

# Cover Story: CEO Survey - Leading businesses in the new normal

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IT has been six months since the government imposed the Movement Control Order (MCO) on March 18, followed by its subsequent iterations, in an effort to contain the Covid-19 outbreak.

The unprecedented health crisis, without doubt, has been a game-changer for businesses as they look to navigate their way through the most challenging time across the globe since World War II. And with no clear visibility yet as to when the pandemic will end, this makes leading a business that much more difficult.

To commemorate Malaysia Day on Wednesday, The Edge posed questions to the captains of some of the country's major industries, the central one being — how has business changed since the coronavirus outbreak and ensuing MCO period? Read on for their perspectives on how they are adapting to, and leading their organisations in, this new normal.

**Reviewing priorities in a time of pandemic**

# **Datuk Abdul Farid Alias**

Group president and CEO

Malayan Banking Bhd (Maybank)

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far?**

**Has this been the most challenging period ever for your industry?**



We were fortunate that we had a good business continuity plan, which had been tested regularly over the years and was activated very early on in January at the outset of the pandemic. At the same time, we equipped our employees to work remotely, leveraged our digital platforms to complement our branch operations so that customer service was not impacted, and pitched in to support our communities that were impacted. We also encouraged our teams to look for innovative ways to carry on their roles — whether it was customer service, creating digital products, communicating with stakeholders or securing new business.

Is this the most challenging period ever for the banking industry? I would say it is about as challenging as the Asian and global financial crises for now. But we have no clear line of sight in terms of the pandemic's end and therein lies the uncertainty. So, it could well be the most challenging by the time it is over. We will just have to remain alert and stay focused on mitigating the risks that come our way.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

As an essential service, we were still required to operate during the MCO period, ensuring customers could have access to uninterrupted banking services. Our branches and other touchpoints were still operating and our priority was to ensure the safety of our employees and customers. This meant that new standard operating procedures (SOPs) and other operational and safety measures had to be put in place quickly.

At the same time, we had to be conscious of the needs of the wider community, including our customers who were severely affected, and see how we could support them. The well-being of our employees also remained a key focus as we had to ensure that we were able to serve our customers without interruption and keep our staff safe at all times. New ways of working and connecting with our people had to be deployed and their well-being taken care of.

Managing stakeholder expectations also remained crucial during this period. Whether customers or shareholders, regulators or the general public, we had to remain connected to them to ensure that the trust and confidence built over the years was not broken. Amid all these, we had to source for growth opportunities despite the movement restrictions and volatility in global markets to ensure the sustainability of our business.

It would be difficult to say which was the most challenging. Suffice it to say the speed and continuous pace of issues that we had to face day to day were some of the things that tested us the most during the early days.

### **Have there been any unexpected upsides for your industry amid this pandemic?**

The banking industry came together to provide our impacted communities with moratorium and relief assistance schemes as well as other financial aid programmes for the disadvantaged. These temporary measures and assistance were crucial to ease the burden of individuals, businesses and communities impacted during the MCO period.

Many of our members went further by leveraging their capabilities and networks to help small and micro-businesses most affected by the MCO, to connect with potential customers through various networks and digital

platforms they have built. These proved to be a lifeline and helped these businesses to stay afloat during the period.

We also saw exponential growth in the use of digital platforms, whether for banking, payments or online shopping. This enabled the industry to safeguard our employees while ensuring that essential services remained available for our customers. And it showed that investments in these services are, and will, remain, crucial to our future growth.

Another upside has been the push to greater innovation. From how we work or meet as a team to serving our customers, creating new products and communicating with our stakeholders, we were encouraged that notwithstanding the pandemic, we were able to thrive and even reach out across borders to function as effectively, or even better, than before. This speaks volumes about the industry's overall agility and capability to meet future challenges.

**You've had years of experience in your industry.**

**What have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have you had to learn?**

I think I have had to unlearn a lot of things as a result of this pandemic and, consequently, learnt new things, whether in problem-solving or managing a business. One

of the key things I have learnt is that there are events we cannot predict. We did predict the occurrence of a virus outbreak like Covid-19, but not the kind of impact it had. Therefore, we need to rework our 'what if' future scenarios to assume a higher severity for risk events. Consequently, we need to be able to respond to these quickly as this pandemic has shown that we may not have the luxury of time in the future.

Another key learning is that when faced with a situation like this, it is important for us to look at our priorities and clarify which of these are still critical, and which are not. While we are a business, there are times when we need to be driven by the objective to preserve lives and help everyone survive, and this is one of them. We also need to ensure that we preserve the stability of the bank and the banking system in order for the country to come out stronger. Within these objectives, there are scopes in which we can help economic participants to survive, which is what we are currently doing.

**What is the outlook for your industry? What is the new normal for your industry and do you think it will stick post-pandemic?**

The current discussion remains centred on how long this pandemic will last and how soon a vaccine can be made commercially available. It is only when we have clarity on these issues that we can provide a clearer picture on the industry outlook. However, based on the progress we

have made so far, as the outbreak is well contained and economic activity and mobility have picked up as a result of the adherence to good health and safety measures by the people, we do see signs of economic growth and, by extension, a demand for financial services. This is indeed very promising, given the difficult second quarter that we have just gone through.

