

## **Empires of the rising sons - and daughters**

**As first- and second-generation entrepreneurs reach retirement years, their children and grandchildren are stepping up to the rostrum. These young and restless makeover merchants are now taking venerable old brands to cool new places.**

**By [Susan Long](#)**

A GENERATIONAL sea change is washing over Singapore's industries today. Heirs of family businesses are breathing new life into old, often faded firms - from kaya toast chains, water heater companies, beauty salons and coffee merchants to furniture makers, property developers and Chinese restaurants.

Many - like family-run Lee Hwa Holdings, which three years ago gave itself the more exportable name of Aspial Corporation after a Latin word meaning 'the pathway to inspiration' - have splurged on international branding consultants such as Interbrand to spruce up their image.

The listed jewellery company's scion and CEO, Mr Koh Wee Seng, 35, who took over his mother's traditional goldsmith chain 10 years ago, is busy modernising its business model, upping its marketing ante and wooing younger buyers.

He has ploughed 10 per cent of annual sales into advertising - previously unheard of in the gem trade - shot advertisements in New Zealand, hired brand mascots like British supermodel Jodie Kidd and fitted his stores with swish Philippe Starck furnishings.

His entry into the business was a case of Confucian filial piety meeting commercial pressures: 'My mother needed a rest after 10 years without a single day off. I couldn't let her hard work go to waste and just close it down.'

He and others - like pewter company Royal Selangor, now into its fourth generation of family management - are looking far beyond Singapore shores.

Not content with regionalisation, they are aggressively penetrating Western markets. Royal Selangor now has more than 80 outlets and 7,500 sales points in 20 countries, including Canada, the United Kingdom and Australia.

Both have no desire to be another Tiffany's, but want to build international powerhouse brands that shout 'We are Asia'.

Once roped on board, most of these new-generation entrepreneurs have also brought more modern management practices into their companies.

To avoid the emotive pitfalls of mixing family with business, many, like Tiong Aik Group's executive director Neo Tiam Boon, 41, have brought in professional managers, given them equity and put in place performance appraisals and bell curves to weed out non-performers.

Quite unlike during his father's time, Mr Neo is planning ahead for merit-based successions, regardless of parentage or birth order.

He has a management trainee programme and two current trainees are outsiders with MBAs.

Intent on keeping out freeloaders and proving wrong the adage that family businesses cannot outlast three generations, he has also demanded that family members seeking jobs prove themselves 'as capable or better' than existing staff.

Dr Randel Carlock, Fontainebleau-based director of Insead business school's international family enterprises unit, says the chief challenge of inheriting a business, as opposed to building something from scratch yourself, is that 'it belongs to your family socially and psychologically'.

'You have to negotiate your role and struggle with whether you are a trustee or an entrepreneur,' he says.

A trustee's role is geared towards asset protection, ensuring stability and encashing dividends to fund family retirement plans.

But an entrepreneur's end-game is asset expansion, promoting regeneration and investing to grow the business.

Both roles are diametrically opposite, presenting yet another daunting dilemma - to shake things up or maintain the status quo - to hard-pressed second- and third-generation entrepreneurs.

OKP Holdings' managing director Or Toh Wat is a case in point.

As a teenager, envisioning a lifetime of sacrifices, he swore off his family business of building roads and resolved never to follow in his father's mud-caked contractor boots.

He had to be dragged kicking and screaming into the Or company after graduation.

He relates: 'As the Chinese saying goes, chuang ye nan, shou ye geng nan. (It's tough to start a business, even tougher to keep it going.)

There are constant comparisons between father and son. You can't relax even for one minute. You've to be up to the mark on everything to prove that you're worthy of the position.'

Perhaps that is why all of the five successors The Sunday Times interviewed - without exception - categorically state that they have no dynastic ambitions and will never 'impose the burden of succession' on their own children.

Entrepreneurship cannot be passed down like a family heirloom.