

Economy & business



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Under an apparently strong management team, which included Narong Srisa-an, Banyong Lamsam (the younger brother and current bank chairman), and several others, Kasikornbank grew by leaps and bounds.

Bancha's policy was "wherever in Thailand there is growth, Kasikornbank must have a branch, and where Kasikornbank has a branch, that place must grow".

The quiet, articulate and soft-spoken chief executive of Kasikornbank believed in the power of the brain, and in merit.

He created a new business culture of having the "best and the brightest" and running the bank with scholarships given to top Thai students to pursue master's degrees in leading Ivy League universities in the United States, after which they were required to

return and work for the bank.

He personally took charge of interviewing the candidates, but this was a top-notch management action plan right down to branch managers.

During 1977-1982, Kasikornbank went through aggressive expansion and had very young branch managers, usually between 27 and 30 years old.

With qualified and skilled bank executives, the bank's performance stood out in successive years compared to its peers.

All this meant Kasikornbank managed to establish a certain level of management that became an integral part of its performance.

The quality of staff at the bank enabled it to adopt modern marketing, technology and management.

It is easy to take these things for granted now when competitive forces have made

professional management, or family patronage, a formula for sustained success, but in those days, even 35 years ago or more recently, it was rare for Thai-owned companies.

Bancha won recognition for Kasikornbank's successes, starting with the Banker of the Year award in 1984 by *Money and Banking* and *Dok Bia* magazines.

Yet, often a man's legacies are assessed after he has passed away. Kasikornbank is now under the chairmanship of his brother, Banyong, while his son, Banthoon, is president.

It is easy to be cynical about family banking, but there are three outstanding features that have made Bancha's legacies stand the test of time and they are associated with governance, employees and management vision.

Banthoon used to say that his bank had survived the 1997 financial crisis because it was

"fortunate", but the fact that the bank managed to raise US\$825 million from outside investors, and was among the very few Thai banks to do so, is a testimony to the trust it had earned from both foreign and local investors, something that did not come overnight.

This trust has little to do with the family. In fact, the Lamsam family share in Kasikornbank today is less than 7 per cent.

It would be quite easy for new shareholders to appoint a different management, but they have never done so.

Bancha's scholarship strategy may have changed a bit, but Banthoon was quick to invite quality candidates and make attractive offers after they became qualified to join and help manage the bank.

These included Prasarn Triratvorakul, former head of the Thai Securities and Exchange Commission, and Piyasvati Amranand, former chief of the National Energy Policy Office. Prasarn and

Piyasvati were top graduates from Harvard and Oxford universities, respectively, and are generally regarded as the best and brightest of their generation.

In management, Banthoon was the first to introduce what was called the "re-engineering" management concept to the large Thai corporate scene in 1994.

This concept proved popular at that time in the US, and was adopted with some success in Kasikornbank despite the conservative corporate culture in Thailand.

Banthoon later thrived on the outsourcing scheme.

The way the bank is managed has won it and the management recognition, not only at home but also overseas in recent years.

This did not happen suddenly and if carefully examined, it will be evident that much of the ground work was done during the years Bancha headed the bank.

Former top executive of Kasikornbank and now governor of the central bank, MR Pridiyathorn Devakula, has this to say about Bancha: "He was always forward looking. He encouraged advancement of the profession and technologies closely. He undertook a five-year preparation. He never wanted Kasikornbank to be a follower." ■