

Shaping better lives in Asia-Pacific from Kuala Lumpur

When Electrolux Group set up a shared service centre in Kuala Lumpur eight years ago, it was just to standardise finance processes across Asia-Pacific. But last September, the group took things up to a whole new level with the introduction of a full-fledged Centre of Excellence (CoE), which supports the entire Asia-Pacific not only for accounting functions but also finance-related IT expertise, robotic process automation (RPA), SAP projects and even some financial analysis.

"We are 100 years old this year and we are still quite diverse, so to stay relevant for the coming 100 years, it is super important that our CoE keeps evolving and develops the service offering," says Enrique Patrickson, CFO of Electrolux Asia-Pacific, Middle East & Africa.

The CoE represents a key regional investment for the Swedish appliance maker, which is listed on the Stockholm Stock Exchange and employs over 55,000 employees worldwide.

For perspective, the group's Asia Pacific businesses contributed 9.6% of its 124.13 billion krona in 2018. Note that Asia-Pacific is one of two geographical segments (out of four) that saw increased turnover last year, the other being its home region of Europe, Middle East and Africa.

According to Patrickson, the importance of the CoE lies in having a central team to develop best practices and maximise efficiencies internally in order to better deliver to its customers and partners — which is easier said than done.

He stresses that the choice of location, and what the said location has to offer, is critical and that finding the right convergence of ingredients is challenging at best in order to ensure a CoE is successful.

Among others, the key criteria that Electrolux had prioritised included access to a good talent pool, strong language capabilities as well as access to its major offices.

"We decided on Kuala Lumpur as the most ideal location, as it offers a



“Kuala Lumpur has definitely exceeded our expectations and we are very pleased with the performance of the Centre of Excellence.”

— Patrickson

great mix of highly skilled talent, and it is not easy to find a good combination of IT, accounting, languages and a mentality of understanding customers in remote locations," Patrickson says.

Another key highlight for Electrolux is that the multilingual talent pool in the capital city can speak English, Chinese and Bahasa Melayu, which pretty much covers the majority of its English-speaking regional markets plus China and Indonesia.

Kuala Lumpur is also located right in the heart of Southeast Asia and within several hours' flight to most of Asia-Pacific, with the group's regional head office just an hour's flight away in Singapore.

"In Kuala Lumpur, we have a young and hungry team that works with cutting-edge digital technologies to develop better services," he says. Among others, the work at CoE involves optical character recognition, RPA, development of mobile applications

Electrolux

- Global leader in household appliances & appliances for professional use
- Aims to deliver enjoyable & sustainable living
- Asia Pacific CoE for Digital Transformation in Kuala Lumpur
- Celebrating 100 years anniversary

Why Greater Kuala Lumpur

- Great mix of highly skilled multilingual talent with IT and Finance skills
- Strategic location with good market access to APAC, MEA & major cities worldwide
- Pro-business approach

Benefits to Local Economy

- Drive digital transformation in the wider Kuala Lumpur ecosystem
- More than 150 Malaysian staff who benefit from regional sharing and cross-cultural learning
- Continuous upgrade of knowledge & expertise with CoE

and smart, connected appliances.

The CoE's ongoing training and professional development programmes for its employees also mean that Malaysians working at the centre has the opportunity to continue building an expertise in the latest digital technologies via hands-on training on the job.

"The CoE uses a range of digital technologies and capabilities that can drive digital transformation in the wider Kuala Lumpur ecosystem," says the CFO. "All of these capabilities have en-

abled the CoE to be at the forefront of digital transformation within the organisation as well as in the industry, which will in turn benefit the local workforce by upgrading their knowledge and expertise in these areas," he adds.

Also, while prioritising local talent development, Malaysia is also open to importing talent for a wider-picture benefit, Patrickson notes.

"This is key. Diversity becomes so important to develop a CoE. In Kuala Lumpur itself, we have a mix of local

and foreign talents that help to add to the diversity that is so important to develop business," he says.

"Understanding cross-cultural communication is so important for any CoE professional. You need to have an interest in other cultures to be successful," Patrickson adds.

