Business Times
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Title Presenter
AMERICAN EXPRESS
DATIN PADUKA SITI SA'DIAH SHEIKH BAKIR
KPJ HEALTHCARE BHD

KPJ chief makes award history

By Jeeva Arulampalam
jeeva@nstp.com.my

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DATIN Paduka Siti Sa'diah Sheikh Bakir cuts a petite frame, but it is evident that the KPJ Healthcare Bhd managing director exudes sheer determination.

Her resolute demeanour comes as no surprise given the headway she has made in the local private healthcare industry, having built a home-grown company that now has more than 20 hospitals locally and overseas.

Siti Sa'diah was named last night as Malaysia's CEO of the Year 2009. She received the award from Prime Minister Datuk Seri Najib Razak.

The 57-year-old mother of three and grandmother of five is the first female chief to clinch the accolade.

She began her career with KPJ's parent company, Johor Corp (JCorp), after graduating with a Bachelor of Economics degree from University Malaya in 1974.

"When I joined JCorp, they placed me in the strategic planning unit. I was asked to meet a group of doctors to work on the viability of setting up a flagship hospital in Johor Baru," Siti Sa'diah said in an interview.

After carrying out the feasibility study, the proposal was submitted to JCorp's board of directors in 1974. Although the project was approved, it was placed on the back burner because of the adverse economic climate then, and, subsequently, revisited in 1978.

"In 1979, we formed the company (KPJ) and began construction of our first hospital. In 1981, we opened the KPJ Johor Specialist Hospital to the public," Siti Sa'diah said.

The reason behind building such a facility in Johor was to cater for the domestic market that was seeking medical treatment in Singapore as well as expatriates present in the state owing to the industrialisation that was taking place.

"But aside from that, we also wanted to stop the brain drain of doctors looking for greener pastures in countries like Singapore, Australia and Canada."

Who knew then that KPJ would grow to become a national healthcare player, making its presence felt nationwide and overseas some 29 years later.

In 1987, the first signs of a potential acquisition presented itself to KPJ.

"An opportunity arose for us to acquire Tawakal Hospital, which was making huge losses and in dire need of rescuing. We completed the acquisition in 1988 and wiped out all the losses within four years," said Siti Sa'diah.

While KPJ continued on the acquisition trail with another hospital in Ipoh, plans to build its own hospitals from scratch were in the offing.

"The Tawakal Hospital was just a stepping stone for us. We started to look for a strategic piece of land and decided that Ampang would be a good location."

The KPJ Ampang Puteri Specialist Hospital was built in 1993 at a cost of some RM100 million.

"We definitely changed the landscape of what a private hospital was in those days."

Siti Sa'diah also attributed KPJ's success of fast expansion, organically and via acquisitions, to the setting up of the Al-'Aqar KPJ Real Estate Investment Trust in 2006.

The rest, as they say, is history.

Siti Sa'diah, who has seen KPJ grow from a seedling to a full-grown tree, said the visionary and committed leaders of JCorp have fuelled her loyalty to the group.

"We are all motivated, not only in terms of ringgit and sen but also for a bigger purpose. Our goal is to provide quality healthcare services to our customers and patients. We aspire to make Malaysia the hub for healthcare worldwide."

According to a report by NuWire Inc in 2008, Malaysia ranked as the third medical tourism destination, behind Panama and Brazil but ahead of Costa Rica and India.

"Our Prime Minister has said that Malaysian healthcare is a hidden jewel and it is up to us, those in the private hospital line, to make the PM's aspiration a reality," Siti Sa'diah said.

In building up the KPJ healthcare business, Siti Sa'diah has been left with some fond memories.

One such memory is of the day the company's shares were floated on the local stock exchange in 1994, a year after she was appointed managing director.

"Another memorable moment for the company was when it crossed the RM1 billion revenue mark in 2007, which took us 27 years to achieve. This was followed by our achieving RM100 million in profit before tax in 2008."

KPJ's financial performance has continued on an uptrend and remained resilient even in the recent economic downturn. It posted net profit of RM101.8 million on revenue of RM1.44 billion in the fiscal year ended December 31 2009.

