



GREAT EXPECTATIONS

Joanne Kua brings discipline, determination and professionalism to her role as the second-generation leader of the Malaysian business group KSK. By Anchalee Kongrut in Kuala Lumpur

Joanne Kua, the young chief executive officer of KSK Group Berhad, is typical of the next generation of family business leaders. After pursuing a successful career beyond her native Malaysia, she has returned home determined to leave her mark, yet is aware of the need to prove herself.

Her profile fits the general outlines of a *PriceWaterhouseCoopers* report *Great Expectations: The Next Generation of Family Business Leaders*, released last year. Based on interviews with 268 young leaders of family businesses in 31 countries, it showed that 70% previously worked outside the family business. Most believe they need to work harder than others in the same position, and 88% want to leave a distinctive stamp and do something special with the business. Despite their younger age, they tend to have values rooted in the culture and identity or "DNA" of their family business.

In the case of Joanne Kua, her father — she always refers to him as "The Chairman" — is Tan Sri Dato' Paduka Kua Sian Kooi, a self-made billionaire who founded Kurnia Asia Berhad, which now operates regional insurance businesses. From a humble start as an insurance salesman, Kua Sian Kooi today is on the *Forbes* magazine list of the 40 richest people in Malaysia. Ms Kua is eldest of his four children.

Growing up amid wealth, Joanne Kua had access to privileges that many young people can only imagine — a British education and exposure to the wider world from the upper-crust stratosphere. Without family pressure, Ms Kua decided to study economics and honed her expertise in insurance and risk management. It seemed a natural choice, after growing up around her father and watching him do business.

She started her career working at Munich Reinsurance and then joined Deutsche Bank in London. Working with the family never crossed her mind, yet destiny works in mysterious ways. After the global financial crisis struck in 2008, Ms Kua decided to leave gloomy and economically fatigued Europe and take a break back home in Kuala Lumpur.

"I said to myself, maybe I should give Asia some time. The Chairman asked me why I had come back to Malaysia and did not want to join the family business," Ms Kua tells *Asia Focus* in an interview.

Eventually she came around, joining the family business at a crucial turning point. The company decided to sell Kurnia Insurance in 2012 and to shift the insurance business to Indonesia and Thailand. It rebranded itself as KSK Group Berhad to diversify into real estate development in Malaysia, with Ms Kua as CEO. She is now overseeing the debut project of the new property development subsidiary KSK Land.

The 5.4-billion-ringgit 8 Conlay project, according to Ms Kua, is built on the last remaining huge land plot in upscale Kuala Lumpur City, an area blessed by transport infrastructure. It is just a stone's throw from the Conlay MRT Station, scheduled to open in 2022, and there will be easy access as well to the high-speed rail line linking Kuala Lumpur and Singapore.

The four-acre, three-tower, mixed-use development will have 1,062 branded, serviced residences in two towers of 57 and 62 stories, built to resemble the Chinese character for "right" and connected by skybridges on levels 26 and 44. It will also have a Kempinski Hotel and branded residences with service provided by the renowned European luxury hotelier.

ART OF EARNING RESPECT

Shifting from insurance to property development may seem like a 360-degree turn. But for Ms Kua, business is just business. Regardless of the nature of the product or service, operators ultimately need to understand markets and customers.

"People always say to us that we are from an insurance-based company. But business is business. You only know what is your DNA and what is your vision, and you need to know what kind of team and people you want to work with, and the rest is purely work," she says.

Trained as an economist and with expertise in risk assessment, Ms Kua has a natural intuition about the analytical side business. "And numbers are always numbers. We are number-centric people. We look at risk by reading

numbers. (In understanding our business), we never leave any stone unturned," she explains. That means understanding all aspects of the real estate environment in Malaysia, including zoning laws and government policy for upgrading infrastructure that eventually will provide mass-transit rail from Kuala Lumpur to Singapore.

The property outlook in Malaysia is beginning to swing upward, albeit slowly. The country is expecting a new exodus of expatriates from China and other countries as big conglomerates open more offices in the country. But whatever factors arise, what Ms Kua ultimately pays the most attention to is location as it is the best way to hedge against cyclical risk.

"Pick the right location and you will never go wrong," she says. "In the property market, you have your ups and downs but what is really constant is that if you have a very good location, your property price in a down cycle will not go down. For us, it is not about the price of land but location and how you can add value."

For Ms Kua, 8 Conlay is not just a property. She has put a lot of passion and extra efforts into ensuring that it offers superior design and premium services. The overall concept is the work of the famous local architect Ar Hud Bakar, who has designed many landmark buildings in Malaysia.



It is impossible for people to always agree on the same things. The question is, what is the common middle ground? At the end of the day, after an argument, I will have to make sure that when people walk out the door, they have the same picture and the same direction and one direction only"

For interior design, the company has engaged Hong Kong-based Steve Leung and YOO, an internationally famous design company founded by John Hitchcock and the renowned product designer Philippe Starck. The highly regarded Bangkok company TROP, which designed Groove@Central World among others, is handling landscape design. For services, the developer has partnered with Kempinski, with its 120-year tradition of European luxury.

"You are not selling boxes (of rooms), you are selling stages for people to live," says Ms Kua. "You are in a position where you have to craft a lifestyle for people, whether they buy it for investment because ultimately there will be people living there, or for people to invest in order to pass to the next generation ... which is not different from when you buy a Patek Philippe wristwatch."

The project is under construction and is expected to be completed in 2020. Ms Kua has overseen the project since it was just a blank sheet of paper. She usually visits the construction site every two weeks and asks a lot of questions. "It means a lot more working and learning new things every day. For me, it's okay to ask questions and I even tell my teammates that it is okay too to ask stupid questions as we are just learning new things every day. No matter how old you are, you are still learning."

