Management had been instrumental in the rapid realization, e.g. no-nonsense and short decision making processes. Besides that, our company secretary had an active (non-greasing) network, available almost 18 hours a day to help me set up bank accounts, obtain the right paperwork and licenses to convince realtors and suppliers that HQPack was a trustworthy company and here to stay.

MDBC: You're known as a bit of a specialist in turn around and management of distressed companies. What are some of the key factors you look at when you start this turn around process?

Erwin: Communication and Process Analysis. Believe it or not, most distressed companies suffer from poor communication, this applies to blue collar as well as the white collar workers. Some communication pitfalls I often need to fix:

- * Set and manage expectations
- * Vision and strategy just a "me too"

- * PIC (Problem In Chair), leaders and managers who manage from behind their computer only

- * Blue collars too indifferent to share serious mishaps on the workflow.

In order to really understand (process analysis) why a company doesn't perform, is loosing money, or comes to a squeaking halt, an analytical process of problem definition, problem analysis and fixing needs to be followed. The process I prefer to follow is DMAIC (Define, Measure, Analyze, Improve, Control). It's an approach to problem solving defined by Motorola as part of the Six Sigma management philosophy.

Probably the obvious tip to analyze a process you're not familiar with, is to ask the same questions at multiple levels in the company and listen carefully to the (subtle) differences, make notes and ask again if not understood, never assume. We've been blessed with two ears and one mouth; use them in the same ratio when communicating with people.

I absolutely enjoyed the workshops of "Kepner Tregoe Analytical Troubleshooting" and have given few of these trainings myself for the companies I helped to improve their success. KT Analytic Troubleshooting (ATS) provides a logical framework for statistical process control not tied to a specific technology and helps troubleshooters solve problems in the production environment.

People management is another indispensable quality we expect from our leaders and according to Dave Logan, John King and Halee Fischer - Wright, "Every company, every organization, is a tribe, or if it's large enough, a network of tribes - groups of 20 to 150 people in which everyone knows everyone else, or at least knows of everyone else. Tribes are more powerful than teams, companies or even CEOs". They demonstrate how these tribes develop - and show you how to assess them and lead them to maximize productivity and growth, a great guide for people managers.

MDBC: What are the key success factors for a Managing Director and what advice would you give to rising MDs?

Erwin: To name a few in no particular order:

- * Manage your communication channels
- * Manage by example
- * Manage by objectives
- * Manage in 4 directions, to the left, the right, down and up



* Share and celebrate success

Your customers and your people are the most important assets of your business. Competition thrives on your business success, your success creates even more / new competition, therefore stay alert at all times. For a company to succeed, a company needs to regularly change to stay one step ahead of the competition; only hire people with a proven record of tolerating change.

MDBC: What are the major challenges facing the top players in your industry today?

Erwin: HQPack design packaging is often a combination of low quantities, high complexity and high diversity, which at the same time is also one of HQPack's strong and added values to its customers. HQPack operates in a niche market and although our product quality and price is less under pressure of the competition, the product is by default associated with Hi-Tech customers and their huge brand recognition. This and the fact that we require our suppliers (of raw materials and semi finished products) to produce substantially fewer quantities than their standard MOQ price becomes a subtle balance between customer expectation and HQPack cost to produce.

MDBC: What do you think is a good way to address these challenges?

Erwin: Diversity of the customer base to increase employability of Composite Industrial Packaging. Continuous improvements of design- and production technology and last but not least, not uncommon for labor intensive industries is to outsource its "commodity" products to low-cost countries without compromising quality and maintainability of its products. HQPack is no exception to that best practice.

MDBC: You're actually currently located in Johor, choosing to base yourself there rather than in KL like many of your contemporaries. Why have you chosen to do this?

Erwin: The majority of our Asian Hi-Tech market is in Singapore, primarily European and American Lithography and affiliated companies.

MDBC: What are the advantages and disadvantages of doing this?

Erwin: The major advantage is being in a fast developing economic area that is built to attract local and foreign investment

"The major advantage of Johor is being in a fast developing economic area that is built to attract local and foreign investment"

from Singapore and abroad. Offering two international ports, universities, International Schooling, a fast network of new highways giving access to major industrial



Top: Erwin Gravenberch at a recent MDBC event.
Bottom left: A cleanroom at HQPack

areas, government offices and international transport. Singaporean manufacturers who face discouragement from their own government to increase the number of foreign workers and the skyrocketing real estate prices seek refuge in Johor. This definitely gives HQPack access to well organized companies to do business with.

In terms of disadvantage, being close to Singapore means that there is an exponential rise of property prices in Johor. There is also Singapore's inherent attraction of the young and dynamic blue-collar workforce who can earn three times the salary of Malaysians in Singapore. Obviously, this is only reserved for the selected and most ambitious who want to make a sustainable living for their family, nevertheless at least 100,000 Malaysians living in the Johor Baru area travel to Singapore to work every day. Although we've always strived to invest in Malaysia with the local Malaysians we are now forced to seek the help of foreign workers to sustain and grow our business. Another challenge of the region is the fact that the local officials have not kept pace with the new developments, still dealing with redundant paperwork and untraceable remuneration, unwittingly slowing down progress and annoying foreign investors.

MDBC: Johor is known as an important industrial, logistics and commercial centre. With major industries including electronics, resource, petrochemical refineries and shipbuilding along with the strong presence of Singapore-owned companies; do you find that ultimately, this fulfills its potential as a business hotspot?

Erwin: Iskandar has definitely the potential of a business hotspot. I'm confident that the region will develop to its potential when the local officials focus on Customer Advocacy and sustainable growth rather than short term ROI. Singapore has nearly

reached the physical limits of both sea - front land and sea - space. It's strategy is believed to be to transfer the development of its more labour and land intensive and lower value added industry to Johor and Batam. This would enable Singapore to take advantage of the much larger land resources offered by Johor. Unfortunately, the latest infrastructure at PTP Port is still considered too expensive and inefficient for the incumbent logistics companies who seem to prefer dealing with Pasir Gudang or even Port Klang for their pricing and diligence in handling import and export documents.

MDBC: What do you see as the future of your industry in this country / region?

Erwin: As far as Hi-Tech packaging is concerned, it all depends on how enthusiastically and successful the new vision of MIDA is implemented to transfer Malaysia into the Asian IT hub, their focus on reversing the ratio foreign investors / local investors, increase the supply of highly ambitious personnel and inextricably connected, scaling down the percentage of foreign and illegal workers. At this moment, I do however consider the opportunities in the Iskandar area more favourable to labor intensive production.

Assuming MIDA becomes successful in accomplishing their vision, and why shouldn't they, it will mean one of two things for our industry:

a. HQPack needs to find alternative ways to sustain our (low-cost) offshore activities in Asia;

b. HQPack "finds" a fine balance between manufacturing automation and labor-intensive production, the industry is handed the Malaysian Hi-Tech market on a silver platter, local- and foreign investor business will be booming....



AN INSIDE LOOK: DUTCH LADY MILK INDUSTRIES - RAHUL COLACO

50 years ago, on 28 May, 1963, Dutch Lady Malaysia was incorporated as a private joint stock limited company called Pacific Milk Industries (Malaysia) Sdn Bhd. The current dairy market leader here started with the production of a single product - sweetened condensed milk - and has since expanded to a full range of dairy products locally manufactured in its factory located in Petaling Jaya.

Previously under Friesland Foods (a Netherlands based multinational cooperative that dates back to 1879), Dutch Lady Malaysia is currently a subsidiary of Royal Friesland Campina, which was formed in December 2008 as a result of the merger between Friesland Foods and Campina.

Since its beginning, Dutch Lady has championed dairy nutrition for all Malaysians, with a special focus on the children. Their mission of "Helping Malaysians Move Forward in Life with Trusted Dairy Nutrition" drives them in creating a sustainable platform to inspire the local children.

As a special celebration for their 50th anniversary, Dutch Lady Malaysia is giving away RM 1,500,000 to Malaysia's young hopefuls. It is their belief that every child has the potential for greatness that has led them to provide this support. The money has been placed into the Dutch Lady Inspire Tomorrow Fund and will be made available to 50 selected children from all walks of life. The fund seeks to inspire Malaysian children, especially those underprivileged, "whom very often have the biggest dreams of all".

At its helm as Managing Director during this special milestone is Rahul Colaco. A soft spoken gentleman with sharp intellect and a quick grasp of situations; he seems to get energized by the fast pace of this consumer centric business. Bringing with him 17 years of experience in multinational corporations across Europe and Asia, Rahul has held various senior positions in marketing, sales, purchasing and finance. He holds a degree in Commerce from Mumbai University and an MBA from the International Institute for Management Development in Lausanne, Switzerland.

MDBC managed to sit down with Rahul to discuss this significant anniversary.

MDBC: 50 years is quite an achievement for any organization. What does this anniversary mean to you?

Rahul: This is a special year for us. For the past 50 years, we have championed dairy nutrition for all Malaysians, especially for the children. More children grow up drinking Dutch Lady milk than any other brand and we know we are here because of the consumers (and our employees). We have an important impact on society and to celebrate we are giving back in our own unique way, by celebrating the youth of this country through our Dutch Lady Inspire Tomorrow Fund. Looking forward to the future 50 years, we will continue facilitating the development of society, by providing a platform for the children.

MDBC: Dutch Lady has accomplished quite a lot since its humble beginnings.

What are some of the top accomplishments you're particularly proud of?

Rahul: Our overall impact on society is that Dutch Lady is synonymous with milk in Malaysia. We have been running a specific campaign since 2007 together with the Food and Agriculture Organization (FAO) on World Milk Day (held on 1 June), which provides us with an opportunity to focus attention on milk and celebrate all aspects of it; the natural origin, nutritional value, the economic importance of milk in rural areas as well as in the entire food chain.

We have also done quite a lot to help educate people on the importance of nutrition for children, specifically through our school milk program. We are working with government entities such as the Ministry of Education to help teach nutrition to the people of Malaysia. We even go into the deep remote areas of Malaysia and the hard-to-reach places where it's even more important to get the information to.

We have also started a Dairy Development Program to help improve the quality and quantity of fresh milk here in Malaysia. Started in 2008 in cooperation with the Department of Veterinary Services (DVS) and the Embassy of the Kingdom of the Netherlands, the program brings Dutch dairy experts to Malaysia to conduct knowledge transfer to local farmers during workshops. The program has developed into a platform for farmers to network and share their ideas with the DVS officials and also equips farmers with a better understanding of safe practices and milking techniques. This all helps to improve the livelihoods of everyone involved in the dairy industry.

Internally, we created a culture; we introduced a change program called Passion for Blue (PFB) which re-strategized our business focus and company development. PFB is unique in that it was innovatively designed to create and build a winning business culture within Dutch Lady. It focuses on strategy development as well as people development.

Also CSR is integrated in everything we do. We want to help Malaysians move forward. CSR has a deeper significance for me, it's not just showing that we do something; it's doing something that will really help society.

Rahul with the Dutch Lady Marketing & Sales Conference 2011 group



MDBC: As an industry leader, it is sometimes difficult to remember that you have a responsibility to be innovative and new. Can you tell us about how Dutch Lady innovates?

Rahul: A lot of it is driven by the expansion or changes in our portfolio. From Dutch

“We believe in the diversity of our people. In the management team alone we have 6 people from 5 different countries which is a melting pot of background diversity.”

Baby Sweetened Condensed Milk (which we discontinued in 2011 because it was not in line with our commitment to improve the health of our customers), to the packaging we use, improving nutritional values and reducing sugar levels. In fact, there has been a 50% reduction in the sugar levels since 3 years ago; this adds up to about 3,000 tonnes less sugar annually. For us, it was a matter of figuring out how to do that without sacrificing the taste of the product. And a lot of it is through our Research and Development (R&D) findings.

1988 was a key year for us, it was the year we invented growing up milk with specialized ingredients and formulation. And in 1975 we launched UHT milk. These two are big pillars for us. We were pioneers in the industry for developing these two items.

Also, we don't have a sexy Google culture here, but we believe in the diversity of our people. In the management team alone we have 6 people from 5 different countries which is a melting pot of background diversity. Innovation is not just about a product, we were the first private sector company to offer 90 days of maternity leave to our employees, so you have to look at other aspects as well. Like safety. We look at the

safety of our employees through the lens of their children, like how will this affect your children if you don't take care of yourself? Also, technology - what are consumers thinking. What flavor milk should be available? We have a continual improvement mindset.

We were the first YouTube partner when they launched in Malaysia. We are beginning to also engage consumers more for innovation, there is more digital interaction. Consumers are happy and they are more engaged, there is an exchange of information. It allows us to create an emotional connection with our consumers which helps drive the loyalty they have to Dutch Lady. When Malaysians choose Dutch Lady, it's an emotional choice. Its suitability, value and nutrition; moms know smart kids are not just academically smart but they also use their brain holistically.

MDBC: Being at the helm of an organization like Dutch Lady at such an important milestone must be exciting.

In addition to being able to enjoy the benefits of having done it right for the past 50 years, it also means you must look forward to the next 50 and lay the groundwork now.

What do you see as the future of Dutch Lady in Malaysia?

Rahul: For the next 50 years, it's all about continual growth. There is a huge opportunity still here because even though we are the market leader, our market share is only 20%, so there's definitely room to grow. We will continue to educate Malaysians in a fun and innovative way. The cycle of change is faster so we have to be more agile, doing it with fewer things, in a bigger and better way.