"It will take us a shorter period to reach our RM2 billion revenue (by 2012) target as we already have a loyal customer base from within and outside Malaysia. About 5-10 per cent of our patients are foreigners."

Now that KPJ has become a household name, Siti Sa'diah shared that she would like to be remembered for the changes she has brought to the private healthcare landscape in the country.

"Nobody can take away the fact that a billion-ringgit company was created from scratch," she said with justifiable pride.

Motto of transforming workers into leaders

KPJ Healthcare Bhd (KPJ) managing director Datin Paduka Siti Sa'diah Sheikh Bakir is a firm believer in transformational leadership.

"It means leaders and followers are engaged in raising each other's standards to a higher level. I feel the need to convert an ordinary individual into an extraordinary person," she said in an interview.

Her motto is to hire those above average and push them to become experts in their own right, and with a strong teamwork spirit.

"You must encourage your employees to take on more responsibilities and move them into higher (positions) so that they rise to the challenge."

Siti Sa'diah shared that in line with KPJ's desire to be an employer of choice, the company keeps its employees posted on its direction for the year.

"We tell them at the start of the year what we accomplished the previous year and where we aim to head for the current year. This gives them a better understanding and encourages them to give their best efforts."

At present, KPJ has a staff strength of some 7,000. It has had to steadily build its human capital over the years, especially given the acute shortage of nurses when it first started.

"We built our first nursing college in 1991 to meet our needs. To date, we have trained more than 2,500 nurses, which has also now helped in meeting the industry's needs."

Siti Sa'diah said that developing a strong team at KPJ has been one of her key challenges.

"To date, 700 medical specialists are with the group, and, while we could invite more to join the company, the managerial team had to be further trained as most didn't have healthcare experience. At KPJ, they were given opportunities to enhance their knowledge via Masters in Nursing, Masters in Healthcare Management and Masters in International Business Management."

As a female chief, Siti Sa'diah has had her share of challenges, more so in creating a balance between career and taking care of her school-going children.

When the children were young, nights were spent on upgrading her skills by reading up on corporate management strategies as the children studied.

Now that the children are grown-ups, the pressure may have eased but work still keeps her on the road as she oversees KPJ's chain of 20 hospitals nationwide.

Siti Sa'diah shuttles back and forth on a weekly basis between Johor and Kuala Lumpur.

"To keep my energy up, I catch forty winks in the car while I'm being driven to Johor. Since my journey begins by 4.30am, I try to minimise my time away from home by returning to KL the same day, even if it means I get home at 10pm or 11pm," said the indefatigable KPJ chief.

EPOS importer sets its sights on new markets

ATG Watch Sdn Bhd expects sales of watches to bounce back this year as the Malaysian economy regains its footing after a year of contraction.

"For the EPOS brand, we are expecting growth of 12-15 per cent this year," ATG Watch chief executive officer Tham Onn Chuan said.

ATG Watch is the sole importer and distributor of EPOS and Titoni watches in Malaysia, Singapore, Brunei and Indonesia.

Tham said retail sales dipped in the first half of last year by some 40-50 per cent, but slow signs of recovery were evident in the second half, more so in the last quarter.

"We are optimistic about this year since overall consumer and retailer confidence has gained momentum," he said in an interview.

However, EPOS sales in the domestic market compared with those in regional peers such as Thailand, Vietnam and Singapore remain relatively small.

"While Singapore has a smaller population than Malaysia, EPOS sales are better in Singapore, driven by the tourist market," said Tham.

ATG Watch will be broadening its reach by expanding into new markets such as Laos and Cambodia.

"We are closing a deal very soon in Laos and should be able to start there in two months. As for Cambodia, we are still in the process of looking for a good local partner."

In Malaysia, Tham said there were plans to add one or two more EPOS boutiques in Kuala Lumpur as soon as it secured suitable boutique locations. Currently, it has a boutique each in Starhill Gallery in Kuala Lumpur and in Kuching.

One of ATG Watch's local retail partners is WooHing Group, the official prize sponsor for the Malaysia's CEO of the Year 2009 award. Both parties have teamed up to sponsor two Swiss-made EPOS watches.

