Message from Co-President Wee

Wee Siew Kim
Representative Executive Officer & Co-President

PROFILE
Wee Siew Kim is the Group Chief Executive Officer of NIPSEA Group, a paints and coatings company with 95 manufacturing facilities and operations spanning 22 countries and regions. He is concurrently Representative Executive Officer & Co-President of Nippon Paint Holdings.

Prior to his current position, he was Deputy CEO and President (Defense Business) of Singapore Technologies Engineering Ltd. He started his career with Singapore Technologies in 1984 as an engineer at Singapore Aircraft Industries Pte. Ltd., the predecessor company of Singapore Technologies Aerospace Ltd. He was educated at Raffles Institution, followed by the Imperial College of Science and Technology in London, Bachelor of Science (Aeronautical Engineering) (Hons), followed by an MBA at Stanford University.

He was a Member of Parliament in Singapore from 2001 to 2011.

Building a Sustainable Future Driven by Innovation and Purpose

“Our Purpose of leading growth and prosperity through technology that drives value for the community rings synonymously through all our partner companies and employees, helping us to realize our shared ambitions and goals.”

The Blend: Uniting, Empowering and Stoking

Prior to joining the NIPSEA group, I had the opportunity to serve as the Deputy CEO and President (Defense Business) of Singapore Technologies Engineering, an aerospace and defense engineering company. For the 25 years that I was a part of this organization, I held several roles in engineering, business development and management including operating stints in the United States of America, China, Europe and Singapore. I was also a Member of Parliament in Singapore from 2001 to 2011. Currently I am serving on the board of several public listed companies in Singapore.

In close to four decades of working across multiple organizations and being in several leadership roles, I understand the value that good leadership brings to developing productive and agile teams. Often, we see bureaucracy stifling talented people, thereby depriving an organization of the ability to seize opportunities and adapt rapidly to changes and hence, getting left behind.

Being with NIPSEA group for the last 12 years, I have leveraged my past experiences to focus on inculcating an entrepreneurial spirit across the teams, empowering a decentralized collection of high performing teams who are willing to take action and accountability to drive positive outcomes. My management philosophy at NIPSEA is therefore characterized by a blend of unifying teams, empowering them to be their own leaders and encouraging them to make decisions.

By bringing together high performing teams and unifying them under our broader Lean for Growth values, we can further drive MSV which is the key management mission at NIPSEA. This also ties back to one of my goals of achieving together as a team versus a single unit. Unifying the teams under our LFG culture, it becomes equally important to empower them to take the right actions and trust that they will do the best to nourish the organization and its values. Finally with unifying and empowering our teams, as leaders, we also need to continue stoking a sense of ambition and aspiration, so that they bring their very best to work every day and deliver outcomes they are proud to own.

As we move forward, I will continue to build upon this philosophy together with the LFG framework that supports our diverse teams and builds upon each other’s strengths to achieve unbelievable outcomes for NIPSEA and the Nippon Paint Group.

Realizing a legacy with Nippon Paint’s immense vitality and prowess

In the last 140 years, we have come a long way to become the world’s leading paint and coatings company. We have built a strong foundation and overcome the change and challenges to build a successful legacy in Nippon Paint.

Over the last 12 years, being a part of NIPSEA, I have witnessed several of the Group’s business philosophies come to life with our innovative products and steadfast expansion in the paint and coatings industry in Asia Pacific. Today, NIPSEA has moved beyond paints, as we are involved in the manufacturing and sale of decorative and industrial paint and coatings for buildings, construction, automobiles and industrial applications, serving 22 geographical locations.

This sustainable business growth has been made possible by our customer centric approach and the commitment of our people as we continue to strive for excellence. Much of this growth mindset and prosperity is shaped by NIPSEA’s ‘Lean for Growth’ (LFG) culture that encourages collaboration and sharing of best practices, knowledge and experiences. With the introduction of our new corporate brand promise, the concept of LFG is further defined by 5 behavoirs which are Value Driven, Openness, Innovative, Collaborative, Excellence – represented by the acronym: V.O.I.C.E and has been the guiding business philosophy for us.

