



Harvard Business School Alumni Club of Malaysia

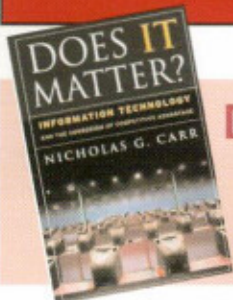
NEWSLETTER

JULY 2004

27... *and going strong*



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Gold medal for Yau

Economics graduate Yau Chooi
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A win-win co-operation

Never in the history of mankind have so many owed so much to so few.

Sir Winston Churchill (1874 - 1965)

THIS quote by Sir Winston Churchill is the best way to describe the Harvard Business School Alumni Club of Malaysia (HBS-ACM). Though we have only 169 members, we are not only one of the most active alumni in Malaysia but also the most active East of Suez.

This year will be a significant year for Harvard because for the first time both the Harvard Club and the HBSACM have joined forces to organise joint events. A lot of credit for this must go to the Harvard Club's new President Tan Sri Dr Lin See Yan.

Three events have been held to date for management training and another three are in the pipeline for the rest of the year. Most significant was the annual Tun Dr Mahathir lecture where 1,200 people attended to hear his first

public address since stepping down as Prime Minister of Malaysia.

Our golf events and our visits to the Genting Sanyen and Tenaga have been well attended. Most of all, our Senior Management Development Programme (SMDP) members are active in the HBS CEO Circle with their get-togethers.

In August, another 120 senior managers will be attending the SMDP at Awana Genting. The confirmed professors are Prof. Kasturi Rangan, Prof Warren McFarlan, Prof Richard Vietor and Prof. Tarun Khanna. This will add to the 1,200 who have already been trained. Indirectly, this means that for each one of us who was fortunate enough to have gone to Boston, we have trained another 10 managers in Malaysia utilising the famous HBS case study methods – the sharing of wisdom which cannot be taught but can only be experienced.

We urge all members to check out the website www.hbs.com.my for the forthcoming events and to make use of the



Club and its members in the pursuit of knowledge and the enhancement of management skills.

Thank you.

Tan Sri Datuk G Gnanalingam
President

Who's who in HBSACM

HBSACM EXECUTIVE COMMITTEE 2003/2004

Patron

YABhg Tun Dr. Mahathir
Mohamad

President

Tan Sri G. Gnanalingam

Vice-presidents

Haji Anuar Hamdan
Mohd. Nadzir Mahmud

Hon. Secretary

Haji Ahmad Rosdi
Mohd. Ghazali

Asst. Hon Secretary

Ghazali Kamal Bahrein

Hon. Treasurer

Dato Tay Ah Lek

Director of Activities

Dato Haji Othman Yusoff

Committee Members

Mohan Ramalingam
Dato Abdul Rahim Osman
Wong Heng Wee
Azizan A Rahman
Abdul Halim Hamid
Surjan Singh

Immediate Past President

Raja Sharifuddin Abidin

HBSACM ASSOCIATE COMMITTEE

Chairman

Abdul Halim Hamid

Vice-chairmen

Ruslan Ishak

Mohd. Fariz Abu Bakar

Hon. Secretary

Manimala Subramaniam

Asst. Hon. Secretary

Carol Wong

Hon. Treasurer

Puvanesan Subenthiran

Director of Activities

Surjan Singh

Committee members

Ir. Aishah Dato Hj Abdul Rauf
Abdul Aziz Ahmad
Raymond Yap Yin Min
Mak Choong Moon, J.P.
Andre D'Cruz

The way forward

Former Prime Minister Tun Dr Mahathir Mohamad, who is also HBSACM Patron, shares his wisdom on mastering the realities of globalisation

AN international globalisation tax on multinational companies will make up for the loss of state revenue due to the abolition of import duties under free trade, YABhg Tun Dr. Mahathir Mohamad said.

