

Building A Business The Grand Way

He started out with lots of determination and hardwork. Along the way he threw in people skills and foresight. Today he has success written all over his face.

• By Charlotte Robert

Derrick Tan always wanted to be an entrepreneur. Therefore setting up his own company came naturally to him. One and a half years into employment in the hydraulic engineering line, Tan, group president of Grand-Flo Solution Berhad, called it quits and went solo when his customers spurred him on to do so.

Looking back, he recalls that taking the leap of faith was indeed a scary one but he decided to do it anyway. He figured in the worst case scenario, he could always return to employment.

"At that time, I was single and I figured it was worth a try as I had nothing to lose. With just some pocket money of my own and some money borrowed from an uncle which all amounted to RM40,000, and a staff of two, I launched out on my own.

"I started by renting a room in an office with no air-conditioning and just a small fan. I played all the roles then and did a lot of sales at night. Today I am where I am because of the trust and confidence from my customers and suppliers who actually gave me credit terms to come out and set up on my own," reveals Tan.

Coded for success

Setting up Grand-Flo Engineering Supply and Service Sdn Bhd in 1989 was just the beginning of the group's history. The company then diversified into the bar coding business in 1994 and set up Grand-Flo Electronic System Sdn Bhd (GFES) in 1996.

"We started off as a value-added reseller of hardware and expanded to offer software solutions and thereafter, total solutions in automated identification system. I ventured into bar coding because I saw the potential in the tracking solution business.

"At that time, bar coding was still very new in Asia, generally and more specifically in Malaysia. However, as business grew, automated tracking was definitely the way forward for better inventory, data and information management," Tan states.

The software division was started in 2002 with Grand-Flo Solution Bhd (GFS). Tan then applied for MSC status to focus on research and development and investment holding for GFES. With hindsight and years of experience under his belt now, Tan admits the company has come a long way.

"The cycle was completed when we acquired a labels manufacturing company to provide competitive labels to our customers. Before that, we used to purchase the barcode labels from third parties to include into our total solution to our customers.

"We are still working hard to integrate all the different parts of our businesses represented by different subsidiaries and associates, the sum total of which will enable us to mark a successful footprint in Enterprise Data Collection and Collation Systems (EDCCS) business in the region," elaborates Tan.

Tough beginnings

Today, with a combined team of 370 people, Grand-Flo Solution has branches in Kuala Lumpur, Penang, Johor Bahru and Malacca and regionally in Thailand, Singapore, Vietnam, Hong Kong and Guangzhou. They also own two factories, one in Malaysia and one in Thailand.

Yet, the road to riches was not paved with gold for Tan says he faced many challenges to get to where he is today. On the human resource aspect, the greatest challenge was to identify good business people with similar objectives to work with him either via acquisition or joint venture, and to plan and grow the companies together with them.

On the marketing front, the greatest challenge that continues is to stay competitive and continue to roll out products and solutions that cater to different geographical markets across the region in the countries of the company's presence.

A further challenge Tan faces is to deal with the different cultures where the group's presence is and the different ways the cultures operate. He overcomes his challenges with the help of strong support from his team of capable and committed managers.

Getting there

Despite the hurdles that he has faced, the group still manages an annual turnover of about RM70 million per year. The hardworking businessman who claims he is inspired by the success stories of renowned business leaders around the world,



Derrick Tan

says his mission is to make Grand-Flo a truly regional player by enhancing Grand-Flo's foothold in the countries of the company's current presence and to set foot into those countries not in their helm yet like Indonesia, Philippines and Australia among others.

The group is targeting sales of RM100 million for the year 2010 if the economic situation improves. Piling success upon success, Tan says one of the reasons

the group has gone from strength to strength, winning accolades along the way is because of his own greatest strength, which is being able to identify the right people to grow the business with him.

Driven by achievements not only for himself but also for all his associates who are in the management team heading the various subsidiaries and associates within the group, Tan says he also has the foresight to identify what will happen in this industry in the next few years and thus far his foresight has been right especially in the marketing segment.

"Going forward I believe that whatever I plan to do I can achieve it. I just have some advice to give small medium enterprises. To achieve the next level in your business, you need to enhance your productivity. And if you want to be successful, you cannot be afraid to invest in technology. It will bring and enhance your business."