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ON THE FAST TRACK

Weststar Aviation Services Sdn Bhd (WASSB) has showed that by investing in highly skilled human resources, it has successfully accelerated the growth of its business. *By Kamal Bayramov*





Starting off in 2003 as a provider of charter helicopter services, the company had only two helicopters but nevertheless, the Weststar Group Managing Director Tan Sri Syed Azman Syed Ibrahim envisioned that this could be the starting point for the growth of a major niche business.

His big break came in 2008, when PETRONAS Carigali Hess invited bids for a major contract. "This was our entry point into the offshore aviation business. We won the tender for a contract from PETRONAS Carigali Hess."

"We commenced our services for that contract in 2009 and we built a base in Kota Bharu to house two Sikorsky S76C++ helicopters for this contract," he explained.

In the following year, PETRONAS invited WASSB to participate in the biggest ever tender in Malaysia with five companies invited to submit bids. "We won the RM4.2 billion tender which was around 50 percent of the entire project. Work began in 2011 and we currently have an offshore services fleet of 45 helicopters.

"We are one of the fastest-growing helicopter companies in the world, and that was one of the reasons we attracted the attention of one of the US' biggest equity firms, KKR & Co., which wanted to invest in our company," said Tan Sri Syed Azman. Subsequently, he sold a minority

stake of WASSB to KKR, for RM642mil. That valued his company at an estimated RM2 billion and he netted half of the sale proceeds.

In the first quarter of 2011, WASSB became the largest offshore service provider in the South East Asian region when it was awarded a contract to provide nine AW139 helicopters for five prominent oil and gas companies – PETRONAS Carigali, ExxonMobil, SapuraKencana Petroleum (previously known as Newfield), Talisman and Petrofac.

Following this, a few ensuing contracts were awarded in 2012, 2013 and 2014 adding to the list of oil and gas conglomerates which includes CPOC, TOTAL, KPOC, Lundin, WesternGeco, Hess, Shell, Tullow Oil, Mubadala Petroleum, CGG Veritas, ConocoPhillips, INPEX Offshore, PTTEP, and Kosmos Energy.

The growth in the company's aviation business is closely linked to the growth trends in the oil and gas industry. "In the last two decades, the demand for oil and gas has been increasing tremendously. Today, we are not only a Malaysian operator but also have a decent global presence."

"We operate in Morocco, Mauritania, Thailand, among others. In Thailand, we are the largest offshore aviation service provider so with that, it makes us the biggest player in two markets (Malaysia and Thailand) whereas in Morocco



Tan Sri Syed Azman Syed Ibrahim

and Mauritania, we have two helicopters operating in each market," Tan Sri Syed Azman pointed out.

In addition, he explained that WASSB is participating in two major international tenders and hopes to get positive results by year end. "We project that we will have 100 helicopters in the next five years; this is my long-term target. We are aggressively expanding in Africa and already have a base there, so it is easy for us to venture into other markets in that continent," he added.

Weststar has identified Mozambique as its next potential market. Apart from Africa, it has also earmarked the Middle East and Australia as target markets.

"PETRONAS recently awarded us a contract for a feasibility study on how to operate helicopter services in Iraq. For the last two decades or so, the country did not have civilian helicopter services. The study has been completed and submitted to both PETRONAS and the Iraqi government," he revealed.

On the subject of listing, Syed Azman mentioned that the group is planning to appoint a banking partner to successfully execute the initial public offering (IPO), which is projected to be in the second half of next year. The funds from the IPO will be mainly used for the expansion of the fleet.

"The IPO exercise will also enable us to expand more aggressively overseas. At present, the company has 70 percent of its operations in Malaysia and 30 percent overseas. Our target is to increase the overseas share of business to 50 percent."

For example, "We have been invited by companies from as far as South America to participate in tenders, but since we don't have bases in that region, the cost would be prohibitive."

He adds: "It is important to do things the right way and I have always invested a lot of money to achieve that. So, I invested in a lot of professionals and that was the reason why we were given an award after just 12 months in operation. Since then, we have been winning the Carigali Hess Safety Award for our impeccable track record in safety for five years in a row."