The Patron of Harvard Business School Alumni Club of Malaysia was addressing 1,200 people who attended a dinner jointly organised by the HBSACM and the Harvard Club of Malaysia on June 14, 2004, at the Sunway Lagoon Resort Hotel, in Petaling Jaya. The following are excerpts of his speech:

IF in a country the rich are taxed in order to redistribute wealth to the poor, to build the infrastructures in the poor parts of the countries, then there is every likelihood that the poor country will develop and the poor people will have some wealth if those who benefited from the opening up of countries and free trade and investments were to pay tax to a central authority which will then build the infrastructure, provide health care and education to the poor countries which are not benefiting from world trade, from globalisation.

"Without doubt the building of infrastructure, provision of education and health care will enrich the poor countries. New opportunities will open up. New roads and railways will enable them to ship out their goods at better prices, while their imports will cost them less.

"The Malaysian businesses which benefit from world trade in a globalised world must be prepared to pay the international taxes. In the end, Malaysian trade would expand.

"How much tax should be paid by the corporations and banks which benefit from the international trade in a globalised world can be worked out. Today, we have agreements on double taxation between countries. To extend this concept to a worldwide international taxation will not be too difficult. The rates and the scale can be worked out so as not to become a disincentive to interna-

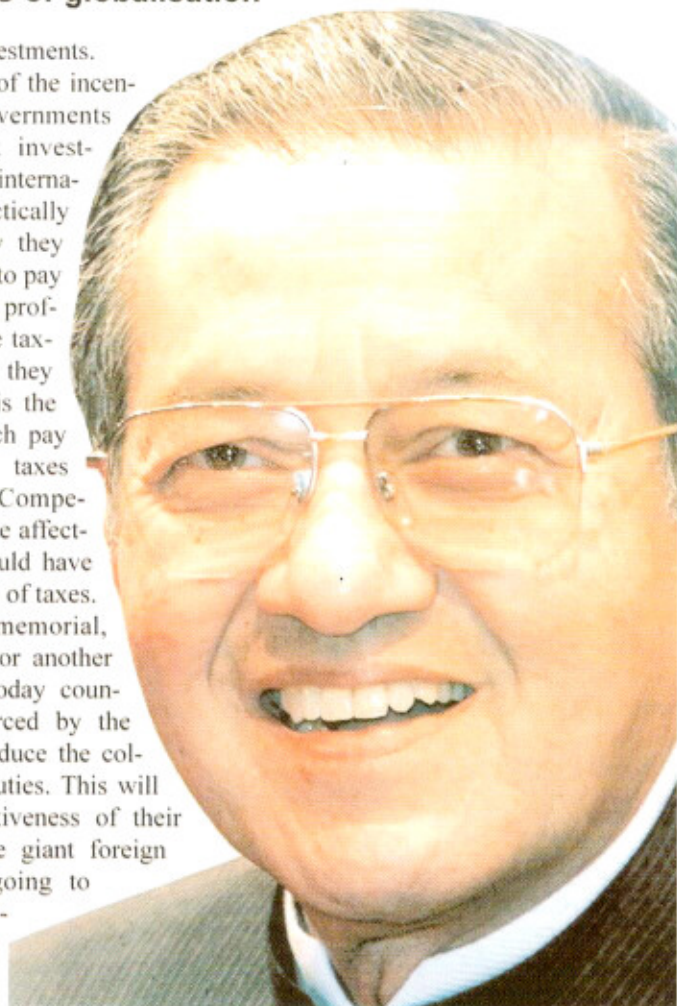
tional trade and investments.

"Today, because of the incentives which Governments wanting to attract investment have to give, international investors practically pay no tax. Surely they should be prepared to pay a small tax on their profits derived from the tax-free privileges that they enjoy. In effect it is the host countries which pay as they forego the taxes due to them. Competitiveness will not be affected as everyone would have to pay the same rate of taxes.

"Since time immemorial, taxes in one form or another have been paid. Today countries are being forced by the WTO to stop or reduce the collection of import duties. This will affect the competitiveness of their local products. The giant foreign corporations are going to benefit from the abolition or greatly reduced import duties.

"The new international trade tax for the development of the poor countries will be less than the taxes the corporations had to pay in import taxes before. Again, it will not be a burden on the international corporations. It will be the countries which open up for trade which will be paying through the taxes they forego.

