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Sparkling future

Deputy CEO of Vietnam's top beverage firm learned the ropes on shoulders of giants, her entrepreneur parents

By **LOW SHI PING** in Singapore
For *China Daily Asia Weekly*

Phuong Uyen Tran has lived her life around giants — metaphorical ones, that is. Her father, Tran Qui Thanh, is one example.

In 1994, Tran and his wife cofounded Tan Hiep Phat (THP). Today it is Vietnam's largest beverage company, and he remains its CEO, while daughter Phuong is his deputy.

In 2012, the global beverage giant Coca-Cola Co had expressed an interest in acquiring a controlling stake in THP, valuing it at \$2.5 billion. If the family had agreed, it would have been the largest merger and acquisition (M&A) deal in Vietnam's history.

However, they did not — and THP went on to become the country's largest privately owned fast-moving consumer goods company. It sells over 1.5 billion bottles of herbal tea, green tea, water, soybean milk and energy drinks a year in 16 countries around the world.

These details and more are revealed in *Competing With Giants*, a book authored by Phuong and launched in September.

"I love to share," said the 37-year-old, during the interview at her suite in the Marina Bay Sands hotel in Singapore. "I believe sharing is learning. It's one way I can give back."

Phuong was spurred to write the book after completing the Owner/President Management Program at the United States-based Harvard Business School in 2015.

The university had approached her about writing a case study on her experience in negotiating a potential M&A deal with Coca-Cola. "I thought if I was going to spend the time doing a case study, why not write a book?"

Competing With Giants is not the only good thing to have emerged from her time at Harvard.

Phuong said that mingling with more than 180 course-mates from at least 80 countries helped her understand her father better and, as a result, minimize conflict with him.

"Usually, I have ideas opposite to my father's. For example, many young people — myself included — think having a business is one way of giving back to society," she said.

"But that is the wrong objective. I was just dreaming. How to make profit is the most important (objective). Now, I think about this first, before any talk about helping other people."

Because of this, she also brims

with advice for those who take over family businesses.

"It's important the next generation understands the language (the founder speaks). In my case, he expresses love through tough love. It's not that he is trying to give me a hard time," Phuong said.

"Once I understood that, I talked to my father differently. Now, even when he tells me I'm going to fail if I do that, I understand he's worried and I try to show I know that."

She acknowledges that it can be a daunting task, which is why she says fear is best kept at bay.

"Don't be scared to ask for support. Accept that we don't know it all. I believe every day is another day to stand taller. Any giant was small before (he or she) became a giant. If you can stand taller every day, you will become a giant one day."

Among the most common questions Phuong receives from people in her position is how she wins approval for her ideas and proposals from her father.

"I find it very interesting, as I never have that thought. I think it's because, if it's work related, he's my boss. It's an issue of wearing the right hat. I don't wear the hat of a daughter at work; it's about being an employee," she said.

"If I want my proposal to be approved, I have to talk to all the departments and get their approval, before presenting to the CEO. (I) expect a hard, challenging time."

Tran's confidence in his daughter's capabilities is seen from the responsibilities he heaps on her.

Phuong is in charge of THP's procurement, domestic and international marketing, public relations, and corporate social responsibility programs across Vietnam's 63 provinces.

"My father always jokes that I'm the biggest spender in the country because I look after procurement and marketing," she said.

"But I enjoy organizing the processes around the business, looking into things like information flow, workflow, how to make it efficient, and reducing lead time. It's not fancy but very important."

Since taking on the role of deputy CEO, Phuong has helped transform internal processes to ensure the company can scale-up efficiently ahead of growth.

This she did through hiring a consultant to support the company, because "it is the backbone of how to understand the business and man-



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age a large number of employees"

Phuong also leads and spearheads the company's international marketing programs across the 16 countries where THP's products are distributed, including China.

At the moment, she said, THP sells its energy drink and green and herbal teas in China.

"China is a market everybody loves. But I believe we need to do it right. We don't want to rush into any market. We need to learn and test first, and define which product has more potential."

