

SCIENTEX

healthy, friendly & happy ...



THE MIDAS TOUCH

As Scientex celebrates its golden anniversary this month, its managing director Lim Peng Jin looks back at the journey which has led to this day.

Interview by **KENNETH TAN**

Scientex has earned an international reputation as one of the world's top three producers of industrial stretch film and is also a developer of affordable housing in Malaysia. Its managing director Lim Peng Jin was appointed to helm the business since 2001 and at age 34, was, at the time, the youngest serving MD of a public-listed company in Malaysia. He recounts some of the inflection points which has helped the company grow to RM2.6 billion in revenues.

The reason for our growth is rooted in our ability to identify, select and focus on core competitive strengths and expertise. In 2001, we were operating across 15 diverse businesses, with more than 80 operating companies moving in different directions. We decided then to focus on two core businesses, namely flexible plastic packaging and property development. This renewed focus gained positive results and we were able to leverage on these results to grow even more, and quicker.

Ever since attending the Harvard Business Program in 1998, my key takeaways have been to focus on our strengths and devote our resources to develop the business. We learnt a painful lesson during the Asian financial crisis; after the crisis, we sought to generate a sustainable cash flow and continued making continuous and strategic investments in our designated core businesses. We were ready for the financial crisis in 2008 with a strong balance sheet enabling us to enter into new businesses with lower costs. We are now looking towards the next 10 years, to achieve a revenue of RM10 billion by 2028.

Having the firepower to invest in cash-generating assets

has enabled us to greatly expand our capacity. Scientex is now present in Phoenix, Arizona as well, to capture the market demands for flexible plastic packaging (FPP). Our stated aim is to be able to market one million MT of FPP products per annum globally by 2028.

We are conscious of the sustainability factor which is why we have invested in the latest technology from Europe. Printed film is inserted into these cutting-edge degassing units to remove solvents and inks, before being re-used for manufacture. We have concentrated efforts on using mono-polymers versus multiple polymer structures which are challenging to recycle because of the different melting points. These decisions to manage resources are important – not just from an environmental standpoint – but because it is also part of growing an effective business.

On the property front, our most important decision was to switch from developing industrial parks and offices to affordable housing. We aim to deliver 50,000 units of affordable homes by 2028, and have accumulated a land bank of 1,335 hectares across 16 sites in Peninsular Malaysia. To date, we have completed up to 17,283 units.

We introduced open-book management with our employees in the late 1990s and have enhanced it since. We have found that sharing these financial results has helped with retention, morale and even fostering a feeling of family. Employees have clearly defined KPIs and are rewarded under the quarterly bonus and share grant plan. There's so much satisfaction which comes from understanding and then achieving our common goals and, for me, the best form of happiness is when I am able to declare more bonus for my members of staff. 