

Harvard Business School Alumni Club of Malaysia

NEWSLETTER

JULY

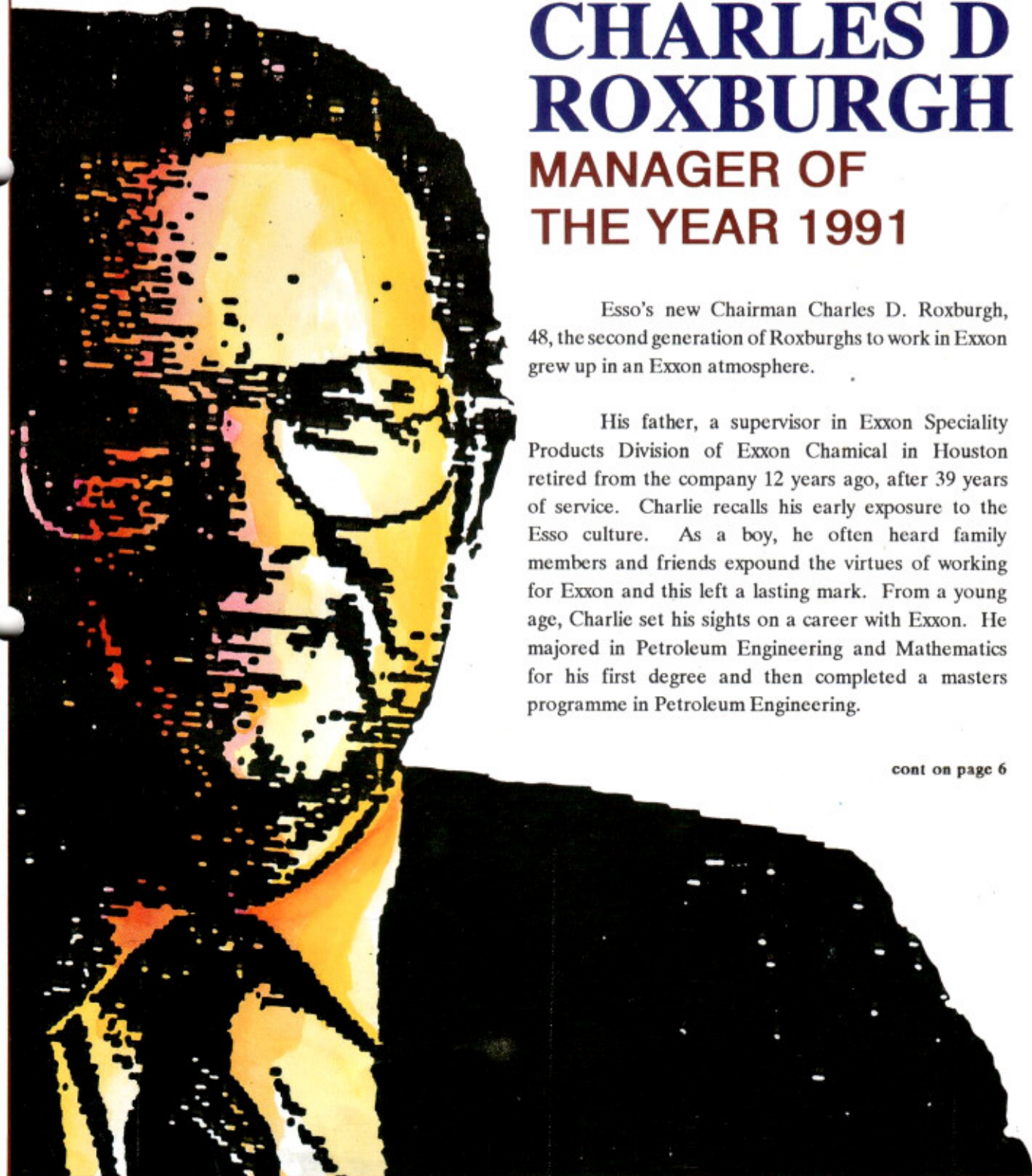
1992

CHARLES D ROXBURGH MANAGER OF THE YEAR 1991

Esso's new Chairman Charles D. Roxburgh, 48, the second generation of Roxburghs to work in Exxon grew up in an Exxon atmosphere.

