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Heinrich Jessen,
Chairman, Jebsen & Jessen
(SEA)



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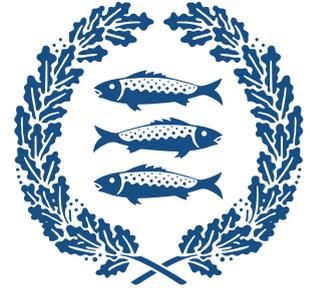
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Heinrich Jessen

Jebsen & Jessen (SEA)

Jebsen & Jessen (SEA) has established itself as one of Southeast Asia's most successful businesses. With its roots in the 19th century, the Singapore-based company is now run by third-generation member Heinrich Jessen. It is one of the most innovative organizations in the many sectors in which it operates and – along with the other Jebsen & Jessen Family Enterprise businesses in China, Europe and Australia – it has constructed an enlightened family governance structure that ensures the family not only owns the business, but is obliged to manage it.

The three mackerel insignia of Jebsen & Jessen (SEA) stands for respect and commitment.



Corporate logos can often tell you a lot about a business. The logo of Singapore-based Jebsen & Jessen (SEA) certainly does. Indeed, its distinctive three mackerel insignia goes right back to the company's 19th-century roots and remains at the heart of the group today.

"For us as a company, the three mackerels today, as throughout the past century, stand for respect for traditions and cultures, and the commitment of the Jebsen and Jessen families to their businesses and employees," says Heinrich Jessen, Chairman of Jebsen & Jessen (SEA).

Jebsen & Jessen (SEA) describes itself as an industrial enterprise spanning manufacturing, engineering and distribution. The core business units are: cable technology,

group in the 19th century. With an adventurous spirit and a shipping background, the two left their hometown of Aabenraa in the Duchy of Schleswig and set up a trading business in Hong Kong in 1895. Under the name Jebsen & Co, the company started out as the agent for Jacob's father's shipping company.

International relations

In 1909, the two men set up Jebsen & Jessen (Hamburg) in Germany to coordinate their trading activities and maintain relations between their firms in China and Europe. This started a lucrative trading nexus for the firm, and the business flourished. However, World War I intervened and nearly led to the collapse of all their efforts. One consequence, though, was that the northern part of the Duchy of Schleswig



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01 Jebsen & Jessen (SEA) was founded in 1963 by Heinrich's father, Arwed Peter Jessen; **02** in 1963, the first office in Singapore was opened; **03** in 1972, they moved into manufacturing; **04** in 1995, Heinrich Jessen onboarded as the next generation, pictured here with his father Arwed Peter Jessen.

ingredients, life sciences, material handling, offshore, packaging and technology. It has a long-standing partnership with many of the best-known companies in the world and, through its subsidiaries and associates, employs more than 4,000 people with annual revenues of around SG\$1.2 billion.

Founded in 1963 by Heinrich's father Arwed Peter Jessen, Jebsen & Jessen (SEA)'s roots in fact go much deeper. The genesis of the businesses comes out of the intrepid journey of Jacob Jebsen and Heinrich Jessen, the founders of a trading

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became part of Denmark, and the two business partners became Danish citizens. After World War II, Jebsen & Co. enjoyed significant growth.

The second generations of both families started to come into the business from the 1930s onward, led first by Heinz, Heinrich's eldest son, and, upon his early death in 1944, by Michael, Jacob's eldest son. Arwed Peter Jessen moved to Asia in 1947 and became a partner in the business in 1952, working alongside Michael and his brother Hans Jacob Jebsen. "The three of them had strong personalities," says Heinrich. Given



The Jebsen & Jessen (SEA) senior management team gather in 2014 on their 50-year anniversary.

this, and the realization that it was probably not a good idea to have, as Heinrich says, “all their eggs in one China basket,” they took a decision to expand and to open a new company in Singapore. “They agreed to split the work but remain partners,” says Heinrich. “Hans Jacob went back to the shipping company in Europe, Michael stayed in Hong Kong and continued to manage Jebsen & Co and the third, my father, came down to Singapore and started Jebsen & Jessen (SEA).”