Tham said the rationale behind selecting an EPOS watch to be presented to the award winner was because it was a complicated gadget befitting a complex leader.

"The winner will receive a watch that comes with seven functions: phases of the moon, date-pointer, day of week, month, seconds, minutes and hours."

EPOS, which has been the watch sponsor for the award since 2006, only carries a line of mechanical watches.

The watches, which are deemed collectible items, are priced between RM3,000 and RM278,000 each.

Typically, 10 to 12 new models are introduced each year to the market.

Tham is optimistic of the EPOS brand of watches growing 12-15 per cent this year

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ATG Watch Sdn. Bhd. (702717-V) | Service Center: +606-6333 193 |
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Epos Boutique : F10 Explore Floor, Starhill Gallery Tel : 03-2144 4959
G11A Ground Floor, The Spring Shopping Center Kuching Tel : 082-427 639
Exclusive retailers: WOOHING Sg. Wang 03-2148 7762 | WOOHING Lot 10 03-2144 1931

Channelling quality content

NATSEVEN TV Sdn Bhd (ntv7), a wholly-owned subsidiary of Media Prima Bhd, will expand its revenue source and client base this year through new creative products and securing non-traditional advertisers.

"The station associates itself with prestigious events and high-end urban labels to attract Chinese and urban consumers. Not only do we reach a huge market segment, we also provide creative media space for aspiring brands," ntv7 general manager Airin Zainul said in an interview.

As the economy recovers from last year's downturn, the challenge for the industry this year will be to spur growth of advertising expenditure (adex), which will have an impact on ntv7's earnings and development.

Airin said that ntv7, the official television broadcaster for Malaysia's CEO of the Year 2009 award, will continue to focus on delivering content that appeals to viewers aged 25 and above.

It is the top television station among Chinese viewers, with 22 per cent market share, and ranks second among the urban group aged 30 plus, with 8 per cent audience share.

Airin says the station will continue to provide wholesome programmes suitable for family viewing and in line with the 1Malaysia concept

Airin said ntv7 will continue to serve this market with compelling local Chinese dramas and wholesome programmes suitable for family viewing and in line with the 1Malaysia concept.

"A substantial portion from Media Prima's RM250 million investment in programmes goes to ntv7 to ensure viewers' expectations are met," she said.

Among the prominent new television shows that ntv7 has secured from the US are "Fringe", "V", "Eastwick", "Glee" and "Drop Dead Diva".

"We have also secured a string of TVB dramas and MediaCorp titles. About 70 per cent of our investment is for local shows, such as 'What Men Want', 'Crossings', 'Mandarin Battle Star' and 'Global Watch'."

The station will continue airing other successful international and local shows, including "Grey's Anatomy", "Private Practice", "Lie to Me", "The Mentalist", "Lipstick Jungle", "Celebrity Apprentice", "Phua Chu Kang Sdn Bhd", "Celebrity Karaoke", "Wakenabeb", "Age of Glory 2" and "Mr. Siao's Mandarin Class".

Airin said ntv7's most successful locally produced show to date was the Chinese drama series, "The Iron Lady", which aired last year.

It garnered almost one million viewers and saw a high of 53 per cent audience share among Chinese viewers for the 10pm slot.

"We learnt that viewers in Malaysia regard the local Chinese dramas produced by ntv7 as highly comparable to those produced in Taiwan or Hong Kong," Airin said.

ntv7 will be hosting its very own Chinese Emmy, "The Golden Awards", in September.

Airin said ntv7 was proud to be associated with the CEO award programme, which has been playing a key role in spurring and recognising deserving corporate leaders in the country.

"Our support denotes ntv7's brand attitude that reflects class and sophistication, attributes that are in tandem with the award's status," she said.

American Express sets great store by singular brand

AMERICAN Express, a title presenter for Malaysia's CEO of the Year 2009 award, aims to be the world's most respected service brand.

"American Express has worked to create a singular brand that stands for world-class service, and our values clearly state our commitment to customers, quality, people, integrity, teamwork and good citizenship," said Malayan Banking Bhd (Maybank) consumer banking head and senior executive vice-president Lim Hong Tat.

Maybank is the issuer of the American Express cards and sole manager of merchant-acquiring businesses in Malaysia.

