

WORLD'S LARGEST GLOVE PRODUCER AIMING SKY HIGH

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This undated photo shows Top Glove founder Lim Wee Chai. (PROVIDED TO CHINA DAILY)

Lim Wee Chai, founder, major owner and executive chairman of the world's largest glove manufacturer, Top Glove Corp Bhd, has set two lofty goals for himself: living 120 years and making Top Glove a Fortune

Global 500 company by 2040.

Inconceivable? To take the 500th spot on Fortune Global 500 list, Top Glove's FY2019 revenue of RM4.8 billion (US\$1.15 billion) needs to grow some 22 times to US\$25 billion. And regarding his longevity goal, Lim is looking to surpass by 47 years the average life expectancy for men in Malaysia, which is 73.

But he has maintained an enviable routine in his life. Since launching Top Glove in 1991, he hasn't taken a single day of sick leave. He works seven days a week and still finds time to fit in his routine badminton twice a week as well as golf and yoga once a week.

Top Glove founder Lim Wee Chai has a very simple formula he calls "Top Glove's five quality wells" - cleaning well, eating well, working well, exercising well and sleeping well

Is Lim under any fancy diet or potent serum to fulfil his quest of leading a long, healthy and successful life? Not at all.

"Just do simple things like brush your teeth after every meal. Drink more water, He has a very simple formula he calls "Top Glove's five quality wells" - cleaning well, eating well, working well, exercising well and sleeping well.get enough rest and be happy," Lim said.

On realizing the Fortune Global 500 goal by 2040, Lim acknowledges the gargantuan task ahead of him. "That is our goal. We are not scared of growth or more work. We are scared of not having work to do. I will be 82 then, and will still be working in the company."

Over the past two decades, Top Glove has outperformed the market and achieved most of its financial metrics. Since its listing in March 2001, its revenue has grown at a compounded annual growth rate of 22 percent while its net profit at 19 percent.

Share price wise, the company has grown by a phenomenal 9,333% since its initial public offering (IPO).

This stellar performance has also consistently put Lim on the Forbes Rich list. As of 2019, Lim was ranked the 14th richest man in Malaysia with a net wealth of US\$1.2 billion.

Lim puts Top Glove's key success factor down to its business ethics of honesty, integrity and transparency. He feels this is the reason why customers continue to do repeat business with them.

"We are highly disciplined, value integrity, and put emphasis on healthcare and wellbeing," he said.

In order to attain and maintain Top Glove's leadership position, the most important factor is to ensure that everyone is in good health, Lim said. "This way, we can all continue to contribute positively to our company and ourselves and compete effectively in the marketplace, said Lim.

Humble beginnings

Born in 1958 in a speck of a town called Titi in Jelebu Negeri Sembilan, Lim comes from a family that was involved in rubber trading. Initially he was more interested in pursuing his bachelor's degree in Physics and an MBA than glove trade.

In 1991, anticipating a greater emphasis on healthcare and cleanliness, he decided to channel his glove producing skills into entrepreneurship. That year, Lim and his wife pooled their savings to come up with RM180,000 to start their rubber gloves business with one factory, one production line and 100 employees.

That move paid off. In a few years, their company was growing at a rate of 35 percent per annum. By mid 2004, the company was undisputedly the world's largest glove producer in terms of output and capacity.

Top Glove is today the world's largest manufacturer of rubber gloves with 43 factories, 687 production lines, 18,000 employees, with a production capacity of 70.5 billion pieces of gloves per year and exporting to more than 195 countries.

It currently commands 26 percent of the world market share for rubber gloves and is looking to extend this to 30 percent by the end of 2020.

How did this all happen?

He will continue to follow the blueprint he put to use over the last six decades. Again it is nothing complicated; it is simply the power of tiny gains.

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Lim Wee Chai, Top Glove founder

"If we improve just 1 percent every day, we would have improved nearly 38 fold within a year. If we improve 2 percent every day, we would have improved nearly 1,380 fold. However, if we were to worsen by 1 percent every day for a year, in the end we will lose 97 percent and be left with only 3 percent. Small gains on a consistent basis will amount to huge returns," he said.

The medical glove industry is still growing at about 10 percent each year, and hence Lim's company is looking to leverage on opportunities. "Gloves are an essential item in the healthcare industry with no known viable replacement to date. Gloves are also inexpensive items, and unlikely to be phased out in the foreseeable future."

Top Glove aims to introduce at least six new products every year. While gloves will always be its main products, the company has also expanded its product range to include a non-glove segment offering condoms, exercise bands and dental dams.

"A company of our size will need to diversify in order to grow faster and more efficiently," Lim said, adding that they are exploring manufacturing medical catheters and other healthcare related products as part of their diversification plan.

He is also a big believer of technology, innovation and research & development. "These are the cornerstone of our business and we will continue to invest in these very important areas. We believe that no research and no innovation, will lead to "no future."

In June 2019, Top Glove launched its flagship green product, biodegradable nitrile gloves, which are proven to biodegrade at least 10 times faster than conventional nitrile gloves.

The company is already looking at implementing more automation, robotics and artificial intelligence within their factories and offices.

Strong financials

For its first quarter ending Nov 30, 2019, Top Glove saw its net profit for the period rise 1.25 percent year on year to RM111.43 million (US\$26.85million) , mainly owing to the strong performance of its nitrile gloves segment as well as its rubber glove segment. Revenue came in at RM1.21 billion (US\$291.57million), 4.2 percent lower than in the corresponding quarter last year.

For its financial year ended Aug 31, 2019, the company recorded a 15.17 percent drop in net profit to RM367.5 million (US\$88.55million). This was on the back of a 13.74 percent jump in revenue to RM4.8 billion (US\$1.15billion).

Lim said the company is expected to achieve a product mix of 55:45 between nitrile and latex by year[1]end, compared with the existing composition of 50:50.

This move has been largely seen as positive by analysts as latex-centric Top Glove has been plagued with competitive pressures from latex gloves that tend to command relatively lower margins compared with nitrile gloves.

In Jan, Malaysian Rating Corp Bhd (MARC) has assigned a corporate credit rating of AA to Top Glove, where this is the highest corporate credit rating assigned to a Malaysian manufacturing company.

To be on top, stay healthy and remain motivated

Lim believes staying healthy is simply common sense. "If I am sick, I will not be able to work or contribute positively to my company or my family. Instead, I will become a liability," he said. To him, remaining could be worse than being dead.

On his personal motto, Lim says: "Work is my hobby, exercise is my duty, and health is my wealth"

Lim likens doing international business to the Olympics, which boils down to the survival of the fittest. "In the past, the big fish (big companies) (used to) eat the small fish (small companies) but now, the fast moving fish (companies) eats the slow moving fish (companies)," said Lim.

On his personal motto, Lim said: "Work is my hobby, exercise is my duty, and health is my wealth."

He believes that challenges are part and parcel of life. To cope with it, it is simply to be motivated. "The best motivation is self-motivation. Do not wait for other people to motivate you. What if the person you rely on is not around or goes outstation? We cannot wait for others to motivate us. A waiting game is a losing game."

For young people looking to emulate Lim, his advice is once again simple. "Work hard. Develop good values such as honesty, integrity and transparency. Stay fit, healthy and motivated, so you are able to contribute positively to your company, family and country. Never stop acquiring knowledge that is a lifelong journey."