

THE EDGE
AWARDSOutstanding Property CEO
Award 2019

Datuk Seri Robert Tan | GROUP CHIEF EXECUTIVE OFFICER OF IGB BHD



A combination of brains and luck

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“I love shopping,” laughs Datuk Seri Robert Tan when we meet for an interview recently. His understanding of a shopper’s needs has served the group CEO of IGB Bhd well over the years, especially in his early years with IGB. After all, Tan is known as the man who built Mid Valley City and grew IGB into one of Malaysia’s largest companies with a market capitalisation of almost RM9 billion (including that of IGB Real Estate Investment Trust).

Tan is the recipient of this year’s *The Edge Malaysia* Outstanding Property CEO Award, which was conceptualised to recognise CEOs or professionals who have successfully taken their company to an exceptional level under their leadership.

Tan studied Business Administration in the UK and worked for a chartered surveyor firm for a year. Before returning to Malaysia, he developed a housing project in Central London.

Interestingly, Tan had never planned to join IGB. “I was living in Penang and was involved in manufacturing when my father — the late Datuk Tan Kim Yeow — was taken ill. He was the chairman of IGB at the time and he called me to ask if I would like to come on board. But I wasn’t keen because I felt I didn’t have the skills to build a shopping mall of Mid Valley Megamall’s scale. I knew nothing at the time,” he recalls.

Ultimately, he agreed and joined IGB in 1995 as joint managing director with his cousin Tan Boon Seng. His father died in 1997. In 2001, Tan became group managing director.

A case of luck and foresight

To build a retail mall, especially one of Mid Valley Megamall’s size, it is important to understand how one works, stresses Tan.

“When I came in, I looked at the design of the mall and immediately knew as someone who loves shopping that it would not work. It was too complicated. I have a great sense of direction — 99% better than most people — and even I would have got lost in that mall,” he says.

“I have a certain instinct and foresight that most people don’t. I saw Mid Valley City as a package and I knew how to combine and put the whole thing together.”
— Tan

Tan started to study all the different malls in different parts of the world, including those in the US and Canada.

“None of the architects we were working with had any experience in designing a mall. They were more focused on the aesthetic features instead of the layout. So I told them to simplify everything. I may not have had the experience but as an avid shopper, I knew what I wanted,” he says.

However, something much worse happened when the construction of the mall began. The year was 1997, when the Asian financial crisis crippled the region.

“It was the worst thing. Investors were getting cold feet. Luck, as I have always said, plays a very important role in the success of a company because at the time, I owned a building in the UK. The UK market was quite good at the time and I managed to sell the building. With the money, we managed to draw down on our loan and complete the construction. The timing was perfect. When people say I’m a magician, I tell them it was luck!” Tan smiles.

Mid Valley Megamall has a net lettable area of 1.8 million sq ft. In 2007, IGB opened The Gardens Mall, a luxury mall to complete the offerings in Mid Valley City. It is also home to several hotels, including Cititel, The Boulevard - a St. Giles Hotel and the Gardens Hotel and Residences, as well as office buildings.

In April this year, IGB opened its first mall outside the Klang Valley — The Mall, Mid Valley Southkey in Johor Baru. With an NLA of 1.5 million sq ft, it is the largest mall in the south of Peninsular Malaysia. The 36-acre mixed-use development will also comprise offices and hotels.

Building a team

It is important to Tan that he practises what he preaches.

“The leader has to lead by example. This is filtered all the way down so there is a system in place. Of course, there will be glitches here and there but with a system, you can see the problem,” he observes.

At the end of the day, people are key to the success of a company and Tan is particularly proud of the team he has built. In fact, he calls it his greatest achievement.

“I’m very, very proud of our team; they are an asset to the company. We do everything in-house. We manage the hotel, the malls, the offices and even the traffic flow. In the early years, I thought of getting an American party to manage the mall but they wanted US\$5 million just to sit down to talk to us. I remember thinking that if I couldn’t do something better with that amount of money, I shouldn’t be there,” says Tan.

His team is so capable and efficient that they handle the day-to-day running of the business. “They can do without me. Sometimes, I go away for a month and I know that if I get a phone call from the office, it has to be a life or death situation. Everything runs like clockwork and they are able to react to any situation.”

These days, life is less stressful for Tan. “My biggest challenge is dealing with people. There will always be someone questioning you and your decisions. When I wanted to build Cititel, the board



Tan with (from left) The Edge Media Group publisher and group CEO Datuk Ho Kay Tat, *City & Country* editor Rosalynn Poh, *The Edge Malaysia* editor-in-chief Azam Aris, and *EdgeProp.my* managing director and editor-in-chief Au Foong Yee



From left: Tan Boon Lee, Tan Sri Lin See Yan, Daniel Yong Chen-I, Lee Chen Chong, Tan, Datuk Alfred Cheng, Ivan Tan and Ong Kim Too at the introduction session in The Mall, Mid Valley Southkey

of directors and some others asked why there was a need for another hotel when there were already so many rooms in Kuala Lumpur.

"I told them they had to trust me. I have a certain instinct and foresight that most people don't. I saw Mid Valley City as a package and I knew how to combine and put the whole thing together."

As a perfectionist, Tan is always driven. "If I have a task to complete, I want to do it well. First, you have to be inspired to do the job. Shopping is my cup of tea and it involves some hospitality. These two businesses are interesting to me because they react to situations and trends, how people behave, unlike, say, manufacturing, which is repetitive. I love seeing how people think. Understanding their preferences and differences is a good challenge to me. To be able to get all these elements right and make them successful drives me."

Tan does his best thinking outside the office, often starting his day with a game of golf. "I play golf with some of my guys in the morning, beat them in the game and take their money," he laughs.

"We will have lunch and talk and see if there is anything that needs to be addressed at work. This is where I can think, not in the office. Once I'm in the office, I have to spend my time signing this document and that document."

Though Tan was born into a well-to-do family, the stakes were high for him in the early days. "I didn't have to come down to KL. I was very happy in Penang with my family. Before my family moved to KL, I had to fly back and forth from Penang to KL all the time. It was hard being away from them for days."



Parcel 3, Mid Valley City
 Ground breaking in 2012
 GHI "Hands On" Group MD!



Right: Tan celebrating Christmas with the Mid Valley Megamall team

Bottom left: Tan at the ground breaking for Parcel 3, Mid Valley Southpoint in 2012

Below: Tan cooking for his guests

It's all about the family

Ultimately, no matter how successful Tan is and how much he has accomplished, what matters most to him is his family. "I'm content with my life. At the end of the day, the thing I want most is to go home to my family, especially my three beautiful grandchildren. They are my biggest asset," says Tan, who goes on a holiday with his family at least once a year.

The 67-year-old notes that once a person reaches a certain age, his perspective changes. "You have reached the next stage of your life and you start to ask questions like how many more years do I have? What is my quality of life? What do I real-

ly need? Our diets have changed. I can't finish a steak on my own anymore. I don't think much of prestige; I just want to go home to my family and ensure that everyone is happy. Happiness and health are what we need."

Tan has encountered plenty of naysayers over the years, many of whom did not believe Mid Valley City would take off. "People said the project would fail and that I would soon be back in Penang. But I'm still here today, so I suppose I have done something right," he grins.

While Tan may be taking things a little easier these days, with his achievements, his legacy is secure.

