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# A decennial anniversary that only marks the beginning

By Melissa Steven

While many would slow down and celebrate success upon reaching a ten-year milestone, Chan Kong Yew, founder and managing director of Infinity Logistic & Transport Sdn Bhd has already mapped-out several strategies for the coming decade. It all started in 2003, when Chan with his three employees decided to pursue a small ambition of creating logistics solutions. He wanted to create logistics solution that transported cargos from Thailand-Malaysia-Singapore by rail. And that became the reason on how the company was initially known as TSM Logistics.

Equipped with a working capital of RM100,000 and vast experiences under his belt, TSM Logistics first began its operation as a third-party logistics provider. Chan explained that he began to build his business model based on the Blue Ocean Strategy (BOS), which focused on untapped and niche market segments.

His first strategy in 2003 was straight-forward – converting land transport, from road to rail as its benefits include transporting higher volumes per voyage, cost competitiveness and even being environmentally friendly. With a strong start and a clear direction to follow, his efforts paid-off as he succeeded to penetrate the growing market and profited with a total of RM23 million in terms of revenue in the first year.

Next, in 2004 after six-months of careful planning the company then ventured into NVOCC (non-vessel operating container carrier). With the shipping industry still recovering as a result of the 97' to 98' financial crises, Chan thanked his lucky star, as his prediction of its bloom in 2004 became a reality. Simultaneously the company's innovation, a 20' High Cube containers instantly became the perfect solution for odd-sized, bulky cargos with low density.

"To me, market research is extremely important and my advise to entrepreneurs is that you must do a thorough market survey, know your competition and find your own niche, especially when it comes to the red ocean businesses," added Chan.

After expanding the business in Indonesia and Vietnam, Chan recognized the need for rebranding his company and hence decided on renaming his company to Infinity Logistics towards the end of 2004. In 2005, the company grew further as it shifted from being a third-party provider to an asset-based provider by purchasing trucks and containers. That effort clearly paid-off as today, the company owns and operates 78 prime movers, 375 trailers, 21 conventional trucks and many other assets to offer comprehensive and broad range of services to its growing number of clientele.

All in all, Infinity Logistics has indeed come a long way as today it strongly operates based on its eight core businesses: land logistics, NVOCC, freight



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ing & forwarding, freight village, bulk logistics, container depot & rail siding terminal, agencies and lastly feedering. Chan further elaborated that these core businesses is supported by value added services that are exclusively provided by the company. Such services include network, integration, end-to-end, supply chain management, logistics engineering, lead logistics provider and finally advisory and consultation.

"As soon as we recognised that the implementation of supply chain management – the method of eliminating specific stages of certain processes were no longer applicable after a period of time, we ventured into logistic engineering. This value added service refers to the method of removing two processes and replacing them with one process," explained Chan.

Another innovation of the company that became an immediate success within its bulk logistics is the Flexitanks, bags that are suitable to transport a wide range of liquid and dry products. Other innovations include heating pads, tube liners and insulation liners – these inventions were all results of good market research that span from the shortest being two to three months and to a longer period of three to four years. Another added benefit from all this research is that the company was also able to plunge into providing vertical logistics solutions for matters such as palm oil bases, rubber & latex, iron & steel, minerals, construction materials, polymers, fast moving consumer goods and also grains & feed.

Apart from that, Chan has also lead his company into providing niche logistics solutions and they include: Halal logistics, project cargo, retail logistics, reefer logistics, green logistics, insurance management, chemical logistics and lastly humanitarian logistics.

Chan admitted that he had his fair share of mistakes that resulted to big losses. It was through these mistakes that he understood better and preserved to improve his services. As a result of his focused efforts, Infinity Logistics was certified both the

Quality Management System Standards of ISO 9001:2008 in January 2010 and the Kosher Certification by the London Beth Din Kashrut (KLBD) London in May 2010 respectively.

Most recently in 2012, Infinity Logistics also won the SME ICT Adoption Award, an award that was presented to non-listed SMEs that heed the government's call to automate and adopt ICT in their business to attain operation efficiency and compete efficiently in the market. Chan considered the award to be a blessing as the company had invested RM2 million in IT systems and software to ensure its operation is able to run smoothly and with very minimal glitches.

Elaborating further on the need for such technology, Chan explained that as the nature of his business dealt with massive amount of information, losing any of it was not an option that the company could face. As a solution to this, the company implemented the Disaster Data Recovery Programme – a system that includes two servers that mirror each other and works in a parallel manner transforming information every day during a selected period of time. Another benefit of such technology is that the system ensures that the restoration period when a personal computer or notebook crashes is minimised to almost less than 24 hours. This once again avoids a bulk of information to be lost should such incidents occur.

His zealous entrepreneurial skills did not go unnoticed for long. Many have noted Chan's innovations and accomplishments as he was awarded the CLT Young Entrepreneur Award by The Chartered Institute of Logistics (CILT) in 2006. He also received the Asia Pacific International Entrepreneur Excellence Award in 2011 for Excellence Leadership and Excellence in Product.

Looking back, the company was able to successfully strengthen and solidify its core business and the value added services that it had been providing in 2012. With an approximation of RM157 million in terms of group revenue in its 10th year

anniversary and 11 offices in operation – four in Malaysia, three in Indonesia, two in Thailand, one in both Singapore and Vietnam respectively; Chan is now ready to embark on the next level.

"The beauty of being an entrepreneur is that one is able to make decisions very fast and at the same time have the flexibility to change decisions almost instantly should such a need arises. And this is something the corporate companies tend to admire from us," said Chan.

In terms of strategies that he plans to implement for the next decade, he wants to strive towards making the company to become an Asean logistics and transport provider. And to achieve that, Chan identifies the need for the company to be a fully integrated logistics provider; to evolve from an NVOCC operator to becoming a full-fledged shipping line that owns a vessel, to be a global flexitank operator and lastly to become the best regional land bridge player.

Having explained all his strategies, Chan also adds on that he is going to remain ambitious and attempt to win the SME Service Excellence Award this year. Acknowledging that he has plans for the company to go public-listed in the future, he briefly explained that he plans to do so differently as obtaining funds is not a problem that he foresees for the company. Infinity Logistics also takes pride in being known as one of the selected companies that have been granted an integrated logistics services recognition and integrated international logistics solutions provider by Malaysian Investment Development (MIDA) recently.

On succession plans for the company, Chan elaborated that currently the company operates in an entrepreneur manner. In other words, head of departments are either direct or indirect shareholders who are able to ensure the day-to-day operations of the company is able to run smoothly and this has allowed Chan to focus on workable action plans for the company. As an employer who understands the need for his members to be well-equipped and to embrace the rapid, ever-changing surrounding, all his employees are required to sit for an internal foundational course for 32 hours while intermediate and advance courses are allocated for higher positions within the company.

Another commendable initiative of the company is also the Easy Programme – a small collaboration with Universiti Kuala Lumpur (UniKL) and Universiti Utara Malaysia (UUM) to recruit interns. The internship programme that has been in place for the past two years provides an opportunity for potential talents to get first-hand experience in the logistics world. It is indeed a remarkable story on how far Infinity Logistics has evolved over ten years and under Chan's continuous watchful eye, the company will unquestionably sail deeper into uncharted waters and achieve greater milestones and innovations.