While it is difficult to say how things will eventually pan out, we are optimistic that businesses are already adjusting to the new normal and soon enough, we will start discussing the next normal. What is crucial for the banking industry is that we need to continuously evolve to face new challenges as they emerge and be agile in tapping growth opportunities to create value for our stakeholders in a sustainable manner.

As to whether the new normal will stick post-pandemic, this again is uncertain. For sure, some practices will stay and catch on, such as the new way of working and communicating, as well as our continuous efforts to build our digital capabilities. But other aspects may change, such as the products and services we offer, our risk management strategies, productivity tools and measurements, the way we serve and communicate with our stakeholders, and our focus on sustainability.

**Crisis forced a rethink of critical roles of workers at base of Nestle's operations**

# Juan Aranols

CEO

Nestlé (M) Bhd

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far?**

**Has this been the most challenging period ever for your industry?**

The Covid-19 pandemic has had a widespread impact on industries and sectors. Most food and beverage (F&B) manufacturers could continue operating during the MCO period due to the essential nature of their products and the importance of ensuring the food supply chain.

However, the F&B industry has also been impacted, especially all activities related to hotel, restaurant and café (HORECA) channels that declined about 80% during the most rigorous phases of the MCO in April and May.

When it comes to Nestlé, we adjusted our priorities to focus on ensuring the safety of our employees and business partners by applying strict prevention protocols in line with government guidance — ensuring the supply of essential F&B for Malaysians by acting conjointly with all our partners across the supply chain and supporting vulnerable communities by, among others, partnering the Malaysian Red Crescent Society, giving food donations to

affected communities and frontliners, providing programmes to support B40 and lower-income communities and helping HORECA operators to restart their business. As a result, despite the challenging environment, Nestlé remained resilient throughout this period and we have continued to engage with consumers, drive innovation and ensure effective operational execution.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

A key priority for us was safeguarding our people, which meant ensuring they all had access to personal protective equipment and additional safety protocol adaptations at work sites, as well as other arrangements to protect our employees. We also assessed the risk of supply chain disruptions and, early on, put measures in place to ensure continuity in raw materials and packaging supply, including for additional inventories, especially for imported items.

On the commercial side, we moved to capture the shift in consumer behaviour towards online shopping and in-home consumption as a way to capture new growth opportunities. We amplified the digital presence of our brands and leveraged e-commerce. This included expanding the range of Nestlé products available for online purchase and initiating some home-delivery programmes, such as our Nestlé ice cream and ready-to-

drink products.

## **Have there been any unexpected upsides for your industry amid this pandemic?**

There has been a natural shift from out-of-home and on-the-go consumption towards in-home consumption in the current environment. This has shifted the dynamics across some of our product lines and channels. We also see a change of frequency and value of the purchases at each visit to the stores. For example, with stricter restrictions imposed during the MCO period, consumers were purchasing items such as basic food necessities in bulk to avoid multiple visits to grocery stores. Having the right offers and promotions to capture the shoppers' attention has been critical for success.

Online sales have accelerated and the strong e-commerce presence of Nestlé, partnering with the main players in the space, has been helpful. Our products were widely available online before the MCO and we will continue to penetrate the digital space with more product options to meet consumer demands. Our extensive product portfolio, pack sizes and presence across all channels and store formats have been very important to capture the upside opportunities.

**You've had years of experience in your industry.**

**What have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have**

## **you had to learn?**

There have been many learnings. The first is realising the fragility of global supply chains and the importance of shifting the focus from efficiency and cost to integrating resilience and risk management as stronger decision factors. The second relates to workforce organisation and how swiftly and effectively we managed to transition to working remotely or in segregated teams, while still maintaining strong teamwork and communication with each other. Last, but not least, the third element to think about is the critical role of many workers at the base of our operations, especially those for whom 'work from home' is not an option. I am referring to those in factories, warehouses or at customer outlets. We must learn as a society to recognise them even, and put in every effort to ensure they do their tasks in a safe environment.

## **What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

The new normal brought about by Covid-19 is set to persist. Consumer preferences have shifted towards online consumption and even after the MCO is fully lifted, we foresee consumers spending more time at home, which will open new opportunities for in-home consumption. At the same time, as a company that always plans for long-term sustainable growth, we are

committed to investing in Malaysia, as recently reconfirmed, and this includes exploring new emerging categories such as our investment in a pioneering manufacturing facility for plant-based meal solutions. This will be established in our Shah Alam factory, producing for local consumption as well as for export markets.

Moving forward, we remain guided by our three strategic principles: driving growth across our product categories, nurturing our brands' relevance and future-proofing the business, with special focus on driving the industry transition towards greener and environmentally sustainable operations.

## **Adapting to crisis is key for Mah Sing**

### **Tan Sri Leong Hoy Kum**

Founder and group managing director

Mah Sing Group Bhd

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far?**

**Has this been the most challenging period ever for your industry?**

You've had years of experience in your industry. What have you had to unlearn as a result of the pandemic? And

on the flipside, what new skills have you had to learn?