AN INSIDE LOOK: TNT Express Worldwide - S.C. Chong



Founded in Australia by Ken Thomas after the second World War, TNT (Thomas Nationwide Transport) grew through mergers and acquisitions. By the 1980s the company's focus in terms of growth, was very much on Europe. They acquired major companies in the overnight and express delivery industry and were the first transport company to buy its own aircraft, creating the first pan-European overnight service using a dedicated fleet. In 1992, KPN (the Dutch telecoms and postal company) acquired the TNT group. The split up of TNT N.V. happened in May 2011 when TNT Express and PostNL (formerly TNT Post) were separately listed on the Amsterdam Stock Exchange. TNT Express Malaysia has 600 employees and consists of three international gateways - KLIA, Penang and Johor Bahru, as well as a network of 10 branches.

Responsible for the overall TNT opera-

tions in the country and Brunei since late 2011 is Chong Siang Chung, or SC as he is more fondly known in the industry. Notably, he is the first Malaysian to be internally appointed as TNT Managing Director since the establishment of TNT Malaysia in 1976. Having joined TNT Malaysia in 2003 as the Sales & Marketing Director, SC has led the company to achieve strong double digit growth year after year, making TNT Malaysia one of the fastest growing business units in the Asian region. SC has also been instrumental in leading TNT to win the Best Brand in Logistics Solutions Provider Category for the Brand Laureate Award 2008 and 2010, and two Asia Direct Marketing 360 Awards in 2009.

Originally from Kuantan, SC holds a degree in science, majoring in Biochemistry from Universiti Kebangsaan Malaysia (UKM) and an MBA from the University of Dubuque, USA. He later received his Postgraduate Award in Management and Business Studies from Warwick Business School, UK in 2009. He is also the Vice President of CAPEC - Malaysia (Confederation of Asia Pacific Express Carriers) which was established in 1996 to represent the interests in Asia of the world's leading integrated express delivery service companies: DHL, TNT, FedEx and UPS. CAPEC works closely with governments and other industry associations in constructive partnerships to develop conducive business and regulatory frameworks for express delivery services.

MDBC: You are the first Malaysian to be internally appointed as TNT Managing Director. How unique is it that TNT has done this?

SC: At TNT we believe that when there's an open position, you have to apply for it and you have to work for it. We do not reserve positions for specific people, that is not the TNT way. But of course, applying is easy; it's actually preparing yourself for that leadership position that I believe is the challenge. Normally, most positions within TNT will be given to internal candidates. We don't discriminate and say that this is a Malaysian MD position; therefore it must be filled by a Malaysian. To us, we are all equal and the same. As long as you are an employee of TNT then you are welcome to apply, so it's actually quite normal that a Malaysian employee was appointed as the MD.

TNT develops not just one but multiple po-

tential candidates from the bottom up and get them ready for the top job; it requires investment of time and also of resources. It's very important that when we say equal opportunity, we mean it. We have a lot of management development programs both locally and globally. One of the local management programs we have is called "So You Think You Can Be A Manager". Once you are in this program, we will lead you all the way. It's a promise to invest the time, which means that the senior management team is actually involved in mentoring this group of people. Also, they are put into a very academic kind of training with job attachments and so on to expose them to future jobs.

MDBC: You have been in the leadership position for a little while now. Was it a smooth transition? Were there any major challenges that you've had to face in that time?

SC: It has been smooth; there's been time to apply what I've learned so far into my day to day work. Of course, my previous job experiences have shaped me and my leadership style but while experience counts, there have also been a few books that have really shaped me, such as Stephen Covey's "Seven Habits of Highly Effective People" and Jim Collin's "From Good to Great". I quite like what Covey suggests: When we do something, we have to begin with the end in mind. It reminds me that in every decision that I make, I have to ask myself, is that long term? Is that sustainable? And is that what I want to achieve when I look back at my life? Don't always go for short term gains. So that guides me, guides my life, and life is about your family as well as your work. It's about how we want to lead the company so that we can always focus on things that are right.

On the other hand, the past two years have not been easy. The first year, just a few months after I took over, the announcement was made that we were going to sell the company. That was not easy for me because we needed to juggle trying to keep the status quo (so that we would make the acquisition as smooth as possible) with actually jumping in and saying, this is how we want to improve the company. So that first year, we applied LEAN management. We were taking risks because if, at the end of last year, the deal did indeed go through, then what we had invested may have actually gone to waste. We also pushed for revenue growth last year and did very well



“What really makes TNT unique is that we have great people. It’s mainly the personal touch that we always have in all of our dealings. That’s why our customers are with us for so many years.”

in terms of SME sized enterprises, we continued to focus on them and stabilize the customers. This year, because of the ground work which was done last year, it has been easier. Most of the cost saving initiatives through LEAN started to kick in this year as well as the investments that we had on sales, which started to pay off this year. So I would say that despite what you hear about the economic situation, I think TNT Malaysia will have the best year ever in 2013.

MDBC: What are some of the unique challenges that TNT faces here in Malaysia / Asia? Do you find that there are certain things that you have to address here that aren’t necessarily an issue elsewhere?

SC: Specifically, I would say the cost of doing business in Malaysia. We have a lot of hidden costs in running a business, the obvious ones would be airport charges, fuel price, and labour costs; everything is going up. It’s also the requirements from the authorities because we have export controls in place, strategic trade acts, then we have to declare 100% of our exports formally and with this we incur costs. Every shipment that we export for our customers attracts more costs because of the declarations that we are required to do to comply with the act. Besides the additional admin cost, the major cost element unfortunately is due to surcharges imposed by airport management. Additionally, even though the government is trying to control property prices, rental of the warehouses is still rising.

MDBC: In terms of Europe, we see a lot of news about the sustainability initiatives that TNT is pursuing, the sustainable TNT center, more eco-friendly trucks, etc. Are there any plans to bring some of that over here? Would that help offset some of the

costs that you are facing now?

SC: If you look at the initiatives that we are taking in Malaysia to go green, it’s quite limited compared to the EU. We try to improve the efficiency of our fleet by making sure that our fleet is new, well maintained and better route planning. This can actually save a lot of resources; we use technology to plan our routes in an effective and efficient manner so that we have a denser route. On the vehicle type, I’m afraid that the Malaysian infrastructure today does not support those types of electric vehicles. You need chargers everywhere and so on, that is the first challenge. We have tested some countries in Asia but those projects were done with the support of the local government, or the state government. Meanwhile, there are things that we can do, things that we are already doing and things that we are planning to do more of. We track our carbon footprint; we did this long before the “go green” craze in Malaysia. We track our waste and we have the three Rs initiative in our offices; but in terms of vehicles, which involve a wider network – some of which is out of the control of TNT – we cannot do it alone, so we need the authorities to lay the groundwork first.

The other thing I need to emphasize is that, for TNT, we are very conscious about our carbon footprint, this is especially true when we plan our global or regional network. We are using multi-model network (combining air and land) because we find the multi-model is very energy efficient.

MDBC: What has been driving TNT’s growth?

SC: The main drivers are SMEs. They make up more than 50% of our revenue so they are a huge contributor to the growth of TNT Malaysia. And because we are a European company so the focus and growth is still very Europe centric. Even though Europe is still facing a downturn, our approach is different. We continue to use SMEs to funnel our growth and we design it in such a way that when we approach the SMEs that do business with Europe, they are being schemed and developed accordingly; so in a structured manner we have developed SMEs as well as Europe hand in hand.

Of course, China is growing, but I think besides China, the greatest momentum now - and it could be the trend in the future as well, is the trade within Asia. We still see high momentum between Malaysia and the other ASEAN countries and that is a good sign.

For further growth, we will be extending

our domestic footprint in this country because SMEs prefer to deal with someone around their own area. We plan to venture into second tier cities whenever possible where many of the international players’ presence cannot be felt.

MDBC: In terms of day to day operations, you have a set standard and you deliver high quality and speed. How do you ensure that?

SC: There are various areas of operations which are important. Firstly, there is continuous investment in IT system, which facilitates performance measurement. Secondly, we are also looking beyond just operational applications that actually support tracking and the measurement of KPIs. Our customers all say that TNT is very people oriented and very friendly company, we cannot lose that because that is the bloodline of our business. So we do quarterly customer surveys, we send all our managers out to visit our customers and we make our managers experience TNT from a customer viewpoint. Customer experience is even more important than just delivering on time. Thirdly, in order to deal with the enormous flow of information and analytics, we have Kaizen. Top management shares the information at department meetings to get more involvement and engagement from our people.

MDBC: Does TNT Malaysia decide what the marketing strategy is going to be locally? Are they defined globally? Or is it a mixture of both?

SC: So far, I would say it’s a blend of global strategy as well as local initiatives. There are many that are initiated at the country levels, however, there are also quite a number of global campaigns that are driven by our HQ so it’s a good blend of both. Global initiatives are normally channeled through our regional office.

MDBC: What makes TNT stand out from the crowd?

SC: It helps a lot that we are the one stop service provider; doing business with TNT is so convenient because we have domestic express, we have international express, we have air freight, we have value added services. The whole process has been made so seamless and so easy. We are a global company that has many years of experience and we have a presence in more than 200 countries but these are just hard facts.

What really makes TNT unique is we have great people. It’s mainly the personal touch that we always have in all of our dealings. And that’s why our customers are with us for so many years. It’s like a big family sometimes!

AN INSIDE LOOK:

SILVERSTREET - SIMON LANDSHEER & MICHAEL BROUWER

Silverstreet is a specialist Mobile Messaging (SMS) company offering global sending options to over 120 countries. Their primary focus is on mission critical traffic and high volume (wholesale) clients. Founded in 1999, Silverstreet is a diversified telecom group with interests in various tele and .com companies. Working with over 3000+ businesses, including mobile service providers and enterprises, Silverstreet's mobile messaging solutions and innovative, highly scalable transaction platform continually provide their clients with unique, reliable and secure solutions.

MDBC recently had a sit down with both Simon Landsheer (President & CEO) and Michael Brouwer (Chief Financial Officer). Simon has been responsible for the company's immense growth and expansion from its initial foundation in the Netherlands throughout Europe and subsequently into Asia, Africa and Australia, establishing Silverstreet as one of the leading SMS aggregators in the global mobile industry. Michael joined Silverstreet in June 2011 and brings a total of more than 20 years of accounting, financial analysis and business planning experience to the team. With very different and yet complimentary personalities, these two affable gentlemen balance each other out and are part of a dynamic team that is taking Silverstreet forward.

MDBC: Please tell us a little bit about the history of Silverstreet: Conceptualization, start up, expansion to Malaysia?

SL: Silverstreet was founded by my good friend Maikel Lambregts; he was selling tools to send Bulk SMS to mostly clubs and bars in the Netherlands. Over six years, Maikel built the company up with a team of freelancers and no permanent staff. I

joined Silverstreet in 2006 as a Commercial Director when Silverstreet was sending around three-million SMS per month, mostly in the Netherlands, and my job was to optimize the business. In the early days I focused on technical support, finances and sales.

At one point I realized I had to set up a small department running 24/7/365 days a year for customer support. It did not make sense to run this from the Netherlands, due to the high cost involved and a somewhat overregulated environment. In late 2008, at a trade conference in Macau, I met my current Malaysian business partner, Ben Chong. He was experienced in our industry and happy to take on a new opportunity, so we set up a customer support office in Kuala Lumpur. I came to KL in early 2009 and kind of never left. Having an office in Asia was such an eye opener for me - a vibrant environment, easy and cheap to travel within the region, and such a wide open market. From Kuala Lumpur I expanded Silverstreet in to many other countries, with spin-off businesses in Malaysia as well as most other countries in the region.

In 2011, Maikel decided to take a step back in Silverstreet, and I became the President & CEO, installing a strong management team under me to take charge of the day-to-day operations. My main focus today is on expanding the group of companies we have built. Nowadays we process multiple billion SMS messages per year and we are still growing steadily.

MDBC: What have been some of the biggest challenges in setting up and expanding your company in Malaysia? In the SEA region? Europe?

MB: As we expand, we're always trying to find the right staff, candidates that can adapt to different cultures, work across different time zones, learn quickly and grow with the business. I have previous experience in other countries such as the US and Singapore, and other (mobile) telco's. However, technology seems to go faster every year. Nowadays, every employee needs to be able to adapt.

MDBC: What do you think are the major challenges facing the top players in your industry today?

MB: Anyone can send an SMS message in a few seconds, we can send thousands. Key is that the back office is on par with customer expectations.

SL: We operate in a very small industry, and we are very familiar with the other top five players. I think our advantage is that we are 100% private owned and we have no external shareholders to answer to. We strive to focus on clean practices, both with the services we offer and within the industry as a whole. Working in unison with each other and operators to establish and follow regulations is key to the success and sustainability of an organisation in this industry. Abuse of loopholes, practiced by some, rightfully sets operators up to impose far greater restrictions on the industry as a whole in terms of what is and what is not possible with SMS connectivity. We want to move forward and make a positive contribution to the industry, rather than taking steps back.

MDBC: Given the increase in smartphone sales and app development, what kind of changes do you foresee in your industry for the next five years? How do you see Silverstreet adapting to these changes?

SL: If you do similar business tomorrow compared to what you're doing today, you are actually moving backwards. We have a strong desire to keep growing upwards. By no means do I believe that SMS is dying, and there is still a time and a place for Peer-to-Peer (or people to people) messaging, for example in emerging markets where feature phone use is still prevalent - we actually published an interesting [white-paper & infographic](#) on this topic recently. However, the majority of our business is in Application to Person and I see that this is still growing and this is where opportunities lie. If you look at SMS as an app, there is no other app that is installed on literally every single mobile phone in the world,

Simon Landsheer

Michael Brouwer





and no other app will ever reach that level. Silverstreet has a sizeable Research & Development department in the Netherlands and we have them spend around 70% of their time on new developments / products to create future contributions to the Silverstreet group and the industry as a whole.