"The international trade tax may be regarded as an innovation in terms of taxes. But it should not shock the traders. After all the removal of the borders, and with it the import duties, is a shock for many Governments which had been imposing import duties for ages. If the Governments can be forced to accept the removal of one source of revenue surely the international traders and investors can be forced to accept the payment of taxes on the profit they



obtain from globalisation, the opening up of countries and the removal or reduction of tax barriers.

"Basically we can do without globalisation. But if we don't submit and surrender some of our independence, the members of the WTO may take action against us, may try to stifle our economy by raising tariff barriers or even sanctions.

"What we can try to do is work together with other developing countries to reinterpret globalisation so as to enable us to compete fairly. We must be given time before removing our barriers in order to enable our industries to grow and be competitive.

"The way forward is fraught with all kinds of uncertainties and dangers and only careful scrutiny will keep us on course to Vision 2020."



JUNE, 2004: Tun Dr Mahathir Lecture



1997: Reunion of alumni at HBS Global Conference



1988: First Regional Meeting of HBS Alumni from Malaysia, Singapore, Thailand and Hong Kong in Phuket



1996: The exco and the faculty members at the 9th SMDP at Awana, Genting Highlands

Celebrating 27 years of fellowship

THE Harvard Business School Alumni Club of Malaysia (HBSACM) was registered on October 22, 1977 as a result of the initiative of several people of the year before.

The pro-tem committee held its first meeting at the Wisma MISC, Jalan Conlay, Kuala Lumpur. It was attended by Dato Sulaiman Abdullah, Tan Sri Jamil Jan, Tan Sri Saw Huat Lye, Mr. Tan Koon Swan, and Mrs. Lilian Too, who was responsible for drafting the Club's constitution and bye-laws and also for the submission of the application for registration to the Registrar of Societies.

The first annual general meeting was attended by Dato Sulaiman Abdullah, Raja Tan Sri Muhammad Ali Raja Muhammad Ali, Dato Aladdin Hashim, Mr. Ng Sing Hwa, Dato Muhammad Jabir, Mr. L.C. Coutts, Dr. Stephen Goh, Mr. Samuel Wong and Haji Mohamad Yusoff Talif. The meeting unanimously elected Dato Sulaiman Abdullah as President, Raja Muhammad Ali as Vice-President, Mrs. Lilian Too as Hon. Secretary, Mr. Ng Sing Hwa as Hon. Treasurer and Haji Mohamad Yusoff Talif as Director of Activities.

Today, the Club has 169 ordinary members and 730 associate members. The ordinary members comprise those who attended the education programmes in Harvard Business School, Boston, USA, while the associate members are those who attended the Senior Management Development Programmes organised by the Club.

Among others, the Club aims to promote awareness in management training, enhancing professional standards, management and practices, and establishing a scholarship fund to assist suitable students to achieve excellence in their studies besides inculcating closer ties among its members.

At the first formal gathering of the Club, an inauguration dinner held in 1978 at the then Merlín Hotel, YABhg Tun Dr. Mahathir Mohamad, as Patron of the Club, reminded members that they should play their part in nation building.

In 1984, the Club established the HBSACM Foundation which awards scholarships to students pursuing Masters in Business Administration in local universities.

The Club also presents Gold Medal Awards to the best undergraduates from the local universities in

the field of business studies. To date, the Club has awarded scholarships to 50 students and presented the Gold Medal Awards to 20 recipients.

In line with the Club's objectives to further enhance the professional standards, practices and management of Malaysian businesses, it also organises the Senior Management Development Programmes.

This programme was initiated by a few people including Tan Sri Saw Huat Lye who went to Boston in 1978 to meet with Daryl Wyckoff and Prof. Warren MacFarlan to obtain their agreement to start the programme. The first Senior Management Development Programme was held in 1979 with 72 participants led by Wyckoff, MacFarlan and Michael Porter.

Under the aegis of the HBSACM Foundation, the Club also sponsored various studies including on Technology Acquisition and Technological Capability Development in Malaysia, Role of Multinational Corporations/Host Agencies, Financing for Development - External Debts versus Direct Foreign



1998: Sam Hayes conducting a class at the 10th SMDP

Investments (a special reference to Malaysia) and A Study on Wage Trends and Age Systems in Malaysia.

