

Theo Lekatompessy: From the Losing Side to a Winning Team

By [Elisa Valenta](#) - February 28, 2018 234 0

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Theo Lekatompessy (Photo: The Insider Stories)

JAKARTA (TheInsiderStories) – Located along some of the world's busiest sea lanes, Indonesia offers tremendous potential for marine transportation.

With the spirit to dominate the vessel business in a maritime country, PT Humpuss Intermoda Transportasi Tbk., together with its subsidiaries, engages in sea transportation and other related activities in Indonesia.

Originally, the Company was a division of PT Humpuss, namely, the LNG Division, whose goal in 1986 was to transport liquefied natural gas (LNG). Together with Mitsui OSK Lines Ltd. (MOL) it established Cometco, to build the 'Ekaputra', the first LNG vessel, with a capacity of 78,988 DWT.

Today, the company transports LNG, oil, chemicals and other sea cargoes. It also provides vessel crews and management services to vessel owners.

Unfortunately the global financial crisis in 2008 damaged international trade and this resulted in large-scale idle capacity of vessels. Humpuss suffered huge losses, which continued to accumulate for several years.

Theo Lekatompessy has served as President Director of PT Humpuss Intermoda Transportasi Tbk since 2012. He holds a Master's of Business Administration in Finance from IPMI Business School, Jakarta, awarded in 1986. He holds a degree from Erasmus University, the Netherlands, and also took a postgraduate course at Harvard University. And last year, he achieved Doctor of Laws from private prominent university Universitas Pelita Harapan. He has served on the boards of Bakrie Group, Gajah Tunggal Group and Djajanti Group, along with other companies in ASEAN, Europe and Latin America.

Since 2013, Humpuss began to profit from its business activities, and has been in the right track for three consecutive years. Under his administration, Humpuss is now trying to focus on regional expansion.

While the 2013 slowdown in investment and consumption also affected maritime cargo, the sector is bound to bounce back once the overall economy brightens up again, buoyed by strong freight demand in the ASEAN region.

In order to find out how big is the prospect of maritime logistic business in Indonesia, The Insider Stories interviewed Theo Lekatompessy, recently. Following is the excerpt:

Q: What is the key to supporting this company through the crisis?

A: Actually, when we faced restructuring (2012-2014) there were two different drivers or two keys to success. One was internal: first, we had to transform the mentality from that of a losing team to one of a winning team. That was most important; besides that of course was the support of shareholders.

Number two: externally you actually have to gain and hang onto trust from stakeholders. I always tell my team it's always better to be poor but honorable than to be rich but failing to fulfill obligations. The most important thing is to gain and sustain trust from inside and outside the company.

Q: What is your corporate plan in the future?

A: At the earliest phase of restructuring, we scaled down our operation to focus on the core business operations of HITS: transportation, supported by three subsidiaries engaged in each respective business segment, consisting of domestic and international shipping, a marine support and shipping agency as well as crew manning and training services.

But once we recovered, we expanded our business to enter another blue ocean cluster. One, we are supporting the government in its 'maritime toll' scheme, and a mega-project of electricity generation by entering marine support, dredging and providing mini-LNG vessels to supply the entire Indonesian archipelago.

And then number two: we emphasize human resources. This means we provide qualified crews, develop them and also teach them how to manage the shipping business at an international standard. That is our present condition.

And in the future, in a digitalization era, we see the connection between consumers and producers as getting shorter. This means they no longer need a 'mediator' or 'wholesale retailer', but rather a more efficient connection between producers and consumers. Humpuss was actually challenged to become involved in a transportation business or logistic company, or to become an infrastructure company which helped shifting of crew and services to producers and consumers. And this means the new business of the future is moving forward to one-stop shopping.

Q: What is your expectation of business growth this year?

A: We experienced generous growth for the last two or three years, with 15 to 17 per cent on the upper line of sales and almost 100 per cent profit for the last two years.

For the next two or three years, we are expecting double-digit results, considering the situation of the market, and the national and also regional economies. And I am sure that with the support of employees and stakeholders this will be an achievable dream for the company.

Q: Do you see government regulation as in line with the business climate, especially in the shipping and maritime industry?

A: This is another challenge for Indonesia, because there are reverse paradigms, where the government intends to regulate deregulation with more regulations.

We only expect that with the support of regulations and policy harmonization, the economy will be maintained at this level and will be better in the upcoming years.

However, the ability of Indonesia's shippers and manufacturers to reach their full market potential will depend on better maritime infrastructure and suppressing logistics costs.

Q: How do you see Indonesian economy potential amid global volatility?

A: I learned from my predecessors that firstly we cannot be fully attracted to a globalization

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As you can see, the biggest customers for our CPO and coal are from India and China. And our imports are mostly from China and ASEAN.

Internally, I see the upcoming challenge is not only about the economy but includes PEST (Politics, Economy, Society, Technology). In recent times, we face tremendous disruption from regional elections in several regions. The question is, how do we get through these challenges? We don't know what will happen in the future. Every day is different.

In any case, we first must focus on regional growth, and second, we have to get through these democratic events safely and soundly. Third, I expect there are no awkward regulations that will threaten the government's long-term plan. Therefore, we expect to continue to achieve stable growth.



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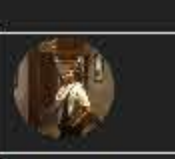
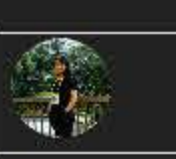
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