MDBC: What are some of the biggest business development challenges you face in your industry? How do you address these issues?

MB: Our industry used to be based significantly on pre-paid financial settlement. In the last couple of years this has moved towards post-paid financial settlements. Another major issue we see is margin corrosion throughout the industry due to the increasingly high and frequent attempts of certain players in the market to find loopholes or otherwise questionable ways of terminating SMS around the world. We more than tripled the capacity of our platform to cope with that at significant cost.

While there are certainly various respectable and dignified players in the industry who share our belief in focusing on quality of service, quality of staff and educating our customers in terms of how the global SMS marketplace works, we see far too many companies trying to differentiate themselves by simply being the cheapest, regardless of how that status is achieved. This puts the respectable players in the industry, which is a category that we humbly consider ourselves to be part of, in a position whereby we must lower our prices to compete while in parallel working with the mobile operators and our customers to create a more reasonable and fairly structured market. We are also proud of our customer support and admin teams who are able to provide customers with very quick answers to their questions and requests.

MDBC: Given confidentiality issues and a general lack of understanding over your company's offerings, what are some of the major marketing challenges you face? How have you overcome these issues? What advice would you give leaders in niche industries such as yours who are looking to raise their profile and increase visibility and awareness?

SL: Our product offering spans across different verticals and audiences. To ensure that our customers stay informed about what we do, as well as the role we play in our industry, it is important to proactively provide consistent and easily digestible

content. The three-tiered approach - combining marketing, PR and sales - is one we put into practice at Silverstreet.

Accessibility is key: when potential or existing customers are looking for something that you can provide, they want to have access to it quickly. We have a dedicated, 24 / 7 sales team providing round the clock assistance, we're continually improving the usability of our website and we regularly provide value added content for our customers in the form of blog posts, whitepapers and case studies. Marketing today means it is no longer efficient to send out a press release pumped with keywords in the hopes of helping your SEO. Instead, know your different audiences and provide them with targeted, good quality content and a strong sales and support team. Keep abreast of industry trends yourself and share your knowledge. This will help keep your company top of mind and position you as a trusted leader in your field. One of our main challenges in our marketing approach is that we handle SMS traffic for all the blue chip players, but we can't always market it like that because they are front faced by value adding resellers and aggregators.

MDBC: What is the best advice you've ever been given?

MB: This may sound odd coming from a CFO, but: If everything seems under control, you are not going fast enough (Mario Andretti, former F1 driver). You must have a basic framework that pre-empts major risks, but especially as CFO, I also need to enable the business to grow, which means taking some calculated risks. It applies to many situations, also your own life.

SL: If you move 10 steps forward and seven steps backwards, you still move three steps forward.

Don't trust someone who can't trust you. You can only multiply if you're able to share...

Those are some of my favorite one-liners. Best advice I have ever been given is that I should strive for what I want because no one is going to hand it to you.

MDBC: What advice would you give to a young entrepreneur starting their first business?

MB: Find the right local accountant, tax advisor and auditor to ensure local compliance and avoid risk exposure. Examples are payroll, GST, corporate tax, statutory filings etc. Gain experience from working with such parties before taking these services in-house.

SL: I agree with Michael's points. It's important that you focus on what you're best at, and in your startup phase leave all the time-consuming admin stuff to external professionals. It also makes a lot of sense to find like-minded, experienced entrepreneurs. It even makes sense to talk to failed entrepreneurs, you'll learn from their mistakes. Don't be afraid to share and impart knowledge you learn too, we don't operate in isolation and can all learn something from each other, especially in the startup phase. Silverstreet Group provides management support, back office and financial support to startup companies that come to us with an idea we believe in. Also, once you realize you have a blue print, trust your instincts and your capabilities. Outside advice has its place but don't let other people tell you they know better. They don't always and it can end up costing you a lot of money if you listen to them.

MDBC: Do you have any plans that you can share with us about your future goals?

MB: Our approach is to constantly look for new opportunities to reduce dependency on a single SMS product. We are also restructuring the business whereby our Singapore company becomes the global Headquarters.

SL: We don't need to be the biggest, but a big focus for us is sustainability, growth and a positive impact in our industry. We continue to grow our core business and a significant amount of the money we make with that business is used to invest in setting up new business verticals.

With the Silverstreet team in Malaysia



AN INSIDE LOOK:

&samhoud - NUR HAMURCU AND WOUTER VAN DER WEIJDEN

In this edition of An Inside Look, MDBC spoke with &samhoud Managing Partners Nur Hamurcu (NH) and Wouter van der Weijden (WW). These gentlemen are responsible for &samhoud Asia and are the first point of contact for most clients. &samhoud was founded 25 years ago by Salem Samhoud. A vision driven, self proclaimed "usual unusual company", they started out as a management consultancy firm and have since ventured out into additional industries such as food, hospitality and personal development.

MDBC: Please give us a brief background about yourselves and how you ended up at &samhoud.

NH: Born in Turkey and raised in The Netherlands, it was four years ago that I left for Malaysia with my wife Sonja and daughter Eliza, to become the Managing Partner of &samhoud Asia. After studying Economics in Amsterdam, I was looking to work for a company where I could strike a balance between business and society. A company with a philosophy and business model that would contribute to a better world for all. I found this at &samhoud, where we strive to realize our mission, which we call our higher goal: 'Together we build a brighter future. We achieve breakthroughs by inspiring and connecting people'. After sixteen years, this higher goal why I still tremendously like working for &samhoud.

WW: After my studies and work led me from The Netherlands to the United States, Poland, Austria and Sweden, I came to Malaysia two years ago with my wife Vanessa and our children Silas, Ingmar, and Flo. I joined &samhoud 17 years ago and from the beginning I have always been a big fan of our business philosophy. In line with the Harvard Business School model 'The Value Profit Chain' we truly believe that sustainable business success can only be achieved by creating value for all stakeholders: employees, customers, shareholders and society. It



gives me a lot of energy to help build Value Profit Chain organizations that make a difference in today's



Nur Hamurcu



Wouter van der Weijden

world.

MDBC: You both mention what attracted you in &samhoud as an employer, but could you tell us a bit more about your company?

NH: Who we are and how we do things are based on our three core values: intensity, authenticity and friendship. In short, intensity means that our people want to be the best in everything they do and are focused on exceeding expectations and realizing breakthroughs. Authenticity means that our people are true to themselves and dare to be usual unusual. And friendship means that our people are interested and honest, open to giving and receiving feedback and believing in the power of diversity and complementarity.

WW: In Malaysia, our core business is still management consulting. Our field of expertise includes Vision, Branding & Strategy, Leadership & Teambuilding and Culture & Change. Over the past few years, we have been serving multinationals (MNC's), government linked companies (GLC's) and local companies. Our client base includes TNT, Ericsson, MontBlanc, Huisman, Axiata, Malaysia Airports, Bank Rakyat and Hong Leong.

MDBC: What made you decide to come to Malaysia and open up an office here? Why Asia but not Africa or Latin America?

WW: For us, Asia has the biggest potential. The market is booming, there is a lot of energy and excitement here, and abundant opportunities. The demand in Asia is huge, with more than 4.2 billion people, which

equals about 60% of the world population. Asia is also the fastest growing economic region and the largest economy by GDP. We cannot imagine building a top global brand without having a footprint in Asia. The growth is here.

NH: There are three main reasons why we chose Kuala Lumpur as our hub in Asia. First of all, I believe that to be a successful entrepreneur you need a happy family life. And me and Sonja wanted to live in an authentic and very diverse society. Second, Malaysia lies in the heart of Asia and is very well connected to the region. Third, it is a good choice with our mission in mind. Malaysia is still a developing nation, which gives us the opportunity to assist local leaders to grow holistically and exponentially with our expertise and approach.

MDBC: Could you share some of your experiences in setting up this office?

NH: In principle, Malaysia has a very open attitude towards foreign investors and entrepreneurs. Malaysia likes to position itself as a foreign investment hub for the region. In reality, as we probably all experienced doing business in Malaysia, the administrative process in setting up an office is quite challenging. From arranging the operating license to opening a bank account: it all has been a hassle. In that respect, Malaysia can learn a lot from Singapore. But, ever since we are up and running, business has gone quite smoothly.

MDBC: How difficult was it to secure local clients? What were some of the biggest hurdles in securing local



clients? How did you overcome these hurdles?

NH: In the beginning, it was very tough. Business is done on the basis of trust. To gain trust, it is very important to invest in the relationship. And a relationship needs time and energy to materialize.

WW: The speed to get things approved and the complexity of the decision-making process in various organizations are very common hurdles. Patience and persistence are crucial qualities to secure clients eventually.

“We practice what we preach. Every single advice we give to our clients is based on the fact that we practice it ourselves.”

MDBC: What sets &samhoud apart from other management consultancies?

NH: We consider ourselves to be ‘the best in the world’ in Inspiration, Connection, Change and Entrepreneurship. Through these qualities we mobilize people and organizations to achieve breakthroughs and build a brighter future.

WW: We practice what we preach. Every single advice we give to our clients is based on the fact that we practice it ourselves. We consider ourselves entrepreneurs rather than consultants. We are not only active in management consulting but also in different industries worldwide like personal development, hospitality and food. This sets us apart from other consultancies, which usually do not participate in businesses themselves. How can you be a good management consultant, when you do not actively run a business yourself?

NH: Our execution power. Strategic consultancy firms usually give advice through extensive slide decks and thick reports. We go beyond that, working side by side with our clients, co-creating strategic plans and implementing the strategies together. Through our participative and ‘usual-un-

usual’ approach, we touch people’s heads and hearts at the same time. We believe this eventually results in more sustainable success.

MDBC: What are some of the most common management challenges that Malaysia / Malaysian companies face (let’s say Top 3)?

WW: Building a great place to work. Employee engagement and loyalty in Malaysian companies is relatively low. The main priority of most organizations is to make a profit. And in the quest of building a profitable business, building a great place to work is not very high on the priority list. This weakens the sense of belonging and the sense of unity, ultimately resulting in a high turnover rate.

NH: Creating a meaningful brand/customer experience. Most relationships between Malaysian organizations and their customers are very transactional. Organizations rarely make their customers raving fans. In our eyes, a missed opportunity to create long lasting brand ambassadors.

WW: Improving alignment and execution power. A lot of Malaysian organizations lack alignment of vision, strategy, culture and action. Organizations do invest time, money and energy in developing long term plans, but often fail to involve the right people in the process, resulting in less alignment and ownership. Further, organizations often fail to cascade the long term plans down to the operational level and anchor them in the culture. As a consequence, execution power is low.

MDBC: How can Malaysia/Malaysian companies make a change?

NH: First of all, Malaysian organizations should create a sense of urgency and ex-

citement for change. Without a clear case for change, people will not move. Second, leaders should take ownership of the change and mobilize the right people to embark on the change journey.

WW: Third, Malaysian organizations should develop an inspiring vision and clear strategy for the future in a participative process. Fourth, all energy should be put into making the vision and strategy happen. This means cascading the vision and strategy down to operational plans and instilling a performance culture in the organization. Last but not least, Malaysian organizations should show and share the results with their stakeholders.

MDBC: In 2012, Malaysia was ranked 7th out of 60 developing countries on KPMG’s Change Readiness Index. Where do you think the country will be by 2020? Are they taking the right steps?

WW: I believe, the strength of Malaysia lies in its vision to become a developed nation by 2020. The road map and the disciplinary approach by PEMANDU, the Project Management Office of the Prime Minister’s Department, are impressive as well. Across the globe you will hardly find countries with such a clear ambition and disciplinary approach for execution.

NH: Business will thrive and contribute by becoming regional champions. The road ahead will not be easy, but Malaysia has proven itself to be successful in overcoming huge challenges in the past. With that in mind, we have no doubt Malaysia will accomplish its vision in 2020. We at &samhoud are very proud to be able to contribute to the vision by helping organizations to build a brighter future. Together.



AN INSIDE LOOK: LISMAN FORKLIFTS



Robert Hermans

Lisman Forklifts is a specialised international wholesaler of used forklifts, warehouse equipment and lifting platforms; or, more generally speaking, Material Handling Equipment. This family company has a tradition of nearly 50 years and at this time, the third generation is co-running the company. In The Netherlands they now operate from three warehouses at one central location.

Lisman Forklifts Asia is the Lisman Forklifts wholesaler in Malaysia and serves their Asian customers. Working from a big warehouse (5,000 m²) with a small, modern office located in Telok Gong near Port Klang, Lisman Forklifts Asia supplies a wide range of used machines from stock to dealers in Malaysia and the surrounding countries.

Lisman takes care to source the right machines fit for a second life and makes them available for dealers to buy. Lisman customers in Asia will find their usual range of used material handling equipment, with the standard quality of all Lisman machines.

MDBC had the opportunity to ask Robert Hermans (Managing Director, Lisman Forklifts Asia) a few questions about the company and their decision to set up in Malaysia.

Born in The Netherlands shortly after Christmas in 1968, Robert Hermans graduated from Delft University of Technology with a major in Industrial Marketing twenty years ago and has since held several commercial positions in industrial companies, starting as a sales engineer in the automotive industry and progressing to sales management in the commercial vehicle industry. He has worked for big companies such as Siemens and the Japanese DENSO, as well as small and medium sized enterprises.

His heart leans more towards the entrepreneurial and pioneering spirit of the small and medium sized family owned companies, so when opportunity knocked, he took up the challenge of managing Lisman Forklifts' first overseas affiliated company. Now based here in KL, Robert's wife Maayke Mannaert works as the Head of Trade for the Netherlands Embassy in KL and daughter Zoe attends the Garden International School.