Not wanting a merely donate money, the Club also organised or sponsored programmes for the development of the management skills of the staff NGOs. This was to help them to manage their organisations effectively.

The Club organised Management Programmes for NGOs and NPOs and held seminars on Advertising and Promotion Finance, and Administration. It also sponsored CEOs of NG to a one-week course on Strategic Perspective on Non-Profit Management at the Harvard Business School, Boston, USA.

It has also sponsored programmes in conjunction with the Institute of Advertising Malaysia.

The Club was the first to recognise the contributions and achievements of CEOs in the country. The Manager of the Year Award was the Club's way of encouraging and promoting excellence in professional business management in the country. The award was given to the CEO of an organisation who had been in the position and the same organisation for at least three years.

The evaluation is based on the financial performance of his organisation as well as the qualitative factors such as innovation, contribution to society, management, professionalism, staff training and development. To qualify for the award, the CEOs have to be from organisations which were incorporated in Malaysia and listed on the KLSE.

The award comprises RM10,000, a certificate and a plaque. The first recipient was Mr. Gerald Fox of Esso Malaysia in 1984. Other recipients include Tan Sri Khoo Kay Peng of MUI (1985), Tan Sri Abdul Aziz A Rahman of MAS (1986), Mr. Anthony Seow Teow Guan of Kian Joo (1992), Tan Sri Azman Hashim of Arab Malaysia (1996), and Tan

Sri Shamsuddin Abdul Kadir of Sapura Holdings (1997).

The Club has also donated computers to two schools in the rural areas - one Orang Asli school in Kelantan and the other, a private school in Perlis.

Other activities of the Club include luncheon or dinner talks, visits to selected companies, meetings with members of alumni clubs from overseas and organising golf tournaments which are extremely popular with members.

Among the regular tournaments are the Past Presidents Trophy, HBSACM-Westport Tournament, Corporate Golf Tournament, Warren MacFarlan Trophy and the HBSACM Friendly.

To cater to the needs of the associate members, the Club has formed the SMDP Wing of the Executive Committee which organises special events for them. So far, it has organised the HBSACM CEO Forum, visits to selected companies and SMDP Reunion Dinners.

The Club is now in the process of acquiring its own premises which will enable it to set up a proper library for its members and will also serve as the meeting place for members and associate members.

PAST PRESIDENTS

1976/77	Dato Sulaiman Abdullah
1977/79	Raja Muhammad Ali Raja Muhammad Ali
1979/80	Tan Sri Hashim Aman
1980/81	Ng Sing Hwa
1981/82	Lilian Too
1982/83	Tan Sri Abdul Aziz Abdul Rahman
1983/84	Tan Sri Dr. Rashdan Baba
1984/85	Dato Mustapha Md Ali
1985/86	David C.C. Leong
1986/87	Dato Mohd. Nor Ismail
1987/88	Gen. Tan Sri Zain Hashim
1988/89	Dato Aladdin Hashim
1989/90	Dato Abdullah Mat Zaid
1990/91	Tan Sri Saw Huat Lye
1991/92	Dato Ng Cheng Kuan
1992/93	Tan Sri G. Gnanalingam
1993/94	Dato Dr. Mohd. Shahari Ahmad Jabar
1994/95	Tan Sri Zainal Abidin Sulong
1996/97	Datuk Tay Ah Lek
1997/98	Datuk Othman Yusoff
1998/99	Haji Yusoff Talif
1999/00	Nizar Idnis
2000/01	Tan Sri Adam Kadir
2001/02	Dr. Syed Abdullah Almohdazar
2002/03	Raja Sharifuddin Abidin

● The Senior Management Development Programme

THE 13th Senior Management Development Programme, which has been fully subscribed, will be held from August 8 to August 21, 2004, at the Awana Resort, Genting Highlands.

Registration for participants will be on Sunday, August 8, from 2pm onwards. The opening ceremony is scheduled to start at 6.30pm.