The Electrolux CoE is one of a dozen success stories in 2018 for InvestKL, an investment promotion agency under the Ministry of International Trade and Industry (MITI) tasked to attract MNCs into Greater KL.

Among others, InvestKL plays a key role in guiding MNCs every step of the way through the investment process, ranging from locating attractive and suitable office spaces to navigating the local legal framework to avoid undue hitches.

And the agency's help has been invaluable and critical to setting up the CoE, says Patrickson.

At least 150 of those high-value jobs are in the Electrolux CoE today. And the figure will keep increasing as the CoE expands, says Patrickson.

While it is difficult to quantify how much Electrolux has invested in the CoE to date, Patrickson stresses that the bulk of the investments was — and will continue to be — in training and upskilling its people.

He also foresees that the group will continue to invest into the centre as it expands to support the wider business operations in the region.

"It is no secret that many CoEs have a high employee attrition and the main investment is in training employees," Patrickson reflects. "We have, today, more than 150 people in the CoE, excluding our local Malaysia sales company, so providing training and development [programmes] and creating new tools are true investments for the future."

In fact, the excellent talent pool in Kuala Lumpur has not gone unnoticed by many other MNCs and that has, in a way, created a strong incentive for Electrolux to invest even more into talent development, Patrickson adds.

"As more companies set up Global Business Services in Kuala Lumpur, we have seen a growing demand for labour, which puts a crunch on talent," he says.

"This makes it rather a priority for us to not only focus on attracting talent, but also retaining them so we do not lose the valuable knowledge and experience the team has gained or affect the quality of the work."

Upskilling Malaysians to meet IR4.0 demands

From smart appliances like Wi-Fi-enabled television and connected washing machines to self-ordering refrigerators, global digitalisation is a fact of life anywhere in the world.

And the race is on to ensure Malaysians are not left behind.

The coming growth will be staggering and is due in no small part to gigantic investments that continue to fuel the push to expand the boundaries of the latest technologies.

Back in January, the International Data Corporation had forecast that global investments into Internet of Things will increase to US\$745 billion this year, up over 15% from 2018, and breach the US\$1 trillion mark in 2022.

As a snapshot of the growth rates that are coming, the global smart display market — anything you can control

through voice commands, remote devices or via Internet of Things — alone was US\$861 million in 2018 and is projected to hit US\$6.7 billion by 2025.

That rising demand will inevitably include growth from Malaysia and the rest of the region, which collectively are among the fastest-growing economies in the world — the continuous rise of the middle-income group means more disposable income which translates into more demand.

Growing a digital technology-savvy workforce at home is therefore critical in order to tap the fast-growing pool of opportunities, says InvestKL acting CEO Muhammad Azmi Zulkifli.

"Digitalisation is inevitably coming to practically every industry, and the Malaysian workforce needs to be able to adapt to and be proficient in

new technologies, including artificial intelligence," says Azmi.

InvestKL's mandate since its establishment in 2011 is to draw high-value multinational companies to invest into Greater Kuala Lumpur. Specifically, it aims to bring in investment dollars that create high-skilled jobs for local talents with a particular focus on the establishment of regional hubs that has up to 200 employees.

It is worth noting that InvestKL operates by a strict selection criteria in terms of the multinational companies it courts to invest into the capital city. This is to ensure the right fit to the national agenda of spurring innovation, while zooming in on valuable know-how and skillsets that would add value to the country's pool of professionals.

Hence, the investment of compa-

nies such as Electrolux is vital to further that agenda as the nation pursues high-income status by 2030, he adds.

At the agency's parent ministry level, the Ministry of International Trade and Industry has pushed a broad agenda to promote wider adoption of groundbreaking new technologies including industry revolution 4.0, digitalisation, robotics, artificial intelligence, big data analytics and automation.

"Automation, artificial intelligence and big data are the latest market attractions and we have introduced Industry4wrd, a nationwide blueprint on IR4.0 adaptation across all market segments," said its minister Datuk Darell Leiking.

Hence, the investments by multinational players such as Electrolux



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— Azmi

represents steps in the right direction. Among others, the key benefits to the nation include access to technological know-how, training and first-hand experience in the thick of the digital transformation unfolding every day.