His father, a supervisor in Exxon Speciality Products Division of Exxon Chemical in Houston retired from the company 12 years ago, after 39 years of service. Charlie recalls his early exposure to the Esso culture. As a boy, he often heard family members and friends expound the virtues of working for Exxon and this left a lasting mark. From a young age, Charlie set his sights on a career with Exxon. He majored in Petroleum Engineering and Mathematics for his first degree and then completed a masters programme in Petroleum Engineering.

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THE PRESIDENT'S MESSAGE

1992, being the 7th SMDP year promises to be very exciting. The SMDP Committee, headed by Encik Abdullah Zaid, is working ahead of schedule. The professors, students, venue and case studies are all confirmed. Professors Warren McFarlan, Sam Hayes, Kasturi Rangan, Stephen Bradley will be in Malacca to run the SMDP and in addition to the SMDP, we will organise two One-Day seminars in Kuala Lumpur at the Park Royal Hotel.

The first One-Day seminar will be on 5 August with Professors Sam Hayes and Kasturi Rangan giving an update on "Capital and Securities Market" and "Global Marketing Strategy" whereas on 12 August Professors Warren McFarlan and Stephen Bradley will give an update on "Information Technology Issues in the 1990's" and "Competitive Strategy" respectively. Finance Minister Dato' Seri Anwar Ibrahim has agreed to officiate the Closing Ceremony of SMDP on 15 August, 1992.

During the first half of this year, in our membership recruitment drive, we have succeeded in getting a number of new faces to join our Club including:

| | | |
|----|-------------------------|--------------|
| 1. | Mr. Ananda Krishnan | MBA 1963 |
| 2. | Tan Sri Hashim Mohd Ali | AMP 109-1991 |
| 3. | Mr. Tan Kok Yew | AMP 109-1991 |
| 4. | Mr. Kelvin Wallace | MBA 1975 |
| 5. | Mr. M.J.Kimberley | AMP 104-1989 |
| 6. | Mr. Loong Wei Hin | PMD 62-1989 |
| 7. | Encik Mat Abas | ISMP 22-1984 |

The President's Nite which includes dinner and Karaoke at Darul Ehsan Golf Club Ampang will be held on July 19, 1992.

The Yang Di Pertuan Agong has graciously consented to open our HBSCM Golf Open on the 7th November, 1992. As before we expect HBS participants from other Asean countries. For golfers, please keep your calendar free for this occasion.



ASSOCIATE MEMBERS

En Abdul Aziz Peru Mohamed
– Malayan Banking Bhd, PJ

En Ab Gahani b Arif
– General Manager, Tenders &
Contracts Div. Pernas, KL

En Chan You Siong
– Area Manager, Australia
MAS, Sydney, NSW

En Goh Kok Seng
– Executive Director, TEKNO
EMAS Sdn Bhd, KL

En Albert T.H. Goh
– Managing Director, Aldini
Holdings Sdn Bhd, JB

En Hardial Singh
– Wang (Asia Pacific) Sdn Bhd, KL

En Kuan Beng Teik
– PT Indonesia Bulk Terminal, JKT

En Mohammed b Abd Malek
– Perwira Habib Bank (M) Bhd,
Central Branch, KL

En Mohd Rusli bin Haji Hussein
– Director-General (MACRO)
Economic Planning Unit, KL

En Mohd Zain Mohd Yusuf
– Executive Director, Corporate Affairs
Shell Companies in Malaysia, KL

En Sivasagthy s/o Retnam
– Keppel Securities Pte Ltd, S'pore

En Yong Chee Keong
– General Manager, Life Division
Hong Leong Assurance, KL

En Megat Zaharuddin b Megat Mohd Nor
– The Shell Company of Turkey
Istanbul, Turkey

Announcing

EVENTS FOR 1992

JULY:

* ANNUAL DINNER
JULY 19TH

AUGUST:

* SMDP: MALACCA
AUGUST 2ND – 15TH
* GOLD MEDAL AWARD
* SCHOLARSHIP AWARD
AUGUST 15TH

SEPTEMBER:

