

Smooth management transition at Bangkok Glass

Last January, Pavin Bhirombhakdi took over as President of Bangkok Glass, succeeding this year's Phoenix Award winner, Surasak Decharin. As the following exclusive interview explains, the two have worked together as part of an effective management team for almost two decades to create one of South East Asia's leading glassmaking groups.



Pavin Bhirombhakdi took over as President of Bangkok Glass in January 2015.

A native of Bangkok, Pavin Bhirombhakdi was educated in the UK, before attending college in the USA. Pre-eminent among Thailand's leading industrial entrepreneurs, his family created the Boon Rawd Brewery, best known for its Singha, Leo, B-ing, Purra, Sanvo, Syder Bay, Boonrawd Farm, Pundee and Masita



High productivity equipment installation at Ayudhaya.

trademarks. His father also invested privately in the fast expanding glass packaging manufacturer Bangkok Glass in the 1980s, leading ultimately to Boon Rawd becoming majority shareholder in the business.

It was in 1997 that Pavin Bhirombhakdi joined Bangkok Glass as a management trainee, as well as training alongside his brother in the International Sales Department for Boon Rawd's extensive beer business. "After just six months, I fell in love with the glass industry" he recalls "and started to work through the ranks at Bangkok Glass." This included gaining valuable experience in marketing, product development and customer relations, before becoming Executive Vice President – Production in 2006, Executive Director in 2010 and Director and Senior Executive Vice President in 2012. He was named Director and President in January 2015, following the retirement of Surasak Decharin, who had served the organisation in various senior capacities for more than 33 years.

Under the stewardship of Mr Surasak's management team, Bangkok Glass has expanded from a single 150 tons/day furnace operation to the current 13 furnaces and 40 production lines. The company has emerged as Thailand's leading glass container manufacturer and one of the region's largest players.

"To put things into context" commented Surasak Decharin, "these achievements were even more remarkable – for which the team deserves all credit – when considering that they were accomplished through many global economic events, such as the Asian financial crisis (1997), energy crisis (2000 and beyond) and the subprime mortgage crisis (2007), from which the Thai and >



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PHOENIX AWARD RECOGNITION FOR FORMER BANGKOK GLASS PRESIDENT

Surasak Decharin reflects on his pride at receiving the 2015 Phoenix Award.

"My recent selection for the 45th Phoenix Award came as a total surprise, as I have only really been involved in the glass container industry for the best part of four decades. Like most award recipients, to have my name join the ranks of Somany, Silva, Gallo, Swarovski and Pilkington is something to be proud of and I am grateful for the efforts of colleagues at Bangkok Glass over the years and for their determination, which culminated in this recognition. As far as I was aware, award recipients were from the USA or Europe, with the exception of a few, so it makes me very pleased to be only the second Asian to be honoured in this way.

The emerging markets of Asia will remain an influential hub for the glass industry in the years to come, with over half the world's consumer spending estimated to come from this region in the next two to three decades as income levels rise to catch up with that of western nations. The glass industry has long been dominated by long-serving practitioners due to the nature of the business, full of the same faces who remain as committed to and passionate about the industry year in year out, as they were when they started on day one. This is something I find particularly unique and will cherish these, along with friends in the glass family I have picked up along the way from all corners of the globe.

Moving forward, Bangkok Glass will be led by its new President, with whom I have had the privilege of co-operating for more than a decade. Comparatively, I am an old man and in our organisation, there have been strong bilateral learnings between the older and younger generations; we must put the future of the group of companies into a fresh pair of eyes, who can lead the organisation in an ever-increasingly innovative way. Asia will continue to play an important role in the glass industry for suppliers and consumers alike and Bangkok Glass will continue to remain at the frontier, pushing the boundaries of excellence as we transform with the global economy. The group today is not as it was when I started out nearly four decades ago with only one furnace; it has diversified its businesses across all key aspects of a total packaging solutions provider, going into areas where we have never gone before, for example, the Bangkok Glass Football Club which is one of the top professional teams in the Thailand Premier League, which has been successful not only in sport but also in putting the Bangkok Glass brand on the map.

