



TURNAROUND SUCCESS

Leeden's performance has been improving – it had a record year in 2008 – after Steven Tham took the helm and embarked on a major revamp

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LEEDEN HAS A LONG HISTORY of some 45 years, the greater part of which was loss-making or modestly profitable. Then it had a new CEO in 2000, a major business restructuring, and the company's fortunes have since been steadily looking up.

That CEO is Steven Tham, 58, who was among the 13 recipients of the Outstanding Entrepreneur award out of over 280 nominations at the recent Asia Pacific Entrepreneurship Awards. Organised by Enterprise Asia, a non-governmental organisation in pursuit of entrepreneurship development, the event also honoured Thomson Medical CEO Allan Yeo, among others.

To begin to understand how Mr Tham has moulded Leeden, one has to trace the defining experiences in his early career and the towering leaders he said he was fortunate to have worked under.

His first stint was at Bank of America, which he joined after graduating with an honours degree in business administration from the National University of Singapore (NUS). At the bank, his team leader was Theresa Foo, who later rose to become CEO of the Singapore branch of Standard Chartered Bank.

Mr Tham started out as a credit officer and was later promoted to assistant manager during his five years there. He learned from Ms Foo "how to do things, how to assess applications, how to decide whether a business was good to finance or not".

In a later period, Mr Tham spent 10 years with Hong Leong Finance, where he regularly had to make presentations to the committee for sizeable loans for his clients. They would then discuss the client's risk profile and the industry risks. Being part of the discussion, Mr Tham imbibed business insights from everyone, especially Kwek Leng Beng, the billionaire boss who chaired the committee.

After such close encounters with a fast-

rising star and a property guru, Mr Tham was ready to blaze his own trail when he was approached in 2000 to join Leeden as CEO. For that, he left his cushy job in the city as marketing manager and headed for the industrial zone of Jurong.

The company he was going to helm was no new kid on the block. In fact, it had been set up in 1964, as Ace Dynamics, and listed on the mainboard of the Singapore Exchange in 1975.

When Mr Tham took over, he found it was operating a number of unrelated businesses, from distributing health food to property development.

He considered it vital for Leeden to develop its core business and be a market leader in the sectors it was in. Over time, the core business became defined as being "a value-added integration specialist".

Leeden provides integrated products, services and solutions for welding, gas and safety to its clients. Its customers include major oil and gas companies and contractors, shipbuilding and shiprepair yards, and steel and pipeline fabricators across Asia.

As its core business became turbo-charged, Leeden began to venture overseas in a meaningful way. Malaysia was a natural choice given the prevalence of heavy industries there. The country's revenue contribution to Leeden was insignificant before Mr Tham joined Leeden, at around RM10 million (\$4 million) annually.

Instead of growing Leeden's business only organically in Malaysia, which Mr Tham considered too slow, he sought to buy stakes in, and form alliances with, businesses in the gas, welding and safety sectors there.

This merger and acquisition strategy came easily to him because he had learnt it in his days at Bank of America along with the financial acumen needed to execute it. The acquisition spree in Malaysia has borne fruit: Last year, Leeden generated

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around RM120 million in revenue from Malaysia. Overall, it was a record year for the company with \$13.6 million in profit after tax on revenues of \$157.2 million. Leeden’s cash and cash equivalents as at end-2008 year stood at \$15.9 million.

This result led managing director-cum-chief operating officer Kelvin Lee, who has worked in Leeden for 33 years, to conclude: “I would say that for the survival and success of Leeden, Steven deserves most of the credit. It was his vision. I have been with the company all this time – I have served under six CEOs – but we didn’t have this kind of achievement. Why were we not able to deliver this new set of numbers, why didn’t we attract bankers’ support? So I say, leadership is very important.”

Mr Tham’s acumen showed in another area – property. While Leeden grew its core business, it also quietly made well-timed purchases of land in Malaysia where it could physically expand its businesses.

In the last two years of the economic downturn, Leeden bought several parcels of land totalling 44,150 sq m in Malaysia for an undisclosed sum. “I pushed hard for the company to buy land during the recession,” says Mr Tham. “Our first purchase of land in 2003 was in Kuala Lumpur. The

freehold land cost RM30 per sq ft. Now you can’t get it for even RM50.”

Such is the fruit of the tireless trips to Malaysia that Mr Tham regularly makes for M&A opportunities and for drawing up operational strategies with his men in Malaysia.

And the acumen for investing in downturns comes from his personal interest in the property market. In his mid-40s, he enrolled in a Master of Science course in real estate at the NUS, where he studied land law and valuation, among other topics. Property cycles happened to be the subject of Mr Tham’s thesis.

In his career with Hong Leong Finance, he had also developed an understanding of the property market through handling numerous property loan applications – and of course working for Mr Kwek, who is a proven sharp investor of properties.

In the depths of the recession last year, Leeden also acquired a building in Batam at a firesale price to expand its gas and related equipment business. Batam is the staging ground for Leeden’s next move: It is setting its sights on growing its business rapidly in Indonesia, and the rest of the region.

Though it is an agent for many established brands, Leeden is paying attention

to its own brand as well. That’s why it did a rebranding exercise two years ago, changing its name from Ace Dynamics to Leeden and starting its own lines of products that do not compete with those of its principals.

The roots of this branding strategy can be traced back to Mr Tham’s early career. He learnt the power of brands when he was a manager at the various Singapore agents for Citizen and Ebel timepieces, Mont Blanc pens, and at the franchisee for Burger King. There, he also learnt the art of marketing – a skill that, doubtlessly, is at the heart of Leeden’s business, which is distributing a range of equipment and solutions to a wide range of customers.

Finally, Mr Tham recognises the value of people. Says Mr Lee: “He believes in rewarding people. It’s the key way to encourage them to work hard for you.” While Leeden’s 1,200 employees are largely skilled but non-tertiary educated, the company has started to attract top university graduates.

One of those who joined a few months ago is Lucia Zhang, who has a Bachelor of Science (first-class honours) from the NUS, majoring in quantitative finance. Another promising talent is Mak Ka Weng who joined a few years ago with a first-class honours degree in business administration.

Even the CEO’s position, in due course, would need to be filled, ideally by someone who has put in a couple of years at the company, said Mr Tham, who is now also the group’s executive chairman. He owns about 21 per cent of Leeden. (Mr Lee and another executive director, Lim How Boon, own about 13 per cent in total through a jointly held company.)

Outside of work, Mr Tham likes to play golf (“it’s necessary for business too”) and jog. He is married to Venetia, a vice-president at Bank of America, whom he met in university.

They have a son, Jonathan, 19, who is completing national service, and a daughter, Phoebe, 18, who is studying at Temasek Junior College. A millionaire many times over, Mr Tham lives with his family in a sprawling bungalow in Siglap – which is a good leg up from the rental flat in Queenstown that he and his five siblings grew up in. **P**



Mr Tham (far right) receiving the Outstanding Entrepreneur award at the Asia Pacific Entrepreneurship Awards held in Singapore in July, from Dr Fong Chan Onn (far left), and Mr William Ng, both Enterprise Asia officials