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Harry Susilo [Indonesia, Founder Sekar Group]

Harry Susilo

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Interviewee: **HARRY SUSILO**
Interviewer: Hoon Chang Yau
Date: 3 December 2015
Location: Singapore

00:00:19

Hoon

Mr. Susilo, a good day to you.

00:0:21

Susilo

A good day to you too.

00:00:23

Hoon

To begin, can you first tell us your life journey? What have you gone through since your younger days?

00:00:31

Susilo

Back in the 1960s, Indonesia was extremely underdeveloped. Our family living condition was poor as well. I am now reminiscing about those poor and backward days. My father was fifty-one years old when he suddenly fell ill with brain hemorrhage. His brain hemorrhage caused our family to endure hardship because my parents had twelve children. Obviously, after he fell ill, every one of us was troubled. I was young then, just twenty-four years of age. So, I had to think of how to find opportunities to help the family. I did not expect my father's friend, who visited my father and learned that I was the eldest son, to ask me to purchase fish for export to Singapore. In 1966, there was no entrepreneur who purchased fish for export. I was the first one, a pioneer. Because of this, I found earning money smooth and easy. Of course, this changed our family circumstances. Within two to three years, I met a Japanese team. They had just arrived in Indonesia on a trade mission. That was in 1968. We exchanged words, and he advised me to purchase prawns from the area of Sidoarjo in Surabaya to deliver to Jakarta. I replied to him, "This is my first foray into business, I do not quite understand, and in what ways could you

look after me?" Then he gave me a fund worth US\$50,000. Then, I began to learn how to purchase prawns to deliver to Jakarta. But after two years, he unexpectedly told me, "Harry, the prawns you sent to Jakarta are not fresh enough. We might as well build a cold room." I was taken aback, how could they...? I was young and I did not have a sufficiently large capital to build a cold room. It was impossible. However, he persisted on this matter. Even after I evaded this matter for a year and a half, he would stubbornly discuss it with me every month. At that time, I was worried that I would not be able to bear the responsibility. I was afraid of the consequences should he pull out after the cold room was built. What would I do then? I was reminded of my personal responsibility. So again, I evaded this matter for yet another year to about a year and a half, even as he kept pressing me on this. Finally, he called in a lawyer from Citibank, who was an Indonesian, to persuade me with his reasoning. He said, "Harry, for Citibank to give you a loan, that would be impossible because you do not have many assets to qualify for mortgage. But we can give you cash on the account of your partner, your future partner, Toyo Menka, who is guaranteeing this loan. If you do not pay up, we will not give you notice, we will be giving Toyo Menka notice." So, I said, "If this is indeed the case, then all right, I will accept it." From then onwards, I found that as a pioneer, a pioneering enterprise, everything was going on very smoothly. Really, it was so easy to earn money from what I was doing. Why? Because nobody was doing it, only I was doing it.

But after six years, others saw how well I was doing and started to build cold rooms too. Then I thought, "Oh no, now the competition has started." Since there was competition, I wanted to avoid it, and started to think of ways to beat it. I had to use my wisdom and creativity. Wisdom and creativity, these are extremely important. I had to find other projects. When I was young, I had seen people making prawn crackers. This is very important, because some of my prawns were small shrimps, which cannot be exported. Some others were prawns with damaged shells, even though the meat is very fresh. These can form the main ingredient for prawn crackers, so I thought of making prawn crackers. After making prawn crackers for less than a year and a half, a Japanese conglomerate came along. They said, "We want to participate and invest in your project." I was very happy. I didn't realise that foreigners took an interest in prawn crackers. So, I began to increase my production, wishing to produce more prawn crackers and prawns. From purchasing prawns and fish in East Java, I went to different islands in Indonesia, and completely bought over their products. I purchased a lot of marine products, like prawns from the farmers, fishes from the fishermen, and tapioca from other farmers. This meant I needed many more employees to process them. As a result, the production of our prawn crackers grew in quantity and scale. Not only that, our exports grew larger too. With exports, we earned forex in US dollars, which was given to the government. When

we earned profits, a part will also be paid as taxes to the government. This will benefit the society. I was glad to purchase produce from farmers and fishermen, glad to employ more employees including foreigners, glad to export our products, and glad to pay taxes. Subsequently, however, many other businessmen saw that we were doing well, and also began to learn the ropes from behind. What should I do next? Then I began to think of ways to innovate and create. By innovation, I mean expanding our markets. From Japan, we started moving to European countries, then to the United States of America, until we covered the whole world.

