

# Turning Points

The UMW Story

*Zuraidah Omar*  
UMW  
LEADERSHIP  
FOUNDATION  
YAYASAN  
KEPIMPINAN  
PERDANA

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## The UMW Story

Mention the name “UMW” and one immediately associates it with Toyota cars. Not many know that the UMW Group is also linked with Perodua, Malaysia’s second national car manufacturer, nor that its Oil & Gas division is a major group core business. The fact that UMW is a home-grown Malaysian multinational corporation with a history that dates back to 1917 may also be a little known fact.

The Group’s founder, Chia Yee Soh, started UMW as a humble automotive spare parts shop. Today, UMW is one of the country’s most successful conglomerates, focusing on the Automotive, Equipment, Manufacturing & Engineering, and Oil & Gas businesses – with a workforce of nearly 11,000 employees spread across more than 90 companies in 13 countries – including Malaysia, Singapore, Thailand, Myanmar, Vietnam, Papua New Guinea, Turkmenistan, Indonesia and Taiwan. It also has major investments in China, and more recently, in Australia, India and the Middle East.

Zuraidah Omar traces the UMW Story from day one to present time, placing its evolution within the context of Malaysia’s political and economic developments. Major milestones are highlighted, marking turning points in the organisation’s evolution from a spare parts shop to an entrepreneurial undertaking, and finally, to the highly successful corporation that it is today.

Within the pages of this book are stories of UMW’s achievements and more importantly, the challenges the Group has overcome over the years. There are also stories of how UMW acquired key international franchises and succeeded in building up and dominating its markets in Malaysia.

The UMW Story exemplifies the harnessing of positives while learning from the negatives. It is also a tale of perseverance, endurance and strength that has left an indelible mark on the Malaysian business landscape.

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*To the memory of  
Tan Sri Datuk Eric Chia Eng Hock  
1933–2008  
Founder, United Motor Works (Malaya), 1958,  
and Chief Executive Officer, United Motor Works (Malaysia)  
Holdings Berhad,  
1970–1988*

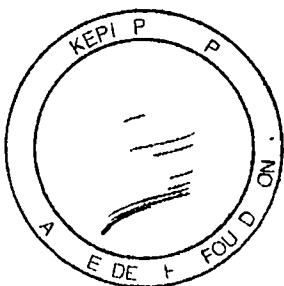


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ZURAIDAH OMAR



PUSTAKA PERDANA



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*Since this book was written, the names of some of the companies may have changed.*

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## MESSAGE FROM THE GROUP CHAIRMAN

In Malaysia, in general, we have yet to develop an appreciation of the past and an understanding of the importance of recording previous experiences for future generations. It is not surprising then that we find very few published autobiographies or biographies of Malaysians, and fewer still of the country's home-grown organisations.

Our past is a vital key to understanding our present. Moreover, our past helps us to make sense of where we are heading in the future. This applies not only to individuals but also to organisations, communities and the nation as a whole.

With regard to UMW, the Group has travelled a long and winding road since its humble beginnings in 1917 to reach this point in its development, when its business is moving into new areas and markets. It should be of interest to corporate executives as well as those in management studies to learn how and why UMW has evolved to become the organisation it is today.

The story of UMW is the story of a purely Malaysian company. It relates the entrepreneurial drive that laid the foundations of the company and pushed it forward, the aftermath of an aggressive growth path and the necessary shift towards a more disciplined and corporate environment to ensure the survival of the company.

That initial entrepreneurial drive came from Tan Sri Datuk Eric Chia, who sadly passed away this year while we were in the midst of finalising this book. Tan Sri Eric went through numerous trials and tribulations as he strived to build UMW into a company to be reckoned with. The hard work that he put in to achieve his dreams for UMW was unrelenting and those who served under him learnt very early that he expected nothing less from them. Without

Tan Sri Datuk Eric Chia, there would have been no UMW.

UMW's development over the decades is a typical story of organisational growth, which should make it a good case study for management students. For people within the Group, particularly those who have been with UMW for very many years, it is a more personal story. They have come this far together with the organisation, an achievement of which they should be proud. But much still lies ahead for us as we continue to build upon what we have and, at the same time, explore new opportunities. While UMW may be a large organisation, it is by no means slowing down. The momentum has been generated; there will be more turning points to come.

I commend Dato' Abdul Halim Harun and his management team for taking the initiative to produce this book, which will add to the store of knowledge that currently exists on Malaysian corporations. It is my sincere hope that more organisations will add their tales to this store, thereby enriching our country's recorded corporate history.



TAN SRI DATUK ASMAT KAMALUDIN  
GROUP CHAIRMAN  
UMW HOLDINGS BERHAD  
October 2008

## FOREWORD BY THE GROUP MANAGING DIRECTOR

In today's fast-moving world, where change is something that we have to continually deal with, it is important to know where we come from. Regardless of who we are and what we have become, we must always remember and acknowledge our roots. Our past determines our growth and development, helping to create what we are today.

In our personal and working lives, we experience both positive and negative moments. The strength of our character is seen in how we harness the positives and learn from the negatives for our own good as well as the good of the community. This is so for individuals as well as organisations.

The UMW Group, having grown from a family-based company founded in 1917 to one of Malaysia's leading public-listed companies, has a long history of harnessing the positives and learning from the negatives. But this history will eventually be forgotten as time goes on and long-serving employees retire. It is essential that this history be recorded so that the thousands of people employed by the UMW Group, now and in the future, will know how UMW developed into a corporate organisation with a distinct culture, a corporation that is solid, disciplined and professional.

Therein lies the reason that I have commissioned the publication of this book, *Turning Points: The UMW Story*. It chronicles the key periods of our organisational history, the achievements as well as the mistakes, the opportunities that were seized and the challenges that were overcome, all of which have led us to this moment in our development.

In this evolution, the contributions of the late Tan Sri Datuk Eric Chia in building up UMW into a truly formidable Malaysian business entity have been immense. As a lifelong student of management,

I truly appreciate the many positives that Tan Sri Eric Chia had imbued into UMW when he was helming the organisation. Sadly, he passed away this year as we were working towards bringing this book to fruition. He was truly an entrepreneur—business was in his blood; it was his life.

We are now at a crucial point in our growth where we are seeing the results of our decision to restructure and reorganise our many businesses. While we continue to remain true and be at the forefront of our established areas in the equipment, motor, and manufacturing and engineering sectors, we are making inroads into various aspects of the oil and gas industry. The financials indicate that we are on the right track. UMW is thus rejuvenated and revitalised, ready to go on for many more decades. But that, of course, will be a story for the future.

For now, please read, understand and, most importantly, learn from *this* story.



DATO' ABDUL HALIM HARUN  
GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER  
UMW HOLDINGS BERHAD  
October 2008