MDBC: Can you tell us a little more about Lisman Forklifts and its affiliated companies?

RH: In the specific field of wholesale used forklifts, Lisman is a leader, even on the global scale. Lisman is brand independent, offering a whole range of types, models and brands of equipment and is

“We were looking for a good place to set up our local hub. The main factors we were considering were a central location with good connectivity, a solid business infrastructure, and stable government / financial sector. Add in the availability of well educated staff with English language proficiency as well as other foreign language abilities and you can easily imagine why Lisman chose Malaysia.”

gradually building up a brand image of its own in the field of used lift equipment.



Lisman Asia, together with its big sister company Lisman Vorkheftrucks in The Netherlands, is part of the Dutch Lisman Forklifts Group NV. From Malaysia and The Netherlands, Lisman services customers in over 80 countries globally.

MDBC: Can you expand on how Lisman does business as what your company offers is unique in your industry?

RH: Transparency is key in our proposition. We do clean and test our trucks; we repair them to a functional level when necessary but we do not touch up or paint them. Our customers are professional dealers and they should have a clear picture on the condition of each individual machines as it is. These dealers then typically slightly refurbish these machines (make them end user ready: new coat of paint, service the engine and hydraulics), and sell on or rent out to local end users for their internal transportation needs.

A lot of the matching between available stock and potential customers is done through the website (www.lismanforklifts.com), with at least 2,000 sales ready machines on display. Different from selling new equipment, where customers more or less order their truck after their desired specifications, the trade of used machines is strongly determined by what is actually available. At Lisman, we sometimes jokingly draw a comparison with dating websites, when it comes to finding the right truck for each customer.

MDBC: So why Malaysia? What made Lisman choose this as the hub for South East Asia?

RH: In 2011, when Lisman chose to expand and set up a subsidiary in South East Asia, we were looking for a good place to set up our local hub. The main factors we were considering were a central location with good connectivity, a solid business infrastructure, and stable government / financial sector. Add in the availability of well educated staff with English language proficiency as well as other foreign language abilities and you can easily imagine why Lisman chose Malaysia. Besides Kuala Lumpur, only Singapore could compete as a location within South East Asia. Considering the cost of square meters in Singapore, and the space involved in warehousing our stock of machinery, Lisman found the location it wished for at Telok Gong, near Klang.



Lisman offers a wide range of used material handling equipment available from stock

Through Klang's West Port, the (heavy) machines sourced from Europe or other continents can easily be brought in and exported again to other Asian countries. Customers can also reach us from KLIA with a 45 minute taxi drive. Most of the dealers who visit us are small family owned enterprises, our customers do fly over and visit us from Indonesia, Thailand, Vietnam or India. With what is typically a one night stay, it leaves plenty of time to go over our available stock and actually test the machines themselves before ordering. Some dealers even bring their end customer along when picking the right machine!

MDBC: Can you elaborate on the industry differences between Europe and Asia?

RH: A big difference in the trade with Europe are the brand preferences; here in Asia it is strongly dominated by Toyota and other Japanese brands with German Linde also coming up strong. Additionally, the simple fact of whether spare parts are

available (or not) can make or break sales of a particular brand name in one South East Asian country or the other. Another difference with Europe is the low cost of air travel connections in South East Asia, which makes business with countries from India to the Philippines and everything in between even more personal. Meeting your overseas customer does not take much more than a day and a hundred Euros.

MDBC: What are the next steps for Lisman Asia?

RH: We are working on simply growing our customer base by adding potential customers one by one, and expanding sales further out of our home market of Malaysia step by step. We recently visited Cambodia and are now looking at business possibilities in Myanmar for example. Compared to our big sister company Lisman in The Netherlands, Lisman Asia simply needs to grow in volume. The business volume is an important factor in our offering of good quality used machines against competitive prices.

The team includes Malaysians from different backgrounds





AN INSIDE LOOK:

DOUBLE TREE BY HILTON KUALA LUMPUR - LINDA GIEBING

The hospitality industry in Malaysia is a highly competitive one with Malaysia welcoming a total of 16.1 million tourists from January to July last year. According to the World Travel & Tourism Council, international arrivals in this region are forecasted to total 145 million by 2023. This significant growth means that tourism is an important key focus area for the country, also demonstrated through the broad objectives of the National Key Economic Areas (NKEA) and Malaysia Tourism Transformation Plan (MTTP) to increase yield per tourist.

In this competitive market, DoubleTree by Hilton Kuala Lumpur has managed to emerge as one of the top hotels in KL. Helping to lead this warm and welcoming team at DoubleTree by Hilton Kuala Lumpur is Director of Operations Linda Giebing. Born and raised close to Rotterdam, the Netherlands, Linda studied Hotel Management at Stenden University Leeuwarden as well as Marketing at the Rotterdam Business School. She started her career with Hilton Worldwide almost 15 years ago and has worked for them in 4 different countries, at 7 hotels so far. Hilton brought her to Malaysia 2.5 years ago.

MDBC sat down with Linda to discuss competing in such a fierce industry as well as

how DoubleTree by Hilton Kuala Lumpur deals with women in the workforce (women make up roughly 60% in the hospitality industry) as the Malaysian Prime Minister has called for greater diversity at leadership and top management levels.

MDBC: When did you know that you wanted to work in a hotel?

Linda: In my early teens, I dreamed of having an international career in a commercial environment. I figured that studying hotel management would be a good springboard for that, although I didn't expect to end up in such an operational role. I guess at that age, it is difficult to really know what working life is about and what you will enjoy. I consider myself lucky for finding a job that I enjoy every single day!

MDBC: What do you adore about your job?

Linda: I love the human interaction, getting to know people with different frames of reference and making their experience with us as rewarding as possible, obviously towards our guests, but also as an employer.

MDBC: What is the secret to the consistent success of the DoubleTree by Hilton Kuala Lumpur property?

Linda: DoubleTree by Hilton Kuala Lumpur's excellent location in the heart of

Kuala Lumpur city centre is a major pulling factor for tourism. Being part of a retail and corporate tower at The Intermark - shopping, entertainment, dining and tourist attractions are just a stone's throw away and just 10 minutes from the iconic Petronas Twin Towers and KL Convention Centre. The covered walkway to the nearby Light Rail Transit (LRT) station also provides convenient access to anywhere in the KL city.

Also, we provide our guests with a Malaysian cultural immersion in Makan Kitchen: Touted as the true showcase of Malaysian dining, the restaurant features Malaysian cuisine through live interactive kitchens, allowing our guests to be immersed in the culture of Malaysia through the multifaceted cuisines.

Another difference is our brand essence: CARE, Creating a Rewarding Experience, and DoubleTree by Hilton Kuala Lumpur's unique approach to hospitality with the legendary warm chocolate chip cookie welcome has brought a refreshing new connected experience for visitors to Malaysia.

MDBC: How challenging is it today to show what makes a property unique?

Linda: It is a highly competitive industry surrounding the Klang Valley and KL city centre where we're located with new hotels openings expected early next year and 2017. Like the many upscale fullservice hotels dotted in the city, we offer guests luxury amenities with full service accommodations.

However, as a DoubleTree by Hilton brand, we're all about the "human touch". We talk about "it's the little things that mean everything", and "creating a rewarding experience". We have a unique approach to hospitality that starts with our legendary warm chocolate chip cookie welcome, giving our guests a reminder of home.

Ultimately, our CARE culture inspires us to create a rewarding experience for our hotel guests, our team members and the communities we proudly serve.

MDBC: What kind of policies are in place to ensure gender diversity in the hotel industry? At DoubleTree by Hilton Kuala Lumpur in particular?

Linda: I believe this industry has great potential on the topic, as the number of



females joining at entry level is high, and we see more women than men in our young talent development programs.

At DoubleTree by Hilton Kuala Lumpur, we have learned a lot over the last few years and have become more sensitive to potential pitfalls in regards to gender diversity. One of these risks is in talent identification. It is well known that women don't raise their hand for a promotion until they have 100% of the skills required for it, whilst men feel comfortable when they have 60% of the skills.

As a manager, you need to be aware of that and challenge yourself and your processes to ensure you select the right people for training and development opportunities. We are tracking our efforts in HR processes, including succession matrices. We are about to start circulating a diversity newsletter for awareness reasons. On our top leadership development programs, we have put through more women than men in the past two years through these efforts.

MDBC: What would you like to see happen in the industry regarding gender diversity?

Linda: The industry works 365 days per year, 7 day a week and 24 hours a day. This can be seen as a challenge, especially for women who often carry the "double burden" of combining a career with the care for children or parents, but I think it can be an opportunity. Especially for senior management, it allows more flexible time. We need to get away from the idea that you need to work a lot of hours to be successful. I believe it's about your efficiency, not about the number of hours worked.

MDBC: What are the major differences in gender diversity between the hotel industry in the European market vs the Asian / Malaysian market?

Linda: According to a study by McKinsey & Company, the proportion of women on corporate boards and executive committees in Asian companies is "strikingly low" as compared to Europe or America, even though women remain under-represented in those regions too. One of the elements related to this is the female participation to the workforce, which tends to be lower than in the West (in Malaysia ~50%), making it difficult to begin feeding the pipeline. Secondly, I believe there is a cultural impact, where women in Asia are socially more expected to take care of household, children



DoubleTree by Hilton Kuala Lumpur emerged as winners for Excellence Award for Best MICE Experience and Best Hotel Experience by Expatriate Lifestyle. Linda is picture here with the DoubleTree by Hilton Kuala Lumpur's General Manager Ian Barrow (next to Linda) and the management team of the hotel.

and aging parents and there is not necessarily a set of enablers to accommodate this.

MDBC: What changes / improvements would you recommend?

Linda: Although I am not a big fan of quota, several countries have implemented this very successfully, Norway being the best example. For companies, internal "aspirations" can be set. We must keep in mind that we should all want the best person in the best place, but should realize that we may not always consider all the options when reviewing who the best person is. Helping women to develop their networks and master corporate culture on one hand and implement tracking, review human resource processes and policies on the other, potentially even combined with support mechanisms, can be a fantastic start.

MDBC: What do you think are some of the biggest restrictions / concerns / barriers to entry for women into top management positions?

Linda: Based on my own research, the most impactful obstacles and self-created drawbacks for women seem to lie in confidence challenges, consistently under-qualifying their own performance and the related different, less successful way of profiling and networking. It is also important that we develop managers' awareness, which is fundamental to improvement. Managers need to realize that rebalancing gender requires work on themselves as well. There is a certain degree of willingness to put yourself into question required.

We can't deny the cultural element as a barrier to the development of women, as discussed earlier. There are good examples globally of government measures that have worked very successfully, and even on corporate level enablers can be considered

that will make these choices easier.

MDBC: Most general managers and high level executives are men. What advise do you have for young women who aspire to the top ranks in the hotel industry?

Linda: Don't put your foot on the career brake before you have to. I have met ladies who doubted if they should take on a promotion because they were getting married next year and would maybe have children in the year after. I say "Take that promotion!" It will give you a better position to discuss with your husband how you will move forward as a family, and it will allow you more financial flexibility to consider the options for help in the household or childcare.

MDBC: What do you think women in leadership positions in the hospitality industry bring to the management of hotels that their male counterparts do not?

Linda: I think the most important is to have diversity on your teams at all levels. It is widely proven that increased diversity increases company financial performance, through better problem solving skills, more creativity, and enriched brand perception for potential consumers and potential employees. Gender diversity is not about being nice to women, it's about ensuring the success of your company in the future.

Bringing DoubleTree by Hilton's iconic symbol of CARE - the signature chocolate chip walnut cookie - to people all around Singapore during the SEA Cookie Campaign.





AN INSIDE LOOK: SHELL MALAYSIA

According to the International Energy Agency (IEA), an estimated 270 billion barrels of oil lie beneath the ocean floor. As the global population increases, energy demand is also increasing, driving international oil companies (IOC) and national oil companies (NOC) to explore the depths of the ocean to tap the potential energy sources beneath the surface. MDBC member Shell has been a pioneer in deep-water oil and gas exploration for decades, delivering more than 20 deep-water projects across the globe and contributing a wealth of knowledge and technology to the sector.

Active in Malaysia since 1891, Shell's business activities in Malaysia are Upstream International, Downstream, and Projects & Technology. They have also established several hub businesses in Malaysia, which provide services and expertise to the Asia Pacific region and, in some cases, globally. Backed by over a century of history and presence in the country, Shell is the petroleum retail market leader in Malaysia, catering to one – third of Peninsular Malaysia and half of Sabah and Sarawak's market requirements.

Apart from being one of the country's largest networks of retail stations, Shell Ma-

aysia's operations also include the world's first commercial gas to liquid (GTL) plant in Bintulu, Sarawak, and a refinery in Port Dickson, Negeri Sembilan. Under production sharing contracts with PETRONAS, Shell is the largest natural gas producer in Malaysia. At the helm of this organization is Iain Lo, Chairman of Shell Malaysia. Originally from Sarawak, he is a civil engineer with a Master of Science degree from the University of California, Los Angeles (UCLA). Lo joined Sarawak Shell Bhd in 1990 as a field engineer building offshore platforms. He believes that as the current country chairman, he has the opportunity to develop Malaysia's talent pool, besides making an impact on Shell's business and growth.

"Malaysia is an important market to Shell and we continue to have confidence in the country. Shell has been in Malaysia for over 120 years and there are still many opportunities for Shell to contribute to the nation. Our investments, innovation, and local impact continue to support the country's aspiration to become a developed, high – income nation," said Iain Lo at the recent officiating ceremony of its Kuala Lumpur offices in Menara Shell (which is also the Shell Group's first project in the

The Gumusut - Kakap platform offshore from Sabah.