* HBS REGIONAL MEET IN SINGAPORE
SEPT/OCTOBER

NOVEMBER:

* HBS GOLF OPEN
* MANAGER OF THE YEAR AWARD
NOVEMBER

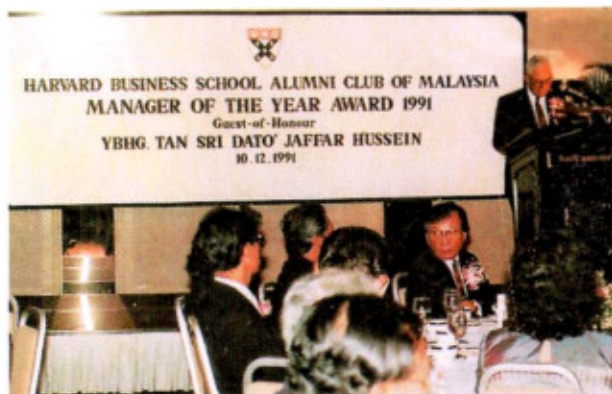
DECEMBER:

* AGM
DECEMBER

HOW NOT TODO BUSINESS

BY TAN SRI DATO' JAFFAR HUSSEIN
GABENOR BANK NEGARA MALAYSIA

MANAGER OF THE YEAR AWARD 1991



"TUAN Pengerusi Majlis, TAN SRI-TAN SRI, DATO-DATO, TUAN-TUAN DAN PUAN PUAN YANG DIHORMATI

To be a success in business, one needs a little bit of luck and a lot of sweat. However, there are a number of golden rules that one has to observe to avoid failures in business.

Rule 1: Do Not Attempt To Become Instant Millionaires.

A businessman who is successful should not be impatient and attempt to become very rich quickly because ultimately it is a recipe for disaster.

Rule 2: Political connections alone do not guarantee success in business.

Having political connections and influence in high places does not guarantee success. Proper expertise, experience and time to devote to the business are of greater importance.

Rule 3: Success in the current line of business does not automatically guarantee success in new and high-risk areas.

A tested formula for success in the current line of business is not a valid reason for diversifying into unfamiliar products and markets without adequate study of the competitive forces that prevail. Diversification is a good strategy but it should be on a planned basis.

Rule 4: Boom times do not last forever.

A well run business entity should have contingency plans with various alternatives, which could be implemented if the market changed. Excessive spending during the boom periods will lead to problems when the business takes a downturn.

Rule 5: Do not overgear

By borrowing more money than what they need, businessmen place themselves at the mercy of banks. They are no longer in control of their own destiny.



Rule 6: Do not succumb to the herd mentality

Just because other reputable players are involved in a certain business, does not guarantee a businessman will be successful if he follows the prevailing trend.

Rule 7: The most important resource of a company is its human resources.

The most successful enterprises invest heavily in recruiting the best people and providing them with adequate training. Academic excellence without professional skills is insufficient.

Rule 8: There should be checks and balances on the powers of the top management.

When executive directors in business organizations hold very wide powers in management, the benefit of other people's opinions in the business is lost.

Rule 9: Inadequate systems of control can lead to unnecessary losses

Adequate systems of control should be in place to enable the management to carry on the business in an orderly manner, safeguard its assets and ensure the accuracy and reliability of its records.

Rule 10: Honesty is the best policy.

Unethical practices and corruption affects the nation's efficiency and its development and should be condemned by all sectors.

Following these 10 rules will not automatically guarantee success, but it is likely to prevent disastrous failures. The ultimate difference between successful businessmen and others is that those who succeed are not afraid to fail. They have the ability to accept failures as a natural consequence of trying. You only really fail when you quit trying.

MANAGER OF THE YEAR

CHARLES D. ROXBURGH

**CHAIRMAN AND CHIEF EXECUTIVE OF ESSO MALAYSIA BHD
AND ESSO PRODUCTION INC.**

DATE OF BIRTH

- January 6, 1939 in Houston, Texas, USA

EDUCATIONAL BACKGROUND

- Bachelor of Science and Master of Science degrees in Petroleum Engineering from the University of Houston.
- Bachelor of Science degree in Mathematics from the University of Houston.