The Covid-19 pandemic has truly placed the world on edge, changing our everyday lives. Nobody can predict Black Swan events. I have personally experienced three crises [the 1997/98



Asian financial crisis, 2003 SARS outbreak, 2008 global financial crisis] throughout my years of corporate experience spanning over three decades. Each financial crisis is different but I have learnt that the key is to adapt to change and adopt [new ways of doing things]. One must constantly stay relevant by being creative and innovative regardless of when the crisis hits.

During a financial crisis, a healthy balance sheet and sufficient cash flow to sustain the business is critical. With a healthy balance sheet, you will have a lot of opportunities to snap up good assets. The key is to manage our cash flow well and make careful assessments of the demand and supply, location, pricing and product packages.

## **Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

As part of our ongoing transformation journey and business continuity plans, we strengthened our digitalisation initiatives by accelerating capabilities to market products digitally. We have proactively introduced various digitalisation initiatives across all aspects of our business such as sales, projects and customer service, as well as upskilling our staff through company-wide, nationwide retraining and roll-out of Microsoft Teams. During the MCO period, we were able to have a smooth migration of our full workforce to remote working. All our client-consultation meetings are held online.

We also use technology to discover new sources of top-line growth in the company. These include the introduction of virtual reality tours of our properties for customers keen to learn about our products during the MCO period, reinventing the customer relationship journey, boosting the number of digital campaigns, conducting online bookings and payments, as well as adding incentives for sales conversions and a full set up of remote customer care lines.

## **Have there been any unexpected upsides for your industry amid this pandemic?**

The MCO and Conditional MCO periods were generally challenging for all developers, including Mah Sing, as site

progress of all projects were halted and there were also delays in loan approvals for sales conversions. However, despite the challenging market conditions, properties remain one of the safest asset classes for long-term capital appreciation and protection. While the market has been relatively quiet, Mah Sing went ahead with new launches, such as M Luna in Kepong in June 2020 and M Adora in Wangsa Melawati in July 2020, after increased digitisation efforts to reach out to buyers. This proved to be a good decision as both launches achieved 90% take-up for the maiden phase during their respective weekend launches.

At present, we are focused on converting our RM1.6 billion in sales bookings, clearing existing stocks and catching up on the construction progress of our projects. Recently, we successfully delivered vacant possession of Towers C and D of our Lakeville Residence at Taman Wahyu and Towers A and B of our Cerrado at Southville City @ KL South, Bangi.

**What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

Looking ahead, we will continue to enhance and increase our digitalisation efforts to encourage and promote home ownership. In view of the current new normal, businesses would need to reassess and reevaluate their business plans for the new built environment to understand the

new norm of consumer behaviour in new and future project developments. In addition, we will need to apply the 'design thinking' approach to engage and understand the new norm of customer and consumer expectations, perception and demands — especially post-Covid-19 pandemic. The new demands are now revolving around health, cleanliness and protection within personal circles. People's sense of personal space and hygiene has changed and future design will service these new social demands.

Under the new norm, Mah Sing's future developments will incorporate spacious common facilities as well as information technologies and enhanced design features for the safety and welfare of the residing community. This will enable the practice of social distancing and various levels of monitoring, as well as ensure a high standard of hygiene and maintenance. New home design features will take into account the need for additional versatile rooms or dual-key units that can double up as school or work space. The consideration also includes the need for home quarantine in a separate room in anticipation of a possible infection — minimising proximity of contact. Other new advanced features include automatic and touchless systems for communication, accessibility and services.

**A time to learn, unlearn, re-learn for Perodua**

**Datuk Zainal Abidin Ahmad**

President and CEO

Perusahaan Otomobil Kedua Sdn Bhd (Perodua)

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far?**

**Has this been the most challenging period ever for your industry?**

The Covid-19 pandemic certainly had a devastating impact on the industry and ecosystem as we don't know how long it will last. This disrupts plans significantly, many of which were made months or even years in advance. For Perodua, I'm happy to say that we are managing well. We implemented new systems, procedures and norms which were specially designed to fight Covid-19. These include further enhancing internal communications to ensure complete understanding of what needs to be done to ensure safety. At the same time, we are also in constant communication with our suppliers and dealers on how the pandemic impacts them as well as advising them on the new guidelines, procedures and systems to cope with the times.

Despite the MCO, our sales rebounded quickly to 7,886 cars in May, 21,250 in June, and 23,203 in July — the last being our best sales month so far this year — helped by the government's sales tax exemption which runs until year-end. All our operations are currently running full

steam ahead for us to catch up with orders and ensure we deliver as many cars as we can, and I have to say I have been very pleasantly surprised by what our people are capable of in a crisis such as this.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

The way we do business has not fundamentally changed, but we have made lots of adjustments to our daily work and operational procedures, across all our functions, including corporate, sales, after-sales and manufacturing. Besides implementing full health and safety measures at all our locations nationwide, we have also extended the operating hours of some service centres and body and paint hubs to satisfy demand, because social distancing rules prohibit us from accepting walk-in service customers and we have to limit the number of service appointments per day.

