

Manager@Work: Setting priorities

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Jennie Chua, CEO of The Ascott Group, on the company's strategy in these trying times and her own outlook on life

Though petite, legendary hotelier Jennie Chua, 63, cuts a striking and charismatic figure. Elegantly clad in a blue outfit as she sits in the private waiting room at the Raffles Hotel, the garrulous grandmother of three is as spirited as ever during an exclusive interview with Management@Work.

Three-and-a-half years after the sale of Raffles Holdings' hotel assets, which included the iconic Raffles Hotel, to US-based investment fund Colony Capital, and Raffles Holdings' delisting, Chua is back in the spotlight. The former Raffles CEO, who picked up dancing - rock and roll is her favourite - and chaired social organisations while taking a break from the corporate scene, is now possibly facing her most daunting challenge ever.

Chua, who took over the helm as CEO and president of The Ascott Group in August 2007, now has the grim task of revving up occupancy rates at the group's 25,000 serviced residence units as the deepening recession and growing unemployment rate dent discretionary spending.

"Whatever your work, you must enjoy it; if you have no choice, then you need to have the right mindset - how can I make my work more enjoyable? Otherwise, it's a bit sad," says the amicable Chua.

Chua is perhaps best remembered for her role in the sale of Raffles Holdings in 2005. Amid concerns about the preservation of its legacy, the Raffles Hotel, along with other properties in the group, sold for a grand total of \$1.7 billion. The 120-year-old hotel, which was synonymous with Singapore's history, was declared a national monument in 1987. Throughout its glorious heritage, the hotel has played host to a list of celebrities including Michael Jackson, Elizabeth Taylor and Charlie Chaplin.

"Sometimes you find yourself thinking about it [Raffles Hotel], but at the end of the day, the buildings and the company are not mine, personally," Chua says. "These assets belong to the company and therefore the shareholders, so you bring the proposition to the shareholders and they make the decision." At the time of sale, CapitaLand, Southeast Asia's largest property developer, owned about 60% of Raffles Holdings.

Indeed, there's no room for emotions and sentimental value in business, some would say. And Chua has set aside her dancing shoes to prove her mettle in the corporate world once more.

Turning adversity into opportunities

In fact, Chua has already formulated a set of strategies to buttress growth amid the recession. Instead of acquisitions - Ascott, which is wholly owned by CapitaLand, went on a blazing trail to scoop up at least 60 properties between 2004 and 2008 - the serviced residence operator is now looking to work with various apartment owners around the world who are finding it difficult to sell their properties.

"So, instead of investing in what would normally be a good property, we will work with the owner to manage the property for him," she says. In this way, Ascott will manage the building and maximise returns for building owners, as is being done by hotel management companies like Starwood Hotels & Resorts.

Last month, Ascott announced that it had secured a management contract for two residential properties owned by graduate business college Insead in Fontainebleau, France. These properties comprise 158 furnished residence units, each with a spacious en-suite bathroom, flat screen television, mini bar and Internet connection.

Chua says it is possible to skim over all the possibilities "and maybe down the line, there will be an option for us to go into investment mode. These are very good opportunities to grow our company. We have to look at investments with a fine-toothed comb. Yes, it is a good investment under normal circumstances, but right now do we want to invest, or is conservation of cash more important?"

The most recent major investment the company made was in October, when it acquired Citadines Paris Louvre in France for a cash consideration of \$45.5 million. The price tag was a shade under its valuation price, which stood at \$46.3 million, according to property conglomerate ICADE. Prior to the acquisition, Ascott held the lease to the 51-unit serviced residence after it took over the Citadines chain in 2002. Citadines, together with Ascott and Somerset, are brands under The Ascott Group.

Not big on retrenchment

Chua says Ascott is also taking measures to manage overheads, although she does not believe retrenchment is the solution. "We are not big on retrenchment, we like to keep our people," she says. "Some will take a pay cut, some will take some leave, and then when times are better, things will go back to normal. During SARS we did exactly that.

"Each crisis is different in origin and extent," she adds. "There was the 1997 crisis, the SARS crisis, so you learn a bit from each crisis and you apply it to this one. We have looked at ways to manage costs; I don't think the answer is to cut costs, rather, manage costs in order to save jobs."

