

STORY 100

# The Buck Stops

Since taking over the helm of Wearnes in December 2004, Group CEO Tan Choon Seng has focused on streamlining Wearnes' many disparate businesses. He sees himself as the "cleaner upper" of the oasis.

"Former Chairman Tang was the man who found the oasis in the desert. All credit goes to him for building up this wonderful portfolio. My task is to clean it up and make it attractive to people."

He has identified the fruit trees, the two big ones being M-Flex and MFS, which together, rank as the world's second largest maker of FPCs. "We are now positioning ourselves as this."

The weeds have been pulled. "But we're not going to just slash and burn. Some can be sold. And there are many unpolished gems, which we will polish and sell off. We need to ensure that all these efforts turn into value for the shareholders."

His first year was themed "Continuity and Change". When he came on board, Tan, 54, says the company was ready for change. "The Board was ready. They were waiting for me to implement it. Chairman wanted change. He felt it was time for a younger man to take over." So he is glad that Mr Tang was in the next office. "He was close enough for me to consult, but not close enough to breathe down my neck," he jokes.

But it was still a tough decision to leave his post as Managing Director of Hewlett Packard ("HP") Southeast Asia and Vice President of its Customer Solutions Group, where he was successful and well rewarded. But Wearnes intrigued him. Before making up his mind, he spent six months studying the company. "The more I discovered, the more intrigued I was. I knew it was a complex company, but I didn't know just how complex."

He took the job. "There was an inner stirring," he says and Wearnes offered him a chance "to try my hand at something where I have more influence." He only brought over his secretary from HP, but others, who worked with him previously, asked to join on their own accord later on. He also strengthened the management team by bringing in other professionals, not from HP.

His first 240 days on the job were spent studying and visiting Wearnes' far flung factories, warehouses, storerooms and offices, where he inspected operations and spoke to managers and staff on the ground. "There's nothing like going

there yourself. You'll be surprised how much you can learn."

He identified three core businesses – automobile distribution, technology manufacturing and the budding technology solutions division. The rest are considered investments, which can either grow into core businesses later or be developed and sold off. He thinks Wearnes can afford no more than four core businesses.

He is now into a second round of studying and evaluating, but with a much deeper perspective and knowledge of the businesses. "Now, I can put a name to a place. I can tell you, for example, what a nursery, in the US or China, looks like."

His second year on the job was themed "Growing Momentum" because he says the pace will quicken. "The speed of execution has quickened and will continue to quicken. In the technology arena, where the bulk of our revenue and profits come from, product life cycles are short. So, if you're slow, you'll be left behind."

He notes that it is important to keep track and adapt quickly to the curves in technology – the "inflection points" where a technology changes or evolves. "If you move away from the curve, you become irrelevant. If you can't jump to the next curve, the next change, then you shouldn't be in the technology business."

He points out that adaptability is key, as nobody can entirely predict what is ahead. "It's a very dynamic game and when you start playing it, you don't know where the end is. You have to adapt as you move along. You can't entirely know the landscape ahead of you."

But it is not just a case of jumping on the bandwagon. "We must pick and choose. You can't do everything. We must capitalise on our traditional strengths as a manufacturer and our extensive network in China."

Tan sees Wearnes now as a technology company, very different from what it was 100 years ago. And 100 years hence, he expects it to evolve into a much more successful and probably different company.

"As I won't be around then, I look at progress now in five year blocks." So, in the next five years he would like to see a set of happy shareholders, a set of happy customers and a set of happy employees. "These are simple words, but it means a lot to be able to deliver to them all. If we can achieve this, it would be great."

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