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Harvinder Singh, CEO of Incontrol Tech (in suit), with key team members (from left): Gottfried Zeller, Michael Moggie, Azhar Aziz, P Krishnan and Abhijit Dasgupta. They aim to build a global high engineering company. **See page 12**



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Holding on to a dream

It took a long time to convince a reluctant Harvinder Singh that his story was worth telling. The electrical-electronic engineer runs a high engineering company specialising in automation, control and protection which he started in April 1997 with six engineers. The company now employs 80 people, of whom 50 are engineers and 15 technicians, and branched out in 2004 into the water, waste-water treatment, tunnel management and building automation.

When asked if it was tough to penetrate those highly competitive industries, Harvinder replies, "Yes, but it was an opportunity for our engineers to stretch and challenge themselves to grow and be innovative."

He believes a key focus of his job as CEO of a high engineering company is to make sure his people realise their peak performance. "My job is to give them all the tools, training and support they need to ensure all of them perform at the top of their capabilities."

Furthermore, the company—Incontrol Tech Sdn Bhd (iTEC)—had a record order book of RM100 million in 2005, as a result of diversifying into the new areas. It has been charting average revenue growth of around 15% a year and is well qualified to list on the Second Board of Bursa Malaysia or elsewhere.

Impressive, but top-line numbers do not reveal the real journey an entrepreneur takes to get to where he is. And in this respect, Harvinder's story is worth telling. He was a professional manager of a Sweden-based engineering company who had a dream to build a Malaysia-based global high engineering company. And, he resisted the temptation to sell out two years ago to one of the largest conglomerates in the world. Harvinder reveals these facts almost reluctantly, as if he were afraid he would be laughed at for having such a soaring ambition or scorned for being boastful.

From regional MD to entrepreneur

In mid-1995, Harvinder was sitting pretty as the first Malaysian expat of Swedish engineering company ABB. He eventually became its regional manager for South East Asia. In January 1997, he was approached by the leading engineering company in Austria, VA Tech, to head its operations in Malaysia but he declined. "I told their representative that I was well positioned at ABB and see no reason for me to move from one employment to another. But they came back to me two months later with a joint-venture offer, with them holding 51%," he says.

This was more than fine for Harvinder who, after shaking hands on the deal, moved on quickly to establish the new company. He also injected some of his own money into the start-up. Initially operating from home, he was able to hire six engineers and sent them all to Austria to get familiar with the products of their principal.

However, there was a key differentiator in his relationship with VA Tech. "From the beginning, we insisted we were not keen to be a sales outfit for any MNC," reveals Harvinder, who says MNCs tend to keep real engineering capability in-house and are reluctant to share knowledge.

"I wanted to be a full-fledged engineering outfit and unless we needed and asked for support, the Austrian partner would not provide it," he adds.

By June 1997, iTEC, which was then called VA Tech Sat Sdn Bhd, won its first contract from Powertron, an IPP in Sabah. Then came the crash of the baht and the beginning of the Asian contagion. Amazingly, Harvinder saw this as an opportunity. "Speaking with our bankers, we decided to hedge our buying of equip-



Driving home the point about empowerment, all in the name of better serving the customer



Michael: We believe we are on par with global companies

ment, which came mainly from Europe," he says. With the value of the ringgit depreciating over the next year, this decision to hedge became one of the foundations on which iTEC built its success. They were also helped by the fact that all their competitors had secured many mega projects and had large headcounts in anticipation of the jobs being finalised.

However, while a lot of infrastructure contracts were given out, this is also an industry with long selling cycles -- ranging from six months to two years. The financial crisis stymied many of the awarded contracts, and for those that were not awarded, pricing became an issue. This was the moment the start-up was waiting for. "While competitors became internally focused and were dealing with their headcount, we had no legacy baggage and were focused on growth." As a result, the engineers on the company's payroll grew from 6 to 18.

