

# Greater KL, an increasingly preferred location for a regional base

Major pull factors make this city a prime destination for companies looking to grow their presence across ASEAN.

To expand its presence in the fast-growing ASEAN region, Honeywell International picked Greater KL to establish its regional ASEAN headquarters. This move was made after evaluating many factors such as the ability to find and retain good talent, cost efficiencies that can be generated, the ease of doing business and the country's and region's potential, says Briand Greer, President of Honeywell ASEAN.

Honeywell is a Fortune 100 company and known for developing technologies that enable industries and economies to grow. Honeywell is a global leader in several industries: Aerospace, Home and Building Technologies, Safety and Productivity Solutions, and Performance Materials and Technologies. Its products and services are found in commercial and defence aircraft around the world while almost every automaker and truck manufacturer uses its turbochargers.

Shares of this American multinational company are known for their consistent above-average returns and long-term growth potential. Honeywell generated sales revenue of approximately US\$40 billion in 2015 and a total shareholder return of 118% over the five-year period ending that year.

This global company has been in Malaysia for over 30 years and is poised to play a bigger role with its new ASEAN headquarters. Its four businesses units – Aerospace, Home and Building Technologies, Safety and Productivity Solutions, Performance Materials and Technologies – currently operate from six facilities across the country.

"We have had a very positive experience here over the years. The two Honeywell facilities in Penang, established in 2008, produce innovative technologies that help customers all over the world. Operationally, these two facilities are among the best that we have globally," says Greer.

Honeywell's aerospace business in Penang integrates avionics systems for commercial, business, military and general aviation from a 220,000 square foot facility. The company's other facility on the island provides membranes for the oil and gas industry. These membranes, which remove impurities from natural gas, are sold to Honeywell's customers in the oil and gas industry around the world.

## BUILDING A REGIONAL PRESENCE

"Honeywell's top management expects 80% of the world's growth to come from developing markets over the next 20 years. The potential for growth formed the basis of our decision to expand our presence in developing countries such as India and China and the ASEAN region. While Honeywell has a significant presence in all countries that have been identified as high-growth, setting up an ASEAN headquarters was imperative to accommodate this growth," says Greer.

In order to pick a suitable base for its ASEAN headquarters, Honeywell conducted a thorough study on each country and considered several aspects of doing business. These factors include growth prospects, incentives, the ease of doing business and others. "One of the reasons that Greater KL was selected is its English-speaking, multi-ethnic and multi-racial population. English is the global language for business while multi-ethnicity and multi-cultural facets are very important considerations for Honeywell. We can attract people from all over the world to come to Malaysia, if needed by the business," says Greer, who was previously Aerospace President for Asia Pacific, based in China.

He adds that Honeywell's positive experience with its facilities in Penang and the support by the government cemented the decision to establish an ASEAN headquarters in Malaysia. "We have been able to hire and retain very good talent in our facilities in Penang. Furthermore, government bodies have supported us well and this is not always the case in developing countries."

"Indeed, it is the strong support and contribution from the Malaysian government that is key to our success in this country. The principal hub initiative was launched as we were evaluating among different countries in ASEAN and this initiative made Malaysia, and Greater KL a logical choice," says Greer.


The Malaysian Investment Development Authority (MIDA) effected its principal hub initiative on May 1, 2015 and Honeywell was the first multinational company to join this programme. The principal hub initiative supports local and foreign multinational companies in their offshore trading activities by centralising key strategic value-added functions. This is expected to maximise value and cost efficiencies for the company.

With the new ASEAN headquarters in Greater KL, Greer expects the number of local managers employed by Honeywell to double over the next five years. "We currently employ about 1,500 people in Malaysia. Out of this number, about 350 are




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— Briand Greer, President of Honeywell ASEAN


Honeywell




**Global Leader**  
in the Aerospace Industry



30 YEARS  
IN MALAYSIA




Shareholder Return of  
**118%**  
over the last 5 years




Sales Revenue of  
**US\$40 Billion**  
in 2015


WHY GREATER KL



English-speaking  
Talents




Strong Support by the  
Malaysian Government




Good Living  
Conditions


BENEFITS TO THE LOCAL ECONOMY



The **1st**  
Multinational  
Company to Join the  
Principal Hub  
Initiative



1,500 Local Employees  
in **6** Cities  
Across Malaysia  
350 are Managers



Plans to  
**Double**  
Local Managers  
within **5** years

## DEVELOPING A GLOBAL MIND-SET

The new larger premises for Honeywell in Bangsar South is an avenue for the company to further implement its "One Honeywell" culture, says Greer. This culture which focuses on business acumen, listening and responding to the customer and doing what is said will be done, has been credited for improving the company's global competitiveness.

One Honeywell and the company's ability and experience in operating successfully in a global market can be expected to inculcate a global mind-set among its local employees. This is a prerequisite for local talent to take on greater regional responsibilities.

"With the principal hub located in Greater KL, Honeywell is able to develop talent that is willing to play a global role. Talent that shows potential will be able to progress by taking on an ASEAN role before moving on to a bigger Asian portfolio and so forth. To do so, it is important for them to take on more of a global mind-set and to lean towards the international way of doing business. This way of working can only be taught by a global company with management that has been exposed to different countries and best practices," says Greer.

Greer sees an increase in capable talent applying for jobs in Honeywell and attributes this to the company's growing presence. "To find the best talent, we need to be the best company and one that offers career progression," he says.

Greer adds that good living conditions in Greater KL make it easy for expatriates to assimilate to the local culture. "This is such an attractive city with a good mix of greenery and commercial space. Malaysians are incredibly nice and this makes it an easy place for professionals and their children to live."

"To top it off, there is plenty of business opportunities in this country and this region. Companies here can focus on growing their business and building their market share," says Greer.

managers. This number should easily double or more in the coming years as it is our policy for our operations to be as local as possible. The focus is always to hire local and develop local leadership."

"Honeywell ASEAN headquarters is moving to a new office in June next year and this is testimony to our investment and commitment to Malaysia and to the ASEAN region as a whole," he adds.

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InvestKL is a government initiative to attract and facilitate global multinationals investment into Greater Kuala Lumpur