There will be three sessions daily and each session will last for one hour and 20 minutes. The first session starts on Monday, August 9, at 9.10am. The final session is a lecture by Prof F. Warren McFarlan from 11am to 12.20pm on August 21. This will be followed by the Graduation Dinner at 8pm.

The programme is again based on the case method learning model pioneered by the Harvard Business School.

● Public seminars

THE following seminars will be held at the Nikko Hotel, Kuala Lumpur:

■ August 11 (Wednesday)

The Dragon and the Elephant : Modern China and India in Comparative Business Perspective

By **Professor Tarun Khanna**

China and India have adopted radically different development paths in the past few decades. Both countries have captured the attention of the world in recent times, albeit for different reasons. In macroeconomic terms, China is ahead. India, on the other hand, is leading in terms of producing indigenous world-class companies by domestic entrepreneurs, and in providing a climate that is hospitable to the domestic private sector. The session will consider the implications of the different development approaches for domestic entrepreneurs as well as for multinationals operating in both countries.

■ August 11 (Wednesday)

Branding for Bottom Line

By **Professor V. Kasturi Rangan**

Brands and branding have taken the centre stage of marketing strategy for a significant number of firms. There is good reason for it, because it is now widely acknowledged that brand



equity has tangible asset value, and indeed in countries like UK, their value is even disclosed on the balance sheet. So what is brand? How is it created? How is it put to use? These are questions that every senior marketing manager ought to know. Prof Rangan will explore ideas on the evolution of the concept of branding, and what managers may do about it. He will also explore the notion of branding as it applies to Social Purpose organisations, which have a mission-driven bottomline.

■ August 17 (Tuesday)

IT Does Matter

By **Professor F. Warren McFarlan**



Does IT matter in today's environment? This session will be built around Nick Carr's controversial May 2003 *Harvard Review* article, *IT Doesn't Matter* and Prof McFarlan's and other responses to its provocative theme.

What has remained the same over the past 40 years of IT will be identified (and there has been some enduring constants.) Also very specifically will be identified what has changed as we stand in 2004. The reality for most firms has been that the technology has struck at the core of their operations and has unlocked new ways of organising and restructuring their work. In some cases, the technology has challenged the very reason for the firm's existence. Through all of this, there has been a dramatic increase in the need of utterly seamless and reliable IT operations. This has caused very different approaches to planning, controlling and organising IT.

■ August 17 (Tuesday)

Economic Development Strategies and Globalisation

By **Professor Richard H.K. Vietor**

This session will examine the key strategic elements associated with economic growth and the globalisation strategies representing eight distinctive trajectories in the world economy. The session will start with Japan's rapid growth and then stagnation. From there, it will turn to high growth Asian strategies in



Singapore, China and India. Latin America's descent into debt crisis and structural adjustment is next. Prof Vietor will shift to European integration, examining the cutting edge of globalisation, and then institutional collapse in East Europe and Russia. The African Renaissance, particularly in South Africa, is driving growth in sub-Saharan Africa. The session will also look at the oil-leveraged growth and the problem of resources in the Middle East. It will consider the nature of the US' post-9/11 economy and end by considering issues in globalisation, particularly associated with income distribution.

Registration forms for the above seminars can be obtained from the Ms Tung Tel. 26947006 or Ms Noor Zaleha. Tel: 26912421

● Warren MacFarlan Trophy

THE tournament for the Warren MacFarlan Trophy will be held on Saturday, 21 August 2004 at the Awana Golf and Country Resort.

● HBSACM-Westport Trophy

THE HBSACM-Westport Tournament is making a return. Look out for further announcements.

● AHUACA Conference 2004

THE Association of Harvard University Alumni Clubs of Asia (AHUACA) Conference will be held in Manila from November 19 to 21 at the Shangri-La Hotel, Makati, Philippines.

The theme of the conference is:

Discovering Asia: Politics, Business, Culture, Legal Systems, and the role of Asia in the emerging global economy.

The programme includes a combination of plenary and concurrent sessions featuring business and political leaders, and high-ranking executives from international organisations and non-government organisations from all over the world.

AHUACA was established in 1997 and its membership consists of Harvard Alumni Clubs in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Taiwan and Thailand.

