

## **Empires make way for new generation**

**Experienced, tough and ambitious, these successors are just what their companies need to lead them through a challenging period**

It's an old Chinese saying: the first generation builds the business, the second makes it a success, but the third wrecks it. In many cases, this old saying has proved to be true.

But what about the successors to Thailand's largest agribusiness conglomerate Charoen Pokphand Group, largest retailer Central Group and giant beverage company Thai Beverage Group?

The passing of the torch by these empires' predecessors to the next generation has certainly grabbed the attention of the media. The takeover of Siam Commercial Bank's helm by two new executives is another headline-grabbing news.

### **Suphachai Chearavanont**

Suphachai Chearavanont is tipped to take over the reins and drive Charoen Pokphand (CP) Group after his father Dhanin Chearavanont steps down from his post.

At 47, Mr Suphachai is expected to shape the future of a conglomerate with interests in agriculture, telecommunications, marketing, distribution and logistics, international trading, petrochemicals, property and land development, crop integration, insurance, the automotive sector and pet foods.

Mr Dhanin and his family own CP Group, which generated revenue of US\$41 billion in 2013 and holds about \$50.1 billion in assets.

The group is the world's top maker of animal feed, the world's biggest shrimp farmer and one of the world's largest poultry producers.



Suphachai Chearavanont, tipped to lead CP Group, is expected to put his stamp on the business with mobile technologies and innovative ideas. Pawat Laopaisartaksin

Mr Suphachai, the softly spoken youngest son of Mr Dhanin, now serves as president and chief executive of CP Group's telecom business, True Corporation. He managed to stem the bleeding at True after entering a partnership with China Mobile International.

He had a vision of convergence between telecoms and broadcasting a decade ago — and that vision has become a reality.

True was a pioneer in offering the iPhone and shaking up Thailand's telecoms industry by opening up the fixed-line telephone market and introducing a pricing strategy.

Mr Suphachai also masterminded the creation of coffee shop chain True Coffee, which offers customers free wireless internet use.

From technology-based businesses to controlling CP Group's vision to be "the kitchen of the world", Mr Suphachai is expected to apply mobile technologies and innovative ideas to play it his own way after proving over the past 15 years that he can be successful, said one industry watcher.

### **Thapana Sirivadhanabhakdi**

Thapana Sirivadhanabhakdi, the third child of whisky tycoon Charoen Sirivadhanabhakdi, has a big responsibility as president and chief executive of Thai Beverage Group (ThaiBev), the producer of Chang beer.

After being seen always walking behind his billionaire father, the softly spoken and humble man could prove to be tough and decisive enough to push ThaiBev to become the biggest beverage empire in Asean within the next few years. After that, the goal is to become a leading player in the world.

ThaiBev now operates spirits, beer, non-alcoholic and food businesses. Its annual sales in 2013 stood at 160 billion baht.

With his educational background in finance and work experience in both marketing and production, Mr Thapana, 39, was the man behind the 336-billion-baht acquisition of Fraser and Neave (F&N) in Singapore last year.



At 39, Thapana Sirivadhanabhakdi is seen as young and driven enough to be able to push ThaiBev to become the top beverage empire in Asean in the near future. Apichit Jinakul

The F&N purchase is a stepping stone to help ThaiBev have a strong overseas network to bring all its products to reach Asian customers. F&N also helps ThaiBev widen its non-alcoholic product portfolio.

The group operates food and beverages through subsidiaries such as Oishi Group Plc, Sermsuk Plc, Berli Jucker Plc, Siam Food Products Plc and F&N.

Mr Thapana likes to use mergers and acquisition as a tool to expand ThaiBev's empire as it seeks to reach the global level. Last year he bought the Est soft drinks brand from Sermsuk for 1.56 billion baht.

The next interesting target for Mr Thapana is Tesco Lotus assets in Thailand. His group has a strong interest to buy the retail operation here if British parent company Tesco wants to sell it. This would also fulfil his father's dream to operate a hypermarket chain after failing to buy Carrefour assets in Thailand a few years ago.

Berli Jucker, with Mr Thapana's advice and work effort, also won a bid last year to acquire Metro's retail operation in Vietnam.