Prior to her current role, Phuong was head of THP's media department, where she successfully implemented brand management strategies for all 12 brands of the company.

She was also instrumental in successfully marketing THP's three top brands: Dr Thanh Herbal Tea, Number 1 Energy Drink, and Zero Degrees Green Tea with Lemon.

Phuong is clearly very comfortable with where she is right now. So it is surprising to learn that she was not always sure she wanted to join the family business.

One of the subliminal influences on her decision could have been that she lives in the same building as the company's first factory.

The office is on the second floor, and home, the fifth floor. In one way or another, she has always helped out.

"The turning point came when I realized I had a chance not many people have — to stand on the shoulders of giants, and have the opportunity to bring those giants to the next level," she said.

Another reason was her parents' decision to implement an enterprise resource planning system in THP. "I was attending a lot of meetings, biddings and presentations. I knew this was part of a big change that I

can use to learn about the company," said Phuong, who officially started at THP in 2003 as a secretary to a marketing director.

Phuong talked about how she has an insatiable appetite for learning — something that came from seeing how hard her parents worked to build THP.

"We were the first company to offer ready-to-drink tea in 2004. All the companies in Vietnam thought THP was crazy — because tea is free, so why will it sell at a higher price, they asked.

"(British tea brand) Lipton was launched here and wasn't successful. Why would a local company do it? But we managed to build the market through our love of serving the consumer, and understanding their needs," she said. "We always try to do something that nobody else is doing."

Today, THP has expanded from one to four factories, and plans to open a new one next year.

Experiencing strong growth every year, it recorded 20 percent growth in 2017 and hit \$500 million in sales. The goal is to reach \$3 billion in sales by 2027.

"The figures are not so important," said Phuong. "What matters more is how we change today, so tomorrow will happen."

One of her targets is to have 10 percent of the business coming from outside Vietnam, from an almost negligible percentage currently.

"We were more reactive in the past (but) now we want to be proactive. The first phase is transactional, to test the markets. We are seeing which ones have more volume, and will start prioritizing."

Six years on from the potential mega deal from Coca-Cola, one cannot help wondering if Phuong and her family have had regrets.

Bio

Phuong Uyen Tran

Deputy CEO, Tan Hiep Phat (THP)

Education:

2015: Harvard Business School, Owner/President Management Program

2012: Business Program, International Institute for Management Development

2003: Bachelor of Business Administration and Marketing, University of Bradford in Singapore

Career milestones:

2018: Publication of *Competing With Giants*, ForbesBooks

2015-present: Young Presidents' Organization network officer

2012-present: Deputy CEO, THP

2011-present: Honorary consul of Sudan

2010-present: Member of the Beverage Association of Vietnam

2003-12: Joined THP and worked in various roles

Quick takes:

Why is giving back to society so important to your generation of leaders?

We have a lot of blessings. We have received so much, so we should give back. I know I live a good life, but (for fulfillment) I need to see the community and my country improve. This leads me to think about how I can do more. In Vietnam, we have a saying: First you eat to be full, later you eat to have good food. My generation is full now, so we are interested in giving back.

What does being a female business leader mean to you?

I find a lot of advantages in being a female business leader. We can brighten and soften the conversation. It changes the dynamic. We are good at details, at being consistent. Some people say women are emotional, but I believe we have more love and listen more. It is important we don't entertain relationships at work. We should be consistent, professional and focused on performance.

Are you married?

I love my freedom. I really appreciate my father telling me I don't need to get married because other people are. He told me once, "If you don't find the one that you love to stay with, you can stay with me." It was such a powerful conversation and a great gift. I'm very lucky, I don't take it for granted. When people ask me, I always say, "I will get married at the end of the year" — but I don't know which year.

Date of birth: Nov 26, 1981

"My family are all aligned that it was the right decision," she said.

"I have learned so much since going through that. Maybe in the future, if both companies can align, we can always talk again."