

BY VIVIEN SHIAO

MY BROTHER, MY CO-DRIVER

Alex and Arthur Chua might have started on vastly different career trajectories but they have reunited to run the family business, Goldbell Group

ONE is a former high-flying banker who left home at 21 to pursue his ambitions overseas. The other stayed home to work in the family business, getting his hands dirty as a technician in a lorry workshop before moving up the ranks. Brothers Alex and Arthur Chua might have started on vastly different life trajectories, but they have reunited to co-drive Goldbell Group, Singapore's largest commercial vehicle and industrial equipment distribution and leasing company.

Younger brother Mr Arthur Chua, CEO of Goldbell Group, says: "I used to think that if you take over a family business, you are not an entrepreneur. These days, I find the statement a fallacy – every generation is the entrepreneur of that generation."

Since taking over the helm from their father William Chua (who is now chairman) six years ago, the pair of third-generation business leaders have wasted no time stepping on the accelerator. The duo has embarked on several new businesses, including a financial services arm and a flashy Future Mobility division that looks at innovation and technology in transport.

But despite the inroads made in uncharted territory, the brothers maintain that the core business remains as relevant as ever. Older brother Mr Alex Chua, previously JP Morgan's South-east Asia's head of equity derivatives structured products and now CEO of Goldbell Group's subsidiary Goldbell Financial Services, notes: "In the pursuit of trying to prove themselves, a lot of second and third-gens radically try to change the business, transforming it to something completely different."

He adds: "Yes, you can do something very different, but you waste what your father has done over the last 30 years. You make use of what he created to do something even better."

PICKING UP PACE

On the surface, Goldbell may seem like just another traditional, old-school company dealing in the business of lorries and forklifts – after all, that was how it all started in 1980.

But dive deeper, and it becomes clear that there is more than meets the eye. Its cutting-edge Future Mobility division – spearheaded by the younger Mr Chua – takes aim at the three biggest upcoming trends in transport today: the sharing economy, electric vehicles and autonomous vehicles.

This was inspired five years ago by Israeli technologies, which, he says, is at the forefront of the mobility space. Intrigued by the possibilities, Goldbell began investing in Israeli companies to find new ways to tap into their



technology to enhance its core business, as well as to create new scalable business models.

"Along the way, other than just to create an ecosystem of partners through collaborations with other businesses, we decided to start our own Future Mobility division," says the younger Mr Chua.

One company that Goldbell has invested in, and of which Mr Chua is a co-founder, is ride-sharing startup Ministry of Movement. The startup created its own intellectual property (IP) with a technology known as high capacity sharing, which uses complex algorithms to "pool many more people to many more destinations" on demand. It was recently awarded contracts by the Land Transport Authority (LTA) to carry out on-demand bus service trials.

Aside from the sharing economy, says Mr Chua, one of the strategies that the company is exploring is to potentially "electrify its fleet". The vehicles currently run on diesel. He explains: "We are looking to launch a technology that supplies electrical power to vehicles without having to affect the grid."

Finally, under the third pillar of autonomous vehicles, Goldbell's most recent development is the launch of autonomous forklifts. Mr Chua explains: "What happens is that a lot of tech companies build products that are technically sound, but may not fit market conditions."

For example, Goldbell's autonomous forklifts can go a lot higher than traditional forklifts, fitting the requirements that their customers want, he explains. "We try to merge our understanding of the core business and industry with tech capabilities, so we tend to be able to better understand customer needs and build a more relevant product," he adds.

AN SME LENDER FOR SMES

One new area that Goldbell has ventured into the last three years is financial services. Again, says Mr Alex Chua, it was inspired by their long-



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– Arthur Chua (left), CEO, Goldbell Group with Alex Chua, CEO, Goldbell Financial Services



THINK BIG
Goldbell Group is Singapore's largest commercial vehicle and industrial equipment distribution and leasing company



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PHOTO: JONATHAN CHOO

time customers, many of whom they know like the back of their hand. "We thought, since we understand the customer's business so well, why don't we also finance the customer since we know what they want?" he says.

"I look at Goldbell as an SME that is lending to an SME. The difference between us and any other financial institution is that we are small and nimble, which means that we can structure a lot of different products for our customers."

Not only does Goldbell offer loans for equipment, it also offers loans for working capital, commercial property and factoring. "Whatever the customer needs, we try to help," the older Mr Chua says.

While he considers Goldbell a traditional lender, he says that it looks at customers and risk very differently. "It's not just P&L (profit and loss). It's the customer and the business he runs. We take a little bit more risk, especially on customers whose business we know. We have financed quite a few startups."

He adds: "If financing companies don't adapt to help them overcome their issues, then technically you are no different from any lender out there."

Since the business started three years ago, its loan book has grown by three times. It has even expanded into Malaysia, and has its sights set on Australia.

