

Staying POWER

Serba Dinamik Group has found a way to navigate the highs and lows of a volatile market.

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In our chat with the Group Managing Director and Group CEO of Serba Dinamik, Mohd Abdul Karim, there's a word that keeps cropping up: sustainability. The international energy services group provides engineering solutions to the often-volatile oil and gas, and power generation industries. Riding the ebb and flow of oil prices, meeting government regulations and staying on top of technological innovation are daily challenges for Karim, but the company he co-founded 24 years ago is going from strength to strength.

One of his key strategies has been to diversify, both in terms of the business's offering and also in its geographical spread, to help buffer against the industry's highs and lows. "If you look at the oil and gas industry from when we started in 1993 to today, I would say it has gone through two cycles of economic downturn," Karim explains. "The first one was sometime around 1997, when there was a major global economic downturn. And the second was about four years ago, when there was another downturn in terms of the economy," he says.

"As far as the oil and gas industry goes, the price of oil at the moment is fluctuating between US\$45 and US\$56 a barrel. At most, it might reach something like US\$58 per barrel. When compared with the peak of the

oil prices, where you're talking about an average of US\$100 per barrel, almost half of the value has gone.

"At Serba Dinamik, we're lucky our core competency is maintenance services. So regardless of how bad the economic downturn is, as long as factories are still operating, oil and gas platforms still producing, and the downstream plants and so on still running, maintenance is still required. So we weren't that badly affected. Yes, the volume of jobs might have decreased, and the price of the respective contracts might have reduced, but the Serba Dinamik Group operates in a broad spectrum globally. We look at countries that are still very active and try to put more sales and development activities into those markets. We are entering into different countries so that if anything happens to one of the countries that has been contributing significantly to our revenue, it can be mitigated by another one in another part of the world."

This strategy of spreading risk has helped the Group to grow, and its global presence is having a positive effect on brand perception. Karim explains: "The public mindset is that Malaysia is an Asian country, and the technologies and capabilities in Asia are still quite limited compared with those in Europe and America. Serba Dinamik has expanded



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significantly outside Malaysia in terms of its market over the past 16 years in order to meet the challenge to convince people of Malaysian capabilities.

"I always emphasise to our people that we need to position Serba Dinamik as a multinational company of preferred choice," says Karim. With that objective, we need to have a bigger global presence. At the moment, we have operations in Malaysia and Indonesia, as well as in Thailand and Myanmar. We also have a presence in six countries in the Middle East, which is contributing significantly to our revenue. Plus, we have small operations in the UK."

The Group has also recently entered the African market, securing a lucrative US\$70 million contract in Tanzania. Karim predicts that it is here that the Group will see the

most growth in the coming years. "Sustainability is the word that is core to us," he says. "What that means is, we must always create a policy or a strategy that can sustain the company over the next few years."

It also means looking at clean energy initiatives, as the Malaysian government moves to subsidise hydro and solar, and Serba Dinamik was awarded the Green Era Award for Sustainability in 2016. It has been actively promoting the use of low-emission microturbines and has achieved ISO 14000 compliance for its environment management system. Predictably, when it comes to the award, Karim is fixated on one word: "First, if you look at the title, I would say that the word sustainability is a very important one." ■