



While the rest of the world is reeling from a global crisis, Eversendai's group managing director, Dato' AK Nathan has reasons to smile. He was recently named the Ernst & Young Entrepreneur of the Year 2008. Find out how sheer hard work during good times has prepared one man to face the current economic challenge.

B&I: Your company, Eversendai, has been involved with high-profile projects like the Petronas Twin Towers, Burj al Arab Hotel and Burj Dubai Tower in Dubai, among others. You have come a long way since 1982. How did you first get started in the business?

Dato' Nathan: I actually got involved in construction by accident. I was doing insurance when my brother roped me in to help him execute the temporary steel scaffold platform work that was entrusted to him for the Dayabumi project while he was still attached with a Japanese company in Singapore. That was in 1982 and I didn't know anything about the steel business then. Being greenhorns, with no knowledge of structural steel work, I looked up the yellow pages to source for a sub-contractor to execute the awarded contract and just worked my way up from there.

I moved to Singapore in 1988 to oversee structural steel works for the Singapore Indoor Stadium, Republic Plaza and the Tuas Immigration Checkpoint, among other projects. In 1993, I return to Malaysia to work on the KL Tower project. You can say I was lucky at that time, being a beneficiary of the "Look East" policy as I had already established good working relationships with Japanese and Korean companies.

B&I: How did you first get involved with foreign companies?

Dato' Nathan: I still remember vividly my first encounter with Nippon Steel Corporation back in 1984 when they were the turnkey structural steel contractor for the Proton Saga factory in Shah Alam. With no real track record to speak of, I boldly went to knock on the door of their Japanese project manager at that time. At the end of the meeting, I was surprised when he offered me the job. Later when I saw him off at the airport, he told me why I got the job. He said, "Nathan, when I looked you in the eye, you did not flinch. I think that's a good sign of honesty and integrity."

B&I: There are other companies doing steel fabrication works. What makes Eversendai different?



YB Dato' AK Nathan (left) receiving the Ernst & Young Entrepreneur of the Year Award 2008 Malaysia from Minister of Finance YB Tan Sri Nor Mohamed Yakcop.

Dato' Nathan: Firstly, I do not compromise on quality. And when I make a commitment to deliver, I do it on or ahead of time. I have been cultivating this sense of commitment in my company for the past 25 years. I walk the talk, too. For example, at my fabrication plants in the Middle East, I make sure all fabrication and erection works are carried out as per specification without fail. Although I delegate most of my work, I check and follow through to make sure things are done right. Clients entrust us with a task and we owe it to them to deliver. I treat every job as though it's my first project. If it's highly complex, I would like to get involved and look into the details personally.



Capital Gate Tower, one of the challenging projects undertaken by Eversendai.

And I love a challenge. Anything complicated would pique my interest. For the KL Tower project, for example, we had to come up with innovative ideas on how to put up the steel structure. I have the Japanese to thank for imparting some of their expertise and work culture to me.

B&I: What is your staff strength like?

Dato' Nathan: We started with around 30 staff at the beginning and now we have over 6,000 staff on our payroll with most of them based overseas. My largest group of staff is based in the Middle East. Most of my management staff and workers are recruited from India, Philippines, Nepal, Myanmar, Bangladesh and some from Malaysia. They are hardworking, adaptable and willing to work during summer which can get very hot in the Middle East and my Indian workers can withstand the heat better. Malaysian skilled workers like welders and fabricators do demand higher salaries compared with the rest. At the end of the day, I have to watch the bottom-line.

B&I: Have you ever encountered problems getting projects?

Dato' Nathan: I guess we have been lucky so far. In the early days, I have had no problems getting projects in Singapore and Malaysia from multi-national companies. The process is very transparent and jobs are secured via proper pre-qualification process and awarded to the qualified contractor upon tender. I do not even have a marketing department now as people in the industry know us by word-of-mouth. It's usually one project leading to another.

PROFILE: YB DATO' AK NATHAN

Dato' AK Nathan ventured into the structural steel construction business in 1982. He formed Eversendai in 1984 and has been the group managing director ever since. He built the company from a modest structural steel erector to a total design-and-build steel contractor today. His company has secured several contracts involving high-profile projects including the tallest and the largest structures in the world. Along the way, he bagged several industry awards which pay tribute to his company's achievements.

His company's involvement in high profile projects in the Middle East has earned him the status as the largest steel contractor in the business. To date, he has established fabrication factories in Dubai, Sharjah and Qatar with a combined annual capacity of 78,000 tonnage of fabricated steel.

Dato' Nathan is a council member of the Master Builders Association of Malaysia (MBAM) and one of the Trustees for the Construction Industry Research Institute of Malaysia (CREAM). He is an active speaker and has given a number of speeches at various seminars, forums and conferences.



Qipco Tower, one of Eversendai's projects in the Middle East.

When the Petronas Twin Towers were being built, both the Japanese and the Koreans were given one tower each to work on. It was a friendly race to see who could build the tower faster. The Korean company, Samsung, offered us the job to do the steelworks for Petronas Twin Tower 2 based on the fact that they knew our company and our track record. Naturally, when they went on to secure the Burj Dubai project in the Middle East, they invited us to work together with them. The project is now a work-in-progress.

B&I: Your company has gone through the recession in 1997. How is it different this time?

