

Drink TO SUCCESS

Pipeco Malaysia was formed in 1984, with a general engineering hardware focus. In 1989, the company ventured into what is called sectional panel water tank manufacturing and has never looked back. CEO Tan Eng Huat discusses the benefits of product specialisation.

TAN ENG HUAT
CEO & FOUNDER@Pipeco Malaysia

Water storage, in some form, is a requirement in every part of the world. With more than 30 years of experience in the manufacture and supply of sectional water tanks, Pipeco Malaysia is now one of the largest global operators in this niche. It's annual production capacity of 400,000 panels, shared between two plants in Bentong and Port Klang in Malaysia, enable the company to service a wide range of needs. From customers seeking a small domestic tank of one cubic metre, to those requiring huge industrial installations of 6,000 cubic metres, Pipeco Malaysia offers tailor-made solutions.

Tan Eng Huat, Pipeco Malaysia's founder and CEO, takes a philosophical view of his company's incredible journey.

"I started Pipeco Malaysia as a young man," he says. "You have to start somewhere. I worked hard, and we grew and grew. This is the way it has to be, but I think most importantly, we always looked for opportunities. We were given certain opportunities along the way, by our government, by the global economy, and we always took advantage of these."

In particular, Tan was joined in 2008 by the French Romier family as private investors. This sort of intervention helped to elevate his company to new heights.

"In the beginning we were building a brand," Tan explains. "And when building a brand, product quality is of utmost importance. The user, the customer will always respond well to a high-quality product, so in my view this is key to everything. This is what helped to begin our journey."

Global reach

This emphasis has led to international accreditation and Pipeco Malaysia's status, since 2003 as compliant with the ISO 9001 international quality management system. This award, conferred by the International Standards Organisation, demonstrates that the company has established, implemented, maintained and constantly improves a rigorous quality regime. Pipeco Malaysia brand is certified to Malaysia



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MS1390, Singapore SS245:2014, UK WRAS, USA NSF61, and French ACS.

Through this focus, baked into the company's DNA since its earliest days, Pipeco Malaysia's client base spread quickly. Its modular tanks of composite glass, reinforced plastic, and stainless and galvanised steel are now exported to 60 nations across Asia and even into far-flung states such as Panama and Peru.

Naturally, there have been obstacles along the way and Pipeco Malaysia's path to success has not always been smooth. In common with the rest of the global business community, the ongoing coronavirus pandemic has slowed growth markedly. Beyond manufacturing and sales, logistics were also affected. Travel limitations and worker shortages made moving products around almost impossible.

"We can do nothing about it," Tan explains. "That's the truth. Malaysia was affected very, very badly in the first and second wave. The country closed down completely for almost three months. We tried to stay positive, and we always kept lines of communication open. We maintained dialogue with our customers and suppliers, so they always understood our position and of course, we understood theirs."

While coronavirus remains a concern and Malaysia has recently responded to the Omicron variant, thoughts have already turned →





to the future. As might be expected following thirty-seven years of increasing turnover and revenues, Tan is optimistic. His plans are ambitious, and there is no sense of resting on past achievements.

“The thing is that water is crucial to mankind. It is needed in every sector, everywhere in the world,” he says. “Because that is what we deal with, we really look to the future with confidence. Water scarcity is going to be a growing issue in the years to come.”

Supporting life

Alongside climate change and species loss, water scarcity presents a looming global crisis. A recent report published by the United Nations suggested that by 2050, nearly six billion people will live in areas that are water scarce for at least one month a year. Even earlier, by 2025, four billion people will face water shortages, in some form. It’s a global problem but worst impacts will be felt in the developing world, especially equatorial regions in Africa and South America. As this future plays out, the need to preserve and store water safely and reliably, will become ever more pressing.

“Of course, these sorts of crisis are things we must all be very concerned about” Tan says. “But it means that demand for our services will only increase. Because of this, we are looking to grow into ever more territories and see how far we can develop.”

A large part of these projections will rely on

Pipeco Malaysia’s continued stable and solid relationships with multiple suppliers. As with any engineering or manufacturing concern, unbroken access to parts and materials is essential to successful operation. This is also a side of the business to which Tan has always paid careful attention, as he likes to keep three months stock of raw materials in reserve. Particularly important are supplies of steel, fibre glass and plastics.

“We do not think of our suppliers as suppliers” he says. “We think of them as partners. Without them we cannot move ahead. Even in times of difficulty like the pandemic, we continue to talk with them, to enhance our understanding of them, what their needs are. It’s very much a two-way relationship and we plan together. This is extremely important. That way there is a sharing of goals and strategies.”

In the first instance, Pipeco Malaysia’s future growth will require an initial period of consolidation. Recovery from the negative impacts of the pandemic and a regathering of momentum



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in early 2022, will then enable a re-energised company to approach expand rapidly in the second half of the year. It’s a bold vision.

Copy cats

Perhaps one of the clearest markers of Pipeco Malaysia’s impact in its sector lies in its effect on certain competitors. While Tan is extremely proud of his brand and the international reputation it has garnered, he is amused by attempts at imitation. What greater compliment can there be, than a rival trying to mimic your success?

“It’s almost funny” he says. “But a similar company, also supplying water tanks started in Korea. And they called themselves Pipeco. Pipeco Korea. Oh, my goodness! Of course, there has been some drama going on because of that, but do you know what? We don’t care! We continue to do what we have always done, to build our brand, our company, to provide excellent products to our customers. Pipeco Malaysia is known for the right reasons and that is important to us.”

Reflecting on the last four decades of his professional life, it is clear that Tan still retains his drive to succeed. It is also clear that his drive is rooted in something deeper, something central to the future of humankind.

“Water is the most important commodity there is,” he says. “Critical for all human beings. We are so proud to be part of the solution for the water crisis. Of course, we are a business. But this isn’t just business. It’s bigger than that.”



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