Iain Lo (Chairman, Shell Malaysia)

Asia Pacific region completed under its Connect Program for new ways of working and enhanced collaboration).

The new Kuala Lumpur offices in Menara Shell are the latest by the company to demonstrate its confidence in Malaysia through longer term investments, innovation sharing, and local impact. Recently, Shell broke ground for a new production support building in Sarawak, which will include one of the largest laboratories for upstream oil and gas in Malaysia. The state of the art lab in Miri will be built to the industry's best practices for lab design and will house cutting edge analytical instruments to accommodate the growing number of both equipment and staff.

Malaysia is also home to the Gumusut - Kakap platform. According to Lo, "We are the largest foreign oil producer in Malaysia, our flagship Gumusut Kakap project has an annual peak production of 135kbpd. GK is Shell's first deep-water project in Malaysia, and we're very glad to bring our 30 years of experience at the forefront of deep water technology to unlock Malaysia's deep water potential."

A Joint Venture (JV) operated by Shell is developing the Gumusut-Kakap deep-water field with partners ConocoPhillips Sabah, PETRONAS Carigali, and Murphy Sabah Oil. The Gumusut-Kakap deep-water field

GUMUSUT-KAKAP

A DEEP-WATER PLATFORM OFF MALAYSIA'S COAST



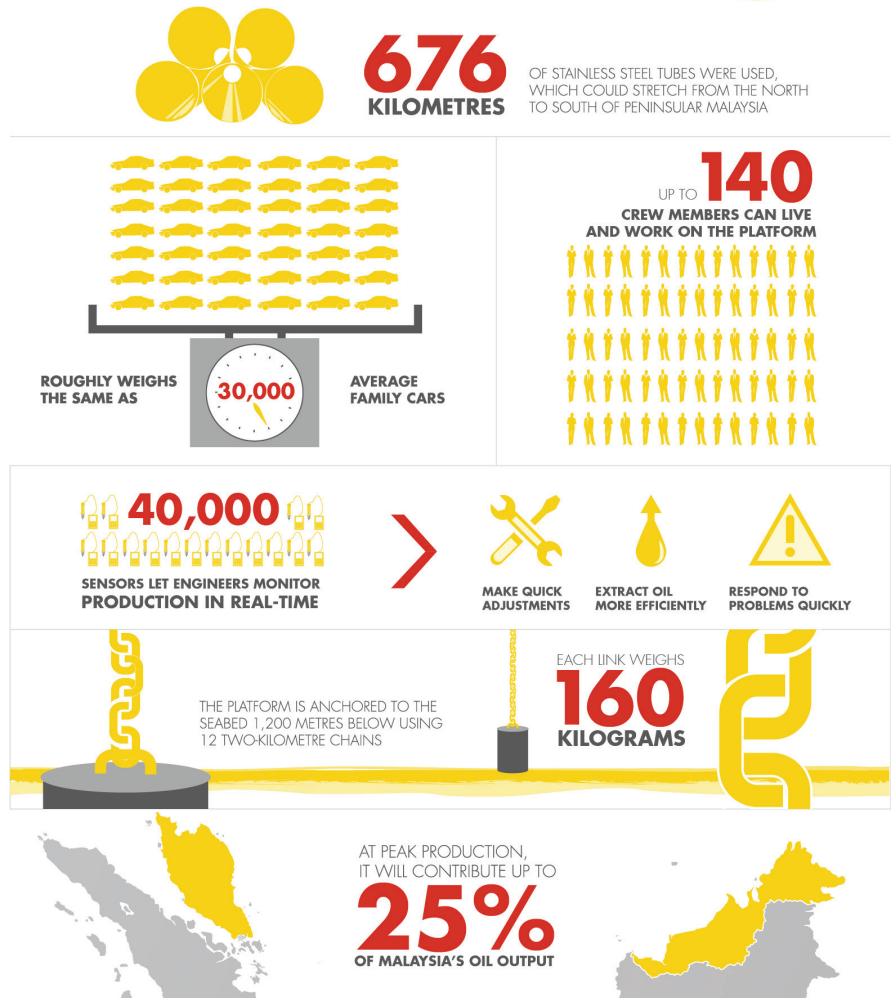
is located 120km offshore from Sabah in water depths of 1,200 metres, approximately two and half times the height of the PETRONAS Twin Towers. Nick Turner, Malaysia's Deep Water Venture Leader, says: "Gumusut-Kakap changes the landscape for Malaysia," and at peak production contributes up to 25% of Malaysia's oil production. Safely and successfully delivering the project has resulted in increased energy production.

The project is the first of its kind in the country, boasting the utilization of innovative technologies. The platform is the first deep-water semi-submersible floating production system (FPS) in Malaysia. The hull floats on four large columns which are partially submerged and anchored to the seabed using 12 two kilometre chains. The capacity it provides, along with its mobility, means it could easily enable future energy discoveries in the area, using the platform as a hub.

The platform itself weighs approximately 40,000 tonnes, equivalent to 30,000 medium-sized cars. Not only did the team deliver a mega-project never before seen in Malaysia, it safely completed a then record-breaking 23,000-tonne onshore lift when it raised the platform topsides in order to place the hull underneath.

Another point of pride for the project is that the platform was built entirely in Malaysia and directly involved 5,000 workers during the construction. Constructing the platform and its components in-country allowed local staff and Shell the opportunity to work together, using Shell's deep-water expertise to boost the local company's capabilities. Shell brought in experts from the Deep Water Centres of Excellence in New Orleans, Louisiana and Houston, Texas in the United States. The centres brought in talent and technology during the construction phase, transferring deep-water knowledge to position Malaysia as a regional deep water hub.

"Despite the success of the past, we will face intense challenges in the year ahead, the days of easy oil are over. Today, we have to face the challenges of deep water, contaminated gas, aging assets and depleted oil and gas fields. Oil prices have dropped dramatically but costs have not reduced as sharply, so we have to find more efficient ways of working in order to remain profit-



able. Shell has a glorious track record in Malaysia, we have leading businesses in the Upstream and Downstream at present, but today's tough environment will test our resilience. We have seen these downturns before – we prevailed then and we will prevail

again. We have the experience, the Brand, the technology, the financial strength and the people to succeed. I am confident we will have a bright future in Malaysia," said Iain Lo.

The Gumusut-Kakap topsides





AN INSIDE LOOK: BESI APAC - HENK - JAN JONGE POERINK

BE Semiconductor Industries N.V. (Besi) is a global company with its headquarters in Duiven, the Netherlands. It operates seven facilities for production and development activities, as well as eight sales and service offices across Europe, Asia, and North America. Besi is engaged in one line of business: the development, manufacturing, marketing, sales and service of semiconductor assembly equipment for the global semiconductor and electronics industries.

Here in Malaysia, Besi APac, located in Shah Alam, is headed by Henk - Jan Jonge Poerink (Senior Vice President Global Operations & Managing Director, Besi APac). A graduate of University of Twente in the Netherlands with a Masters in Mechanical Engineering, Henk - Jan has now been with Besi for over 5 years.

MDBC Besi has an extensive presence throughout Asia and Europe. Could you share with us some of the differences between the Chinese and Malaysian operations?

HJJP: Throughout the years, Besi has successfully acquired several companies originally based in Switzerland, Austria, USA and the Netherlands with their own unique operational style, identity, background and culture. The operations in the European sites were later on shifted to Asia and consequently, the Asian operational culture was blended in.

Despite different origins across the world, Besi is a global company that emphasizes strictly on the standardization and we portray ourselves with a single identity and image to our stakeholders. This is achieved through the utilization of the state-of-the-art ERP tools such as SAP and IBM Lotus Notes in all sites that enables a common working database for activities like knowledge transfer, supply chain management, engineering change control, work instructions, production planning, etc. In terms of internal key process flows, it is a one to one 'copy exact' for both Asian operation sites coupled with the ISO 9001 compliances. In summary, there are no significant differences between the Chinese and Malaysian operations and key processes apart from the logistic aspect that the individual site is definitely closer to the respective customers located either in South East Asia and the Far East to provide a faster and efficient service.

MDBC: Besi selected Malaysia as its first foreign production base. Can you share some of the history of Besi in Malaysia, reasons for selecting Malaysia at that time and your advice for other Dutch manufacturing companies who are currently considering Malaysia as a base of operations?

HJJP: Fico Malaysia was setup in 1982 as a sales and service hub in Petaling Jaya to serve some of our main customers that opened several operational sites across



Malaysia. It grew gradually into a spares manufacturing facility in Shah Alam in 1991 and 10 years later, Fico Malaysia achieved ISO 9001 and 14001 certifications and began manufacturing machine modules for Fico Netherlands.



Top: Henk Jan Jonge Poerink
Middle left to right: A selection of Besi machines available for a variety of functions.
Bottom left: The Besi APac Headquarters located in Shah Alam
Bottom Right (next page): Team picture of Besi APac at the completion of the first 8800 TC Machine



American businessman, Jim Rogers once said "If you were smart in 1807 you moved to London, if you were smart in 1907 you moved to New York City, and if you are smart in 2007 you move to Asia." Besi has done precisely that! Equipment assembly was transferred from Fico Netherlands, Datacon Austria, Esec Switzerland,

Meco Netherlands and Besi USA between 2007 and 2015 to Besi Apac Malaysia. The production transfer was followed by another important milestone which was the achievement of the Leadership Excellence and Lean Six Sigma in Besi Apac and today, Besi Apac operates with 450 staff in a space of 10,000 m2 that is capable to generate yearly revenue of approximately 600 million ringgit. Malaysia was selected as the main manufacturing facility of Besi mainly due to its strategic and disaster-free location in Asia, customer proximity,

“Malaysia was selected as the main manufacturing facility of Besi mainly due to its strategic and disaster-free location in Asia, customer proximity, infrastructure, clean water, strong support from the Malaysian government, excellent policy on the protection of the intellectual properties and last but not least, very skillful people with good education and excellent English communication skills.”

infrastructure, clean water, strong support from the Malaysian government, excellent policy on the protection of the intellectual properties and last but not least, very skillful people with good education and excellent English communication skills.

MDBC: Given how global business has become, we find that a lot of supply chains are becoming international (parts are sourced from multiple regions, assembly takes place in a different one before it gets shipped back to the “home country” for distribution world wide). Is this the case with Besi? And can you share with us some of the pros / cons of this set up?

HJJP: In the past, parts were sourced from multiple regions, assembled into machines in Besi Apac and shipped back to the “home countries” for final test before delivered to the customers mainly located in Asia. This manner of business is called “non-direct shipment” in Besi and incurred a very high operation cost. This had to change, so in 2010 strategies were streamlined so that not only machine parts are localized and purchased from the local suppliers. Besi has developed local suppliers to a level so they are able to assemble

semi-finished modules. These semi-finished modules are integrated in the machine in Besi Apac and subsequently, application and final test are carried out in Besi Apac by the local engineers that are fully qualified and trained before being delivered directly to the end customers. Two strategies involved here are called “Complete Module Outsourcing” and “Direct Shipment” that contribute towards the exponential growth of Besi’s profit margin in the recent 5 years. The main advantages of this strategy are; reduction of operational costs, cost price reduction, efficient inventory management, increased ramp-up and ramp-down flexibility and better on time delivery. One of the cons is that we are becoming more dependent on our suppliers. In another words, the development initiatives and strategies will not be limited only within Besi boundary itself but also across the complete chain of suppliers that we are highly dependent on in order to minimize the risk of this dependency.

MDBC: Given the significant drop in the value of the Ringgit recently, how has this affected MNCs such as yours?

HJJP: For Besi it has been a benefit as we export 90% of our machines outside Malaysia. Due to the low Ringgit our machine cost price is lower as we sell in US dollar. So overall the devaluation of the Ringgit has increased the margin for Besi. For a company that is not exporting goods and has to import goods from Europe or the USA while reporting in Ringgit it must have a great impact, this is luckily not the case for Besi.

MDBC: Though there are a number of ways to counteract currency exposure, which approach do you think is best for organizations such as yours?

HJJP: As Besi is a global company we have a global treasury strategy and try to hedge our foreign currency exposure for all Besi sites. Another method is to create a so called natural hedge, by purchasing as much as possible in Ringgit or US dollar. To achieve this we need to localize the majority of the components in Malaysia. For example; we have taken a risk mitigation step when the Swiss franc increased 20% to the Euro overnight. All of the materials and modules supplied by Swiss suppliers were negotiated to change from Swiss franc to US dollar and the production of the components has been transferred to local suppliers where possible. The program is now almost finished and has helped Besi to mitigate the Swiss franc exposure.

MDBC: What will this (drop in value of RM and / or measures taken to counteract your currency exposure) mean for regional / international markets?

HJJP: The devaluation of the Ringgit will spur the export of Malaysia, but reduces the import of the country. This could be an advantage for local companies and could create growth due to the increased export.

MDBC: How will this affect your supply chain? (Your vendors, suppliers, etc)

HJJP: For our overseas suppliers there is no impact as they sell in Euro or US dollar. For our local vendors that have to purchase some parts in Europe or the USA there will be cost pressure. However besides the negative currency impact there are also some positive macro-economic impacts that help to mitigate the devaluation of Ringgit; like the low commodity pricing at the moment for raw materials i.e. steel etc, freight cost is lower due to the lower oil and petrol price and interest rates on loans and credit are at a record low level.

MDBC: How will this affect your clients?

HJJP: Besi international & regional clients are not affected because Besi will not increase its equipment sales price. Our selling price remains in US dollar. Local clients in Malaysia are potentially affected as they purchase our equipment in US Dollar while their cost and reporting is mainly Ringgit based. So far we didn’t see a downward trend in local sales orders in the past quarter.