As Malaysia's foremost carmaker by volume, Perodua has a duty to the country's automotive ecosystem of suppliers and dealers, which we take very seriously. Because of this pandemic, we have had to work hand-in-hand with suppliers and dealers to ensure their sound financial health, and give them the reassurance of volume that will keep them afloat. If we can keep our momentum going until the end of the year, this would be good for the ecosystem and so far, the signs are good. And, as a 'people first' company, Perodua worked hard to ensure

the wages and welfare of employees were unaffected, which was also a big challenge for us.

## **Have there been any unexpected upsides for your industry amid this pandemic?**

The government's sales tax exemption, for one, has really helped boost new car sales as consumers perceive this as a limited-time deal that they want to take advantage of. Also, in tough times like these, people gravitate towards purchases that offer the best value. 'Safer' purchases, if you will. Perodua cars are known for dependability, quality, low running costs all-round and ease of ownership. We believe this to be a factor for the continued healthy demand for our vehicles.

## **You've had years of experience in your industry.**

What have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have you had to learn?

The Covid-19 pandemic has forced us to learn, unlearn and re-learn what we knew about our operations in a very short amount of time as in the beginning, we had no idea what would work, how well it would work and what that would mean for our business in the long run. The consistent open communications and feedback between all stakeholders, staff, suppliers and dealers have allowed us to simplify our processes.

We also better leveraged technology, especially digital technology, to achieve our new targets and goals. It is not perfect yet, but on the flip side, we are learning to be more flexible and we found out that, by and large, we can communicate relatively well despite not being able to meet face-to-face most of the time.

## **What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

Considering the impact Covid-19 has had on the industry, car sales are recovering quite well of late. Sales of both new and used cars are on the up, demonstrating that personal transport is still needed, perhaps now more than ever, and that consumers are eager to capitalise on the sales tax exemption. From a total industry volume perspective, the figure to hit for the continued survival of the automotive ecosystem is 500,000 units, towards which we hope we can contribute significantly.

## **Providing more digital touch points for customers**

**Teong Teck Lean**

Managing director

GD Express Carrier Bhd (GDEX)

**The Edge: The pandemic has been an unprecedented**

**event. How have you managed to navigate it so far? Has this been the most challenging period ever for your industry? Or on the flipside, has it been the most rewarding?**



Since early February and before the MCO was in place, we implemented

precautionary measures such as creating awareness of the danger of the Covid-19 outbreak, providing face masks and hand sanitisers to staff and customers, temperature screening, work from home arrangements and so on. We also set up a hub contingency plan and made changes to our delivery process to minimise the risk of Covid-19.

Yes, it was a challenging period but, fortunately, we rode through it, as the logistics sector was considered an essential service during the MCO period. Despite the movement restrictions and work-from-home guidelines in place, GDEX was able to provide its services with its digital platform called myGDEX, launched in 2018. This helped customers minimise service disruptions and increase efficiency.

## **Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

There were some challenges for delivery to business premises, as some offices were closed while others were working from home during the MCO period. We had to relook our existing infrastructure and transform our processes to satisfy changes in customers' requirements. One of the solutions was to provide more digital touch points for customers such as myGDEX and mygdex PRIME.

One of our challenges was to build up extra capacity to meet the increase in volume as e-commerce activities surged tremendously. Fortunately, we have KITA — a crowdsourced application launched in January — to assist in delivery during peak periods. The surge in volume also came from East Malaysia and we had to work closely with cargo airlines to secure additional flights to deliver parcels and documents to customers despite some delays.

## **Have there been any unexpected upsides for your industry amid this pandemic?**

The obvious upside was the sudden surge in volume for almost all last-mile players. Despite the surge, many players are still struggling because of high operating costs and a low-yield environment.

## **You've had years of experience in your industry. What**

**have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have you had to learn?**

The pandemic is, in fact, a good stress test for most businesses in the country. Only fundamentally sound businesses will survive to ride through this difficult period, especially on cash flow issues. At GDEX, we always put a lot of emphasis on risk management, as we can't take things for granted. We also have to be extremely flexible and scalable in terms of people and infrastructure.

**What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

We are optimistic about the industry, as it looks brighter now because the pandemic has made it an essential one. Regulators and stakeholders have to come together to make the industry more sustainable in the future.

