

**“But Axiata proved again and again, in a difficult industry, that we were professional, we had integrity and we had the trust of the people that we served.”**

*Tan Sri Datuk Wira Azman Hj Mokhtar*

Founding Chairman  
Axiata, 2008 - 2018



The big idea behind setting up Axiata was that we wanted to create a regional champion, a next generation GLC.

This initiative was part of a greater design, the GLC Transformation Programme that was officially launched in 2005 to transform GLCs into high-performing entities, targeting several companies to emerge as regional champions by 2015.

The programme was born out of a need to restructure and transform major strategic companies that were institutive and important to the nation, but ailing. It was part of a bigger national agenda after the Asian Financial Crisis to ensure that the GLCs delivered high performance and growth in key industries such as airlines, infrastructure and telecommunications. In 2004 I was brought in to spearhead the work at Khazanah to drive the transformation of these companies.

First, we needed to make sure that, once these companies began to heal and were getting stronger, how we could make them even stronger. The only way was for them to be competitive, subjected to competition not only in Malaysia - where, if anything, they could be accused of being, by the nature of their industry, trapped in a monopoly. Or they could go regional and, by doing so, no longer be dismissed as just a *jaguh kampung*. The globalisation trend meant that borders and barriers were basically being taken down. If we didn't go out to compete, we'd be left defending our positions instead. We thought that, since the world was coming to us, we might as well go out and take on the world.

To become a regional champion needed certain conditions. Everything had to be multi-cultural and multi-national. TMI and Celcom, before the demerger, were constrained by the history of their location within Telekom. They needed to be unleashed to thrive. We needed a replay and hence the demerger.

My colleagues and I at Khazanah had the idea to demerge at least two years before it transpired. We could not demerge until we felt that, for example, a company like Celcom was strong enough to sustain itself and survive the demerger. In other words, the operational restructuring must be in place before you can actually drive what was essentially a financial play to demerge into two companies.

There was a lot of work put into the corporate restructuring of TM. Axiata was born out of that. We also spent almost two to three years developing TM's Performance Improvement Programme (PIP). We also had to ensure that Axiata didn't embark on an unnecessary spree of acquisitions unless there was a fit with what they had in hand. More importantly, Celcom and TMI had to ensure that its subsidiaries which later became the core of Axiata had to improve its operational efficiency.

In creating a regional champion, we of course considered many factors.



At that time, we saw it as a great but receding window of growth in the mobile industry. In the first five years we saw growth in Indonesia, India and Bangladesh, the world's largest and fastest growing markets. After that, as per the trend everywhere growth in the mobile industry flatlined. So, we were able to take advantage of that period and in practically all markets that we entered, we were able to gain market share, market position. A testimony of the great work the Axiata team was beginning to do.

In putting Axiata together, it was critical to also ensure we had the right leadership in management and Board. It took us six months to persuade Tan Sri Jamal to come on board. He is key but I didn't know him that well, so I must credit Dato' Sri Mohamed Nazir Tun Abdul Razak for the introduction. I told him the idea when he was on break after retiring from Maxis Communications Berhad in 2007. He was big on talent development and I thought this was the button I should push. I said, "Here's an opportunity to actually build a regional champion. You have done fantastically well in one country, and now I'm offering you the chance to do fantastically in 10 countries and to really develop talent on that footprint." One of his conditions, very particularly, was that I chair the company!

I did, and remained Chairman until 2018. Being the Chairman of a big company like Axiata is a full-time job and I did it with great pleasure and great honour. I didn't chair any other listed company incidentally, given all the other responsibilities that I had.

Tan Sri Jamal was key and so was the Board we put together. Here we had the opportunity of a clean slate and basically approached the best Board we could think of, to best fit Axiata's new aspirations. One of our founding Board members was Juan Villalonga Navarro. We managed to convince him, and his experience as the former Chairman and CEO who grew Telefonica Group from USD10 billion to USD100 billion in four years was very relevant.

When we first started, managing relations and political variability in many countries were key. We were chasing growth in developing countries like India and Bangladesh. Inevitably, in those developing markets their legal, financial and political systems needed navigation and the choice of someone like the current Chairman Tan Sri Ghazz, as a former senior diplomat proved very apt.

Then there was Datuk Azzat, a very experienced lawyer who still handles many cases; David Lau, who was incredibly good with financial control. Pak Gita Irawan Wirjawan from Indonesia was just as significant, and was appointed as Indonesia's Minister of Trade in October 2011. Whoever we brought in from Indonesia left soon after because they became so good and were appointed ministers in their country. We also had Ann Almeida, a Penangite originally, who was Group Managing Director, Human Resources, HSBC, one of the world's largest banks. Along with Dato' Yusof, Ken Shen and Suriyani as the Company Secretary and others, this was the founding Board. Jamal also had a cascading effect, he was able to then hire great people under him in management.

If you have the right idea, the right thoughtfulness in planning, and then manage to get the right CEO and a very sound Board then you have a good chance. To me, those were some of the key attributes of a successful company.

In pioneering and steering the evolution of a homegrown regional champion, the challenges were numerous. Among them were the usual cost competition pressures, multiple regulatory issues and the advance of the digital revolution. But Axiata proved again and again, in a difficult industry, that we were professional, we had integrity and we had the hard-earned trust of our stakeholders. We also proved that we were disciplined and discerning in our M&A activity. That was the Axiata way of doing business, both in operations and deals, and being able to attract very strong cross-cultural teams.

I was honoured and privileged to have been there. I had made a promise so I continued, probably dedicating 10% of my time to Axiata. When you consider there were 99 or so other very large companies demanding my attention under Khazanah, I justified this as an R&D lab for Khazanah, trying to break new ground with new styles and new geography. In that sense, Axiata did literally break new ground and became a homegrown regional champion we can all be proud of. Alhamdulillah. May this be a base for its next 10 years and beyond!