MDBC: What is your outlook for 2016?

HJJP: Overall 2016 will be a challenging year as for our semiconductor industry an overall 10% reduction is forecasted by VLSI, one of the most important research and benchmarking organizations in our industry. For Besi we might outperform the market due to the launch of iPhone 7, iWatch 2 and a fast growing need for sensors in the automotive industry for the self-drive functionality or safety assistance in cars. The future will tell but in our business looking ahead for three months is already a huge challenge. We will introduce two brand new technologies to the market for Thermo Compression Bonding and Wafer Level Molding, these techniques will make 1 terabyte memory chip technology and 40 megapixel cameras for mobile devices or cars possible, so we are ready for the coming years. For Asia we will continue to grow in Malaysia and China, and with us, our suppliers will grow.





AN INSIDE LOOK: SEA ORGA - REMCO VONK

Orga started over 40 years ago as an electrical service and maintenance company working on North Sea Offshore oil and gas platforms. While inspecting and servicing installed marine lanterns, foghorns, aviation obstruction lights, DC power systems and explosion proof electrical equipment, the company developed ideas and innovative products to improve the reliability of these systems, contributing towards enhanced safety and reducing operating expenses.

After a period of more than 10 years of product development, Orga began to manufacture its own range of products in 1985. Amongst the first clients to install Orga systems were NAM (Shell / Esso) in The Netherlands, and Shell operating companies in the United Kingdom and Malaysia. Their example was soon followed by most of the major oil and engineering companies.

Remco Vonk, Orga's Business Manager Asia & Pacific, leads the Kuala Lumpur office, which is the main office for the Asian market and is the only office located outside of The Netherlands. The office has a team of 14 employees, mainly focused on Sales and Service.

MDBC: Could you tell us what made Orga choose Malaysia as the location of its Asia

& Pacific office?

RV: Orga has been based in Malaysia for many years already. Over the last 7 years, we started to focus more actively on the Asian market and the role of the Kuala Lumpur office. As a company, we realized that Malaysia is an interesting location as it is very centralized (all customers in South East Asia are within a relatively short travel distance), and it is easy to find good sales and service people who can communicate in several languages and understand different Asian cultures.

For our business, communication is important. This ability to communicate easily and effectively with locals has led to an increase of customers; we managed to increase the turnover by 5 times over the last couple of years. The office used to have a head count of 4 people. By increasing the staff to be able to give our customers more support and by giving our employees more responsibilities, we managed to make our staff more engaged with the company and our results went up. These days, the turnover brought in by Asia plays a significant role in the total turnover of Orga.

MDBC: Helping to provide for the safety of your customers is obviously a core part of the business for Orga. With the wide variety of regulations, safety and quality standards, how has this affected Orga?

RV: Explosion safety is the keyword for the products Orga supplies to the offshore, petrochemical and wind industry worldwide. Thanks to the successful introduction of new products in collaboration with regulatory bodies and customers in the last 10 to 15 years, Orga's business can also be described as explosive; a revenue growth from 10 to almost 50 million euro's with a growth in employees from 60 to 170 employees located in offices in The Netherlands, Malaysia, UK and Abu Dhabi.

Today Orga is leading in the development and manufacturing of smart obstruction lighting, helideck lighting, navigational aids and remote power supply systems. It exports 85% of its sales to mainly Europe, the Middle East and Southeast Asia, where it has a sizable settlement. Recently, North America is also on the radar, thanks to the harmonization of international regulations for explosion protection in a new IEC standard for products in the oil & gas industry.

MDBC: How do you balance the demand for innovative, efficient and cost effective products with regulatory compliance?

RV: With increasing demands for the latest technology, improved safety and reduced total cost of ownership, Orga's continuing drive for innovation has developed the very latest in cutting-edge helideck lighting, marine aids to navigation and remote power supply systems.

For example, the CAP437 guidance of the UK CAA indicates the changes of the helideck light systems, including helideck status light systems, touchdown / positioning marking circle and heliport identification marking. These changes will have an impact on the industries current perimeter lights, floodlights and helideck status light. Orga can supply a system in full compliance with the new CAP437 requirements.

In Asia, we see many yards building rigs, platforms, FPSOs and other vessels which needs to be active in the North Sea / UK waters. In the meantime, we can see many other countries following the UK CAA CAP437. Even here in Malaysia, Petronas has installed our system on their platforms. Therefore the demand for Circle-H systems (Stage 2 lighting) has become tremendous. At this moment, the market for UK CAA CAP437 lights is larger in Asia than in Europe.



Since helicopters are landing on top of these lights frequently, the design and production of the light itself, along with the actual installation process has to be done with the greatest precision. Orga therefore works closely with a number of customers, helideck manufacturers and specialists to ensure the system installation can be done in the most correct and safest manner with specially designed tools to avoid human error as much as possible, on all the different types of decks (e.g. aluminium and steel) by our well trained, certified and Kuala Lumpur based specialized service team.

Orga's latest offshore platform marking and warning system provides not only a robust, durable and cost-effective digital solution for the demanding global offshore energy industries, but the state-of-the-art modular design also allows easy set up and maintenance while the touchscreen user interface enables full system interaction. With it the customer can control and monitor Orga's Circle-H helideck lighting system and Orga's LED energy efficient marine lanterns, foghorns and marine radar beacons (racon), visibility meters and photocells for automatic control during night-time or poor visibility.

“As a company, we realized that Malaysia is an interesting location as it is very centralized (all customers in South East Asia are within a relatively short travel distance), and it is easy to find good sales and service people who can communicate in several languages and understand different Asian cultures.”

MDBC: Given the importance of safety and the ability to react quickly to emergency situations, how does Orga simplify and improve efficiency on their technology for their customers?

RV: We have done this in a number of ways. One example is our control panels. In the past the control panels for navigational aids systems were full of separate components like print circuit boards, switches, etc.. With the new digital design, we have brought all functionalities and alarms in one simple Micro Processor Module. Depending on the number of navigational aids and other equipment linked to the control panel, we will need a number of these modules.



During a fault situation, the customer will be able to read the module through the (explosion proof) touch screen, or other devices like a laptop or remote communication systems, and from there the customer will receive an advice. If the unit needs to be replaced, it will be very easy to do by the customer themselves. For our own production and quality process, the modules will make sure we are meeting standards. By having these modules, it significantly reduces human error.

Most of our customers have made a switch to this new digital system. We feel that customers recognize the benefit and therefore are welcoming this type of system. Within Asia, we have supplied a large number of systems already. You can find our digital systems on platforms of operators like Petronas, Shell, PTT EP, CNOOC and HESS.

The Orga system is specifically designed to help customers to meet or exceed all IALA and local-authority operational and safety requirements for aids to navigation on offshore installations and is compliant for use in all global waters. It is also available for certified IECEx and ATEX (Zone 1).

MDBC: Remote Power Supply is a growing field in your industry. Can you share what Orga has been developing for their clients?

RV: Effective and reliable remote power supply systems are essential for effective viability of remote offshore structures. Orga is able to bring a track record of design, engineering and supply to this growing field and can support clients to reach the best possible solutions to meet their requirements.

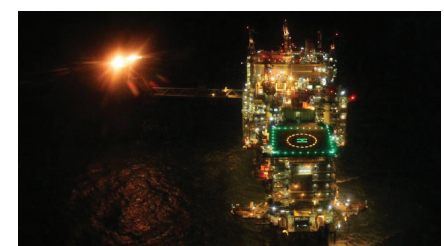
Orga's offshore renewable power supply systems are not just about photo voltaic modules and batteries. Orga works with customers to develop systems, including selection of energy efficient equipment, adapted to their requirements. We under-

stand the objectives of the project stakeholders and balance these with the need to meet regulatory requirements and ensure safe operation.

Orga offers innovative products and applies the latest technology to smart and simple photo voltaic modules, solar regulators and control panels. Its systems, with integrated condition monitoring facilities, are recognised as state of the art, reliable, energy saving and operationally cost-effective.

The benefit for customers selecting Orga for remote power systems is that the customer will have a "one stop shop solution". Especially for some wellhead platforms, there are some customers who prefer to outsource the electrical part to a single specialized partner. Our engineering team is able to design a solar powered system (able to work in hybrid with other power sources as well) including distribution panels for areas with a limited available space like wellhead platforms. In combination with our navigational lights and helideck lights, we can optimize the system even further by giving the lowest power consumption for these type of systems.

Besides the system benefits, the customer only needs to deal with one engineering team for all the equipment. The design of the complete overall system will be perfectly integrated. And, maybe even most important, during commissioning and maintenance, the customer has to deal with one service team which is capable to commission and offer maintenance during the operation of the system.





AN INSIDE LOOK: WOODWING ASIA PACIFIC - REMCO KOSTER

Remco Koster (Managing Director, WoodWing Asia Pacific and member of the MDBC Board of Directors), joined WoodWing in 2005 to start developing and maintaining sales channels in the Asia Pacific region for this well established multi-channel publishing and digital asset management software company. Before joining WoodWing, Remco set up a NewspaperDirect reprinting and distribution franchise in Indonesia, distributing more than 600 same day newspapers from around the world, using the latest internet and digital printing technologies. He has also worked for major suppliers in the publishing software industry.

Although he was born in Bussum, Remco spent most of his childhood in the Veluwe area (Bennekom). He went to university in Rotterdam (Erasmus University) and studied business administration. A so called Millennium student, he was poached away before graduating by his first employer to manage their Millennium project (to identify and fix potential year 2000 - Millennium - problems). Initially intending to go back to university and graduate, Remco ended up loving work so much he never did, and he hasn't looked back since.

MDBC: What brought you to South East Asia / Malaysia?

RK: I was working for an international software company in London at a project in South Africa when I got to know the CEO/ Founder of an Italian software company (a competitor) who was there to sell an upgrade of his software to the same customer. We shared a love of Italian food and wine

(we met in the local Italian restaurant) and got on so well that he headhunted me to manage projects for his South East Asia office.

The office was located in the Petronas Twin Towers, which I had seen in the movie Entrapment (with Catherine Zeta - Jones and Sean Connery). I thought that was pretty cool (and the job offer was so good I could hardly refuse) that I sold off almost all my possessions (I had just bought brand new furniture in London). I arrived in Malaysia with two suitcases. I had never been to Asia (or any tropical country) before so I was a bit overwhelmed by the heat and humidity. I got used to it pretty quickly though.

MDBC: You bring a wealth of knowledge with you in establishing and growing an organization in the South East Asian region. Could you share with us some key lessons / challenges you faced / learned from when you set up NewspaperDirect (about starting a business in Southeast Asia)?

RK: My NewspaperDirect stint, where I set up a brand new business in Indonesia (Jakarta / Bali) I usually call my 'MBA'. All my friends thought I was crazy leaving a well paid and stable job to pursue an adventure with a Dutch friend and two other business partners. There were many lessons learnt in those two years, both business and personal lessons. The most important business lesson was that cash flow in any business but especially in a start-up is King; shareholders have limited funds and patience if more funding is needed. To be optimistic is good, but be honest and realistic in your expectations of growth and suc-

"The most important business lesson was that cash flow in any business, but especially in a start-up, is King; shareholders have limited funds and patience if more funding is needed.

To be optimistic is good, but be honest and realistic in your expectations of growth and success."

cess. The most important personal lessons were to adapt to the local culture, be patient (not really a Dutch or personal trait) and to learn the local language.

MDBC: Just as there are two sides to every story, we can't focus on just the cautionary side of things. All too often the positive side of things is overlooked when they too play an important role in a startup attempt. Could you therefore share with us some key tips / your top 5 steps to successfully starting a business in the ASEAN region?

RK: One of the top tips I would have is to find a good local partner/director. This is not an easy process and you can make mistakes - I know many people who have. I have been lucky in my Indonesian venture to find two very good local directors; one of them, Mr. Topobroto - the most important one - I found through the Indonesia Netherlands Association (INA); he was extremely well connected and the neighbor of then (and now) Vice-President Yusuf Kalla. For WoodWing's Asia Pacific startup I worked (and still work) with my former colleague (at the Italian regional office) and best friend (and best man) John Fong; he has been instrumental in the success of WoodWing in this region.

The second tip would be to join a local business council (this is an honest plug for the MDBC); being a member of INA (and BritCham and AmCham) in Jakarta and the MDBC in Malaysia helped me tremendously in the early stages of starting up the businesses.

The advice from and the sharing of experiences with fellow countrymen - other country's Chambers can be useful if applicable to your business - really helps prevent mistakes early on. It also helps to meet nice

Remco Koster in Indonesia with his first customer, the Kontan publication, hot off the press in 2006



people and make friends quickly in a new environment that is unfamiliar.

The third tip is a more generic one: find good people to work for you, despite the pressure of a start-up environment don't hire too quickly and don't be too stingy. Take your time to find the right persons (and personalities) that complement you in areas that are not your strengths and where you have a lack of (local) knowledge.

The most important person (fourth tip) in my opinion early on is a very strong local office manager/personal assistant that can help you with everything that is so essential and time consuming early on: finding and negotiating office space, open bank accounts, organize utilities, finding good recruitment agencies, etc etc. I have made hiring strong office managers my top priority both in Indonesia as well as in Malaysia.

My fifth tip is to learn the local culture/habits/do's and don'ts and if possible the local language. You will benefit so much from it and everybody will greatly appreciate it.

MDBC: As the Managing Director of WoodWing Asia Pacific (and with many years of experience in doing business regionally), how do you see the establishment / further development of the ASEAN Economic Community (AEC) impacting the region? What will this mean for those who are looking to access the market?