Mr Thapana has his father, who is the second-richest man in Thailand ranked by Forbes with wealth of US\$11.3 billion, as a role model.

### **Tos Chirathivat**

Tos Chirathivat, the youngest son of Samrit Chirathivat, founder of Central Department Store, was officially appointed chief executive to lead the 270-billion-baht retail business empire of Central Group early this year.

His appointment came as no surprise as the 50-year-old executive was well qualified for the position. The group's business spans retail, property development, hotel, food and trading.

Thailand's business society has become familiar with Mr Tos in recent years after he took control of Central Retail Corporation (CRC), the key retail operation of Central Group, succeeding his uncle Suthichart Chirathivat.

Under his management, CRC has extended its business enormously from department stores, supermarkets and convenience stores to online shopping. Sales at CRC have been growing despite the impact of political turmoil and the economic slowdown.

Mr Tos has far-sighted vision and is keen to explore opportunities overseas. He aims to make Central a leading retailer in Asia. International retail sales will contribute 50% of the group's sales in the next five years.



Mergers and acquisitions are Tos Chirathivat's key strategy for the massive expansion of CRC, which has department stores as far away as Italy and Denmark. Thanarak Khunton

Mergers and acquisitions are a key strategy Ms Tos has used to take the group forward.

His masterpiece project was the purchase in 2011 of La Rinascente, the 150-year-old luxury department store in Italy, for 10 billion baht. The group now has 11 department stores in Italy.

In 2013, he bought Ilum, one of the oldest department stores in Denmark.

Mr Tos went to open the first Central department store in China in 2011 and now has three branches there.

Early in 2014, CRC launched Robins Department Store in Vietnam, opening branches in Ho Chi Minh City and Hanoi. In November, it opened a Central department store in Jakarta, Indonesia.

CRC also acquired 50.29% stakes in Siam Family Mart for 3 billion baht in late 2012 and obtained rights to manage the convenience store chain in Thailand.

The group's sales in 2014 will reach 270 billion baht, up 19.3% from 2013.

### **Arthid Nanthawithaya + Yol Phokasub**

Arthid Nanthawithaya and Yol Phokasub will take the helm of Siam Commercial Bank (SCB) at a challenging time for Thailand's third-largest lender with assets of 2.62 trillion baht.

The 100-year-old bank is facing both challenges and opportunities from increasingly complex customer needs in the digital era, abnormal economic volatility, the disruptive impact of technology and the advent of the Asean Economic Community.

With the integrated market, competition for Thai banks will no longer be limited to their home country and their risk exposure will be increased. However, it also presents opportunities with the bigger market and increasing cross-border trade and financial activities.

Mr Arthid was appointed SCB's deputy chairman of the executive committee and chief executive, while Mr Yol was appointed president. They will take up their posts after president Kannikar Chalitaporn retires on April 2.

The appointments are seen as a perfect combination because Mr Arthid specialises in wholesale banking and Mr Yol has expertise in retail banking.

Mr Arthid, 47, holds a bachelor's degree in economics from Chulalongkorn University and an MBA in finance from the Sasin Graduate Institute of Business Administration of Chulalongkorn University. He has more than 19 years of experience in the finance and banking industries, especially in the debt capital and financial markets.

He started his career at SCB in 1994 before moving to Cargill Financial Services as a hedge fund manager in 1998. In 2007, he joined Standard Chartered Bank, where his last position was managing director and regional head of capital markets in Southeast Asia. Mr Arthid rejoined SCB in 2008 in his current position of senior executive vice-president. He is group head of wholesale banking.

Mr Yol, 53, earned his bachelor's degree in computer science and software engineering from Imperial College, University of London. His 27 years of experience cover both the consumer products and financial services sectors.

He started his career at Siam Cement Group in 1986 and in 1989 moved to Unilever. In 2006, he joined Dutch Mill Group and his last position was chief operating officer.

Mr Yol, the bank's senior executive vice-president, joined SCB in 2007 and serves as head of its retail banking and business banking groups.



Yol Phokasub (left) and Arthid Nanthawithaya are seen as perfect combination to help drive the SCB at a time when Thai banks face tough competition with the formation of the AEC.