Strategically, this foray into non-glass business has also served as part of the group's CSR initiatives to help the local community, curb drug issues, raise awareness about the environment and the image of glass and how this industry contributes to the wider economy. I am excited by the prospect of having the vision of young future leaders, who will be able to build on the group's historical success and take the game to the next level. I have every confidence that the new President will enable the already high performing team to be even more successful."



It was in 1997 that Pavin Bhirombhakdi joined Bangkok Glass as a management trainee.

global economies have needed to take several market corrections to recover. This is not to mention at the domestic level that Thailand also went through its own fair share of issues that impacted the economy at micro and macro levels, including political unrest in 1991, 2006 and 2008, the mega floods in 2011 and the latest political turmoil following a coup d'etat in 2014."

An integral part of the Bangkok Glass management team for 18 years, Pavin Bhirombhakdi has already experienced numerous ups and downs in his career, helping him recognise the strategy required for the corporate business in the future. "I admit that it's a major challenge, especially to look ahead in terms of expansion in the glass industry."

According to Mr Pavin, Surasak Decharin has been and continues to be his mentor. "Even though he is retired from daily operations, he is still a major influence in an advisory capacity, both to me and the management team. He has achieved so much in the past decade, building the company's human resource and delivering trust and loyalty among our partners and customers. Additionally, his vision to expand BG to become number one in the region represents a major achievement." >

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The fourth production shop at Ayudhaya is now fully operational.

CURRENT PRIORITIES

A key objective for the newly elected President is to maintain the company's ongoing success by strategically managing its supply chain, while also reviewing its greatest asset... the workforce. Another priority is to manage its diversification into areas other than glass packaging, including planned expansion into the float glass arena by 2018.

Other parts of the Bangkok Glass organisation currently cover the manufacture of other packaging material types and a sports and entertainment business. It is anticipated that future diversification will

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reduce the company's reliance on glass to approximately 50% within the next decade.

The fact that Pavin Bhirombhakdi has worked for the business for almost two decades ensured a smooth management transition, as has the continued involvement of experienced team players. This includes Amarat Puvaveeranin, Senior Executive Vice President and Chief Financial Officer, who has worked at Bangkok Glass for over 30 years and maintains her close involvement with finance and accounting departments. Other key personalities include Somporn Temudomsomboon (Executive Vice President - Glass Container Business), Sitthichai Wongthavonkit (Managing Director, Other Packaging Business) and Supasin Leelarit (Commercial Executive Vice President).

A problem solver by nature, Pavin Bhirombhakdi views problems as opportunities to improve business practices and operational procedures to remain competitive in constantly evolving markets. "Because problems are never the same, the approach to tackle them cannot be consistent either. Consequently, I remain unbiased and versatile to every possible method for the identification of solutions to existing and potential problems."

MARKET-DRIVEN PERFORMANCE

The largest of Bangkok Glass's four glass container production sites, Ayudhaya now features four highly efficient production shops. Delayed for several months due to sluggish market demand, the latest project is now fully operational and is performing in accordance with the owners' expectations.

Ultimately, the glassmaker's strategy calls for the closure of the original factory and headquarters in Pathumthani Province, with manufacturing capacity relocated to other sites. For the next five years at least, however, this 35 year old plant is expected to remain competitive. Approximately 200km away in Rayong Province, planned expansion of the Rachaburi factory has also been delayed, potentially to 2019, as a consequence of regional economic slowdown. And elsewhere, BG's Kabinburi plant has been transformed into a float glass manufacturing base, scheduled for commissioning during 2018.

As well as continuing to develop the company's glassmaking sites, Mr Pavin confirmed that BG is also looking to invest in basic raw material sources, as well as the energy production sector, will the goal of realising a more cost-effective and controlled production flow.

According to the new Bangkok Glass President, the relationship between glassmakers and their manufacturing technology providers is increasingly important. "Since the establishment of BG more than 40 years ago, we have been partners with many companies, developing new equipment via a more cost-effective approach, which has to be brainstormed together to bring about mutual benefit. In our industry, this is important and can only be achieved via close co-ordination with our partners."

Similarly, Bangkok Glass plays a crucial role in the fulfilment of customer requirements throughout South East Asia. As head of Thailand's largest producer and one of the region's biggest, Pavin Bhirombhakdi and his team are intent on developing the business further and critically, keeping their customers happy. ■

FURTHER INFORMATION:

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