For more details, contact the secretariat at tel: (632) 752-8374, fax: (632) 819-3752, or e-mail: Tami@optionsinfo.com

Em-powering visit to TNB

ABOUT 30 members of the Harvard Business School Alumni Club Malaysia visited the National Load Despatch Centre of Tenaga Nasional Berhad on May 11, 2004.

Members on the trip, which was organised by Puan Aishah Dato' Hj Abdul Rauf, were warmly welcomed by Tuan Haji Mohd Johari B. Abdul Aziz, TNB's General Manager for Corporate Communication. The management team of Tenaga Nasional was also present at the breakfast session.

Vice-President Transmission, Y. Bhg. Dato' Mohd Zainal B. Azirun, delivered the welcome address, followed by Dr. Ismail B. Mustapha, General Manager, (Corporate Planning), who gave an overview of the company, and Mr. Ng Boon Leong, General Manager (Control Operations) who spoke on the NLDC's operations.

A number of questions were raised



THANKS: VP Anuar Hamdan (left) receiving a memento from Dato Ir. Shafie

during the session which ended with a corporate video presentation.

The group then visited the NLDC and was given a briefing by the engineers in charge on the systems utilised by the centre.

The tour ended with a lunch hosted by Tenaga Nasional. Among those present

were Y. Bhg. Dato' Pian Sukro, President of TNB, and Y. Bhg. Tan Sri Datuk G. Gnanalingam, President of HBSACM, who exchanged souvenirs.

HBSACM would like to take this opportunity to record our appreciation to the management of Tenaga Nasional for its warm hospitality.

BOOKS

Bold manifesto on future of IT

DOES IT MATTER? INFORMATION TECHNOLOGY AND THE CORROSION OF COMPETITIVE ADVANTAGE

By Nicholas G. Carr

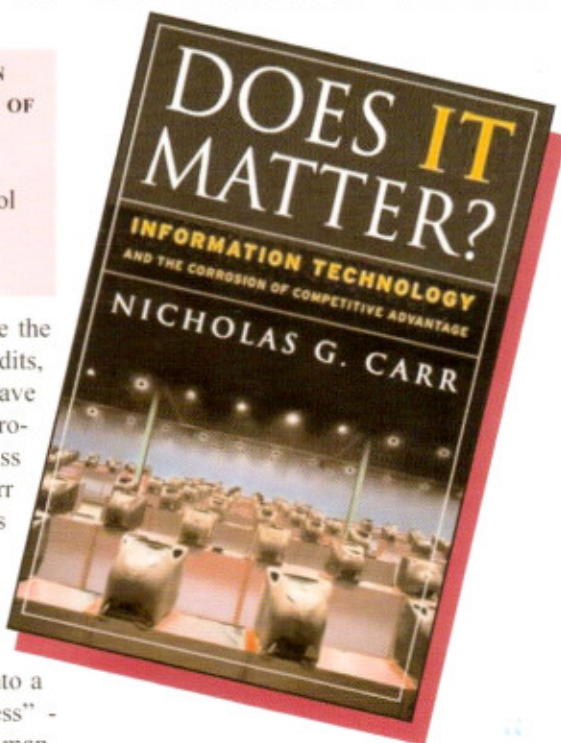
Publisher: Harvard Business School Press, 2004

ISBN: 1591394449

OVER the last decade, and ever since the bursting of the technology bubble, pundits, consultants, and thought leaders have argued that information technology provides the edge necessary for business success. IT expert Nicholas G. Carr offers a radically different view in this eloquent and explosive book.

As IT's power and presence grow, he argues, its strategic relevance has actually decreased. IT has been transformed from a source of advantage into a commoditised "cost of doing business" - with huge implications for business management.

Does IT Matter? provides a truly compelling-and-unsettling-account of IT's chan-



ging business role and its levelling influence on competition. It marks a crucial milestone in the debate about IT's future.

IT GOVERNANCE: HOW TOP PERFORMERS MANAGE IT DECISION RIGHTS FOR SUPERIOR RESULTS

By Peter Weill, Jeanne W. Ross
Publisher: Harvard Business School Press, 2004
ISBN: 1591392535

FIRMS with superior IT governance have more than 25 per cent higher profits than firms with poor governance given the same strategic objectives.

