

Steering GDEX from bankruptcy

The recently launched title "A Drive for Excellence" by author Philemon HM Soon, traces GD Express Sdn Bhd's (GDEX) remarkable transformation from a financially-ailing express delivery service company to one of Malaysia's leading players.

Behind the courier company's recovery and expansion success stories, the book reflected profoundly on GDEX managing director Teong Teck Lean's culture of continuous improvement that resuscitated the company's fortunes from the brink of bankruptcy.

"A Drive for Excellence" offers insight into GDEX's transformation from the brink of bankruptcy into one of Malaysia's leading courier players

Expressively documented, it took Soon 12 years as he had to make sure the courier company's success story was not just a flash in the pan affair, but was sustainable and credible enough to be documented.

Moved by the human elements of Teong's amazing feat in reviving the company's fortunes, Philemon said,

"What was more important to me was that GDEX's transformation epitomises the type of stories that I have been looking for since I was a young journalist - the human spirit of endeavour and the passion to pursue what the heart desires, even at the cost of personal hardship and pain."

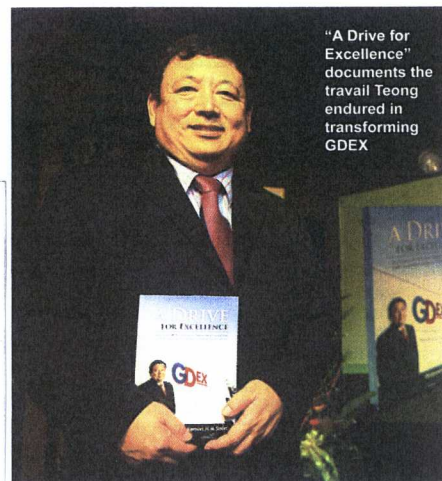
Showcasing the true spirit of enterprise, "A Drive for Excellence" makes for an interesting read. In an exclusive interview with MALAYSIA SME®, Teong shared that SMEs today must strive to be relevant.

When Teong first took over GDEX, to his dismay, there was a total mismatch of resources and job functions. To rub salt into the wound, the company's debilitating financial state and its dysfunctional operations were threatening to plunge the company into an abyss.

However, Teong had faith and persevered in times of hardship, as the company's turnaround was nevertheless a long and tedious road to recovery. Instead of a complete overhaul, Teong implemented gradual incremental changes through continuous improvement to change the company's fortune.

Starting over with the company's new corporate culture, Teong placed integrity as the mainstay of his company's organic growth. Persevering his way to recovery, Teong gradually restored trust and confidence, even during a time when his own staff were against him and thought that Teong would somehow falter and eventually leave in the same way that the previous management did.

Speaking about the company's disjointed finance and operation systems at the book launch held recently, Teong recounted that the most pressing and urgent issue in the early period of his takeover were the accounts.



"A Drive for Excellence" documents the travail Teong endured in transforming GDEX

"We had to assign one person to specifically handle the bank reconciliation. The assistant was told to drop everything and just focus on reconciling the bank statements. This had not even been done for 18 months prior to our takeover," Teong said.

Given the industry's highly competitive nature, let alone its cut-throat delivery rates, Teong emphasised that systems and processes were vital to quality and operational excellence.

He said, "The main goal of doing business is that it must be a value for money service. So that is why we must continue to stay very efficient and low-cost. This is what we want our customer to see and experience with us."

On another note, Teong added, "Even though there is a lot of automation, the courier business remains very much labour intensive. So we just have to continue to emphasise on training to build our workforce."

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Culture of continuous improvement resuscitated ailing company

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In 2012, after much thought and evaluation of the global economy and changing trends in integrated logistics, Teong decided that hard work and a winning culture needed to be perpetuated for GDEX to remain relevant. With market value of the integrated logistics industry valued at RM139 billion, Teong said that GDEX would continue to grow its express carrier business while developing new and related logistics business.

Indeed, GDEX's rise has been breathtaking to say the least. Having turned things around from being pushed into bankruptcy, the express courier company has grown substantially to become a listed entity on the MESDAQ market of Bursa Malaysia with annual turnovers in excess of RM100 million.

This year alone, GDEX has recorded an impressive compounded average growth rate (CAGR) of 27% with an annual turnover of RM135.2 million.

Meanwhile, revisiting his dream of a people-centric high technology organisation, from the experience Teong has gathered, he is optimistic that the company's vision and mission to be not just realistic but also achievable.

Having defied great odds, Teong offered his advice for SMEs out there, "Smaller SMEs today should focus on niche markets to grow, as giants of the industry can be a bit clumsy serving these markets."

According to Teong, with the advent of e-commerce, entrepreneurs should capitalise on the internet platform owing to the fact that all of the infrastructures are available to them.

In addition, SMEs should also learn how to efficiently distribute through e-commerce and broaden their market reach as access to the market, both domestic and abroad, is just as good for them as it is for the giants of the industry. **MSME**