**In a position to help protect and save lives**

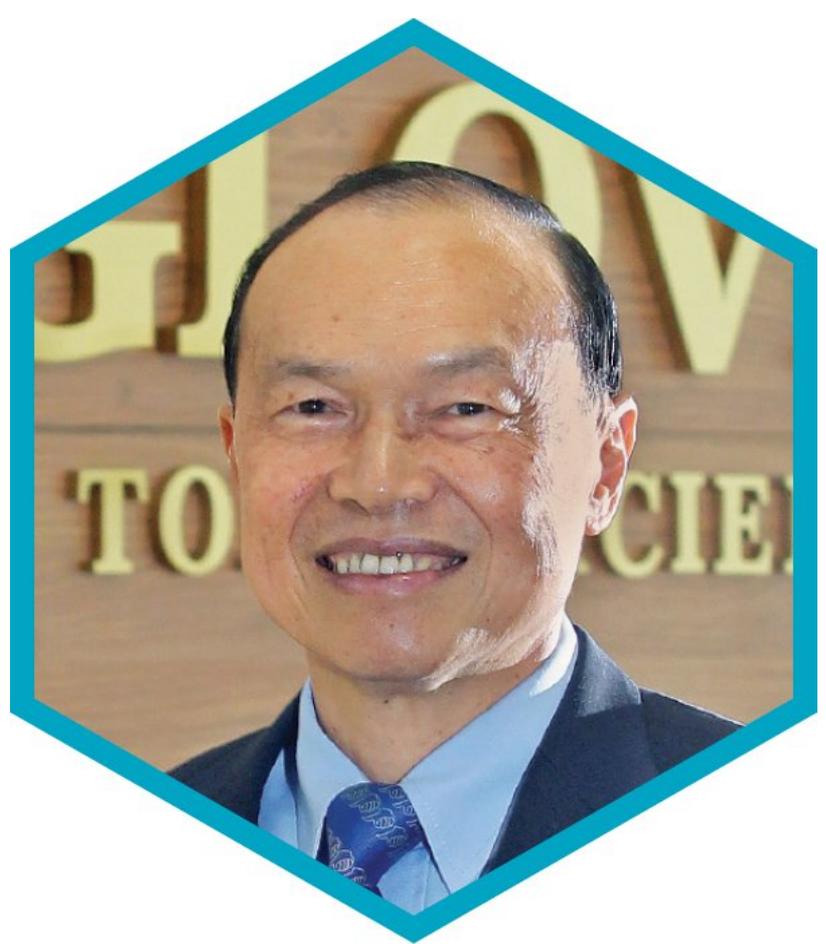
**Tan Sri Dr Lim Wee Chai**

Executive chairman

Top Glove Corp Bhd

**The Edge: The pandemic has been an unprecedented**

**event and, for many industries, it has brought more downsides than upsides, but not for glove makers. Has this been the most rewarding period for the glove industry?**



The glove industry, Top Glove included, has certainly seen its strongest orders

during this Covid-19 pandemic, as gloves are essential personal protective equipment to protect and save lives.

The industry saw surges in demand during epidemics such as AIDS in the 1980s, SARS in 2002/03 and H1N1 in 2009/10, but nothing quite like this. AIDS was confined largely to the US, SARS affected mainly China and Hong Kong, and H1N1 affected Europe and parts of Asia.

However, Covid-19 is a global pandemic on an unprecedented scale and very few countries, if any, have been spared.

We feel very privileged to be in a position to help protect and save lives during this global health crisis. We hope that a vaccine will be available soon so that the world can commence a more sustainable recovery from this crisis.

## **Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

In business, challenges will come. We must expect and prepare for them and adapt quickly. Our main challenge during the pandemic was a shortage of manpower, which we were already experiencing in January, and further exacerbated by the implementation of the MCO, where we were unable to hire any foreign workers because of the travel restrictions imposed. To overcome this, we explored hiring local workers.

We were also able to manage the shortage of workers better, as we had already invested in advanced technology and projects incorporating artificial intelligence (AI) and robotic process automation, which helped us reduce dependence on manual labour and enabled our workers to work more efficiently. Thus, the workers per million (WPM) gloves as at June 2020 was 1.89, much lower than 10 years ago (2010: WPM 4.1) and when the company was listed (2001: WPM 8.4). There has been an 80% improvement in productivity over the past 20 years.

We also had to contend with the surge in demand, which saw our monthly orders increase by 150% compared with pre-Covid-19 times, resulting in longer lead times, from 30 days (pre-Covid-19) to almost 590 days now. To enable us to cope, we ramped up production utilisation to almost 100%. We have also had to defer orders and

prioritise deliveries to countries more critically in need of gloves. Owing to the strong demand, we also experienced some shortages in synthetic nitrile raw material and have restructured our marketing and production approach to address the issue.

### **Have there been any unexpected downsides for your industry amid this pandemic?**

We encountered challenges in securing synthetic nitrile raw material, owing to the exceptionally strong demand for nitrile gloves. The strong global demand for gloves has also led us to experience many instances in which customers or potential customers have been cheated by fraudsters claiming to be authorised agents of Top Glove, who collected advance payment but did not deliver the gloves. In actuality, Top Glove does not appoint agents to sell gloves during the pandemic, and a notice has been placed on our website to alert everyone accordingly. We have also made several police reports on the matter and hope the authorities will take the necessary action.

### **What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

The outlook for the glove industry remains very promising, driven by strong market fundamentals across geographies. That is because gloves are an essential item in the healthcare sector, serving as a protective barrier

for medical staff, with increasing customer awareness in developing markets. Global glove demand was already growing at 8% to 10% a year pre-Covid-19. With the pandemic, demand is expected to grow 20% a year in 2020, 25% in 2021 and 15% in 2022.

## **Business continuity plan puts Sime Darby Plantation on steady footing**

**Mohamad Helmy Othman Basha**

Group managing director

Sime Darby Plantation Bhd

**The Edge: The pandemic has been an unprecedented event. Has this been the most challenging period ever for your industry?**

At the onset of the rapid worldwide spread of this pandemic, the palm oil industry was just about to recover from

a very challenging period throughout most of 2019. From as low as RM1,800 a tonne in March 2019, CPO prices



surged to their highest level in nearly three years around RM3,000 a tonne in December 2019. Owing to concerns about demand arising from the worsening situation of the global pandemic and sharp decline in oil prices, however, CPO prices plunged to around RM2,200 a tonne by March 2020. We were preparing for even tougher times to follow but, fortunately, for now, CPO prices have been performing better year on year. This has benefited the recent financial results of many palm oil players, including Sime Darby Plantation.

