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An unlikely businessman

HO KWON PING BELIEVES BUSINESS LEADERS HAVE A DUTY TO MAKE THE WORLD A BETTER PLACE. THE BANYAN TREE BOSS SHOWS HOW HE'S DOING JUST THAT

By ESTHER AU Yong in SINGAPORE

Few businessmen would openly admit – or indeed, even offer the information – that he was jailed, not once, but twice, before in his youth. But then again, Ho Kwon Ping, who is best known as Banyan Tree's executive chairman is no ordinary businessman. Born to Ho Rih Hwa, a businessman and diplomat, and Li Lienfung, a writer who was a columnist for Singapore's Straits Times, Ho was an unlikely businessman at the time – he was a journalist with the Far Eastern Economic Review, where certain articles he wrote led to his arrest under the Internal Security Act, and a development economist.

But the 58-year-old stepped up to the challenge when his father suffered a stroke in 1981. The son took over his family's contract manufacturing business. However, it was already an old way of making money and Ho knew he had to steer the company in another direction to grow. That was how the Banyan Tree seed was sown, but it wasn't until 1994 that the company officially started, with its first resort in Phuket, Thailand.

Today, it is a large multinational company that owns, develops and operates a chain of luxury resorts around the world. Banyan Tree is now a global brand.

Since opening Banyan Tree Ringha in Yunnan in 2005, the group has gone on to launch five more properties. Currently, it has 14 projects under development and last month, announced that it successfully closed its first renminbi-denominated private equity fund in China. The Banyan Tree China Hospitality Fund has capital commitments of RMB1.07 billion (\$164 million). Later this year, it will launch Banyan Tree Macau, Banyan Tree Riverside in Shanghai, Banyan Tree Tianjin and Angsana Hangzhou.

Personally, is this push into China a sort of cultural homecoming?

Alert but relaxed and on the couch in his office along Upper Bukit Timah Road in Singapore, Ho says, "Yes, there is a cultural affinity. I do have some language ability in Chinese and I can understand the cultural sensitivities in China... reasons why I'm there. But there are strong objective reasons too.

"It's the same as why a Rolls Royce car engine company or a Louis Vuitton manufacturer would be there. This is a huge economy where the middle class is growing and ready to spend. They are ready to spend not only in moving outwards but also very importantly, ready to discover their own roots and explore what China has to offer.

"Domestic tourism in China per se isn't new. But it's never been the kind of tourism we see today. It's tourism that's more appreciative of the natural setting, much more education oriented and tourism that plays up the cultural aspect and heritage of the attraction."

Doing business in China, contrary to what many people say, isn't particularly difficult, according to Ho.

"We've had challenges, no doubt, but it's

the normal par-for-the-course kind of stuff. It is not the nightmare place (to do business) that many people say it is. Not at all," he says, however adding, "By no means is China heaven on earth, either."

"I think there is clearly an attempt to demonize China in certain quarters. They say you need *guanxi* (contacts) in China. Frankly, I've seen more *guanxi* in some other places," he says.

"They (other companies) go in with a different mentality. We are a company that started out working in developing countries. Therefore, I am already different in perspective. In fact, a lot of Singapore companies... the minute they go out of the country, they're outside their comfort zone. They need rules, they need regulations, and they need to know how to go from A to B in a straight line. It's very sad, very rigid," he says.

"When they (the Chinese) joint venture with you, they demand a transfer of technology and when they don't get it, they won't give you access to the market. And one day, they will want to compete with you on the same footing. Reverse engineering is perfectly legitimate. It's basically what many in China do. What's wrong with that?" he says.

Ho himself has been a "victim". He says several developers actually had the gall to meet him, inform him that they have copied down to the smallest detail one of the Banyan Tree resorts, and ask him to manage it for them.