Lim said the CEO award programme fitted in with the American Express brand in every aspect, the company having been a presenter of the award for the last 15 years.

"American Express' participation is part of our efforts to contribute towards the development of the corporate sector by giving recognition to leaders of Malaysian corporations and acknowledging their entrepreneurial and leadership skills."

Lim added that the award has become a premier award over the years, generating growing interest in the corporate circle given the number of quality nominees received each year.

The award winners from various industries clearly demonstrate the impact the award has across all sectors of the corporate world, and it highlights the CEOs' outstanding management of their companies' assets and overall contribution to nation-building.

"This award bears significant synergy and business correlation with American Express. It is our belief that this award inspires professionals and executives to strive for the highest standards of excellence in their respective areas of work," said Lim.

It is also in line with American Express' human capital development and talent-building strategy to encourage, inspire, nurture and recognise new talent and potential strong leaders from within as well as in the corporate sector.

American Express has seen its local business grow by over 40 per cent on billings last year, driven by attractive programmes, increasing acceptance points and diversifying its segments.

"We continue to serve the high-end customers through the American Express platinum charge card, and have introduced the American Express platinum and gold credit cards, both of which carry superior value proposition that have been well accepted by consumers," said Lim.

"In the commercial space, we continue to gain momentum through innovative products to meet the needs of the commercial customers wanting to go cashless."

The growth in the corporate travel and entertainment sector and other new initiatives have further strengthened Maybank's dominance in this business segment.

Corporate gifts to sweeten Patchi sales

Yeoh is hopeful of opportunities to increase the contribution from corporate gift sales from the current 10-12 per cent

PATCHI Malaysia remains conservative on its sales projection for this year, targeting some 3-5 per cent growth driven by its corporate gift sales.

"The overall consumer sentiment is expected to improve this year as the country has been projected to grow. However, many expect the retail market to remain soft, with flat or marginal growth, reflecting our conservative targets," Syedex Marketing Sdn Bhd general manager Jessica Yeoh said.

Syedex holds the franchisee licence for the distribution of Patchi products and services in Malaysia.

Yeoh said overall Patchi sales rose some 2 per cent last year despite the economic and retail slowdown.

"Although our retail sales dipped, we were able to gain new customers to offset the lost sales. Lifestyle gifts, especially chocolates, are still a fairly new segment for Malaysian consumers and we have to continue educating and expanding our marketing programmes to capture a wider consumer base," she said in an interview.

Patchi, an official prize sponsor for Malaysia's CEO of the Year 2009 award, is known for its premium chocolates, souvenirs and lifestyle gifts for weddings and other special occasions.

Some of its lines include the Patchi Chocolate, Royal Silver, Baby Patchi, Glassware and Porcelain, Patchino — chocolate for kids, Patchi Weddings, Patchi Corporate and Patchi Gift Items.

The loose chocolates are sold at prices ranging from RM24.50 per 100 grams to RM28 per 100 grams, while Patchi's gifts cost from under RM10 each to more than RM9,000, based on their customisation.

Exclusively wrapped Patchi products are ideal corporate gifts

Patchi will be adding another product this year: chocolate bars made available in 40 grams and 50 grams.

"We had a sneak preview during Chinese New Year, but will have the full range within the next quarter," said Yeoh.

According to Yeoh, retail sales are the largest contributor to overall revenue, accounting for 80-85 per cent.

However, she was hopeful of opportunities to increase the contribution from corporate gift sales from the current 10-12 per cent.

"Our expectation is for retail sales to remain flat this year while we hope for corporate gift sales to increase by 3-5 per cent."

Retail sales encompass sales derived from walk-in customers at Patchi branches, while corporate gift sales are customised gifts for any type of business.

Yeoh said there were plans to open more branches in the Klang Valley, specifically in Selangor and Kuala Lumpur, over the next two years.

Currently, there are five Patchi branches in the country. They are located in Jalan Maarof Villa, Bangsar Shopping Centre, Mid Valley Megamall, Parkson at Suria KLCC and Pavilion Kuala Lumpur.

Patchi, founded in Lebanon in 1974, has a presence in 35 countries with 140 boutiques.