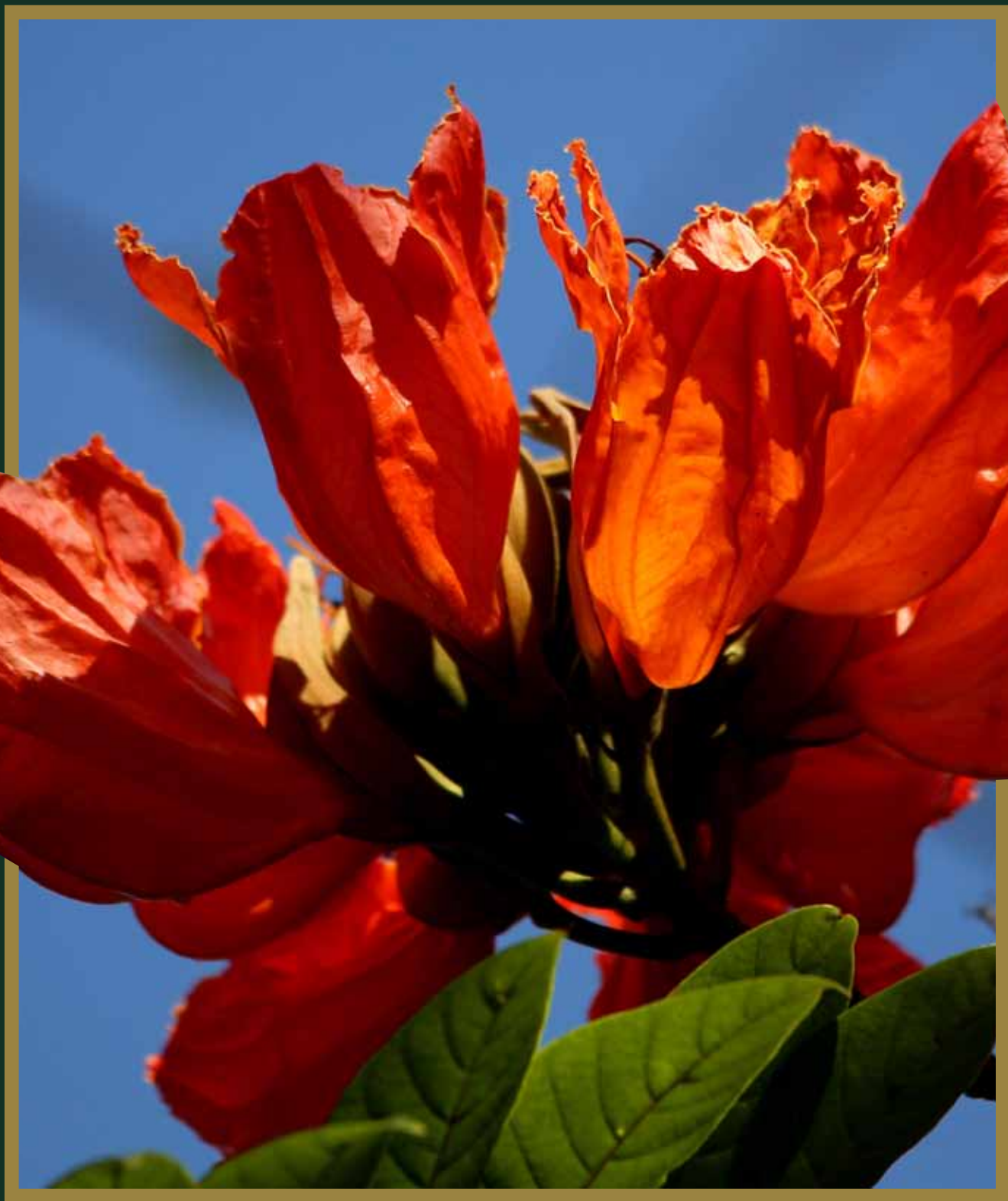


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Zainal Abidin Jalil has steered Dagang NeXchange Bhd towards strategic transformation. It was a journey that saw him go through a personal transformation.

By Sreerema Banoo

A TRANSFORMATIONAL JOURNEY



ANARRATIVE on the strategic transformation of Dagang NeXchange Berhad (DNeX) would not be complete without talking about the man who galvanised the team and drove that change. A pioneer in the oil and gas sector with a career spanning almost three decades at an oil major, Zainal Abidin Jalil became Group Managing Director of DNeX in June 2014, and in just under three years he's transformed what was once a government-linked company (GLC) to an entrepreneur-driven organisation with a focus on competing in the international market.

Under his leadership, DNeX is no longer synonymous with just IT and e-Services, but is today making ripples in the energy business through acquisition of assets in oilfield services, exploration and production of crude oil and natural gas, and independent power producers (IPPs).

The company, previously called Time Engineering Berhad, embarked on its strategic transformation in 2014, a year after its acquisition by Censof Holdings Bhd from Khazanah Nasional Bhd.

Having spent a large chunk of his career in ExxonMobil, Zainal, who was brought in to lead the transformation says this was a chance to do something different. "I wanted to do something more entrepreneurial, something that was within my sphere of control and influence and where I could make things happen," says the 58-year-old, adding that it was uppermost in his mind to produce meaningful and lasting ripples rather than just make a big splash.