Every business and industry has its own appeal for

different people. Not many people might find insurance very compelling but Ms Kua takes a different view. "Everybody says insurance is not sexy, but we think insurance is sexy because risk is sexy," she says.

"Insurance is not a 'hard' product as you can see, but it is about calculating risk. It is about your lifestyle, knowing who you are and where you want to go. It is about covering your risk. So it is like structuring products that you cannot see. And it is about the numbers and it is also about customers, how much they feel so that become interesting."

She is also finding property development engaging because there are a lot of intangible elements involved. "If you think of it as building four walls only, property development is not interesting. It gets interesting when you talk about people and lifestyle, and it is interesting when it comes to design and concept. And for us, real estate is also about service. It is about leaving something valuable on the table, and it is about trust."

Whenever Ms Kua is interviewed, though, the question of her young age seems to be inevitable. How does she deal with much older staff who are experienced? Imagine a 32-year-old CEO sitting at the head of the table, controlling the meeting, making decisions. How does she deal with it? What is her secret weapon?

Ms Kua says she has no secret strategy or tactics that she applies to being CEO. Her guiding principles are the plain virtues taught to her by her father, her mentor. "Our chairman often said that no matter what chair you sit it, you have to earn respect from your people. If you sit at the top and the chair has been given to you, you cannot take it for granted. You cannot think everybody will listen and follow you," she says, referring to Kua Sian Kooi.

The art and craft of earning respect, she believes, is simply about working twice as hard, learning continuously, being respectful and, more than anything else, being humble. Ms Kua always makes certain to study any topics that might arise before she walks into a meeting room. She listens a lot, but never feels embarrassed to ask questions when she does not understand the subject matter clearly.

She doesn't believe in the stereotype of the hard-driving, aggressive CEO who shouts and dictates orders, or the super CEO who dictates and manipulates decision making and outcomes. "Indeed, I think that CEO style is very, very dangerous. But most of all, it is not our philosophy."

She looks at KSK Group as a team, less hierarchic, more like a family. But what does family mean in a company with a lot of staff, orders to meet or even conflicts? After all, hierarchy is hierarchy. The big boss has to decide and sometimes must make decisions that cannot please everyone.

"You run the business professionally but there are moments that we eat dinner together," she says. "You have moments when you are all having fun, there are moments when there are arguments and there are moments of debate, but after the debates you are still going back to eat together at the same dinner table. No hard feelings ... it's only work and that is our culture, our DNA."

"Everybody has different views and there are always huge issues being debated. It's impossible for people to always agree on the same things. The question is, what is the common middle ground? At the end of the day, after an argument, I will have to make sure that when people walk out the door, they have the same picture and the same direction and one direction only."

ART OF HUMAN MANAGEMENT

Ms Kua looks at her leadership as a duty to create a platform for people to come together and collaborate — the task may bring to mind a classical music conductor. "And my job is to make sure that there is balance in everything," she says.

But the hardest part of management is how to make all processes, people and work flows synchronise harmoniously. Renowned classical music conductors like Zubin Mehta have an orchestra of well-trained musicians who dutifully follow scores. The art of managing people does not have a music score, nor is there a fixed mathematical formula.

For Ms Kua, handling the human element is the hardest part of the job. "For me, numbers are part of a process.

But when you deal with people, you are not a one-man show, you cannot do everything by yourself."

The need to put together a good team may sound like a cliché, says Ms Kua. "But in reality, when you have humans, everybody is different. But when you put a good team together, you have to understand their perceptions, their strengths and their weaknesses ... in order to put all the strengths together."

"Nobody is perfect, but you must be able to identify these strengths and weaknesses, not because you want to pinpoint weakness all the time because you know that the other strengths can cover weaknesses, and that is how you put a good team together."

To be able to assess character, Ms Kua believes leaders need to understand the dynamics of the team. She always finds time to sit in on job recruitment interviews, even for low-level staff and newcomers, to understand the people who stand on the other side, who will be working with her. "Getting to know your people, spending enough time with them, sometimes closer, sometimes taking steps back a bit," is how she describes the approach. "It's important too to take a step back in order to see people from a different view. But it is also important to have a closer relationship."

"I have a simple formula. Managing is not a mathematical equation. Numbers are equations ... but people are not. But if you are humble, if you make the platform flat enough, you have opportunities to connect with your people and your team."

ART OF BALANCING

Ms Kua's working day often begins with conversation over breakfast with "The Chairman." Her work usually ends at 8 in the evening or later, and she needs to travel extensively.

She believes fervently in time management, and schedules her work, social and private life in calendars, months in advance.

"Over the years, I've learned to find a balance," she says. And that means weekends have always been family time, time to go to the gym.

On weekdays she travels a lot for work, but she tries to create balance by setting aside personal time when possible, for walking, shopping and enjoying whatever place she happens to be in.

And if her workload gets too heavy and she needs a break? "If I want to escape, as crazy as it sounds, I travel. I like to see new things as it creates a lot of inspirations. When you travel, you meet new people. That is inspiration."

JOANNE KUA YING FEI

Chief executive officer and executive director, KSK Group Berhad, managing director of KSK Land Sdn Bhd

AGE

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EDUCATION

• B.Sc. in Economics, University College of London, 2006
• M.Sc. in Management and Regulation of Risk, London School of Economics, 2007

CAREER

• 2012: Executive director of KSK Group, CEO of KSK Group and managing director of KSK Land Sdn Bhd
• 2010: Director and risk adviser at Kurnia Insurance (Malaysia) Bhd (Kurnia Insurance is now part of KSK Group)
• 2007: Deutsche Bank, London as an associate in the securitisation team within the credit risk management function