At the same time, Chua plans to extend promotional rates to improve occupancy, though she says cutting rates across the board is still unnecessary at the moment. "At this point in time

there is no indication that we need to cut rates across the board, but I would guess in the long run, it would be naïve to say we are immune and that we won't be affected," she says.

"We are actually experiencing quite a steady rate of occupancy, as we have a lot of longer-staying guests who have signed contracts with us since last year," she says. Unlike hotels, The Ascott serviced residences offer all the comforts of home for business travellers planning to stay for extended durations, ranging from a week to eight months. They are also always located in big cities where foreign direct investment is high. "Our niche is the people travelling for over a week at one location, not at places where tourist numbers are high."

Go with the flow

Besides her role at Ascott, Chua is involved in a string of activities outside of work. She not only chairs the Singapore Film Commission, Tourism Industry Skills and Training Council, the Community Chest of Singapore and Sentosa Cove, but also sits on various government boards, including the Singapore Workforce Development Agency, National Healthcare Group and Singapore International Chamber of Commerce. Chua is also a Justice of the Peace and Non-Resident Ambassador to the Slovak Republic.

She also finds time to impart her knowledge and personal experience to young people. Last month, she appeared as key speaker at a talk under the Young Women's Leadership Connection programme launched by UBS. Speaking to female students from the Singapore Management University, she sought to encourage and motivate the young women seeking guidance and advice on their careers.

"The difference between my generation and the next generation, is that we don't plan our careers or where we want to be in five or 10 years' time," she says. "We looked for a job, did our best, recognised opportunities when they arose and took them, rather than created them. Not over-planning has worked for my generation but, today, things are more complicated. Expectations are higher. Today, people need to review where they are in their careers on a spaced-out basis."

Chua is also of the view that women should be appreciative of the fact that they have choices. "In Singapore, women can choose to become what they want to be, unlike men who don't have a choice but to work in this part of the world. Men are judged based on their careers alone, but a woman can still be successful as a good homemaker or mother."

Chua herself has been successful on many fronts. Besides her career in the corporate world, she remains trim and fit, and maintains a close-knit relationship with her two sons and their families. Her secret? Women shouldn't expect to meet their own expectations, or that of others all the time, she says. "The faster you realise there is no such thing as a superwoman, the better," she shares. "You will be happier and more fulfilled this way."

Not always a walk in the park

It wasn't always easy for Chua, though. Although she was born into a wealthy family, where servants waited upon her hand and foot, the family lost its fortune when she was 10. "We went from servants, gardeners and drivers, to zero," she says. The eldest in a family of 12, Chua was giving private tuition to the children in her neighbourhood after school by the age of 14 to help

support the family. Three years later, she found a job at a small nutmeg factory typing telegrams for her Chinese-speaking bosses, which fetched about \$60 to \$80 a month.

She also spent three years at a training college for teachers while teaching English and general science at St Margaret's Secondary School. "I enjoyed my three years there very much," Chua recalls. "It was one of the highlights of my working life, and it gave me a great sense of achievement." She still keeps in touch with her students from St Margaret's today, and proudly points out that some have gone on to become lawyers and doctors.

Things have picked up for Chua since then. She moved with her husband to the US, where she completed a bachelor's degree in science at Cornell University in New York in less than three years. "I worked as a waitress and bartender to keep house and pay the fees," she recalls. "But I didn't find it tough, because all I wanted was to finish my studies as soon as I could."

Moving back to Singapore to raise her children, Chua then spent 11 years at the Singapore Tourism Board, before joining Raffles Holdings. Five years ago, she became its CEO, after acquiring deluxe business hotel operator Swissotel for \$250 million, transforming Raffles Holdings from an Asian outfit into a global player in the hospitality industry.

To be sure, experiencing the hardships in life and overcoming them with sheer willpower have shaped Chua into the dynamic manager she is today. "I don't think I sat down and thought about how to become a good manager, it's something which you experience and learn," she says. "When a situation comes up, we will react to it based on experience, intelligence and good information provided.

"One's career is a means to an end," she adds. "On your deathbed you don't think about your last promotion. As far as your loved ones are concerned, what kind of relationship did you have with them? That is more important than your career."

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