Dato' Nathan: I have a feeling the global economic crisis is more severe this time. But unlike the last recession which started as an Asian crisis, it's the Americans and the Europeans who are more badly affected this time. Asians have generally learnt their lesson from the last recession and most have been prudent with their spending.

I think Malaysia should be able to weather this global economic crisis. Local businesses have started to slow down even before the global crisis so it's more of a business cycle. In my opinion our banks are strong and most have not been exposed to external funding.

I see some projects slowing down in the Middle East but things should settle down soon. As for our company, we don't foresee any huge drop in business. Although our work now is almost 100 per cent based overseas they are mostly medium to long-term projects so we are relatively safe from the economic slowdown. Whatever projects we have started on, we are committed to see it through to the end. In fact, I am thankful that I have been watching the bottom-line carefully and have been holding a tight rein on expenditures even before the crisis. We should be able to sail through comfortably for the next two years and beyond.

B&I: How is your experience like dealing with counterparts in the Middle East?

Dato' Nathan: When doing business in the Middle East, you have to spend some time there to understand the local work culture. My top management team is over there. And I travel there often. It helps to have a good local partner, too. But it's not easy to find the right partner. In terms of the corporate structure, 51 per cent has to be owned by a local partner in the Middle East unless yours is just a representative office or you are operating in the free zone areas like Hamriyah free zone, for example. We have a factory in Hamriyah, too.

B&I: Your company is mainly focused on projects in the Middle East. Do you foresee future plans to do business in other countries like Vietnam, China or India, for example?

Dato' Nathan: We have been very busy in the Middle East market. I guess our next target would be India. We have 200 staff stationed there, mainly in Chennai and Bangalore. They provide back-office support for the company. The educated workforce in India is English-literate and that's the convenience



Dato' AK Nathan (right) with Eric Tan, B&I's editor.



Qatar's New Doha International Airport (NDIA) scheduled to open in early 2009.

MILESTONES

2008

- Awarded the 2008 Ernst & Young Master Entrepreneur of the year and the Malaysian Entrepreneur of the year Award
- Awarded the SME Platinum award by SMI
- Won the Golden Construction Award (New Millennium Award) at The Trade Leaders Club in Madrid, Spain
- Won the MOSHPA - Safety & Health Excellence Award for Best OSH Management for Boiler, ESP & FGD (2 x 700 MW Jimah Coal Fired Power Plant) pre-assembly and installation year 2007-2008

2007

- Eversendai recognised as Best Steel Model in the Tekla, ME project

2005

- Won the CIDB International Achievement Award

2004

- Won the Malindian-International Achievement Award
- Won the Achievement Award at the Mega Achievement rally, INTAMM



Burj Dubai Tower in Dubai, one of Eversendai's high profile projects.



YB Dato' AK Nathan with both the Ernst & Young Master Entrepreneur of the Year 2008 and the Malaysian Entrepreneur of the Year awards.

of doing business there. Besides India, markets in North Africa and countries like Algeria, Libya and Sudan look promising.

B&I: What are your future plans for Eversendai?

Dato' Nathan: We had initial plans to go for public listing so that our company can be stronger financially and our staff can enjoy company perks like stock options and so on. But with the current global crisis and shares seriously undervalued, it just doesn't make sense anymore. This crisis has taught me a few lessons. As for fundings, we are already enjoying good support from banks in the Middle East so that's not an issue. If we have bigger plans to build factories, buy new assets and so on, we just have to work around it when the need arises.

B&I: What tips would you give to someone wanting to follow in your footsteps? How does one become a successful businessman?

Dato' Nathan: I think one has to stay focused on his business in order to do it well. I am not too keen on diversifying into other businesses. I did try some side business before and I lost money so now I won't waste my time thinking about it. Whatever we do, it has to be related to our core business. For example, we did a few coal-fired power plant projects in Perak, Johor and Negeri Sembilan and that's related to our core business.

To be successful, one has to have a burning desire to succeed. I am not an engineer, in fact, not even a graduate. But I strive to acquire knowledge from reading and learning from hands-on experience. Perseverance and persistence are also keys to success. Don't take "no" for an answer.

Here's a little story. Prior to 1993, I have had experience working only with the Japanese. So naturally, when they got the contract to build one part of the Petronas Twin Towers, I approached them. Unfortunately, they had already awarded the structural steelworks to their own sub-contractor. I was demoralised as I felt I had the experience to do the job. After some thinking, I realised that there is another tower being built by the Koreans and I should try my luck there. Their initial answer was "no" as they had someone else in mind but I didn't stopped there. I approached them again and again until they finally relented. I remember driving them all the way to Singapore to see Republic Plaza, one of my on-going projects and at the end of the trip, they were impressed, I got the contract and we became friends.

My success rate for securing contracts is almost 90 per cent. You have to approach your clients with sincerity and make them understand that you can deliver on time without compromising on quality. Foreign firms respect companies who are genuine and credible.

B&I: How do you balance work with family life?

Dato' Nathan: At the beginning of my career, I have very little time for my family. I have two children who are now grown up. My 24-year-old daughter is a lawyer currently doing her Master's in the US. Fortunately my 26-year-old son is working with me and I am grooming him to lead the company in the future. He is humble, respectful and knows how to value others. I am very happy with his progress. When I am back in Malaysia, I try to spend some time catching up with friends over a golf session. Every three to six months, I would give a talk at seminars. ■