Persistent in his determination to do things the right way, in 2012 Tan Sri Syed Azman invested RM35 million in building an AW139 flight simulator in Subang.

The state-of-the-art facility, the first of its kind in Asia, is to help the company nurture local pilots to offset the scant supply of helicopter pilots in the region.



Tan Sri Syed Azman pointed out that the substantial investment in the facility shows the company's continuous commitment to nurturing a solid local talent pool for the future.

He said, "For us to continue our rapid growth, we need to ensure that we hire the right people with the right skill sets and capabilities. With the facility that we now have in Subang, it works out in our favour to train our up-and-coming local pilots as far as cost and placement availability are concerned."

The cutting-edge facility is the third simulator in the world after the ones in Milan, Italy and Philadelphia, US.

The Group has 600 employees in offshore aviation. The total workforce in Weststar Group is approximately 1,000 people. Out of the 600 WASSB employees, 10 percent are foreigners comprising pilots from the US, Britain, France, South Africa, Australia, Russia and others. So, human resource investments was a crucial part of the company's success.

"We compete with some of the biggest companies in the world, some of whom have 40 years' experience and 500 helicopters in their fleet and yet, we managed to surpass them in winning tenders like the one in Mauritania," Tan Sri Syed Azman remarked.

He has stepped up efforts to recruit more local pilots and engineers. Weststar has started working with local institutions to sponsor the training of these individuals. This is a long-term and costly project. By the time the pilot gets his licence and clocks in 500 hours of flying time, it will cost the company RM1 million.

About the Group

Apart from WASSB, under the Group's fold is another of its aviation wings that provides charter services. It currently has seven Eurocopter helicopters and four private jets – two Boeing 727 VIP jets, one Boeing 737 VIP and one Gulfstream II.

Significantly, the Group has also built other sizeable core businesses.



For the foreseeable future, Weststar Maxus aims to become the commercial van specialist and is continuously striving to develop more innovative new products to add to its current range of offerings. For two consecutive years in 2013 and 2014, the subsidiary was granted the “Most Outstanding Distributorship” award from its manufacturing partner, Shanghai Automotive Industry Corporation (SAIC).

It has further taken an award-winning commercial van and transformed it into various specialised vehicles for commercial use. It has also obtained distribution rights for Asean and selected countries.

Global Komited is a specialised vehicle design and bodywork engineering company. It has entered into agreements with several Original Equipment and Vehicles Manufacturers around the world to promote, develop and manufacture a wide range of commercial, specialised vehicles including military vehicles in Malaysia.

To date, Weststar has delivered a wide range of military vehicles such as the Weststar MAXUS passenger vans, GS Cargo 4x4 vehicles, Weststar MAXUS ambulances and GK-M1 Gun Tower Weapon Platforms to the Ministry of Defence

Malaysia (MINDEF). In addition, Weststar has also delivered a few more units of the GS Cargo 4x4 vehicles and the Mobile Police Station vans to the Royal Malaysian Police.

Furthermore, in another development where the group has managed to penetrate a broader overseas’ market, Weststar recently secured a contract with the Defence Forces of Timor Leste for the initial supply of several units of its GS Cargo 4x4 vehicles.

SAFZ Auto is a leading supplier of high-end imported cars in the country. It is one of the few companies that cater to customised orders for imported cars. The company aims to provide high quality after-sales services to its customers in its new centre located opposite the Weststar headquarters in Jalan Ulu Kelang, Kuala Lumpur.

Weststar Auto is one of the authorised Honda dealers and a consistent award winner. It is one of the exclusive dealers of Honda vehicles in Malaysia that offers a full range of Honda cars.

Weststar Construction has PKK Class ‘A’ certification and is involved in construction and property development projects. The company has progressed into building high-end residential projects, among others.

At the moment, the subsidiary is working on completing 1500 units of the ‘Projek Perumahan Awam 1 Malaysia’ worth RM520 million in Putrajaya.

Meanwhile, Weststar Agency provides cover for all in-house insurance policies for the Weststar Group against exposure and risks such as aviation, motor, casualty, property, marine and contractor risk.

Weststar’s hangar in Kota Kinabalu

