

# KL continues to draw investments in global business services, as seen in Alcon's decision to set up hub

The setting up of Alcon Global Services (AGS), a regional business services hub for Alcon Laboratories, shows that Kuala Lumpur continues to attract investments in the global business services (GBS) sector.

In 2019, Alcon Laboratories decided to locate its GBS hub for Asia-Pacific in KL as the city has a lot to offer multinational corporations (MNCs), including a large pool of multilingual talent, especially in the financial services sector.

"One of the key considerations when deciding to set up a regional hub in Asia was the language capability to support Asia-Pacific countries. With its diverse cultural background, Malaysia offers the best talent in the region with language capabilities such as Mandarin, Cantonese, Japanese, Korean and Bahasa Indonesia, to name a few. Malaysia also fared better in terms of talent pool availability, especially for finance functions," says Alcon head of Asia-Pacific Nathan Vaidyanathan.

Alcon is an MNC based in Geneva, Switzerland, that specialises in ophthalmology, producing vision care products such as contact lenses, lens care products and ophthalmic surgical products. Its vision care portfolio ranges from disposable contact lenses to reusable colour-enhancing contact lenses, while its comprehensive portfolio of ocular health products includes products for dry eyes, contact lens care and ocular allergies. The company also offers ophthalmic surgical products that enable surgeons to achieve the best results for their patients, including technologies and devices for cataract, retinal and refractive surgery, as well as advanced technology intraocular lenses.

Founded in 1945 in Fort Worth, Texas, as a small pharmacy by Robert Alexander and William Conner, Alcon is worth CHF28 billion (RM127.4 billion) today. In 1977, the sterile ophthalmic product manufacturing company and pharmacy was acquired by Nestlé.

In 1979, Alcon acquired Texas Pharmacal Co, which later became Dermatological Products of Texas and is now DPT Laboratories. In 2010, Alcon was acquired by Novartis. Subsequently, it was spun off into a standalone company on April 9, 2019.

The Alcon product line has expanded from pharmaceuticals to surgical products. Today, the company has operations in 75 countries and its products are sold in more than 180 countries.

AGS was formed as part of Alcon's transformation objectives to create value for its business by simplifying and standardising its business service activities, whereby service delivery is improved and efficiency is realised.

The principle behind the establishment of AGS is to embed ownership and accountability into its business processes and improve speed and simplicity. It is also to drive operational excellence and create a continuous improvement mindset and DNA within the group.

"The Alcon regional hub in KL has been created to embrace change and evolve to the next level," says Nathan. The hub concentrates on business support (with language expertise) across various functions, including finance, HR, procurement, supply chain, enterprise resource planning, IT and quality assurance.

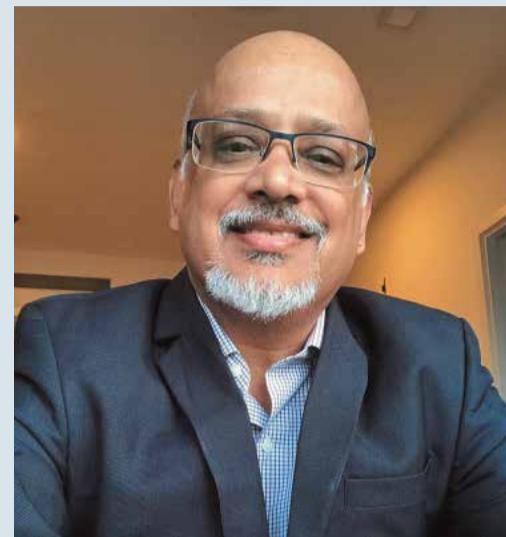
Alcon invests RM15 million a year on operational costs for the AGS KL regional hub. This includes hiring the best talent in the market as well as facility costs. The hub also supports small and medium enterprises and local businesses in the Greater KL area, especially when it comes to collaborative efforts at events and other engagements. AGS' vision is to expand the KL centre with multiple functions and areas of expertise, says Nathan.

