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EXECUTIVE BRIEF CASE

PTT RETAIL EXCELS THROUGH PERFECT STORM

by Sorayuth Vathanavisuth



Dr Krisnapol Komolboon, Managing Director, PTT Retail Management

"To be successful in any business, management should concentrate on people, process and technology. Thai management usually disregards this practice. Hence, instead of taking a closer look at process, we normally just reduce headcount," says Dr Krisnapol Komolboon.

As managing director of PTT Retail Management Co Ltd (PTTRM), Dr Krisnapol oversees the retail arm of PTT that runs the former Jet service stations, now rebranded as PTT, which it acquired two years ago from Conoco Phillips of the United States.

A scientist by training, he joined PTT after finishing a PhD from the Polymer Institute of Technology. He then moved along PTT's corporate ladder with his last position as executive vice-president for corporate planning (downstream business). He helped lead the bid that resulted in the merger of the 146-station Jet network with PTT group.

A bad decision is making no decision:

"We assessed Jet's next 15 years would produce 300 million baht in profit annually in 2007. Two years later, we had to decide whether to keep the Jet and Jiffy brand, so I recalled the words of my ex-boss and former PTT president Luen Krisnakri: 'a bad decision is making no decision'," explained Dr Krisnapol. After customer research and internal discussion, he proposed to buy only the Jiffy convenience stores. The Jiffy brand is copyrighted throughout Southeast Asia and the purchasing value was not disclosed.

"To change all the Jiffy signs from highways to doors, we would have spent at least 300 million baht. We paid a lot less to keep the Jiffy brand," he said.

PTTRM now enjoys a light oil sales volume of 655,000 litres per month per location, higher than the industry average, and 2.2 million baht per month from Jiffy convenience stores.

The Only Easy Day Was Yesterday:

"To be successful after taking over from Conoco Phillips, I had to ensure that all 150 team members at the head office were aiming for the same target. I told them 'The Only Easy Day Was Yesterday', as the US Navy SEALs motto says. We have worked very hard to make everyone at PTT feel like family," said Dr Krisnapol.

Activities such as trips to the PTT gas unit facility and town hall-style meetings have been applied to make everyone feel like part of the team.

Six months after taking over Jet, Dr Krisnapol did some fact-finding.

"We knew beforehand there were only two areas where PTT was rated better than Jet stations. They were quality of light oil and perception of lowest price. I had 400 face-to-face, in-depth interviews at our 146 stations nationwide. Trust and care are the two issues most important to our customers. Cleanliness of washrooms is also a unique preference people have for our stations," he said.

Sailing through a perfect storm:

Just as customers are important, staff are the company's face to the outside world.

"People are always at the top of my priority list. We currently provide quarterly training to our store managers, who serve customers every day," he explained.

The latest addition, the "Platinum" grade service station, has been modified to include a better landscape, more convenient washrooms and a better variety of cooked foods. This new format was evaluated by an outside assessor as more customer-friendly.

The company will add a Platinum station this year to bring the total to eight.

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