

EDGE
BILLION RINGGIT Club
MEET THE CEO

Never be afraid of humble beginnings

In this first session of *The Edge Billion Ringgit Club Meet the CEO* series, managing director and founder of QL Resources Dr Chia Song Kun shares his views on the important values that successful companies are built on

BY Clint Loh

“Never be afraid to start small and never fear humble beginnings. You should never underestimate the small opportunities because what starts out small can be made bigger.”

These were Dr Chia Song Kun's words of wisdom to the students who filled a lecture hall in Sunway University last Friday afternoon. Chia should know because he founded and built QL Resources Bhd, a leading agro-food player in Malaysia that had started out in 1987 as a small cockle-shell milling and trading company. Today, QL Resources is listed and has a market capitalisation of RM2.7 billion. Last year, it was named *The Edge Billion Ringgit Club's Company of the Year*.

Chia's session with the university students was the first in *The Edge Billion Ringgit Club Meet the CEO* series, an event meant only for students at tertiary level. The sessions are structured as informal and interactive chats between the CEOs and students and are aimed at introducing the brains behind Malaysia's best companies and giving the students an opportunity to engage them on their strategies, outlook and thoughts. Chia spoke on "How to Build and Manage Successful Companies".

For almost an hour, he had the rapt attention of the students, enthralled them with three real-life stories, followed by two simple pieces of advice on the ingredients for success.

The first story focused on the transformative power of education. "Without further and higher education, I wouldn't be in front of you today. Instead, my brothers and I would still be out on the ocean, fishing to make ends meet."

After almost completing his primary schooling, Chia says he was resigned to joining his two elder brothers to go out to sea with their fisherman father when fate intervened. His headmaster saw his aptitude for academic work and knew he could go far in life. "One day this man turned up at our door to persuade my parents and elder brothers to let me carry on studying."

Years after the event, Chia graduated from university. Without this educational experience, Chia says there would not be a QL Resources today.

Not only has education changed his life, but also that of the people around him. Today, QL Resources is a family-run concern.

"You are in a privileged position. Don't waste this opportunity. If you do well, if you accomplish and strive to do your best, it will transform your life for good, but perhaps more importantly, it can transform the lives of those around you," he advises.

Humble beginnings

Chia is a fervent believer of humble beginnings. He tells the story of his brother-in-law who was not afraid to start from the bottom to achieve success. In the early days, to earn extra money, Chia says his brother-in-law even got a job unloading cement bags at just 10 sen each. In the meantime, he did an external degree programme with the University of London and graduated with First Class honours in chemistry. After a stint in ICI, his brother-in-law decided to further his studies, taking up an MBA course in the University of Malaya. Although he could have worked anywhere, Chia



Clockwise from top: Chia enthralled the students with his stories on how QL Resources grew to become a leading agro-food company today

Students read *The Edge Financial Daily* while waiting for the talk to start

Chia: An average idea executed well can become a successful venture

says his brother-in-law chose to join him and "be the boss of his own domain".

Chia could not pay his brother-in-law a high salary. Furthermore, the work was hard and his brother-in-law had to come up with RM30,000 as capital.

"And this was what he did. He took his wife over to East Malaysia and opened a tiny commodity trading company in Tawau where he dealt in ikan bilis, eggs and other foodstuff. He worked hard. He was a manager not only of people but of risk, of speculation, of profit... today, he is a successful man. His hard work has paid off. His entrepreneurship has led to many successes for QL Group."

His advice to the students: "Starting from a position where others may look down on you, where your family and friends may doubt you, this is no bad thing. Do not be afraid. Embrace humble beginnings if that is what you can afford."

Innovativeness at work

Not long after the 1997/98 Asian financial crisis, when local players were still recovering, Chia says QL Resources' survival was threatened once again, this time by a major international commodity player that was setting up shop in Malaysia.

"We knew if they moved to Malaysia, they could easily knock many of the local operators out of business, us included," he recalls.

Doing the most sensible thing they could, Chia organised a "sit down" with other local grain operators, many of whom were direct

competitors of QL Resources. They asked themselves: "What was the international giant's key advantage over us?"

According to Chia, it was economies of scale and logistics strength. To take on the international giant, they had to do something different, which meant they had to "think out of the box". Even though they were competitors, the players formed a consortium to import produce for the local market and shared loads to gain economies of scale. "Believe me, there was an enormous amount of work involved in getting the agreements worked out. Every one of us had to set aside our differences, rivalry and heavy appetites," he says.

By working together, they managed to neutralise the international player's advantages and have been able to compete on an equal footing for the last 15 years.

"So the takeaway here is, when you think of innovativeness, try not to limit yourself to thinking only about product innovation. Apple is an innovative company, yes. But so is the 'kuey teow man' who adopts social media to promote his stall.

"In your future careers, you are bound to face many unfamiliar situations. When these times come, do not panic. Be cool, look around for inspiration and think out of the box. Innovativeness at work is an essential key to your future success."

So, how does one build and manage successful companies?

Chia has two nuggets of wisdom to impart. First, an idea does not have to be fantastic

to be a good one. "People think if the idea is exceptional, if very few people are doing it, it will be successful. They think it has to be original and it has to be grand. To me, this is not correct... Do not get caught up waiting for the fantastic idea. Do not think you have to start the next Facebook. Instead, focus on what you know best."

According to Chia, one of the reasons for his success with QL Resources is his knowledge and experience in the business prior to setting it up. "Your business will have a greater chance of success if you do things in the industry or area you know best. So don't wait for fantastic ideas to start a business."

Chia says what is more important than a good idea is execution. "To me, the most important factor in business success is execution. An average idea executed well can become a successful venture. A humble beginning can become a multimillion-dollar business."

"When we started QL, we never imagined it would be as big as it is today."

Conversely, he says, a brilliant idea, if executed poorly, will lead to failure.

"To me, there are two key components of successful execution — innovativeness at work and good work quality. I believe there is a direct correlation between work quality and work quantity."

"Because work quality breeds quantity. If you produce poor quality work, your reputation will never get off the ground or worse, you will build a reputation for poor quality and no one will give their business to you."