00:10:08

Hoon

I would like to talk to you about some of the difficulties and challenges that you faced while building your business, especially during the 1997 Asian Financial Crisis. How was your company affected, and how did you deal with these challenges?

00:10:26

Susilo

I was confident when I dealt with the challenge. To me, this global financial crisis, especially the Asian Financial Crisis, was the first I experienced. I told everyone that there are four pillars to support the global economy and businesses. They are energy, finance, technology and food. The financial crisis that happened in 1997 was a problem with finance. I know that Indonesia had experienced several financial crises in 1966, 1970s and then 1980s. The food industry has always been stable, so the crisis did not affect us. I told them that in the face of crisis, we must persist and continue to work hard, because there would come a time when we would definitely overcome the crisis. That was what I said. In 2000, there was the technology crisis, which we now know that we had overcome it.

There was also the energy crisis in the 1970s and 1980s, and we also managed to overcome that. But regarding food, as I have learnt from history, it must not meet with a crisis. Once there is a crisis with food, there is bound to be a Third World War. This is according to one researcher. So, I told everyone that we must do our best to maintain our agricultural and food enterprises.

00:13:22

Hoon

Sekar Group is celebrating its fiftieth anniversary next year [in 2016]. Mr. Susilo, what accomplishments are you most proud of? What are your prospects for the next fifty years?

00:13:37

[Susilo](#)

I am most proud of the fact that firstly, I have been able to hand over the business to the second generation, which is my siblings. Secondly, I am honoured to be commissioned by the Indonesian Government to build Monumen Jayandaru. Monumen Jayandaru is to mark the icon of Indonesian food, prawn crackers, which is fully modelled after our trademark. This was an immensely great honour for me.

00:14:36

[Hoon](#)

Mr. Susilo, your contributions in Indonesia are highly recognised. You also recently contributed to the international academia as well at Boston University, which established the Susilo Institute for Ethics in the Global Economy. Mr. Susilo, could you tell us more about leadership, particularly the concept of ethical leadership? Why are you personally interested in ethical leadership?

00:15:13

Susilo

Actually, the Susilo Institute for Ethics in the Global Economy was first announced at the Great Hall of the People in Beijing, China, on 29 March 2014. The announcement was made after several rounds of discussion. We had requested to fuse Eastern and Western cultures together. My friends in the school had asked me to include my name in the new institute. So, I made this request to the university official, and he agreed. The official also told me, "Harry, this is about your theories, your ethical theories that we intend to use in the School of Business in Boston University." The courses offered are compulsory modules, which students will take in their freshmen year. This is also in line with our strategy to create a global network. Every year, the Institute will hold a seminar in a different country to discuss about ethics in the global economy. Indeed, I am very honoured, but why did they decide to use my philosophy and theories? Then I realised that my past experience, that is my background and history, and my corporate ethical theories, turned out to be what the university wanted to imbibe in every aspect. So, after meeting with the Board of Trustees, they approved of naming it after me, as the Susilo Institute of Ethics in the Global Economy.

00:17:45

Hoon

Mr. Susilo, you mentioned just now that there are differences in business ethics or ethical leadership between Asia and the West. Can you briefly explain to us about them?

00:17:58

Susilo

Western countries had in the past underestimated Asian business ethics. But that has changed ever since the financial crisis of 2008, which began from Lehman Brothers, Fannie Mae and Freddie Mac in the United States. I was interviewed by Dr. Robert Brown in 2008. He was an advisor for the Singapore Government and had been in Singapore for seven years. Before he returned to accept the invitation to be the President of Boston University, the Singapore Government asked him to meet me. When we met, he asked, "Harry, regarding the 2008 incident, what are your views?" I initially did not dare to offer my views, since he was a professor and an advisor to state leaders. But he urged me, so I told him that the cause was the poor governance of American financial institutions. This led to the problems at Lehman

Brothers, Enron, Madoff, and many banks audited by Arthur Andersen. It was terrible. If allowed to fester, this would have a severe effect on American financial institutions, and an even bigger effect on the American economy. Then he asked me, "What should we do then, Harry?" I told him, "It would be best to start with the American family, educate them at home and in school. The crisis was man-made. The leaders only took care of their own interests and did not consider everyone's interests.

00:20:49

[Hoon](#)

Mr. Susilo, based on your many years of experience in business, how do you hold on to your beliefs? How do you make sure that you would not be led astray?