WORK EXPERIENCE

- Joined Exxon Company, USA in 1963.
- Held a variety of engineering and management assignments in the Company's oil and gas operations throughout Texas and Louisiana.
- In 1977, became Headquarters Operations Manager of Exxon USA's Production Dept.
- In September 1980, became Assistant Manager of the Supply Department.
- In 1981, named Vice-President of Production for all Exxon's domestic operations including



B. I. O. D. A. T. A.

- Alaska and offshore California and the Gulf of Mexico.
- In 1983, was appointed Vice-President and Director of Esso Eastern Inc. where he functionally looked after Exxon Production and Exploration activities in the Far East including Malaysia.

- In March 1986, was named Vice-President, Exploration and Production for Exxon Company, International with Functional responsibility for all of Exxon's Exploration and Production activities outside of North America.
- May 15, 1987, became the Chairman of Esso Companies in Malaysia.

AWARDS

- Was conferred the Darjah Dato' Setia Negeri Sembilan on July 19, 1990 by DYMM Yang Di-Pertuan Besar Negeri Sembilan Darul Khusus on the occasion of His Majesty's 68th birthday.

PERSONAL BACKGROUND

- Married to Datin Edie.
- One son, one daughter and two grand children.

HOBBIES

- Golf (handicap 14)
- Hunting

cont. from cover

His first experience in Exxon was a summer as a roustabout when he was a first year undergraduate student at the University of Houston. He also worked two summers as an engineer with the company.

On looking back 25 years later, Charlie said that all his earlier expectations about working for Exxon were more than met. He says it has been fun and exciting working for Exxon and if he were to do it all over again, he would still choose Exxon. Charlie, in turn, influenced his son Sam, 25, an engineering graduate to work for Exxon.

The new Chief Executive Officer assumed office here in May 15. He was Vice President of Exploration and Production in Exxon Company, International (ECI) prior to his present appointment.

When he went to work in Esso Eastern in 1983, he had no desire for a foreign assignment but with time and visits to Asia, he grew to like the countries and the people especially. Although Kuala Lumpur is more modern than most cities in South East Asia, he feels that it still has enough culture to make you realise that it is not just another large, modern city. He adds that it is one of the most desired foreign assignment locations by expatriates.

So far he has very good impressions of the employees he has dealt with. He says they seem to be dedicated, hardworking and do the best job possible. He also finds the Malaysian Esso operations, that he has visited so far, very well run. He thinks there is a great future for Esso in Malaysia, and hopes that there will be several generations of employees working for the company.

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CHARLES D. ROXBURGH

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Unfortunately, the PSC terms and other government take measures in Malaysia are among the toughest in the world when you consider other places in which Exxon operates. In his opinion, Malaysia would benefit in the long run from changing their rules and lowering their very large share of revenues in order to offer more encouragement to private enterprise.

Charles feels that his role as Chairman of Esso Companies in Malaysia is to create the environment to allow employees to reach their maximum potential. From his own experience he has found that the most important criteria for advancement are being hardworking, being dedicated to the goals of the company and wanting to get something done, being honest and standing up for what you believe. As such, he sees his job as helping to set broad goals within which Esso employees can then perform in the manner that will allow them to reach the very highest potential that their abilities will allow.

As the new Chairman of Esso Malaysia, Charles has several challenges ahead of him. One immediate one is the smooth transfer of employees to the East Coast. A second major issue is obtaining a Phase II Gas Project that is agreeable to Petronas. Another very important issue is obtaining new PSCs. A fifth issue is government take or taxes which is much more than is typical in other places in the world. This must change in order for Esso and other industries to continue to progress and grow in Malaysia. And finally, a major challenge is to train national employees and achieve technology transfer such that national employees can assume increased responsibility and Esso's Malaysianisation and NEP goals can be achieved.

The management style that Charles subscribes to is simple and straightforward. He believes in hard work but he also believes in having fun. He expects completed staff work by employees. When an employee brings forward a project or problem, he also would like the employee to have thought about a solution and made a recommendation. He further expects employees to be honest and abide by all rules, both from a legal and company policy standpoint. He believes in an open style of management such that people feel free to talk to him.

His message to Esso employees is as follows.