Like the Future Mobility division, Mr Alex Chua says, the financial services business has also been investing in startups to help them scale – be it through improving their processes or helping them to do credit scoring more efficiently.

"We invest very heavily in these new startups, and we learn from them. We try to figure out why they look at things a certain way," he says. "We are domain experts, but we need to learn from these young guys in the technology aspect."

TEAMING UP

The two brothers might look like a well-oiled team now, but their start was not all smooth-sailing. When Mr Alex Chua returned from Hong Kong to join

the business six years ago, gossip was rife about potential rivalry between the two. At that point in time, his younger brother had been in the business since 2007, working with their father to run the show.

"People want drama. They always want to find reasons to make stories up," says Mr Alex Chua. "Now, people don't talk as there's nothing to talk about."

While he was making a good living in Hong Kong, his decision to return to Singapore to join the business was in part fuelled by the feeling of something missing in his interactions with the family. "My dad and my brother have a very strong relationship that encompasses everything, from work to family, and it was something I never understood," he explains. "Every time we go on our annual family holidays, you can see them very engrossed talking about the business. That was the part that was lacking, and one of the reasons why I came back."

By then, Mr Arthur Chua had been in the business for a good five years, having started at the bottom and earned his way to the top. He might be Goldbell's CEO now, but working in the family business was not something that he considered when he was in school. "I never actually thought of it. I always wanted to follow my brother's footsteps. He was a banker . . . a sexy job right? But somehow, my dad got me back into the business, with some convincing from a close family friend."

He recalls the gruelling days with a chuckle, when his take-home salary was less than S\$2,000, and he had to wake up at 5 am and change buses three times in the commute to the workplace, which was initially in Tuas.

But looking back, Mr Arthur Chua sees the wisdom in his father's decision to let him start from the ground up. "My dad was very wise to do that. It let me understand the mobility business from scratch . . . Now, I know the domain so well; it gives me a lot of credibility when I talk to tech companies," he explains.

When Mr Alex Chua came into the picture, it was the older brother's turn to learn the hard way. He was relegated to the marketing department at the

start, where he was taking on a "management role that had no effect on P&L" because he had little knowledge of the business.

But the biggest shock he received on his return was the working culture: "Working in a big bank and working in a family business – even if corporatised – is very different. People communicate differently, people do things at different speed, people look at things differently."

But luckily, he had his staff, as well as his brother, to help him with the transition. He says: "Sometimes I get very frustrated about why things are done a certain way, and he takes the time to explain to me – there's always a reason. I'm very stubborn, but he will explain until I get it."

He adds that returning home to join the family business was the "best decision ever". Both brothers also say that working together in the past six years has strengthened their ties. "I think our relationship got closer because of arguments," chimes in Mr Arthur Chua, drawing laughter from those present.

He explains: "As a result of arguments, you learn your own shortfalls and what you lack. Sometimes, when there's a bit of abrasion, I think it's actually good for building relationships. Now, I understand my brother a lot better."

GEARS IN MOTION

One crucial difference separates family businesses from the other companies – the long-term view. Mr Arthur Chua notes that many entrepreneurs today start a company with the intention to quickly exit and cash out. But this is not the case for them.

Mr Alex Chua adds: "You are taking over something that was built with blood and sweat from your dad. Everything you do, you cannot put the business at risk. Every choice has to be well thought of, and our projections are more than 10 years ahead."

In a family business, there is also no "off switch" as the business is

always on their minds. Everything has added significance, especially the 950 staff and their families that depend on them.

With so much expectations and responsibilities on their shoulders, the pair finds different ways to blow off steam. Mr Alex Chua practises the Brazilian martial art of jiu-jitsu, while Mr Arthur Chua swims.

Mr Arthur Chua shares a note that Albert Einstein wrote to a bellboy in 1922 as a guiding philosophy in his life. It reads: "A calm and modest life brings more happiness than the pursuit of success combined with constant restlessness."

He explains: "When you constantly seek the betterment of the family, you work even harder as the motivation is larger. The mind is always restless for me, and I'm sure it's the same for my brother. You have to learn to compartmentalise and keep the mind calm."

But a common Chinese saying that wealth does not pass three generations does not quite help things. Mr Alex Chua says: "We are the third generation – everyone is most likely waiting for something to fail, because it will prove that the saying is true."

However, he points out, the reason that the saying is in Chinese is because this often happens in Chinese family businesses. "European families are different. They last for generations. It's actually about the family, the interactions and the trust."

Mr Arthur Chua concurs that trust can make or break a family business. "I see a lot of second or third generation business leaders finding it very hard to run the company because of mistrust," he says. "When there's mistrust, you cannot have healthy debates."

Says Mr Alex Chua: "I trust my brother and my father implicitly. So when you trust someone so much, you don't have to spend your time defending against something that does not exist. So with that, you can spend your brainwaves doing what is important – which is the business." ■