

BORN AND BRED IN PEWTER DUST

INTERVIEW WITH DATIN PADUKA CHEN MUN KUEN, DIRECTOR OF ROYAL SELANGOR INTERNATIONAL SDN BHD

By Dr Cuthbert Teo Eng Swee, Editorial Board Member

Dr Cuthbert Teo - CT : Datin Paduka Chen, thank you for agreeing to be interviewed. Can you tell us about your grandfather and how he founded the company?

Datin Paduka Chen Mun Kuen - CMK : In 1885, my grandfather, Yong Koon sailed from the south-eastern Chinese port of Shantou in Guangdong province to Malaya. Since the age of 11, he was already an apprentice pewtersmith and was 14-years-old when he arrived in Kuala Lumpur. My grandfather was proud of his Hakka origin and it angered him when his grandchildren spoke another dialect.

Yong Koon joined his older brother Chin Seong and younger brother Wai Seong, in the newly established tin mining town. By 1898, Malaysia was the largest tin producer in the world. They had a pewter business in a shophouse in 23 Cross Street, now Jalan Silang. The name of the shop-house was Ngeok Foh, which means Jade Peace in Hakka. The brothers made a variety of simple household items, like pails, weighing scales, incense burners, joss stick holders and candle stands for altars. The brothers' touch-mark, Ngeok Foh, was stamped in Chinese characters on each piece. As the business grew, Yong Koon returned to China and brought back a bride, Loh Pat. They had sons Peng Pow, Peng Sin, Peng Kai (my father) and Peng Seong who were, in my father's words, born and bred in pewter dust, since the family stayed in the shophouse.

My grandmother was a formidable no-nonsense Hakka woman who eventually saved enough money to buy their own shophouse at 219 Pudu Road.

CT: What happened to Yong Koon's sons?

CMK: My grandfather and his sons later went separate ways. From the split, three other pewter companies emerged — Tiger, Lion and Selangor. The eldest son, Peng Pow started Malayan Pewter while Peng

The story of Royal Selangor, a family run business is no ordinary corporate history. Its humble beginnings and complicated evolution are closely entwined with Malaysia's remarkable economic transformation. The discovery of tin in Kuala Lumpur in the late 19th century spurred a rush of tin miners from China.

In 1885 a young pewtersmith named Yong Koon sailed from Shantou, the southeastern Chinese port, to Malaya. His journey ultimately led to the founding of Royal Selangor, one of the best-known pewter companies in the world.



Giant tankard displayed at the entrance of Royal Selangor Visitor Centre

Sin, Peng Kai and Peng Seong had set up Tiger Pewter at the original premises. Within a year, Tiger folded but was revived as Selangor Pewter. During the Japanese occupation, the Japanese declared tin a controlled commodity, and the pewter business crumbled. My father ran a taxi service to supplement the family income.

In 1952, my grandfather Yong Koon passed away, aged 81. By then, my father had married Guay Soh Eng. She was calm and level-headed, qualities that contributed to the success of the business. My eldest brother, Poh Shin, was born in 1939, sister Mun Ha in 1941, myself in 1942 and youngest brother Poh Kon in 1945. In 1945, we rented a shop in Batu Road (now Jalan Tuanku Abdul Rahman) where customers could go. William Holden, an American actor visited while filming the movie *The Seventh Dawn*. Mr Holden's visit was a boon because he placed a large order of cigarette cases. My father worked alongside his employees, sweating in his Pagoda-brand white cotton vest, always paying his staff promptly and never raising his voice. My father treated his employees like family, and his staff worshipped him. Peng Kai was always looking for ways to improve the business. Besides introducing technical innovations like the spinning lathe and engraving machines, the company was one of the first to hire female workers. In 1962, my father moved operations from Pudu to the present factory in Setapak.

CT: How did Royal Selangor build up its brand from there?