The decision to set up AGS was made easier

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# Alcon

A Swiss-based MNC founded in 1945, specializing in ophthalmology, vision care products and ophthalmic surgical technologies and devices

Presence in 75 countries with products sold worldwide

**Why Greater Kuala Lumpur**

- Availability of specialized talent pool in financial services sector**
- Diverse cultural background that enables regional language capability to support APAC countries**
- Strong digital competencies**

**Benefits to Local Economy**

- Creation of high-value, professional job opportunities in finance and business services**

with the assistance provided by InvestKL in areas such as hiring, Malaysian entry and visa applications for non-Malaysians as well accessibility to the Human Resources Development Fund.

Its engagement with InvestKL started with a visit by the team in early 2019. Their discussions eventually paved the way for AGS' application to Malaysia Digital Economy Corporation (MDEC) for MSC status and the tax incentive. In the last few months, InvestKL has worked closely with the company to participate in key webinars, which were insightful and informative.

"InvestKL keeps us updated on government regulations applicable to MNCs. This helps us to stay on top of the latest policies that impact our hiring needs and plan accordingly," says Nathan.

AGS has been providing high-quality finance and accounting services to the company's offices in the region, says Alcon's head of global FRA

(financial reporting and accounting) operations Brian King. "We are currently adding more finance and accounting roles into AGS based on our confidence in the availability of strong talent in the market with finance and accounting skills, digital competencies and language capabilities. AGS has developed a strong culture around Alcon's values and behaviours, as well as key initiatives to instil a mindset around continuous improvement, customer service and talent development."

Meanwhile, Alcon's head of AGS Lars Christophers says AGS is an integral part of Alcon's multi-year transformation journey. "The AGS teams around the world are partnering with Alcon's functions and businesses in order to deliver better outcomes for our customers, first and foremost of which is to make our patients see brilliantly."

## InvestKL gearing up efforts to attract investments as RCEP brings opportunities

The Regional Comprehensive Economic Partnership (RCEP) has been signed by 15 countries, which comprise a market of 2.2 billion people and about a quarter of the world's GDP. The free trade agreement (FTA) is expected to eliminate about 90% of the tariffs on imports imposed by its signatories within 20 years of coming into force and establish common rules for e-commerce, trade and intellectual property.

As a member of RCEP, Malaysia looks even more attractive as an investment destination, with Greater Kuala Lumpur being the ideal venue for multinational corporations looking to set up their regional hubs covering the FTA region.

"RCEP will bring significant benefits to Greater KL as companies can soon leverage the wider market access, integrated supply chain, international venture opportunities and more. Fundamentals such as strategic location, cost, infrastructure and pro-business policies will become a vital differentiation factor when investors decide on a location, and Greater KL possesses all these qualities and more," says InvestKL CEO Muhammad Azmi Zulkifli.

"We will pursue this opportunity to attract new investments from our focus regions and those from neighbouring countries covering high-impact, high-value and high-tech activities. One of the key investments will be from



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the service sector, which covers healthcare, green technology, financial services and R&D."

As the country transforms and moves up the value chain in all economic sectors, InvestKL is driven to attract investments from next-generation economic sectors that will benefit Malaysia through new technologies, innovation and creativity.

Greater KL's fundamentals such as rapid growth dynamics, world-class connectivity, integrated transport facilities, future-ready talent and a high-technology ecosystem, alongside attractive tax incentives, continue to attract a diverse range of sectors, including medical technology.

While the outlook for Malaysia's healthcare sector remains positive, a key segment — medical devices — is booming and estimated at over RM6.7 billion, with more than 200 participating companies making it a conducive ecosystem for medical players such as Alcon to thrive in. Other technology sectors under the medical sector, such as electrical and electronics, machinery, engineering and sterilisation services, are also viewed as high-potential growth areas that can push Malaysia's economy up the value chain.

"We hope to realise investments of more than RM15 billion and create more than 15,000 high-value jobs that will contribute towards long-term value for our country, economy and people," says Azmi.