"The new shareholders and board knew what they wanted to do. The major shareholder Datuk Samsul Husin (who is Executive Deputy Chairman) is a sophisticated entrepreneur. My role was to articulate his thoughts, formalise

the strategy, and come up with a compelling narrative to galvanise people and to make the company's story interesting. We did this by taking a road less travelled – basically making a contrarian move into oil and gas during a market downturn."

Today, DNeX is no longer a GLC. "There are parts of our business which are akin to a start-up," says Zainal. Its first significant investment was in Ping Petroleum, which owns interest in oil and gas fields in the Anasuria Cluster in the North Sea. The brownfield asset with positive cash flows offered DNeX a low entry cost into the exploration and production sector. "This initial asset anchored our foray into the energy business," he says, pointing out that in the past, the asset that had been the company's backbone was the National Single Window, a Government e-trade facilitation concession.

DNeX has also ventured into oilfield services through its acquisition of OGPC, which specialises in brownfield oil and gas operations, and the establishment of DNeX Oilfield Services. The latter is the only local player offering directional drilling services, pitting it against international companies like Schlumberger, Weatherford and Baker Hughes. The company, which secured a three-year umbrella contract with PETRONAS Carigali, is bidding for additional contracts in Malaysia.

DNeX has also invested in a small-scale IPP in Bangladesh and is setting its sights on renewable energy projects in Indonesia.

The group, he says, is building the business from the bottom up. Its approach is "asset light, know-how heavy." "It means that we are not investing too much capex or borrowing to buy hard assets, but rather it's a case of bringing experiences to bear."

In the process of leading the group's transformation, Zainal is evolving from a technocrat to an entrepreneur. "Unlike in a large company where one tends to operate from a position of authority, here one relies on experience and being hands on. At this stage of my life, these are the things that I enjoy because it means that I am bringing to bear all that I have learnt."

Zainal on a recent management walkabout at the DNeX Labuan base





PIONEERS

OIL AND GAS PIONEER

Throughout his career, Zainal has had significant leadership experience in offshore operations, in-depth knowledge of major hydrocarbon producing areas in West Africa, North America and Asia Pacific as well as leadership experience overseeing power business in the Middle East, North Africa, South East Asia and Australia.

A civil engineering graduate from the University of Queensland, Australia, Zainal entered the oil and gas industry in 1983 after a short stint as a site engineer in Kelantan – joining ExxonMobil (then Esso Production Malaysia Inc) as a subsurface engineer. Within three weeks of starting his new job, Zainal, then 24 years old, had his first taste of life on an oil rig.

“It was an incredible experience. I was assigned to a workover rig, and as a subsurface engineer you do a lot of manual stuff so it was more brawn and muscle. During the formative years working for an oil major, you are trained to embrace a competent, operations-biased mindset. The field experience allows you to build know-how, which makes you prioritise operating discipline, managing operations through procedures, and safety and facility integrity. You learnt a lot on the job, and these were the things that put me in good stead,” he says.

Zainal was part of a pioneering generation. He was the first Malaysian at ExxonMobil to serve as the head of engineering, and later became general manager of offshore operations in Malaysia.

An enduring memory of the times spent working offshore is the spirit of camaraderie. “The rig was like our second home, and we became very close. I made a lot of friends, and we grew up together. I miss those days,” he says wistfully. “There was a high degree of comradeship and we relied a lot on team communication. Today we communicate via e-mail or mobile phones but back then it was more about personal engagement and leading the team by being present.”



Visiting a co-venturer operated facility offshore Angola

In the latter part of his career at ExxonMobil, Zainal was based in Houston and Angola. When he first broke the news of the relocation to his family in 2001, it was viewed as a disruption. “A friend who relocated many times in his career gave me sound advice. He said to focus on what this new place would offer. That was quite true for my family. My four children, who were initially unhappy to move, adjusted very quickly,” he recalls.

In 2011, after a decade abroad, Zainal made a conscious decision to return to Malaysia. His father had passed away while he was in Angola and his mother was living alone in Batu Pahat. “So I decided to come home for that simple reason.”

After nearly three decades in ExxonMobil, Zainal was looking for a new experience, in particular to lead a Malaysian company. This led him to Malakoff Corp Bhd where he served as CEO – spearheading the company’s transformation into a leading international Independent Water and Power Producer with successful market penetration in Oman, Bahrain, Indonesia and Australia.

MAKING AN IMPACT

Joining DNeX in 2014 was a logical step. “Having had the big company experience made me ready for this job,” he says. In leading the group’s transformation, Zainal also learnt something about himself. “You always have to re-engineer yourself. There is always that learning, unlearning and relearning.

“Here, I had to unlearn many of the things I was already conditioned to under the big company environment so in a way I had to re-engineer myself,” he says.

“When you are as small as we are you rely more on experience and experienced managers. There are some processes, but you use those to make expedient decisions without taking undue risks. In small venture start-ups, speed in making a decision can offer a difference.”

Succeeding within that entrepreneurial context means finding the right people. “We find people who are entrepreneurs, hungry for responsibility, hungry to create new business and who are not shy to learn, taking bold actions, learn and re-learn as you execute your plan. At DNeX I have a good team.”

The plan going forward, he says, is to sustain its business model. “We face many opportunities including doing things beyond our comfort zone. The question is how do we stay focused and not get distracted,” he says. This boils down to having purposeful leadership that binds the group together. “We need to galvanise the people, establish sufficient institutional and corporate memory to serve as a reference for people to drive the company. That’s my goal. I want to leave that as my legacy.” ■



At a DNeX sports event