By taking an active management role at Nippon Paint, I look forward to introducing the LFG culture to the larger group as we push the frontiers of existing business operations in the paint and coatings industry. We will keep to our management mission of driving our MSV (Maximization of Shareholder Value) which is all the care of everything we do.

The alluring paint and coatings industry has come to play a very crucial role in today’s manufacturing and construction sector. The industry is growing rapidly as the demand for products that are innovative and sustainable continues to increase. With the right structure and technology already in place, this puts us in a leading position to grow our potential even further and bring the Nippon Paint legacy forward, as a company that has always showcased immense vitality and prowess.

Driving our MSV forward through Purpose and innovation

At Nippon Paint, MSV forms the cornerstone of our management philosophy, and we will aim to maximize the residual value for shareholders after fulfilling our duties to stakeholders including customers, employees and society. For us, MSV is not just a financial term but our operating blueprint that combines our executive business operations, partnerships, portfolio management and investments as an organization.

We define our MSV as an equation of EPS X PER, of which I will be focusing on the business operations segment with our Co-President, Mr. Yushiro Watatsuki, who will bring his wealth of experience and knowledge in finance and M&A to strengthen our PER.

Nippon Paint Group has 140 years of expertise in the paint and coatings industry. Over the years, we have gained the reputation of being a technology and innovation centered business, known for our high-quality products that fulfill the needs of our customers. As we move toward our aspirations to become a global leader in this industry, growing our global network with local partners, creating innovative products that benefit society and staying true to our Purpose we will steer the Nippon Paint ship in the right direction.

One key differentiator that sets us apart from other industry players while allowing us to rapidly move into other opportunities is our company’s culture and how they are integrated into Nippon Paint. We believe in the concept of think global, act local and as such we would give our partner companies the autonomy to operate in...
Accelerating growth in Asia and beyond

Today, the world is changing at a very rapid pace. The global pandemic has accelerated this change even further. Overnight, large industries and sectors faced disruption, and many failed to cope with the strain of the pandemic. It goes without saying that we too need to adapt accordingly. However, we must be strategic in the manner with which we respond to these changes.

Nippon Paint has put together a medium-term growth strategy plan to further strengthen our position as market leaders. Our medium-term plan will enable us to effectively grow our business and outperform competitors by 2023 while addressing emerging challenges. We have identified several segments and action areas within our business infrastructure that will lead to an increase in profitability and help us to achieve our goal of maximizing our MSV.

One key strategy will be to continue to focus on high growth markets in Asia, including China, Turkey and Southeast Asia. With commercial housing properties and demand for repair and renovation on the rise in China, it is an opportunity for us to diversify our portfolio from the DIY and decorative paints segment to offering total solutions like painting services, waterproofing, etc. The increase in infrastructure projects also gives us an opportunity to expand our product line beyond coating offerings, providing substrate products, auxiliary materials, and energy-saving insulation products in the China market.

A similar sentiment can be seen in Indonesia where the growing population contributes to a continuity of large infrastructure projects and developments despite the pandemic. This allows Nippon Paint to penetrate the construction segment while introducing paint accessories, tools, SAF, waterproofing, etc. into our existing product channels.

The partnership with Betek Boya has allowed Nippon Paint to expand market share in the ETICS (External Thermal Insulation Composite System) category and maintain profitable growth for this sector. With stringent EU regulations in health and environment, Betek Boya’s innovative ETICS products will allow us to deliver positive revenue growth for this sector, as we move to offer products in the beyond paints category.

To gain stronger foothold in Asia, our focus on Oceania and Japan remains steadfast. Through our synergies with DuluxGroup, we hold a prominent market share in Australia and New Zealand, and we will continue to grow our presence in this market through brand, innovation and customer service.