It was also the only local company doing automation for the power sector locally. "It was a huge challenge for us because this was not a specialised area in which you could build capabilities overnight. But we had the right team and a huge amount of desire to succeed, fuelled by our vision to grow a Malaysia-based global high engineering company," explains Harvinder.

In preparation for that global presence iTEC has a philosophy of building partnerships through empowered people. In fact, there is a sign displayed prominently in the office reminding staff of this. "People empowerment is important to us. We need our engineers to work independently, when they are at the cli-

ent's place and interdependently when they come together as a team to come up with solutions that will solve client problems," says Harvinder.

Being tolerant of mistakes is another hallmark of this empowerment approach. "There has to be a genuine desire to see people grow, otherwise one will not be tolerant of mistakes," Harvinder points out.

It goes without saying that mistakes are to be made once and everyone learns from the mistakes made. Harvinder wants to drive the message that iTEC must deliver more value than the customer expects. "That's the only way for us to be outstanding."

Focus on customer, not product

iTEC also took a different business approach. Typically, the foreign engineering companies would push solutions to the clients, fly in foreign experts to implement these and that would be it. If the end-clients had problems or wanted to change something after it was installed, it would cost them more. "But we took the time to understand our customers' needs before suggesting solutions to them," says Harvinder.

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This approach won iTEC greater acceptance in the market as clients began to see the difference between working with it and international firms not based in the country. "Clients knew that with us, they could change things halfway through the implementation and even after the work was done. As you know, sometimes, it is only after you have installed and started using something that you really know what your needs are."

The formula enabled iTEC to grow steadily over the past 10 years and eventually branch into large SCADA systems for the water, waste-water treatment and tunnel automation sectors. It had its first tunnel automation project with the Penchala tunnel. Although an engineer from Austria worked on the project, the

functional design of the system and its implementation was done by iTEC. It has also gone into large industrial and building automation, with the Proton plant in Tanjung Malim and Berjaya Times Square as customers.

Making inroad overseas

With an eye on living up to its global ambitions, iTEC finally made successful inroads overseas in 2006, with jobs in Thailand, Indonesia, Vietnam and Sri Lanka. "We normally go in as a sub-supplier to international contracting companies," says Harvinder. iTEC has a sales office in Bangkok and is eyeing a direct presence in Indonesia. "That's a huge market," says Michael Moggie, an executive director at iTEC.

Michael moved to Incontrol from VA Tech when the Austrian firm was bought over by Siemens in the ongoing global mergers and acquisitions drive, where large companies are buying up specialised service and technology providers to take control of the value chain. When Siemens' hostile takeover of VA Tech was announced, Harvinder was concerned because it meant he would have to contend with a potential majority partner with a strong presence in the same sectors as Incontrol. But this is where luck, fate or just plain chance intervened.

"My colleagues and people in the industry had expected me to sell the company to Siemens but I felt that together, the team had built something that could go on to be really special for Malaysia. We all shared the same passion and drive to do this and everyone wanted to stay on to work towards that goal. You just can't put a price on doing something special for your country," says Harvinder. He bought VA Tech's 51% stake, making the company fully Malaysian on Aug 2, 2006. That was when its name was changed to iTEC.

That was when Michael came on board too. He was at the time representing VA Tech's 51%. "It is exciting to be a part of this team. Capability-wise, we are on a par with the global firms," he says.

The biggest challenge for Harvinder at the time was convincing his bankers that he could make the company work. Harvinder recalls that the banks felt he had won projects only because he had a foreign partner. It took a while to convince them otherwise.



"Once they understood that we operated quite independently, there was full support."

Challenges

Moving forward, Harvinder wishes that Malaysian companies would show more confidence and trust in their fellow Malaysians. "There are not that many local high engineering service firms in the niche we are in and you don't win international jobs or even local jobs in such a specialised area by not being good at what you do."

While one's goal may be to venture abroad, it is equally important that one establishes strength in the domestic market as a launch pad. For Harvinder, that will make the battle to go global a lot easier. ■