So a new business was established in Singapore, and Heinrich says that one of his father’s fortuitous decisions was to move the new company’s efforts more into manufacturing and engineering. “This was a big step away from our trading roots, but it proved right,” says Heinrich. During the 1960s and onward, Jebsen & Jessen (SEA) entered into a number of joint ventures and relationships with technology partners. This was particularly successful in the crane sector, where Jebsen & Jessen (SEA) started a joint venture to manufacture cranes in Malaysia and Singapore. Before that time, most cranes were imported from Europe and North America. “We went up the value chain,” says Heinrich.

Innovation at all levels

The second generation were not just wise in their business decisions but also in how they structured the business ownership and the family’s relationship with it. Two rules on family ownership and participation were agreed. One was that family members have to work in the group in order

to become shareholders. And the second was that family members do not inherit any shares, but have to buy them from retiring members of the family. Heinrich says the two rules work successfully at different levels by ensuring active family participation in the business and also creating some level of financial fairness for those not joining the family business. But, most importantly, the governance structure creates real ownership, says Heinrich. “I have ownership, skin in the game, and this helps to foster entrepreneurship.”

Heinrich’s own path into the family business was unconventional. Having trained as a tropical biologist, he worked in the jungles of Papua New Guinea before he even contemplated joining the family firm. “But with my environmental experience, I felt I could make an impact on the business. So I had a conversation with my father about how we could address various environmental and safety risks in the company,” he says. “I thought to myself: ‘Maybe that was the job for me – to implement an environmental strategy for Jebsen & Jessen (SEA).’” After obtaining a Master’s degree in Industrial Environmental Management, Heinrich joined the company at the age of 27 as Environment, Health and Safety Manager and took the company down a sustainable path that is still very evident today. And Jebsen & Jessen (SEA) has been fully carbon neutral since 2011, one of the first in Asia.

After working in various divisions, including managing the all-important crane business, Heinrich took over his father’s chairmanship role in 2004. He has since extended this role to



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The Jebsen & Jessen (SEA) Meet-a-Need program combines corporate volunteering with funding for projects that meet a specific social or environmental need in the region. Heinrich Jessen personally devised and launched the initiative in 2007. The idea was simple: create hands-on opportunities for staff to support nonprofit projects in the region. The work had to meet a particular need, and staff had to be given the chance to be involved with the community.

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Heinrich Jessen

be full time and also sits on the boards as one of two principal partners of the other member groups of the Jepsen & Jessen Family Enterprise: Jepsen & Co in Hong Kong, Jepsen & Jessen in Hamburg and GMA Garnet in Australia.

But how does a business that is more than 120 years old, and with an increasingly global presence, continue to be entrepreneurial? Heinrich reckons one of the ways is to have a very flat organizational structure. “We rely on the decision-making process of people in the market, in the different countries, in the different business lines,” he says. “This

Family Enterprise’s garnet business in Australia (garnet is an abrasive mineral used for surface treatment and water-jet cutting): “We started as a distributor for garnet as a blasting material in Europe, then we bought into the mine producing garnet in Australia. And today, it is a global business for us, with three mines on three continents and process plants, warehouses and sales offices located throughout the world. We even buy garnet back from our customers, recycle it and sell it back into the market. It is a full value chain business for us – and represents a truly global approach. In these ways, our garnet business acts as a model for our other businesses.”

Only in his late 40s, Heinrich says succession at Jepsen & Jessen (SEA) is some way off, but that the pool is quite big for potential successors. One thing is for sure: when the time is right for the fourth generation to take over, the structure in place for family ownership and involvement in the various businesses under Jepsen & Jessen Family Enterprise should help to ensure a smooth and successful transition.



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When it comes to innovation, Heinrich is keen to continue Jepsen & Jessen’s global vision and to move continually up the value chain. “I see the business as less about the geographical differences and more about the differences in the activities we are involved in.” He uses the example of Jepsen & Jessen

Heinrich Jessen

Chairman

Company name: **Jepsen & Jessen (SEA)**

Generation: **Third**

Founded: **1963 in Singapore**

Industries: **Manufacturing, engineering and distribution**

Employees (2016): **4,000**

Revenue (2016): **SG\$1.2b**