RK: By right, if ASEAN policies are implemented in a similar way to the EU, it should become easier to hire for example Indonesian skilled staff in Malaysia as many well Malaysians talents move abroad (to Singapore, Australia, Hong Kong for example). The free movement of labor should help in this area and provide healthy regional competition which is great for everybody. At the moment it is a big challenge to find, hire and retain good talent in Malaysia.

MDBC: Can you indeed confirm the rankings in the Global Ease of Doing Business Report that Malaysia is more favorable than other ASEAN countries (Potentially except Singapore)? How do you think the Malaysian government and / or business community can further improve the business ecosystem?

RK: I can compare Malaysia extremely favorably with Indonesia when it comes to both setting up as well as running the business (ongoing paperwork). Since I started working in Malaysia in 2002 it has become much easier to obtain work permits and even Resident Passes here; the MDBC maintains an excellent relationship with TalentCorp, a government agency that can



Planting a WoodWing flag in Myanmar on our WoodWing HQ World Map

assist with Resident Passes that are valid for 10 years (!). I am also a big fan of the Malaysian government's program to make it easier for technology companies to be based here. The MSC status (which is quite easy to obtain) organized by MDeC really helps, both financially - with a potential 10-year tax break - as well as employing foreign employees through pre-approved work permits.

I think the most important thing the Malaysian government should continue to provide is an economically and politically stable environment. Currently, for various reasons, Malaysia is getting a lot of unfavorable international press attention, both politically as well as religion related, which is hurting its reputation abroad as a stable and moderate country. All in all, I personally think Malaysia is an excellent place to live and work and a lot of negative press is exaggerated/sensationalized. I have seen this happen as well when I lived in Indonesia.

MDBC: Malaysia is one of the best countries in the ASEAN region for a startup; while the startup environment here is not quite as well developed as its neighbor to the south, it does have a supportive government, policies, and communities. In your opinion, what are some of the most helpful tools / agencies for those looking to start up a company in Malaysia? (If possible, going beyond MDeC, what is available locally in terms of Angel Investors, Start up Funds, Business Mentorship programs, etc.

RK: I believe that, besides MDeC, government policies are pro-startups and other government agencies such as InvestKL, InvestPenang are doing a lot to attract businesses. And as discussed before it is very easy to set-up a new business here. I

think, however, that the high-tech start-up mentality is lagging behind what I see back home, in the US, in Singapore and most recently in Indonesia.

Some of my close friends have tried to secure startup funding in Malaysia and have found investment (and Angel Investor) funds as well as banks to be too risk averse and not used to high-tech related investments where a return on investment is very unsure and business models not always known until the products are developed. It is too much a 'brick and mortar' mentality that prevails, where returns are much more predictable and business models proven.

I believe the government and local private sector can and should do much more and be willing to take a gamble instead of placing sure bets. I have seen great initiatives though when it comes to mentorship of start-ups. Here in Cyberjaya, where I am based, this has been managed very proactively – and successfully – by Cyberview.

At a Malaysian tech event showing Dato' Seri Paduka Mukhriz Mahathir WoodWing's tablet applications.





AN INSIDE LOOK: HEINEKEN MALAYSIA - HANS ESSAADI

Hans Essaadi, Managing Director of Heineken Malaysia Berhad (formerly known as Guinness Anchor Berhad (GAB)), who graduated from Hotelschool The Hague with a Bachelors degree, has been the Managing Director of HEINEKEN Malaysia since 1 March 2013. Having worked with HEINEKEN since 1991, he has served in various capacities across several different business units and regions.

As HEINEKEN Malaysia celebrates its 50th anniversary this year, a couple of significant changes were underway – including a name change which occurred on 21 April 2016 (Guinness Anchor Berhad was renamed Heineken Malaysia Berhad now that Dutch brewer Heineken NV holds 51% interest in the company), and access to an impressive brand portfolio (HEINEKEN has more than 250 best – selling brands around the world). HEINEKEN Malaysia, as a result, would also enjoy access to HEINEKEN’s world-class systems and processes as well as best working practices.

MDBC: A brand is a promise of the value you’ll receive. What effect do you think the rebranding to HEINEKEN Malaysia will have?

HE: Heineken Malaysia Berhad will continue to be the country’s leading beer and stout company. In fact, we will grow our brand value even more significantly as we are now part of the HEINEKEN Group.

This means we stand to benefit from the access to world-class commercial and best market practices from HEINEKEN. HEINEKEN worldwide has more than 250 brands of beer and cider. As we open up to a world of new business possibilities by becoming part of the world’s most international brewer, we are also opening up a world of exhilarating experiences to our partners and consumers. We will be guided

by HEINEKEN’s values which are represented by Enjoyment, Respect and Passion. We shall focus on brewing greater enjoyment for life with brands that people love. Above all, we shall strive to deliver greater results driven by HEINEKEN’s signature passion for quality.

MDBC: This is potentially an opportunity to reinvent / reinvigorate HEINEKEN Malaysia. Do you think it’s necessary? If so, in what way will it be different?

HE: Allow me to say that we have experienced exciting growth in the Malaysian market for many years, enabling us to build award-winning brands. The corporate rebranding is timely and fitting as we further align with the identity of the global HEINEKEN Group.

This change will be instrumental in elevating our company even further in terms of international standards and best practices. We aim to continue winning in the market place by being consumer-inspired, customer-oriented and brand-led. In an evolving market, we will prioritise innovation to meet changing consumer needs by producing exciting products paired with exhilarating experiences. We invite all our partners and consumers to join us as we go from great to greater in this new era.

MDBC: A lot of the focus is on how the rebrand to HEINEKEN Malaysia will affect customers, but what about the employees? What changes will this rebranding have on HEINEKEN Malaysia as an organization?

HE: Our human capital has always been our most important asset. We are aware that our growth in the last 50 years as GAB were largely due to the passion and dedication of talented Malaysians who made the company a household name. At HEINEKEN Malaysia, our people will continue to come first and we will continue the proud

“The corporate rebranding is timely and fitting as we further align with the identity of the global HEINEKEN Group. This change will be instrumental in elevating our company even further in terms of international standards and best practices.”

tradition of continuing to make this company a great place to work.

MDBC: And what about the other brands in the portfolio?

HE: Our vast portfolio of award-winning brands will benefit from HEINEKEN Group’s world-class marketing practices. As you know, Malaysian consumers are more discerning and open to new experiences as they become more affluent and exposed to global trends. HEINEKEN Malaysia is well-positioned to cater to the Malaysian consumer’s demand for differentiated alcoholic products now and in the future.

MDBC: What effect do you think this will have on HEINEKEN Malaysia’s competitors? / Performance in the market?

HE: We do not comment on the competition. We can however state that HEINEKEN Malaysia will continue the tradition of bringing exciting, high-quality offerings to our consumers.

MDBC: HEINEKEN Malaysia has won previous MDBC Sustainability Awards. The most recent one was for ‘Best Sustainable Supply Chain Management or Logistics Project’, which HEINEKEN Malaysia won for the development of clips which could be attached to existing partitions in transportation crates. This enabled HEINEKEN Malaysia to retain the existing transportation crates after the introduction of the first returnable Heineken bottles in the Asia Pacific region. In what other ways is HEINEKEN Malaysia trying to innovate and grow (sustainably)?

HE: We are continually looking at our impact on sustainable development as part of HEINEKEN’s Brewing a Better World program. One example is the recycling of our old bottle crates and using the recovered plastic to produce the new replace-

The Heineken Family (together with Hans Essaadi), participated in a meet and greet session with Heineken Malaysia’s valued trade partners and distributors. For more information about the visit, please see our Members’ News (page 20).



ment crates. HEINEKEN Malaysia focus specifically on energy and water in supply chain. With an eye on keeping our environment secure for future generations, our Energy Saving Programme (ESP) has been a high priority since 2009 in keeping utility resources' consumption (electricity, thermal energy and water) as low as possible without compromising the quality of our brews. Some key highlights recorded through the ESP included electricity consumption recorded at 10.69 kWh/hl, a savings of 6.2% exceeding the target of 10.92 kWh/hl while thermal energy usage fell to 86.74 MJ/hl with a savings of 9.6%. Water consumption fell from 4.54 hl/hl in FY13 to 3.99 hl/hl, a 19.2% savings exceeding the FY15 target of 4.79 hl/hl.

MDBC: Heineken has strict guidelines on Supply Chain Management. The Heineken Supplier Governance Procedure is made up of a strict four-step process, with the purpose of making sure suppliers are using the right practices and behaving in a sustainable way. Since you are now part of HEINEKEN's global supply chain, will this have any effect on you and your vendors / suppliers?

HE: Yes, we will roll out the HEINEKEN Supplier Code in addition to our local company code. No impact is expected as we already work with similar standards. As the leading brewer in the country, HEINEKEN Malaysia continues to instill world-class practices in its daily operations and supply chain management is extremely important to us.

MDBC: How will this affect your operations under / within the industry constraints in Malaysia?

HE: All global suppliers are already governed by this code. For local suppliers, we will gradually roll out the assessment process to all our local suppliers. The assessment is carried out by an independent third party vendor appointed by HEINEKEN Global Procurement.

MDBC: How do you see HEINEKEN Malaysia fitting into the global HEINEKEN presence?

HE: HEINEKEN Malaysia has, in the past, been awarded with the Guinness League of Excellence (GLoE) Award for brewing the best Guinness outside of Dublin – the only brewery in the world to have won the awards five years in a row (2007 – 2011). It obviously is an indication of the brewery's abilities in producing premium quality beers which is comparable with any other international offering.

HEINEKEN Malaysia has worked very hard to maintain our market leadership position in Malaysia via world-class, award-



winning products and we will continue to do so. We never rest on our laurels and will continue to innovate. As mentioned, Malaysia continues to be a very important market for us. In fact, it is one of the key HEINEKEN markets in Southeast Asia; the increased presence now is testament to this development. This is part of HEINEKEN's overall global strategy to focus on APAC as the next growth engine.

MDBC: How will HEINEKEN Malaysia be celebrating its 50th anniversary this year? Where do you see HEINEKEN Malaysia going in the next 50 years?

HE: As part of the celebrations, we announced a special interim dividend payout for our loyal shareholders for the financial period ending 31 December 2016, payable on 15 April 2016. At this EGM, the company also received shareholder approval to change our name from Guinness Anchor Berhad to Heineken Malaysia Berhad.

Following this, we held a grand party in Bukit Kiara to show our appreciation to all our valued business partners who have worked with us for so many years. As we show our appreciation to a great corporate milestone, we will continue to focus our energies and commitment to ensuring that HEINEKEN Malaysia remains the undisputed premium drinks company in the country. Part of this success is due to us being very consumer-centric with respect for local dynamics and sensitivities. I think that's an appropriate manner to celebrate our rich and fruitful legacy since 1965.

As for where we would be in the next 50 years, I do not have a crystal ball but I can assure you that HEINEKEN Malaysia will continue brewing great moments and help Malaysians celebrate their special personal milestones for many more years to come. This is an exciting time for HEINEKEN Malaysia.



AN INSIDE LOOK: REGUS - VIJAYAKUMAR TANGARASAN

Regus is a multinational corporation that was founded in 1989. Operating at over 3,000 locations in 900 cities across 120 countries, Regus provides serviced offices, virtual offices, meeting rooms, and video-conferencing to clients on a contract basis.

Vijayakumar Tangarasan is the Country Manager for Regus Malaysia and has been with the organization since January 2013. Uniquely positioned with a finger on the pulse of the worldwide economy, we asked Vijay to comment on the recent trends in light of the world (and local) economy, the push by the Malaysian government for companies to expand into the ASEAN Economic Community (AEC), and the overall direction of work spaces.

MDBC: Given the cautious market sentiment that we've seen recently, how has this affected businesses here in Malaysia (whether they are MNCs or SMEs)?

VT: With the big companies, even in industries like oil and gas, they come in with a long term plan so they get a physical office, establish (or have already established) a base locally and with the long view in mind, haven't been affected too much.

Over the last two years, what we have seen is that the economy has impacted the smaller players, companies like the suppliers to the oil and gas industry which have been impacted more because they are dependent on the major players who have a lot of projects. We've seen this in Labuan,

East Malaysia, West Malaysia. A lot of these companies have closed or reduced their presence here and have only kept the sales offices, the huge project teams are now gone as part of the downsizing. Bigger players such as Petronas and Shell are different, but even they have reduced the number of projects and only kept their core teams. They've actually been coming to us, which is a plus point for us, but then, we've also been losing the suppliers around them.

The other thing impacting the local economy at the moment is the currency, and concerns over political stability. As for the latter, companies don't want to put money into a country when they're not sure of what's going to happen; this is affecting Malaysia as well in attracting FDIs versus other ASEAN countries such as Indonesia, Thailand, Singapore, etc.

Pricing for office rentals are improving from a consumer standpoint. Landlords used to be able to hike up the price by quite a lot because there was a lot more demand than supply. These days, they're desperate because they cannot fill the spaces available so they have to drop the price and offer additional benefits, like getting an office space semi furnished. That's why even though the landlords used to see us as competitors, they now understand that we can be partners. With an increasing number of companies looking for more flexibility and lower risk due to downsizing and uncertainty over future expansion or contrac-

“When investment agencies push Malaysia as an attractive destination to foreign entities, they can also offer Regus as a low risk, highly flexible solution for them to enter into the local market.”

tion, it's harder for the landlords to cater to that type of market while controlling the risk for themselves.