00:21:03

[Susilo](#)

Toyo Menka, today it has been taken over by Toyota. They worked with me on processing prawns. Marubeni worked with me on making prawn crackers. That was also a conglomerate, which actually manufactures Nissan as well. They also chose to work with me in the food business. I thought of why Toyo Menka gave me such a great opportunity, but I didn't accept their request immediately. It was because I was worried about my own abilities. What if I could not do it? What if Toyo Menka stopped working with us midway? Only now do I understand why they persisted in waiting a year and a half for me to accept their offer, instead of giving up. In reality, in many other places...

00:22:14

[Hoon](#)

Such opportunities would have slipped away.

00:22:17

[Susilo](#)

It was then that I realised it was because of my display of sincerity and a sense of justice. I had shown them my fervour.

00:22:29

[Hoon](#)

Mr. Susilo, as a good leader, be it in business or in government, what are the qualities he should have?

00:22:39

Susilo

This is a good question. He should view morals as the most valuable. If a person has no morals, he may earn big profits in business, but is the money clean? This would spell troubles. Look at what is happening in the society nowadays. I need not name any person, we are all aware of it. Morals are most important in how we conduct ourselves in life, in business, or in other aspects.

Secondly, because we are in the food industry, we need to view quality as the foundation. This is vital. You have to consider peoples' health and safety. Today, the world still has many food safety issues happening in different countries. People get harmed. Also, for our conglomerate, we must view harmony as the core. Everyone should strive to be in unity and harmony. Let this become a force, since unity is strength. With this force, one can face any difficulties and challenges.

Lastly, our company is rooted in society, so we need to pay back to society. We have received much support and enjoyed a warm reception from our friends in the society. Now that we are successful, we should pay back to society. That is why I got involved with Boston University, and agreed to the Indonesian Government's request to build the monument.

00:25:03

Hoon

Lastly, I would like to ask Mr. Susilo, what is the impression you hope to leave behind for people? What legacy do you hope to give to the next generation?

00:25:14

Susilo

I hope that the younger generation can take over our business. I remember in my younger days, I met a friend, who was a professor. He was Professor Pang Lay Kim. He was a business researcher. In 1986 when we met, he told me, "Harry, let me tell you. You have to take good care of your future generation, because my research has shown that family enterprises cannot last beyond three generations." Therefore, this

has become one of my challenges in life: to set up my enterprise, and then pass it on from one generation after another generation. I am confident of this.

My final wish would be that our younger generation is able to continue the business, and future generations can pass on the business forever. Of course, this is not easy. Because our younger team received Western education, the way they think would be different. The environment they are in is very different as well. So, they find it difficult to align with the thinking of the pioneer generation, who started the business. I believe this is the main reason why businesses cannot be passed on beyond the third generation. As a result, I would often teach my philosophy and life experiences especially to the young ones.

Firstly, understand the corporate history. If one doesn't understand the corporate history, he would not be able to know where our company is heading next. This is very important. Secondly, understand the corporate culture. What is our corporate culture? We must view morals as the most valuable. This is vital. You need to be familiar with morals, so that you would not just be concerned about your own interests, simply because you are part of the family. Corporate culture is very vital, and you need to study it in depth, because corporate culture decides if the company will continue to live on forever. As we are in the food business, we need to ensure that quality is the foundation. We must never, for the sake of earning money, sacrifice someone else's interests, health and safety. In addition, I told them to get along harmoniously. If you are not united, then there will be conflicts among you. This would make things difficult. Lastly, as I have said just now, we must know how to pay back to society, so that our friends in society would have high regards for our family. My six brothers have served the society. I am pleased that the result of starting my venture has helped to nurture them. Since young, I have studied with them, worked with them, set up a family at the same time as them. I'm so happy they've turned out to be successful.

As for my personal wish, it is not just about my family. With the opportunity to work with Boston University, I hope that the ultimate goal of the Susilo Institute for Ethics in the Global Economy is to transform economic ethics to something like air... that spread... everywhere. As the people breathe in positive energy, the society will be filled with the right values, and everyone will share in that. I also hope that ethics can continue to be passed down from generation to generations, so that the world will enjoy more security, stability, and harmony. Everyone in the world can then have a blessed, happy, and fulfilling life. I have entrusted this last wish to the Institute in Boston University.

00:31:49

Hoon

Mr. Susilo, it is my great honour and I'm thankful to have a conversation with you.