These top performers have custom-designed IT governance for their strategies. Just as corporate governance aims to ensure quality decisions about all corporate assets, IT governance links IT decisions with company objectives and monitors performance and accountability.

Based on a study of 250 enterprises worldwide, *IT Governance* shows how to design and implement a system of decision rights that will transform IT from an expense to a profitable investment.

Hard work pays off for Yau

THE Harvard Business School Alumni Club of Malaysia presented its 2003 Gold Medal award to economics graduate Yau Chooi Peng at a ceremony on June 14 at the Westin Hotel, Kuala Lumpur.

Yau, who is the 20th recipient of the award, graduated from Universiti Malaya, Kuala Lumpur, with a Bachelor of Economics majoring in Analytical Economics. She achieved a CGPA of 3.98 points.

Born in August 1980, Yau had her early education in the Hulu Kelang / Gombak area at Sekolah Menengah Hulu Kelang, where she obtained a Grade 1 in the SPM. She studied for her Form 6 at Sekolah Menengah Kebangsaan Gombak Setia and passed her STPM with 5 Principles including 2 distinctions.

Doing well in her studies is nothing new for Yau who was the best student in Form Four, Five and Six.

Yau was the first Non-Muslim student to score an 'A' in Tasawwur Islam in SPM and was the best student for History and Account papers in the same examination. In the STPM examination, she was the best student in Economics.

"The secret of success is hard work and long hours of studying," said Yau,



WELL DONE: Yau with Tan Sri G. Gnanalingam

who also participated in extra-curricular activities during her secondary school days. Among others, she was the Treasurer of the Prefects Board, Treasurer of the Mathematics Society, Captain of the school basketball team, Captain of the school volleyball team and Treasurer of the Green House.

At the university, she was an executive

of the Marketing & Promoting Analytical Club and participated in the L'oreal e-Strat Challenge 2002 Edition.

She was on the Dean's List and was a recipient of the Sanwa Bank and OCBC bank Scholarships.

Yau has worked as a Bank Junior Management Trainee, a Trainee Remisier, an Assistant Store Manager, a Waitress and a Real Estate Agent. She is currently an analyst with Ecmlibra.

The Harvard Business School Alumni Club Of Malaysia Foundation awards a Gold Medal to the most outstanding student graduating from the Faculties of Economics/Business Administration from the local universities. The Award consists of a Gold Medal, a certificate and a cash award of RM 3,000.

The recipient is selected by a sub-committee headed by Y Bhg Datuk Othman Yusoff and consisting of exco members and an educationist.

The award was started 21 years ago. Past recipients have done well in their careers and are holding high positions today. For the 2003 Award, the Club received eight nominations from local universities, namely USM, UKM, UM, UPM, UiTM, IIU and UUM.

Congratulations Congratulations Congratulations



● YAB Dato **Idris Jusoh** (AMP 161) on his appointment as Menteri Besar of Terengganu after his recent victory in the 2004 elections.

● YAB Dato **Hj Mohamad bin Haji**

Hasan (SMDP 1988) on his appointment as Menteri Besar of Negeri Sembilan after his victory in the recent election. YB Dato Mohamad has served as an Executive Member of the Harvard Business School Alumni Club of Malaysia.



● YBhg. Tan Sri **Adam Kadir** (AMP 85) on the conferment of the Panglima Setia



Mahkota (PSM) Award by Yang Di-Pertuan Agong Tuanku Syed Sirajuddin on June 6. YBhg. Tan Sri Adam has served as President of the Harvard Business School Alumni Club of Malaysia.

● YBhg. Dato **Alan Tong Kok Mau** (SMDP 1988) on his appointment as the President of the International Real Estate Federation (FIABCI) 2005/2006. YBhg Dato Alan Tong has participated in many



golf tournaments organised by the Harvard Business School Alumni Club of Malaysia.

● YBhg. Dato **Ahmad Zubir Bin Haji Murshid** (PMD 1990) on his appointment as Group Chief Executive of Sime Darby Berhad.