For the customers that want that flexibility and have a shorter time period in mind, they can come to us. Those that have grown and now want a larger office space, we tell them to go directly to the landlord. We've been approaching a lot of the landlords with a hotel concept joint venture (JV) where the landlord spends money to do a fit up for Regus and Regus then works on a profit sharing with the landlords. We can attract a lot of businesses for the landlords. Regus offices usually have a wide variety of industries, all of whom have their vendors / suppliers walking in as well, so the building is going to get a lot of marketing just from the exposure. Additionally, suppliers like to be close to where their clients are so there's an entry point. It's something which can be used to differentiate the building from the others surrounding it.

MDBC: So how has this affected the office space in general? We know that with Regus, customers have more flexibility in terms of office space, layout, facilities, etc., but what about the look and feel of an office. On one hand you have people who are still very much tied to the traditional office space, and on the other you have those that crave open offices and a more 'creative' space in order to get their work done. How do you bring these two groups together?

VT: It's a trend that's been happening over the last few years. We have gotten feedback from our international centers that there is a demand for unconventional offices, people want to go somewhere that is really 'funky looking'. So our requirement is that in every Regus center that is now opened, at least 30% of the space needs to cater to co – working, open spaces. Regus actually will be introducing a new product called 'Spaces'.

Below: One of Regus' innovative offerings the 'Thinkpod'. With room for a laptop and a comfortable adjustable chair, the Thinkpod is a stylish new thinking and workign space providing privacy in the shared space of a Regus business lounge.



It is part of Regus, but will be branded as Spaces. Staff working at these locations will be in jeans, t shirts, very casual. And it's not going to just be targeted at interior designers or IT guys; we've had some other professional industries like lawyers, travel agencies, HR companies, etc. who have come in and said that they are interested in that type of an office so it will be for anyone looking for that co – work space.

The other thing is that companies will be able to do product launches, events, and more at Spaces. 70% will be traditional offices, 30% will be a huge co – work space for everyone. We think that's the best mix that will appeal to anyone looking for office space.

MDBC: That sounds like it's a good thing for the local economy, reducing the risk and allowing more companies to continue operations (even if in a reduced capacity for the time being). How has this also been affected by the recent government push for the development of the AEC? How has this affected the development of the AEC?

VT: Industries or sectors that need Regus' help, particularly SMEs or even investment agencies (such as InvestKL, Invest Selangor, and even MIDA, and MITI), that are dealing with foreign companies looking to enter into the local market, can leverage off Regus' offerings. When investment agencies push Malaysia as an attractive destination to foreign entities, they can also offer Regus as a low risk, highly flexible solution for them to enter into the local market.

In a way, they are in the same situation as startups and SMEs here. Regus provides them with highly flexible, low risk office space, allowing them to run small teams (even down to a single person) that can plug into the Regus network and grow.

It's not just the physical office space; it's the other offerings from Regus that really helps facilitate this establishment and growth. Our clients can step into a Regus office, have a place to work whether it's a traditional office or the more popular co – work space, have someone who will handle the office administration, and when needed, have access to meeting rooms, etc.

Also of value, is the Regus Business Community (formerly Business Link), a bespoke online trading platform that allows hundreds of thousands of Regus clients worldwide to buy and sell products and services, and connect with other businesses using the Regus network. It is a website accessible via the Regus global customer portal my-regus.com, as well as informal networking



events held around the world. It allows users to browse through online offers posted by hundreds of thousands of businesses using Regus workspace, or request specific products and services when needed.

This is valuable for our members because they can go in and check within the community for someone who provides the service they're looking for – legal, banking, HR, etc. Regus employees don't get direct access to this, only Regus clients – whether they're an office, virtual office, or business world class client. One of the biggest challenges today is growing sales, and for that you need access to databases so that you can get the relevant contact information, you know who to talk to and you can approach them properly. This leads to better engagement and further, to closures.

This means that for SMEs who are looking to expand into the AEC, they can travel

regionally, plug into any one of the Regus outlets available, do their market research, establish a foothold, and tap into the companies that are already in the local market via the Business Community. What we've noticed however, is that a lot of companies from other parts of the AEC are coming to Malaysia and expanding but not so much the other way around. We would love to see Malaysian companies expanding out into the wider AEC market but currently there is that lack of knowledge and experience to take it up to the next level.

We still need help from overseas experts to come in and mentor more Malaysian startups before they can expand out into the wider AEC market. There are a lot of SMEs in Malaysia, some have even been very successful, like Air Asia, and have expanded out into the international market, but not everyone is at that level, so for now we still need outside mentors.

AN INSIDE LOOK: GIRISH RAMACHANDRAN ARCADIS

Girish Ramachandran (South East Asia Business Advisory Leader, Arcadis) graduated from the University of Kent and has been with Arcadis since June of 2014.

MDBC member Arcadis Malaysia has had a successful 70 year history and a wide range of capabilities that include quantity surveying, construction cost management, project management, built asset consultancy, and business advisory. Their goal is to work with clients to address the client's challenges by presenting innovative solutions through their leading service and sector expertise. Arcadis Malaysia delivers new and innovative ideas and methods with exceptional outcomes in line with the Economic Transformation Program for Greater Kuala Lumpur. The Economic Transformation Programme's goal is to renovate the country into a developed nation by 2020 and this will be achieved through twelve National Key Economic Areas.

MDBC: For those who are not familiar with Arcadis, could you please elaborate on what Arcadis' activities are in Malaysia?

GR: One recent major project we worked on occurred when the government asked Arcadis to team up with Think City Khazanah, an urban rejuvenation organization, to advise on a "Livable Cities Index". This pilot index, which is now complete, was based on surveys and data analysis of work, live, play, governance, and environment indicators. The initial study was on Penang and will benefit the lives of 1.7 million people by allowing local government and businesses to better understand the areas in need of improvement. It is the first of a series of surveys and we expect to be commissioned to conduct something similar in Kuala Lumpur.

The Medini Iskandar Smart City Development is one of the key initiatives that will help to stimulate economic growth in the south of the country. The Medini project is a 2200 - acre scheme that will see the development of an entirely new commercial and business district, a huge urban development project in Johor Bahru that covers an area three times the size of Singapore. The project will encompass 60 million square feet of new-build development, a large percentage of which will be dedicated to office and commercial assets.

Arcadis was appointed back in 2013 to help city planners redefine their master plan

and commercial strategy, and to provide strategic guidance around how to maximise the value of their development. By reviewing the business plan, Arcadis ensured that the project was aligned to the overall vision for Iskandar and capitalizes on the synergy benefits that would come through from other projects. The team provided insight into how the built assets delivered, including the future commercial mix, and how they can support the overall business strategy over the next 20 years. It also offered guidance on the sequencing of the development to help raise the profile of Medini and ensure that all revenue streams are being realized as early as possible. With this input, Arcadis is helping to build Malaysia's first truly smart city and one which will serve as a blueprint for future urban developments across the country.

MDBC: And in Kuala Lumpur?

GR: Working to develop Kuala Lumpur (KL) into a top world city, the Tun Razak Exchange is being developed into a much-needed international financial district. The Exchange will cover prime real estate in downtown KL and provide world class office and business space, as well as residential, retail, and leisure units. The project is expected to have a gross development value of US\$8 billion. Arcadis has been appointed to provide business advisory on township management, revenue generation ideas for public realm, and cost management services for the exchange district.

Once completed, Warisan Merdeka will be the tallest building in Malaysia and a transformational move of a long forgotten brownfield area into mixed - use, high growth commercial zone. The plans are for this to be the headquarters of Permodalan Nasional Berhad, the nation's leading investment entity, and is located within a heritage enclave. The tower will top over 600 meters with full quantity services provided by Arcadis. The development will not only include a retail mall and podium, a public park, and a luxury hotel, creating a new business center within KL, but will also support the government's efforts to attract new firms to the capital as part of an overall plan to turn Malaysia into a fully developed economy by 2020.

KL Eco City at Kampung Abdullah Hukum is a new mixed - use landmark development and KL's first integrated green luxury development, incorporating prime

commercial offices, high-end retail outlets, world-class serviced residences and luxury residential towers. Arcadis provided master planning cost advice and full pre and post contract quantity surveying services.

Arcadis is also planning the Tradewinds Center on Jalan Sultan Ismail which will become a downtown landmark. With a total of 137 - storeys, we aim for completion by 2018; the full quantity surveying for the area pre and post - construction is being executed by Arcadis. The center will provide housing, offices, retail space, and a medical centre.

Four Seasons Place will be a 'city-within-a-city' in KL's Golden Triangle. The 65 - storey mixed development will become a landmark of modern Malaysia. The development's quantity surveying will be completed by Arcadis and will house not only a Four Seasons Hotel, but also luxury condominiums retail spaces and a car park.

MDBC: Since Arcadis seems to be well versed with the local development, what does KL still have to do to further improve its Sustainable Urban Development?

GR: There are many things that can be done. The first would be to have more economic density in KL, getting more economic jobs in vertical buildings; second, KL should ensure there are more transit oriented developments in all the new MRT stations that are coming up; the third would be to focus on what I would call the digital economy, which needs to fit into KL's smart city model. Already, the government encourages acceleration of green building market growth through fiscal incentives like the Green Technology Financing Scheme (GTFS).

MDBC: How do you see KL's pursuit of becoming a more sustainable city benefitting the business community?

GR: A lot of benefits will come from KL's desire to be a more sustainable city. The business community will be able to save a lot of time. If you have more transit - oriented developments, you have more productivity. If there is greater economic density, you'd be able to see the economies of scale around businesses. Generally, when we have sustainable development, we are able to have more sustainable environments for us to live and play and learn, not just work - all things that are complementary to the business side of things.

MDBC: Businesses are increasingly aware of how to create and claim value by improving resource efficiency. What (other) opportunities are available for companies in the development of KL as a sustainable city?

GR: There are significant opportunities in the digital sector, especially in the sharing economy where the private sector comes in to develop public services: the likes of Uber and Airbnb are great examples of this. We are working with the government on the KUALA LUMPUR competitive master plan and one of the things we've highlighted is car parks. If we can explore the concept of shared economy car parks, it would mean fewer car parks overall, which is better for the environment and would also mean that more people make the shift to public transport.

MDBC: What can KL learn from best practices in The Netherlands with regard to the development of sustainable cities?

GR: In terms of The Netherlands, there is a lot of knowledge in best practices that we've been using in terms of the Smart City Initiative Development. We've managed to bring some of this way of thinking in terms of mobility and accessibility, low - energy homes, improvement of air quality, green technology transportation, and what we call healthy urbanization into some of the thought processes in KL.

Locally, we are aware that building owners and operators need to focus on increasing operational efficiency to improve its sustainability. One of the main challenges facing property portfolio stakeholders is the lack of awareness around options available for buildings to optimize energy performance through smart technologies.

This is also compounded through the lack of expertise and professionals to implement, monitor, and deliver smart ways to reduce a building's energy consumption. Larger and more recent buildings generally include an integrated Building Energy Management System (BEMS) that can help optimize its energy consumption - essential in improving sustainability.

However, dated buildings may not have this capability - meaning a retrofit solution, or an upgrade, could be the sustainable option. Even more so, smaller buildings for the most part won't be equipped with BEMS technology. We have, however, developed a mini version that enables smaller buildings in a portfolio to benefit from this level of optimization, helping to provide cost-savings and operational efficiencies.

The Dutch government has had sustainable management high on the agenda for years,



and therefore companies like Arcadis have acquired and developed sustainable solutions for built assets ahead of the curve. Dutch companies in private sectors as well as research organizations and institutes are known worldwide for their expertise on water management, covering themes such as water saving devices, water - efficient plumbing fixtures, smart water meters, smart monitoring and metering equipment, and leakage detection devices.

MDBC: How can the private sector help support the government's push to develop KL as a sustainable city?

GR: The sharing economy is one way; another way is by supporting KL's smart city Initiatives. Investment into these types of technologies and approaches for the private sector is extremely crucial, as is having a more collaborative public / private partnership approach. A lot of cities worldwide are moving to this model - it's not the government doing everything anymore.

MDBC: A lot of government initiatives are about KL, what about the rest of Malaysia?

GR: The government is doing competitive city plans for KL, Johor Baru, Kuching and Kota Kinabalu. As well as this, there are opportunities for smaller cities to do a simple livability index, and we've been doing some of this in Johor and Penang, working with the government to make these cities more livable.

We have various indicators when we look at livable metrics under five broad categories of live, work, play, environment, and governance. So for living, we look at things like housing, rental affordability, public healthcare, public transport, and safety. On work we would look at household income and confidence in economy. In terms of play we would look at arts and culture; for environment, we're looking at water and

green space, and with governance we consider local government quality.

A lot of the work we do is around the livable cities concept. We look at how to create projects in a more cost - efficient manner, and how do we plan infrastructure projects with socio-economic dimensions, so we bring in communities and create more jobs. We would also look at more efficient rollout of capital by the government. With everything we do as project managers and consultants, business advisors, engineers and architects, livability principles, health and safety principles, and building principles are at the centre of our thought process.

MDBC: How do you think this will affect KL and Malaysia's position in ASEAN?

GR: I think Malaysia's position in South-east Asia is very strong. As to the country's position within Asia, we believe that improvements can be made. In terms of sustainability, we have to compete with the likes of Tokyo, Hong Kong, and Singapore in the region. These cities are extremely strong contenders, and they are all getting ever more sustainable. For KL to join their ranks, the city needs to implement some potentially game - changing initiatives.

Some of these may require significant political will and there may be some resistance when implementing particular policies, programs, and projects. I think there is a long way for KL to go: the city needs concerted efforts between the private and public sectors to work together. Malaysia's Prime Minister has a very clear target: he wants to put Kuala Lumpur in the top 20 global competitive sustainable cities in the next 5 - 10 years. If this is reached, it would put KL in the top five most sustainable cities in Asia.

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