CMK: In the 1970s, Australia became a big export market for the company. With business booming, the family realised that there had to be some formal design and marketing effort and roped in my mother's niece, Guay Boon Lay who studied in Bristol Art College. She was responsible for the tulip-shaped goblet design, which became a best seller. In 1976, the company hired a Danish designer Anders Quistgaard to come up with new packaging, and he came up with the blue and white lapis lazuli print and diamond shaped logo. By that time, the factory moved to a

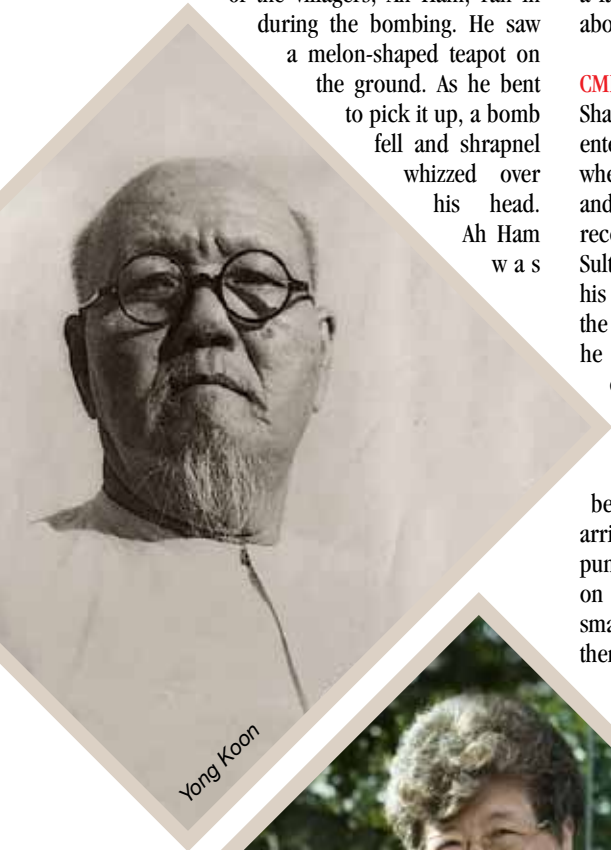
larger site five minutes away, where Anders set up a model shop to make prototypes of new products. Anders was also the one who conceived the idea of the Giant Tankard.

Since then, the company's design department has continuously developed new product ranges using either our own in-house designers or by commissioning designers from overseas.

CT: You told me an interesting story about a melon pot when I was in KL. Can you please repeat the story?

CMK: In the museum, you will find a pewter melon teapot, we call it the lucky melon teapot. When bombs were being dropped during the Second World War, hungry villagers in Kajang were scrambling for rice in a godown. One of the villagers, Ah Ham, ran in during the bombing. He saw a melon-shaped teapot on the ground. As he bent to pick it up, a bomb fell and shrapnel whizzed over his head.

Ah Ham
was



Yong Koon

convinced the teapot saved his life. For the next 30 years, Ah Ham would serve tea to his visitors with the teapot and tell them his story.

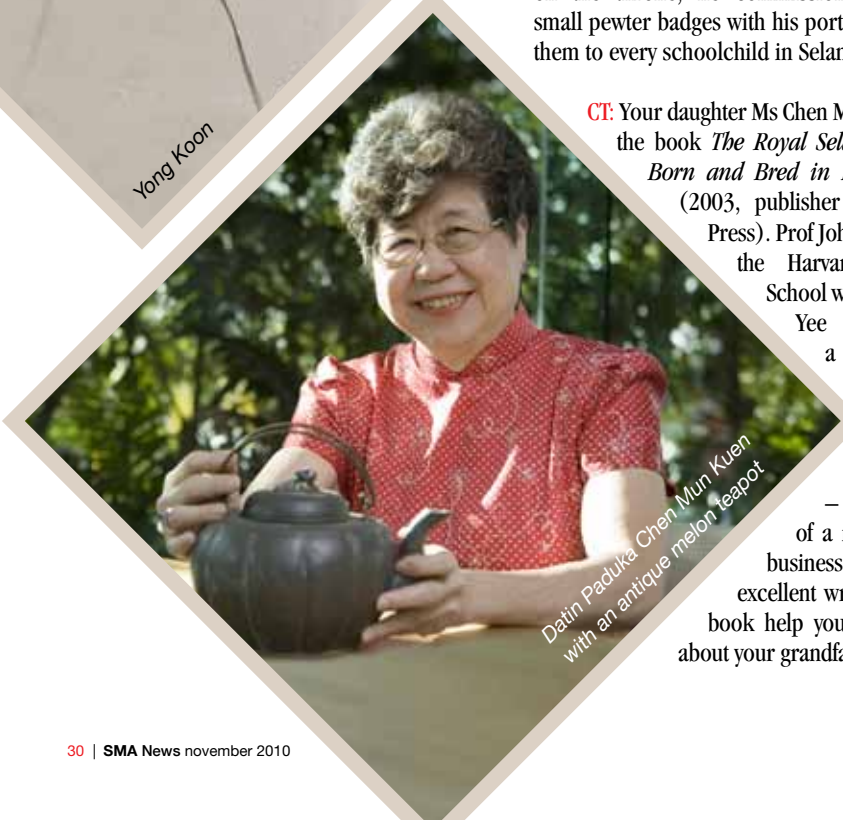
One day my husband visited Ah Ham and as usual Ah Ham was telling him about the pot. When my husband told Ah Ham that I worked in a pewter factory, he asked my husband to bring the pot back to clean it up. In the factory, my staff noticed that my grandfather's hallmark was on the bottom of the pot so we went back to ask Ah Ham to sell it to us. At first he refused to do so, but finally agreed as he was getting old. Now hundreds of people see his pot in my museum daily.