He says, "I look forward to working with all the employees and leading a winning team. From what I have seen there is no reason why this group of employees cannot be the best in the Exxon world."

NEWS

IN PICTURES

AMP 57 Reunion



**Luncheon Talk by
Mr. Stephen Fuller**



Anniversary Dinner 1991



15th AGM



ON THE MOVE

YB Tan Sri Dato' Abdul Aziz Abdul Rahman
Chairman Pelangi Air Sdn Bhd

YM Raja Abdul Aziz b Raja Musa
Executive Vice Chairman, Probadi Sdn Bhd (Oil & Gas Div. of Renong)

YB Tan Sri Datuk Wira Abdul Rahman Hj Arshad
Chairman, Bank Industri (M) Bhd

En. Abdul Shukor Nagor
Regional Director, Sime Darby (Spore) Ltd

En. Abdullah Mat Zaid
Director of Corporate Planning, MAS

YB Dato Ahmad Badri b Mohamed Basir
Chairman, RELK Corpn, Sdn Bhd

En Cheah Chen Kin
Golden Hope Plantations Bhd, KL

Ms. Ho Yew Ling
Asst. General Manager, Unza Co Pte Ltd, Spore

En Khalid Dahlan
Deputy Managing Director, MISC

En Mohd Ghazali Kamal Baharein
Exec. Director, Robinson Shipping (M) Sdn Bhd

YB Tan Sri Dato Mohd Jalaluddin b Zainuddin
Exec Chairman, First Nationwide Engineering Sdn Bhd, PJ

En Mohd Nadzir Mahmud
Executive Director, Corporate Affairs & Personnel
Lever Bros (M) Sdn Bhd, KL

En. Mohammad Yusof b Talif
Consultant, The Grid Organisation Dev. Group, KL

Tuan Hj Othman Yusoff
General Manager, Felda Marketing Corpn, KL

YB Tan Sri Dato Sallehuddin b Mohamed
Pengerusi Eksekutif, KWSP

En Tan Loon Swan
Lion Land Bhd, KL

En Steve S. V. Wong
British American Investment Pte Ltd, Spore

PROMOTION

YM Raja Sharifuddin Abidin has been promoted to Deputy Managing Director, Perbadanan Khidmat Koperate Felda.

AWARDS

Encik Lim Kok Thay was awarded Dato'ship.

Encik Tay Ah Lek was conferred the D.I.M.P. (Darjah Indera Mahkota Pahang), October 1991, by DYMM Sultan of Pahang.

YB Tan Sri Dato Alwi Jantan was appointed as the Chairman of the 1992/93 Consumer Protection Advisory Council.

YB Tan Sri Dato' Haji Hanafiah Haji Ahmad was conferred the 'P.S.M.' by DYMM Seri Paduka Baginda Yang Di Pertuan Agong.

Encik James Lim Cheng Poh was conferred the 'K.M.N.' by DYMM Seri Paduka Baginda Yang Di Pertuan Agong.

MANAGEMENT QUOTATIONS

"In talking with successful CEOs of large companies, I hear one recurrent theme: "the willingness to pay the price." This phrase implies an intense motivation, a burning desire to become chief executive. The price includes not just consistently long hours and longer days, but grueling travel schedules, emotional stress, loss of privacy, putting one's reputation on the line, guilt for the neglect of spouses and children, and little time, if any, left over for oneself".

"In the private or public sector, in big business or small, we observe that there are only two ways to create and sustain superior performance over the long haul. First, take exceptional care of your customers.... via superior service and superior quality. Second, constantly innovate. That's it. There are no alternatives in achieving long-term superior performance, or sustaining strategic competitive advantage".

"We decline in energy as we advance in age; also in decisiveness and daring. All people finally wear out. Companies with strong and confident managements increasingly find humane ways of reassigning or letting declining people go. At the top they have the self-assurance to do what must be done and the strength to find acceptable ways".

"Leaders produce consent, others seek consensus. Consent is given to the confident and composed, those with firm and persuasive convictions. Only people who believe in themselves generate believers. Nor is it a matter of charisma. It is about inner strength and clearly articulated views that are convincingly based on deep experience and solid judgements. Arrogance and swagger sometimes work, but then things fall apart".