Nevertheless, we should not be under the illusion that the industry is out of the woods just yet. That is because the pandemic has had far-reaching consequences. The demand for palm oil products from certain industries such as the HORECA (hotel, restaurant and café) segment, which ground to a halt during the height of the pandemic, has not yet returned to pre-crisis levels. The industry, particularly for players operating in Malaysia, which produces about 28% of annual global supply, is now facing an acute labour shortage and it is expected to affect production in the second half of the year. Looking ahead to 2021 onwards, there are no clear and visible solutions to the labour shortage, at least in the short and medium term. In summary, various uncertainties prevail for as long as we are still unable to overcome the worldwide spread of the pandemic.

**How have you managed to navigate the pandemic so far?**

I believe the decision by the Malaysian government to recognise and classify the palm oil industry as an essential service provider when the MCO was imposed was key to our resilience throughout this pandemic so far. The industry was allowed to continue operating with strict safety and health guidelines and it has greatly benefited from this decision. We really have to thank the government for its resolve and foresight. The rest of our global operations did not face any restrictions either, but we still implemented strict SOPs to ensure the safety and health of our workers, our business partners and the general public.

Apart from that, I am grateful to have been blessed with a truly dedicated team across the globe, from senior management to our frontliners in the field who have demonstrated incredible patience, speed and agility, as well as continued commitment during these truly unprecedented times. Without their support and dedication to the group's business continuity plan, it would have been really difficult for us to navigate the challenges posed by the pandemic and adapt to the new norm to ensure that we can continue operating while maintaining safety and health.

While most of us had to work from home to minimise the spread of the disease, Sime Darby Plantation was fortunate to have dedicated frontliners who were determined and willing to continue working at our fields, mills and refineries so that the company could continue

to meet the global demand for palm oil products. They are indeed our heroes and I'm proud to say that we managed to do all that we possibly could to ensure their health and safety at work remained a priority through stringent health and safety guidelines implemented throughout our operations.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

The pandemic has forced us to review our priorities and how to best operate while minimising the risk of infection. We needed to strike a fine balance between ensuring our immediate survival and ensuring long-term performance and growth potential. The toughest challenge about Covid-19 was perhaps the swift assessment and response we needed to make in view of the various uncertainties caused by the pandemic.

We realised that some of our plans and targets would have to be reviewed to give way to three immediate priorities that we identified. The first was the safety and health of our employees and stakeholders — daily temperature checks, travel declaration and self-quarantine whenever applicable, provision of hand sanitisers, as well as imposing physical distancing and encouraging all our employees as well as other stakeholders at all our premises to wear a mask. These have now become our new norm.

In addition, we needed to make specific adjustments relevant to our palm oil operations. For example, the early morning musters at our estates (when all workers would gather before doing their respective jobs) have to be conducted in stages or at several locations for different teams to reduce the number of workers gathering in a place at one time.

We have also increased the frequency of transport for workers to worksites to ferry smaller groups of workers per trip. Our workers are all required to observe social distancing during transport. To further ensure that we observe social distancing at our office premises, we currently maintain only 50% physical presence at our offices while the rest of our employees are working at home, as far as possible.

The second priority is job preservation. We strongly and whole-heartedly believe that our employees are our most valuable assets. With this in mind, we had to diligently assess and review our team members' deployment to ensure that no one had to be made redundant as a result of the pandemic. I am once again thankful and proud to say that, so far, apart from ordinary and natural attrition, we have not laid off any of our team members as a result of the pandemic. In addition to upholding our belief in keeping our team members intact, we are thankful that we can contribute towards curtailing the general unemployment rate arising from the pandemic.

Cash conservation is another key area that we have prioritised as we operate in the pandemic-stricken environment. This truly requires careful and meticulous efforts in allocating our resources. While it is ideal to stretch the credit terms with our vendors, for instance, we firmly believe that we are in a long-haul relationship with many of our business partners and we want them to be able to sustain as much as we are able to. There is a fine balancing act in our deliberations between long-term capex plans for long-term growth and immediate cash conservation targets. I am happy to state that we are managing these with positive outcomes so far.

### **Have there been any unexpected upsides for your industry amid this pandemic?**

The silver lining in the pandemic is that it acted as a catalyst for us to relook at our priorities and the way we operate in the new normal. We have taken this as a challenge and seized the opportunity to further improve our operations.

For example, mechanisation and automation initiatives, which have always been ongoing within Sime Darby Plantation, have been fast-tracked in view of the expected worsening of a foreign labour shortage. We target that these initiatives will enable us to reduce our reliance on labour and achieve more efficient field upkeep, crop evacuation and fertiliser application at our estates.