CT: Because of the word "Royal" in the company name, I had previously assumed that the company was government- or state-run. I have been pleasantly surprised that it is actually a family-run business. Can you please tell us about the Royal link?

CMK: The late Sultan Salahuddin Abdul Aziz Shah of Selangor was in Australia when he entered a store and was asked respectfully where he came from. He replied "Selangor" and the store assistant gave a look of recognition by saying "Selangor Pewter". The Sultan was impressed that pewter was making his state famous. On his return, he decided that the company should have royal status, which he conferred in 1979. In 1992, the company changed its name to Royal Selangor in recognition of the royal warrant.

I personally attended to the Sultan. Palace officials would phone the day before and announce that the Sultan would arrive at 9am the next morning. He was always punctual. When the Sultan celebrated 25 years on the throne, he commissioned 350,000 small pewter badges with his portrait and gave them to every schoolchild in Selangor.

CT: Your daughter Ms Chen May Yee wrote the book *The Royal Selangor Story: Born and Bred in Pewter Dust* (2003, publisher Archipelago Press). Prof John Davis from the Harvard Business School wrote that May Yee has written a touching account of her family's business – an account of a model family business story by an excellent writer. Did this book help you learn more about your grandfather?



Datin Paduka Chen Mun Kuen with an antique melon teapot

CMK: My daughter spoke to a lot of people, especially the old staff who worked with my father and other relatives. This gave her invaluable insight into what it was like in the old days. On her way to work, she used to listen to some cassette tapes in the car, of earlier recorded interviews between my cousin and my father. And she used to say that in the morning, she would be listening to someone from the dead. She would then go to the office to work with the living and then on the way home, she would be listening to the dead again!

In researching our family history, we had also visited my grandfather's ancestral home in the farming village of Pak Hou in Dabu, Guangdong. The only person still living there is Wong Nyet Nghoh, the widowed daughter-in-law of my grand uncle. We also learnt a lot from her.

CT: While I was visiting some shopping centres in the Bukit Bintang area, I saw some other brands of pewter products. Personally, the newer designs on the pewter products from Royal Selangor seemed to be more innovative, and the fine work was quite distinctive. In your opinion, what distinguishes Royal Selangor pewter from these other products?

CMK: One of the reasons why Royal Selangor has managed to survive and grow all these years is because we continuously innovate and create designs that are relevant and desirable to our customers. During my grandfather's time, when demand for Chinese ceremonial items was declining, they started making more "western" designs for the British servicemen – items like tankards and ashtrays. So continuous innovation has helped us to survive. These days we recognise the change in our customers' lifestyle and we are responding with designs that are relevant to them.

CT: I was told by one of your staff that you regularly pop in to the retail store and ask visitors whether they need any assistance. What is your personal philosophy regarding customer service and your relationship with your staff?

CMK: Actually I spend most of my time in the retail store of our visitor centre. I enjoy meeting people and I'm always pleased to show visitors around. They are usually very impressed with the exhibits and many vow to bring others here. Word-of-mouth marketing is always the best! I always treat customers and staff the way I would like to be treated. I always tell my staff that it doesn't matter if the customer doesn't buy today. If we tell them about our products and assist them, they will come back to buy from us.

