

Family and business does not mix

FROM PAGE 1

for the founder in trying to pass down the company to the second generation and further to the third, especially if there is many family members and interest involved. Usually, they do not have a formal plan on how to go about doing this."

Business is business

Involving family and business is given to be an interesting affair, and may not necessarily receive the sanction of a marriage made in heaven.

"We share the same brand name but we have different sdn bhd," said Malaya Optical chief executive officer and optometrist Ryan Ho, who is from the third generation. Malaya Optical was founded by the late Ho Kai in 1967.

Ho Kai passed ownership to his sons and through the years, some left to pursue their own venture leaving Ryan's father and a few uncles to manage their own outlet independently.

Ryan, who was previously a regional manager for a multinational corporation dealing with distributorship said: "None of my cousins were interested to continue with the business as many have found better opportunities abroad. I was the one willing to come back."

To avoid ownership issues and to maintain business professionalism, "I asked for the usage of the name in a written letter and took over to build the rest of Malaya Optical and made it the eye experience boutique."

However, he said: "Even though some outlets are managed by my father and uncles independently, they saw the need for the continuation of the brand and it makes perfect sense to allow me to grow it."

As a matter of fact, he did acknowledge that for any family business there are bound to be issues, and the trick is in finding innovative solutions to still continue the legacy of the brand name that was built by the forefathers.

Currently, the Malaya Optical premier boutique store has no family as staff, but Ryan clearly indicates that equal opportunity is given to anyone to succeed.

He added: "We are open to partnerships in order to open premier flagship stores, and even now I have a partner who is not my family member. We are looking for talent to share partnerships and I am not interested to keep this family-built brand only within family."

"For the sake of business, let's bring in more external partners to grow the brand," said the bold and enterprising Ryan.

Too many cooks spoil the broth

"When my father decides to step down, maybe in the next 5 years, that is when we need to see how we can best meet every family members' interests," said Myortho Foot and Spine Healthcare chief executive officer Orthotic Edmund Lee.

Edmund belongs to the the third generation, who is yet to completely take over Lee Prosthetic and Orthotic Centre (LPOC) started by his grandfather in 1978.

Myortho was set up as a sister compa-



Big Rajah
Being aware family businesses and its entailing conflicts, John is adamant in making his company grow the straight way.

ny to LPOC in which Edmund has 100% ownership. LPOC on the other hand, though solely driven and managed by his father, has its shares equally distributed among his father and four siblings.

"I wanted to go straight to the mass consumers, as such the Myortho group was set up. It has two subsidiaries, Myortho Footcare which runs the retail side of Dr Kong, and the other is the Myortho Foot and Orthotic Center," he said.

Furthermore, "too many cooks spoil the broth. Thus, I started it as a sister company," he said while adding that with such a move it enabled him to bring in better foreign culture and a good system into the business, without any resistance.

However, he did note that his father's experience and grandfather's values has very much succeeded in the running of Myortho. With respect to LPOC, a 60% transition to Edmund has taken place.

"Our value as a family still remains that is to help people, as we are in the industry of patient care. All that matters now is to let the right guy do the running of the business," sums Edmund. He indicates that they would be looking into hiring consultants that can advise on how the succession can be done in a fair and just manner, so everyone can benefit.

Extended families may not work

"He tried the whole big family thing and it did not work either," said Big Ra-

jah Food Caterers chief executive officer John William Xavier, who is from the second generation.

The late J.J. Xavier, John's father, started Little Caterers, a catering company 35 years ago and sold his shares eventually 20 over years ago. "This 10 people partnership consisting of extended families in his intention was done, so everyone can enjoy a slice of the pie," he said.

According to John, the only son to J.J. Xavier, "there was lot of conflict and it was not immediate family". "There exist a lot of grey areas when relationships are concerned. This leads to the occasional spat and sometimes more than that, because it was family based."

"So, he gave up on the business, and started Big Rajah in 1999. When the future of our business is concerned, he brought me up through the rank and file, and he believed I had to start at the lowest rank to slowly move up.

"He was a task master and disciplinarian. There was never a short cut and I think it's pertinent for a family business that you do not just get successors to sit in a post," he said.

Being aware that family businesses entail conflicts, John is adamant in making his company grow the straight way. "Right is the right way to go. Business is business, and you cannot expect excellence if a family staff member is favoured against a normal employee," he said.

For John, family businesses can work,

but it's very important that its starts with the right footing. "We are building the next generation with provisions for those later who does not participate in the business, and we as a family are very communal. That's an important aspect that can keep families in business," he shared.

Resisting new talent

Polyscientific Enterprise, a chemical distribution and manufacturing outfit that also does distribution of personal protective equipments, supply of safety equipment and industry supplies has a similar story to share.

"We have been around for 30 years, and have had relatives to help run part of the business. It's not saying that the relatives were not good but external talent joining our company wants to see a clear career path," said Polyscientific Enterprise chief information/technical officer Seah Hong Yee, 38, the second generation who also runs the day to day operations of the business.

"So, there was always a sentiment that there are some relatives who was going to be a manager. This was visibly not good for the growth of the business, and having many family members in the business is a model that did not work for us," said Hong.

The business shares is presently equally divided between his parents, himself and his sister. "My sister is actively involved in the business and manages the company via an entity we have set up in Australia," he said.

He was initially not keen to take over the business as he intended to pursue his PhD and to continue living abroad. Due to his mother's health complications, he had to come back and 'once involved in the operations, it's hard to leave'.

Moving along, Hong is not looking to keep the business permanently under family operations. In order to allow the coming generation to pursue their own interests and also for the growth of the business, he would consider hiring a professional CEO and potentially at a later stage to go for public listing.

"As at the end of the day, family or no

> TURN TO PAGE 6



Myortho Group
"Too many cooks spoil the broth. Thus, I started it as a sister company," said Edmund who added that the value of the founder and his father has helped in building the business.

Quote of the day



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John William Xavier
Big Rajah Food Caterers CEO