We are also accelerating our efforts in precision farming using remote sensing capabilities and AI to make the most efficient use of inputs and people across our field operations. The current focus of such efforts is on anticipating our yield, and in harvesting, evacuation and crop protection. The increased use of machines, along with sensors and remote data, is to further support research and automation in our upstream operations.

What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?

As mentioned, a problem we are facing is the worsening foreign labour shortage in Malaysia, owing to travel restrictions. We expect this to affect crop production in the second half of 2020. This is a problem that we have expected for a while now, although admittedly not to this degree. In mitigating this labour crunch, apart from expediting our mechanisation and automation initiatives, Sime Darby Plantation has been actively exploring all avenues available to recruit local workers, but with limited success thus far.

In the long term, we believe mechanisation, automation and the application of R&D and technology are key for the longevity of this industry. If the industry is able to reach a higher level of mechanisation and automation post-pandemic, that would translate into more efficient and productive operations. There is no reason such a

new normal would not continue for the industry in the future.

## **Being able to adapt is key to survival for Pentamaster**

**Chuah Choon Bin**

Executive chairman

Pentamaster Corp Bhd

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far? Has this been the most challenging period ever for your industry?**

Covid-19 has indeed affected various sectors in very different ways. For manufacturing, it has changed the way the global supply chain operates. The biggest challenge for us is the inability to travel to service our international customers. In order to overcome these issues, we need to set up more local services offices in the various countries where our customers operate to serve them better.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

The lead time for customer orders or business visibility is getting shorter — from nine months to about three to six

months. With the shorter term of visibility, it will be even more challenging for the supply chain since there are logistical problems due to the restrictions on travel. For us, the toughest challenge today are the travel restrictions as our engineers have difficulty travelling to customers' sites for machine setup.

### **Have there been any unexpected upsides for your industry amid this pandemic?**

We see an upside in the telecommunication and medical sectors, and IGBT (insulated gate bipolar transistor) for the EV (electric vehicle) sector.

### **You've had years of experience in your industry. What have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have you had to learn?**

The pandemic has prompted us to shift significant portions of our operations online and it has also prompted us to foster closer collaboration with local partners, which is essential.

### **What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

Overall, the outlook for our industry in the telecommunication, medical and EV sectors is bright. We see the potential in these three sectors for Pentamaster

to continue to grow in the future.

In the pandemic, being the fittest is not necessarily key to survival. In reality, it is being able to adapt.

## **IHH Healthcare accelerating move into telemedicine across home markets**

**Dr Kelvin Loh**

Managing director and CEO

IHH Healthcare Bhd

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far? Has this been the most challenging period ever for your industry?**



The Covid-19 pandemic is the single most significant crisis of our lifetime and its shockwaves continue to reverberate across all sectors, across every corner of the globe. Naturally, we, too, were impacted. Our recent

results reflect both the profound challenges from Covid-19 and IHH's resilience in facing them. Our having a refreshed strategy in place before the onslaught of the pandemic gave us the ability to adapt to unprecedented circumstances.

**Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

The biggest challenge was in keeping everyone safe — be it patients, frontliners or other staff — while ensuring the business adapts to the pandemic. We did this by prioritising safety first in all we do. The business itself remained resilient because we moved quickly to create new revenue streams while keeping a tight rein on costs and maintaining strong cash flow.

The worst impact was seen in April and May when lockdowns were enforced in the markets we operate in and travel restrictions enacted. As countries began to reopen in June, we have seen a strong rebound in local patient volumes that has continued across July and August. In fact, by June, occupancy levels, including in Malaysia, have rebounded to close to 80% of our pre-Covid inpatient volumes. We are therefore expecting a sustained recovery and to remain resilient.

**Have there been any unexpected upsides for your industry amid this pandemic?**

The pandemic has forced all of us to respond faster to

the changing needs of our patients and communities.

In moving to create new revenue streams, we were able to accelerate our move into telemedicine across our home markets, which was appreciated by patients who could get faster, better, easier and more cost-effective care from the safety of their homes. For example, in Malaysia, patients can have medications delivered to their doorstep after their online consults. If they are found to need further tests or examinations to aid in their diagnosis and treatment, they can be referred to our Gleneagles or Pantai hospitals, or Prince Court Medical Centre, for follow-up.

Second, we were also heartened to be able to do our part and collaborate with governments by diversifying our offerings in different countries to support specific public sector needs, such as rolling out round-the-clock Covid-19 lab testing services, taking in Covid-19 patients and taking in the overflow of non-Covid-19 patients from government hospitals. We hope to continue supporting and collaborating even more with the public sector in this global fight.

**What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

The future of healthcare services will be one that is both high tech and high touch. While we will certainly see

greater adoption of technology, the human touch will remain a defining feature of healthcare.

Healthcare is a deeply personal matter. So, as we embrace technology at an accelerated pace amid Covid-19, we must ensure that we do so in a way that empowers the care provider to care better for patients. This means deploying technological solutions that anticipates and customises care to the individual's needs. Process-wise, we should use tech to reduce inefficiencies — for us as an operator and especially for patients. Clinically, this means offering more customised treatment to maximise outcomes for patients, such as through genetic and phenotypic profiling.