While the decorative paints segment has been contributing to Nippon Paint’s growth in Japan, changes in customer preferences and market needs in this market provide us a unique opportunity to innovate our offerings to products that are more sustainable. It also clears a route to enter new industries such as automotive and robotics. With a pre-established technology infrastructure, Japan also holds key to Nippon Paint’s entry into automation and digitization of supply chains, which will be a game changer for us in the long term.

Growth optimization of Nippon Paint’s automotive coatings business is integral to our medium-term strategy plan. Our automotive coatings business has grown along with expansion in Asia to account for 16% of the Group’s total sales. To help this sector recover from the impact of COVID-19, we will continue to focus on the globalization of operations for the automotive coatings sector to enhance our customer services and improve operational efficiency and production. We will also strengthen our abilities to provide total range of coating products for automotive use ranging from coatings for automotive bodies, bumpers to plastic components.

As we solidify our offerings and services in the beyond paint category, we will continue to grow our adjacencies into target segments like tools and accessories, floor coatings, waterproofing, SAF, and ETICS to deliver our estimated revenue of USD 2.4 billion by 2023. This will be made possible by our continuous efforts to penetrate high growth markets like China and leveraging our strong partnerships with all our partner companies who share the Nippon Paint Purpose of driving innovation and value. Building our medium-term strategy plans would be impossible without a focus on the potential that digitalization holds for Nippon Paint. The global pandemic has only accelerated our digital strategy and investments in technology to enhance our operational efficiency, deliver a better customer experience, strengthen our risk resilience and most importantly, improve our employee productivity.

The COVID-19 pandemic also saw the disruption of global supply chain networks, driving us to make our supply chains, especially in markets like Japan, more collaborative, resilient and networked. To ensure that we are moving in this direction, we are already looking to make investments in technologies like blockchain that can automate and reduce inefficiencies in our supply chain network.

Digitalization has also opened doors for Nippon Paint to strengthen our e-commerce initiatives and grow our existing sales channels especially for products in the customer segment. DIY market and decorative paints. Moving forward, we will continue to nurture our digital initiatives and driving online engagement to create top of mind recall for Nippon Paint.

Emphasized through our MSV philosophy, innovation is at the core for Nippon Paint. Our medium-term strategy will therefore continue to focus on executing our transformation strategies through consistent research and development. We already have several R&D projects in the pipeline for 2021-2023, from implementing new technologies to leading new projects at our R&D and innovation center in Shanghai.

Our medium-term strategy plan is to respond appropriately to the ever-changing business environment while contributing to the development of society and maximizing the Nippon Paint Group’s collective strengths under our shared purpose.

A growth mindset leveraging our LFG values

As I have discussed earlier, change is inevitable. However, we are confident in our approach and our people as we embrace change to work toward gaining excellence. In our growth forward, Japan will play a pivotal role in our transformation journey. We will leverage Japan’s expertise and capabilities for Nippon Paint’s growth and harness the strength of our partner companies so that we can all benefit symbiotically.

Japan demonstrates excellent room for growth and sectors where we can gain a significant market share. Electrical vehicle and robotics for instance is a good example of emerging markets in Japan. Being established in a mature market like Japan gives Nippon Paint a competitive advantage to enter emerging sectors within the paint and coatings industry and an opportunity to innovate our products, offerings and services in this ever-growing industry.

This approach to growth is also in line with our LFG values where we focus on building a lean structure that allows us to inch forward and explore new opportunities. For the past decade, I have primarily focused on Asia. I fully appreciate that the aspirations of the Nippon Paint Group are now beyond Asia and beyond paints. I look forward to embarking on our global thrust intended in our medium-term plan with Co-President Mr. Yuichiro Wakatsuki. Together, I am confident that we can lean on each other to achieve our mission guided by our MSV conviction and our Lean for Growth culture.