

## THE MANAGEMENT OF CHANGE

It took 10 years for CEO Wilson Tan to shape a new management style at KTL Global

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**THERE IS AN OLD SAYING** that crisis brings out the best in people. This was certainly the case for Wilson Tan, CEO of KTL Global, a supplier of rigging equipment to the oil and gas industry.

It was 1997, and he had just returned from his studies in the US and wanted little more than to “party and hang around” while he figured out what to do, he candidly tells *Pulses*. Unfortunately his return coincided with the Asian crisis and he was asked to help out with the family business. “We were in a time of crisis, so that drove

me to really focus and work on a plan.”

The Asian crisis was the first big test for Mr Tan and although he and the company managed to push through, it was not long before another crisis hit – the 2001 dotcom crash. This time around, the situation was much more dire. Through the hard times, one thing became clear. “I saw that we needed to focus on a niche market,” said Mr Tan.

Barely two years after getting involved in the company, Mr Tan had to make perhaps the biggest decision of both KTL’s

and his corporate life. “I told him (Mr Tan’s father) at the time that we’ve got to sell everything in our company and just focus on one area,” Mr Tan said. Because KTL’s interests then were so diverse, it was difficult to keep earnings growing.

He saw the opportunity to take a bold step and pull off a big win if he got the company to focus on the oil and gas sector. So all non-core assets were divested and it was “basically do or die”, Mr Tan added. This would be a major change to set itself apart from being just another rigging com-

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pany, as KTL then was unable to supply to the oil and gas market because it did not have sufficient expertise to do so.

But what it also meant was that there were no other businesses to fall back on, unlike in the past. KTL's executive chairman Tan Tock Han naturally had a lot of resistance to the idea and took some time to be convinced. "His worry was that if you go in and you fail, that's it, there's nothing left; but at the same time I sensed that he also realised this was the only way," said the younger Mr Tan. And despite the reservations, he says he was given a lot of control as he gained more experience and built confidence in running the business.

The first thing that he did, and perhaps a harbinger of the changes to come, was to hire an outside expert and put him in

how the Singapore government ran and how they were able to put the right culture in place," he said. "Once the right culture is in place, it's easy to get things done quickly because everybody follows all down the chain," Mr Tan added.

But management culture is something that cannot be forced on an organisation; it has to be developed over time. It boils down to where the buck stops. In the case of KTL Global, this was the defining characteristic of the new management style after Mr Tan took control of running the company.

"To me transparency is very important," he said. All problems are brought into the open and thrashed out and whatever decisions are made by top management are passed down for implementation.

of people so you are able to expand," he added.

The elder Mr Tan naturally was not too enthusiastic about the new management style initially. "For sure he was not happy at first and he would grumble about the way things were changing. But I would always tell him, 'Just look at the figures and don't worry about the rest,'" he quipped.

KTL has come a long way from being an old-style company run by a single boss to one with modern management techniques and finally to being a public-listed company. Prime among the lessons that have been learnt for Mr Tan is the fact that getting the fundamentals right is the most important. "This is the area that I will always monitor to make sure that the company's fundamental structure is

## **"For sure he (the father) was not happy at first and he would grumble about the way things were changing." - Mr Tan**

senior management. Mark Beretta, who had specialty skills in wire rope design at leading steel wire rope producer Haggie Rand, was brought in as marketing director. He has now risen to become the sales and marketing director with a key position on KTL's board.

KTL used to be run as a typical Chinese family-owned business, Mr Tan explained. And due to this, there were a lot of old employees who had been there for 20 to 30 years and were used to a certain way of doing things. In fact, they had become so powerful that they had even led mass resignations in the past. This made it difficult to change things.

So the first thing Mr Tan did was to change the management culture and mindset. "We managed to change that and bring in a lot of new blood," he said. Firstly, he put in place a system and rules and procedures which needed to be followed. To enable this to happen, he formed a top management of professionals to examine the issues and problems and work out solutions to them.

Here, the difference in management styles between father and son could not be more stark. The former's was an instinctive, seat-of-the-pants old-world approach, while the other was a focused style in response to a crisis situation (during the 1997 turmoil).

In this respect, he picked up a lot of valuable lessons from the management style used to govern Singapore. "I saw

This was very different from the way the company used to be run because employees all had their own thinking and way of doing things and there was no proper system. Business decisions were opportunistic without any particular focus, and furthermore the company had to depend on staff to fulfill orders because they were so senior and had so many contacts and much experience.

"In the past, we often had to give in to our foremen to make them happy because if they left we would not be able to find a replacement and all the operations would break down. To change that to a culture where we told staff 'either you listen or you leave' took quite a few years to bring about," Mr Tan said.

But this has brought about a sharper business focus where the fundamentals are all in place. Sales staff are confident that the orders they bring in will be met and help drive them forward. Although it was a 10-year-long process to bring about this new management style, Mr Tan feels it was well worth it. "It's easier for me to focus on new areas because I don't have to worry about the core business as the foundation more or less is there," he said.

All this did not come about easily though. "To convince my dad was the toughest part because our styles were so different," said Mr Tan. Where previously it was just one person's decision, this decision-making power had to be devolved to a team. "But you need a good team

strong so that we are able to move forward," he said.

By this, he means ensuring that the core management system that he's put in place is working well. As such, Mr Tan places a lot of emphasis on teamwork and solving problems together, as well as putting in place systems that enable the managers to have more control and support the sales staff.

"To me the most important thing is teamwork and I realise it's actually very difficult to get people to sit down and face the problems in a meeting; to face them head-on and deal with the real situation rather than trying to avoid them," he said. Getting to the heart of issues and addressing them is key to Mr Tan's management philosophy and he believes the staff will respect you the more for it.

This is perhaps the key difference between Mr Tan and his father. He believes in the need "to face the problem and to solve it", while his father tends to keep a lot of things to himself and therefore takes on the entire burden of responsibility.

"When you address the real root of the problem, it's going to be painful and a lot of people are not going to be happy; to have the courage to bring all the issues out into the open is always hard but I think you need to go right to the core of the problem and thrash it out. And even if you are not able to solve it then at least bring it out into the open and make it known," Mr Tan concluded. ■