

# EAS eyes Vietnam for its next foreign foray

**It is looking for staff and an office, aims to be in Hanoi by the second half of 2011**

By **CHEN HUIFEN**

HAVING penetrated Malaysia and Brunei, homegrown Electro-Acoustics Systems (EAS) is looking towards Vietnam for its next foreign foray.

"We are planning, next year, we may set up an office in Vietnam," managing director Lam Tong Loy told BT. "They are also building theme parks and speeding up their infrastructure work. Our work is somehow related to infrastructure work."

Founded in 1982, EAS is an integrator of audio-visual, lighting and communication systems. It specialises in large-scale projects and is particularly known as a total solutions provider in the industry, with expertise in designing, combining multiple systems together and installations.

It counts performance arts centres, hotels, financial institutions, convention centres, broadcasting stations, judicial courtrooms, schools and office boardrooms among its list of clientele. Some recently completed projects include systems done for Resort World Sentosa, the School of The Arts and Brunei's The Empire Hotel & Country Club.

And with real estate being one of the top sectors for foreign direct investments in Vietnam, it is hoping to get a slice of the action there.

"As they (Vietnam) develop industrial parks, banking systems, logistics areas, our systems will be required for their operations," said Mr Lam. "Just like convention centres, which we are always involved in. Or it could be hotels, even the hospitality side, entertainment – because now they are talking about building a big theme park in Vietnam."

Each time a major commercial infrastructure is built, there will be an opportunity for EAS to offer its solutions. Mr Lam added that the market for large-scale professional audio-visual, multimedia and lighting systems in Viet-

nam is estimated to be worth more than \$30 million over the next five years. However, before EAS gets its foothold in there, it first needs to build a team.

"We are now looking for staff and office," said Mr Lam. "Because in Vietnam, language is a problem. We are trying to get someone who can speak English."

He is hopeful that the branch office, to be located in Hanoi, should be up by the second half of 2011. However, he does not expect the operation to be immediately profitable as it would take time to train the locals in the technical aspect of the business.

That's quite unlike EAS's experience in Brunei, which was profitable right from the start. Thanks to the wide network of contacts developed during Mr Lam's days as a division manager in Philips Singapore, EAS now has an 80 per cent market share in the broadcast segment in Brunei and 70 per cent share of the communications and multimedia requirements within the government sector there.

Mr Lam recounted in jest that when he was at Philips and his managing director asked who would like to go to Brunei, "I was the only idiot who raised my hand". It was considered hardship assignment in those days, but to Mr Lam, the fact that nobody was interested spelt opportunity since he would be the first one there.

And so, it was the same entrepreneurial spirit that prompted him to start EAS in the early 1980s, right before the recession of the mid-1980s hit.

"I could see that the recession was on the way," Mr Lam. "If we start at that time, costs would be low. Employing people would be easier. Rental costs would also be low."

With an initial capital of \$80,000 and the support of banks that had been serving other businesses run by the rest of his extended family, he started providing sound systems, with a focus on Singapore and Brunei. Gradually, the portfolio offerings expanded to include visual and multimedia installations, then broadcast systems and lighting solutions.

A few years later, EAS broke into the Malaysian mar-



ARTHUR LEE

**Mr Lam:** *Does not expect EAS's Vietnam operation to be immediately profitable as it would take time to train the locals in the technical aspect of the business*

ket, as a result of a job done for the Monetary Authority of Singapore. A backscreen projection with centralised remote control had impressed visiting officials so much that they had asked EAS to design the multimedia systems for their offices in Kuala Lumpur.

Other jobs in Indonesia, Myanmar and Thailand fol-

lowed. As for China, EAS did one project for Tianjin Sheraton Hotel in 1985. But it did not continue to pursue the market as the flow of work from South-east Asia had kept the company sufficiently busy.

But that's not to say that China has not been on the mind. Mr Lam revealed that he has a personal investment in a Chinese audio-visual equipment maker. And when the time is ripe, EAS may re-enter China through the manufacturer.

"The China market now, honestly, if we have to go back by ourselves, I think it's going to drain a lot of our resources," explained Mr Lam. "But if we work with an already established manufacturer, with so many outlets, it may be an easier, wiser way to do it."

A distributor for about 20 brands – including Renkus-Heinz loudspeakers, ETC lighting systems, Yamaha mixers and processors and Sennheiser wireless communication equipment – EAS recorded a combined revenue of about \$60 million for the past three years, with a three-year moving average growth of about 40 per cent. About 12 per cent of its annual takings come from recurring income arising from maintenance fees.

Regardless of the economic situation, Mr Lam is optimistic that the audio-visual and multimedia sectors that his company is in will be able to achieve sustainable growth. With a staff strength of about 58 now, he expects to recruit at least four more people to support the company's expansion plans. Apart from new infrastructure that will drive demand, growth could also come from the replacement and upgrading market.

"If you look at the technologies progressing in this IT (information technology) age, there're always new requirements and therefore opportunities for us to get involved," he added. "So we see this can be a sustainable business. And the growth will come with lifestyle changes."

"If you look at the teaching institutions, for instance, the methods and the equipment used are constantly changing. And as you get more sophisticated, you need to bring in the latest technologies, you need to integrate them and somehow make them work with other systems. And this kind of work – it's our speciality."