"They copy us all the time. It's the most frustrating thing in the world! But my point is, it is what it is. I just have to make sure that whatever you copy may be 80 percent of what it looks like, but in terms of the total experience, you're not even half of where I am. I have my secrets, my know-how. I won't let you know what it is. I hope you won't be able to find out. It just means I have to stay one step ahead in the game," he explains.

"This includes continuing to grow the brand in the hospitality and hospitality-related space. For example, Banyan Tree is now into destination memberships. We are now going into residential property development in a much bigger way. We are also going into more adventure travel-related experiences and to develop more content in every property, rather than just the passiveness of providing a physical resort."



WANG XIAOYING / CHINA DAILY

On a personal level, Ho does not feel disconnected from his past, especially that of a development economist wanting to create a better world.

"Resort development is very positive for economic development and very negative as well, especially from a social point of view and from a physical perspective. What I do is a double-edged sword. I can actually create terrible things but I also have the potential, in places where there would otherwise not have the opportunity for economic uplift, to provide economic development. If I do it well, I can actually help the community also.

"In many ways, Banyan Tree is a vehicle for something more fundamental than hospitality. It's a vehicle for me and my wife to do things we have always wanted to do. Therefore, corporate social responsibility is something very natural in the company. I do not see a dichotomy between making money and having CSR (corporate social responsibility)," he says.

In Singapore and in his capacity as chairman of the Singapore Management Univer-

BIO

Ho Kwon Ping

Executive chairman of Banyan Tree Holdings, which owns both listed and private companies engaged in the development, ownership and operation of hotels, resorts, spas, residential homes, retail galleries and other lifestyle activities in the region.

2011: Banyan Tree Holdings announced the completion of its first renminbi-denominated private equity fund in China, the Banyan Tree China Hospitality Fund, with a total capital commitment of RMB1.07 billion (\$164 million).

2009: Opened Banyan Tree's first resort in America, the Banyan Tree Mayakoba in Mexico.

2006: Banyan Tree listed on the Stock Exchange of Singapore.

2005: Banyan Tree launched first Chinese property in Yunnan, the Banyan Tree Ringha.

2000: Conferred an honorary doctorate by Johnson & Wales University, the largest hospitality university in the world, and in Singapore, made chairman of the Singapore Management University.

1994: Launched Banyan Tree Hotels and Resorts and launched the group's first property, Banyan Tree Phuket.

1984: Bought over 202 hectares of land within an abandoned tin mine in Phuket, Thailand together with his architect-brother and wife Claire Chiang. This was developed into Laguna Phuket.

1981: Joined the family business, Wah Chang Group.

1977: Detained under Singapore's Internal Security Act while working as a journalist for the Far Eastern Economic Review, for writing incendiary pro-communist articles. Put into solitary confinement for two months.

Born Aug 24, 1952

sity (SMU), Ho seeks to guide and inspire the next generation of business leaders to have social missions. In the capitalistic world of today, Ho feels that "the fundamental mission of a business is to help create a better world, because that is what we can do".

"We are the ones who have the mission and duty to create a better and more prosperous world," he says.

"I think business schools should take a lot of the blame for the very sordid state of business today. They are the ones who teach things like maximization of shareholder value and produce uniform managers who really have no soul and have no idea about what business should all be about. I see that I have a responsibility to help create future business leaders who, hopefully, will have a different take on things."

He feels that he is a thought leader, with a limited but powerful impact, even as he stays away from the international conference circuit. Instead, he prefers to "make a real impact, in a smaller way" – by giving talks to SMU students and mentoring them by acting as a bouncing board for their entrepreneurial ideas, or as Ho puts it, "pour cold water on their ideas".

Ho also gives talks at the "weirdest places these days", sometimes to all the judges at the Subordinate Courts.

"I'm basically hedging my bets. If I get hauled up to court one day, I hope a sympathetic judge would say, 'Oh, you're the guy who gave that talk... that was a pretty good talk. Okay, I'll let you out!'" Ho cheekily explains his rationale.

Clearly, this is one businessman who can afford to not take himself too seriously.