At IHH, our focus is on creating such a seamless hybrid model of care. Therefore, we have made technology and innovation a key enabler of our refreshed strategy. Our digital solutions — such as telemedicine services — enable us to deliver seamless healthcare delivered both within and beyond the four walls of the hospitals, providing both convenience and effectiveness for patients, as extensions of our existing healthcare business. Over time, this hybrid model of care enables us to focus our on-site resources in our hospitals and medical facilities more on care that truly requires physical presence, such as for surgeries and other medical procedures. This will enable us to serve more patients.

In the short term, we expect [some] impact from the

Covid-19 pandemic for FY2020, especially if there are further disruptions from subsequent outbreaks and renewed lockdowns. We will continue to mitigate this by creating new revenue streams, improving case mix, keeping a tight cost structure and capital discipline while supporting governments.

We are, however, encouraged that patient volumes have started recovering since June and expect the progressive recovery to continue. We remain in a strong financial position and are well prepared to ride out this pandemic and deliver long-term growth by continuing to deliver on our refreshed strategy.

## **Digi reaping the rewards of investments to build digital readiness and digitalising customer journeys**

**Albern Murty**

CEO

Digi.Com Bhd

**The Edge: The pandemic has been an unprecedented event. How have you managed to navigate it so far? Has this been the most challenging period ever for your industry? Have you had to change the way of doing business? And if so, how? What was the toughest challenge?**

This has been the most challenging period for our industry and the world. It has been a stress test — and in some ways, a reset button — for businesses globally, with the biggest challenge being balancing between prioritising the safety of our people while maintaining operations, as an essential service provider, to keep Malaysians connected.

Having said that, realising that we have established an organisation that is truly collaborative and that can operate with minimal hands-on engagement has been the most pleasant surprise from this season. We had to innovate the way we did business, and there were three key areas we had fortunately built strong fundamental capabilities in that helped us thrive during this time. One, the strategic decision we made three years ago to digitalise our business. Two, a frequent and rigorous process around business continuity planning (BCP), and three, a people culture accustomed to swiftly adapting to changes.

Our digital capabilities, for example, gave us the ability to quickly shift our operations more heavily online to continue serving customers, to enable remote working capabilities for employees and to share this expertise with our channel partners and business customers to help them do the same across the value chain.

Our pre-emptive crisis preparedness meant that company-wide BCP was activated early in February,

ahead of the MCO, to mitigate the impact of Covid-19 on business operations and minimise service disruption to customers. Strict preventive measures were implemented to safeguard employees and customers in our headquarters, regional offices and Digi Stores nationwide. Full redundancy preparation for network and customer service operations were simultaneously put in place to ensure we were able to continue serving customers in the event the pandemic escalated.

### **Have there been any unexpected upsides for your industry amid this pandemic?**

Yes, we reaped the rewards of investments made years ago to build digital readiness for the business and lead the industry in digitalising customer journeys. Having these capabilities to reach customers and businesses online eased our transition during the pandemic, and in fact, we saw accelerated adoption of these digital tools.

Customers were more comfortable and willing to transact online, we saw an 18% increase in MyDigi active users within the first few weeks of MCO. Physical retailers went digital overnight, adapting to new ways of social media marketing while businesses now view digitalisation as an imperative for growth. We have become a more digital society, and this presents opportunities for all of us.

The pandemic reinforced the critical role of connectivity to enable many aspects of people's daily lives — from

virtual learning, enabling remote workforces, keeping communities informed and intact amid social distancing, to the deployment of digital health care solutions to detect and fight Covid-19 among others.

As an industry, we have now affirmed our ability to manage drastic changes to customer usage patterns. Total mobile traffic on our network increased close to 40% during the MCO, with changes in peak usage hours and traffic moving from commercial to residential areas at the time. This brings to the forefront the robust nationwide network infrastructure Malaysia has, and gaps that need to be addressed, as well as our collective ability to continue serving the needs of Malaysians with relevant services.

**You've had years of experience in your industry. What have you had to unlearn as a result of the pandemic? And on the flipside, what new skills have you had to learn?**

If anything, we have learned that the way ahead is not going forward to the past. We have been in change management bootcamp for several months now and this pandemic has certainly been a catalyst for innovation. As a whole, we are even more agile in our decision-making process, being efficient to change our strategy and adapt to new challenges and ways of work quickly.

On the workplace front, we had to learn effective

distance leadership skills and new and virtual people engagement methods, while supporting remote work or, now, a workforce that is in constant rotation. On the operations front, we learned to do more with our digital infrastructure by automating added processes; activating alternative digital channels, such as the Store Kiosk as a touchless service option; upskilling our people, for example, our physical sales force to engage customers on social media; and of course, sharing digitalisation expertise across our value chain leading to new business opportunities.

## **What is the outlook for your industry? What is the new normal for your industry and do you think these will stick post-pandemic?**

What remains certain is that connectivity is an essential pre-requisite for all Malaysian consumers and businesses. And in line with that, is our commitment to work closely with the regulator to accelerate the digitalisation of consumers and businesses nationwide, as presented by the government on Jendela. This is where we work to expand 4G and fibre coverage to better serve customers with data and quality connectivity, and prepare the nation for the eventual adoption of 5G.

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