

When business runs in the family

Close ties can be a bonus and a challenge

By CHARISSA YONG

HE PRACTICALLY had the job handed to him on a silver platter – his father was the chairman and chief executive officer of the company – but Mr Jeffrey Soon did not set his sights on joining the family business before he began his engineering degree.

In fact, he nearly signed on with the Singapore Armed Forces, and almost took up a marine industry scholarship with a one-year bond.

He changed his mind, however, when his father, Mr Johnny Soon, who founded local piping and heat transfer firm Heatec Jietong, told him: “You will never own the army. And what can you learn in marine companies that I can’t teach you?”

Now Heatec’s sales manager, he spoke last Thursday as a panellist at a symposium on family business succession, organised by Spring Singapore and Singapore Management University. Other business leaders also shared their experiences in working within the family.

The consensus between scions and seniors alike was that nothing should be taken for granted. “Founders typically underestimate how hard it is for the second generation to come back to the family business. They have to adapt to their father’s culture,” said Professor Kevin Au from the Chinese University of Hong Kong, another panellist at the symposium.

Ms Chang Yee Ling, operations director of seafood restaurant Red House at the Quayside and also the daughter of its owners, initially found working for the family business “tough and at times lonely”.

“It is a small company and I had no peers. There were often no reference points, and I needed to figure out how to do things myself,” she said.

However, personal relationships were what made the difference – it helped that her parents were very supportive and gave her room to explore, she said.

Although Prof Au warned about a potential danger in family businesses which he termed “descendant deficit” – when children ride on the back of their fathers’ successes and receive special treatment without working hard enough – Ms Chang’s experiences suggest familiar, familial relationships can be a bonus rather than a burden.

“All the staff who have been with Red House for many years pretty much saw me grow up. They were also very encouraging, helpful and cooperative,” she said.

The younger generation is excited about bringing in new ideas and helping to grow their firms. For instance, to motivate his staff, Mr Soon introduced career advancement programmes. “We hire a lot of foreign workers, and they just come here, work and then go back home. Career paths never cross their minds. But I wanted to let them see that they are of value to the

company.”

He gave the example of a well-liked toilet cleaner who could speak English. “I asked him if he wanted to go back home after 10 years only having washed toilets...he’s now in charge of some projects.”

Similarly, Ms Chang has made innovative changes. She introduced an online reservation system, and drove the firm’s expansion by overseeing the opening of “a modern and oriental, yet convivial and sophisticated” outlet at Robertson Quay.

But neither Ms Chang nor Mr Soon wishes to strong-arm their children into joining the family business. Ms Chang said she would encourage her own children to join – “but not without some prior work experience outside of the family business, as I firmly believe that the exposure is most crucial”.

Said Mr Soon: “If they’re interested to join, they can just join. It’s not a forced thing.”



Mr Johnny Soon (left), founder of local piping and heat transfer firm Heatec Jietong, and his son Jeffrey Soon (right), Heatec’s sales manager, sharing their experiences of working together. PHOTO: HEATEC JIETONG

NEW THINKING

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SELF-HELP

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