CT: Given the quality of Royal Selangor products,

there must have been many celebrities and regional and world leaders who have visited Royal Selangor. What are some of the more memorable visits?

CMK: Many years ago, we had an American actor visit us and I had absolutely no idea who he was. Anyway I sent a picture of the visitor to my daughter and she was absolutely flabbergasted that it was actually Mel Gibson! I've also had the pleasure of meeting Bill Clinton and many other heads of state and their spouses.

CT: The younger generation of your family has become involved in the family business in various capacities. Can you tell us more?

CMK: The next generation of Yongs, my grandfather's (the founder's) great-grandchildren have entered the fray. Poh Kon's son Yoon Li and my son Tien Yue are general managers, respectively looking after the factory and marketing. Before joining the business, Yoon Li spent nine years in the automotive industry in the UK and Malaysia while Tien Yue worked as a consultant with McKinsey.

Mun Ha's daughter, Sun May Foon buys stones and designs for Selberan. Poh Kon's youngest son, Yoon Kit helped create the company's website in 1998, which won a regional CIO award in 2001. He now heads the company's IT department. Poh Shin's eldest son, Chris helps with our new designs.

CT: There is a Chinese saying 富不过三代 (fu bu guo san dai), meaning that it is rare that the wealth of a family can last for three generations. This saying hints that the first generation works extremely hard, the second sees the value of and maintains the hard work while the third generation forgets and squanders the wealth. It is very obvious that the Royal Selangor does not fit this saying.

CMK: My father had always advised us that we must not quarrel and must work together. So we have always learned how to give and take, and to work harmoniously together.

CT: Despite the long history of the business, the company has curiously remained privately owned. What is the corporate strategy in remaining so?

CMK: Looking back, there have been several junctures where the company was on shaky ground but we recovered by reinventing ourselves while maintaining high quality pewter. Our entrepreneurial spirit and knack for innovation helped us survive.

Singapore was naturally our first foreign market. After Singapore split from Malaya, the government wanted to attract labour intensive industries, and the company qualified for investment incentives. The factory was set up in Paya Lebar, near the former international airport. Going outside the region was wading into unknown waters. We did not have a globalisation template, and we tried different approaches, like setting up distribution companies and acquiring companies.

Australia and Canada were important markets in the 70s. We also set up offices in Hong Kong, Japan and the United Kingdom. To establish an industrial presence, we began to participate in international fairs to establish credibility and introduce new products. In the 1990s we recognised the importance of China and started exporting to this market. We also saw the potential of doing internet sales and launched our online shop.

CT: Today Royal Selangor has gone global and sprouted wings. The company exports to more than 20 countries and has retail stores in major cities. Along the way, Royal Selangor has acquired Canadian Seagull Pewter in 2002, and Englefields in 1987, a 350-year-old London company. It set up Selberan in 1972, a jewellery company, a joint venture with Swiss and Austrian jewellers. It has also gone into silver with the acquisition of Comyns in 1993, a London silversmith dating back to the 17th century. How does Royal Selangor control the growth of the company? What dangers do you see with too rapid expansion? How does Royal Selangor deal with these dangers?

CMK: I don't think we have expanded very rapidly. In fact our growth has been very organic. There have not been any revolutionary changes. Rather, we have been evolving quite gradually. The step to diversify only happened when we chanced upon the opportunity and were in a position to do so. There will always be risks in running a business.

CT: You had many long time staff who demonstrated some pewtering production techniques to us during our visit to the factory – Madam Vadiveli who pours molten tin into a mould to form handles, Madam Chin Yoke Lan who hammered decorative indentations on a

tankard,
a n d
M a d a m
Esah Jantan who
polished pewter.
How has Royal Selangor
managed to keep such loyal
staff so long in the company?

CMK: My father treated the staff as part of his extended family and in the old days he used to take them for holidays and also celebrate many of the Chinese festivals with them. Although the company is a lot bigger these days, our HR department does carry out many activities for our staff – for instance some time ago during the school holidays, we had the 'Bring our children to work day' where our staff could bring their kids to the office. We had planned out a programme for the children to spend a day here so that they too can be proud of the company and be a part of the Royal Selangor family. The children had fun touring the visitor centre, playing games and watching a movie together.

CT: Datin Paduka Chen, thank you for your time.

CMK: Thank you. **SMA**



The Four Gentlemen



Peng Kai and Soh Eng