

Image Maker Builds Success on Sound Governance

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Editor's Note:

In past issues, this magazine has featured various winners of the Director of the Year Award. But outside the competition are other capable directors who set just as good examples. From this issue onwards, this magazine shall feature these other worthy directors from time to time.

Let us begin with the success story of how one entrepreneur grew his business organically to become a leader in the industry. The main character behind this story is Richard Tsang Lap Ki, chairman and founder of Strategic Public Relations Group and a Council Member of The Hong Kong Institute of Directors.

編者語

本刊過往專訪不少「傑出董事獎」得獎者。除這些得獎者外，還有不少優秀董事的經驗值得借鏡。為此，本刊從今期開始將不時專訪成就有目共睹的董事。

為這系列專訪揭開序幕的是一個白手創業，成為行業翹楚的故事。故事的主人翁是縱橫公共關係顧問集團有限公司(縱橫集團)主席及創辦人曾立基先生。他亦是香港董事學會的理事會成員。



▲ Mr Richard Tsang Lap Ki, chairman and founder of Strategic Public Relations Group.
▲ 縱橫公共關係顧問集團有限公司主席及創辦人曾立基先生。

Mr Tsang is a classic example of a self-made entrepreneur. Strategic Public Relations Group (SPRG), the company he founded at age 29, is one of the largest independent public relations (PR) groups in Asia. He has been recognised numerous times for his contributions, including being featured in “PRWeek’s 2015 Global Power Book” as one of 500 most influential PR professionals in the world. This past May, he became the first Asian to be appointed global chairman of Public Relations Organisation International (PROI) Worldwide, the world’s largest partnership of independent integrated communication agencies.

Building Business from Scratch

Following a stint at two international PR agencies, Mr Tsang decided to start his own company in the field of financial PR. This was how Mr Tsang recounted his debut in PR: “In 1989, I joined an American PR agency. When I was into my second year there, the agency decided to strengthen its capability in financial PR here in Hong Kong to ride on a boom in the financial markets. They were recruiting internally, which I fully endorse. As it is, talents will stay on only if they are given opportunities to climb the corporate ladder and to realise their potentials.” He recalled that in addition to fluency in English and Chinese, a criterion to qualify for this financial PR team was “maturity in appearance.” Well, he qualified on all fronts and that was how he launched his career in financial PR.

In 1995, he and three other former colleagues came up with the idea of starting out on their own. They chose to use the legal format of a partnership for their new business, thus setting what they believed was a precedent in the local PR industry. “I worked with my colleagues as partners,” Mr Tsang explained. “We each set up our own company to hold the majority of its shares. Then we also set up a holding company to hold minority shares of each partner’s own company. The advantage to this structure is that each partner had the

ultimate say over his own company, including its pace of development. I was relatively young and more aggressive then. That accounted for why my company grew faster than those of my partners.”

The macro environment was conducive to using partnerships to launch a business. “Hong Kong’s PR industry was dominated by international agencies at the time,” Mr Tsang recalled. “But then since capable people often would branch out on their own, these agencies were confronted with a major problem of brain drain. We reckoned that a partnership would be a good way to build and expand a business network. If a client required a service outside one’s own scope, then one could refer the business to a partner instead of giving it a miss.”

As the company he ran expanded, Mr Tsang felt that it was using up too much of the holding company’s centralised resources, which was unfair to the other partners. Hence he “privatised” the administrative and financial functions of the holding company and gradually developed it into what is known as SPRG today. Now SPRG has more than 10 subsidiaries under its umbrella. Each company is run independently by its own Managing Director or General Manager. “Given its size and scale, SPRG certainly has a certain competitive edge as a ‘generalist,’” he said. “On the other hand, the group is a close-knit alliance of ‘specialists’ that can deliver the most professional performance in different disciplines.”

Besides separating his own company from the partnership to run it independently, joining an international alliance was also Mr Tsang’s key strategy. SPRG joined a global industry alliance called PROI Worldwide. Last year, members of PROI Worldwide logged a fee income of over US\$700 million. “If deemed as a single entity, PROI Worldwide would have ranked as the third largest PR firm in the world,” he remarked.

Mr Tsang went on to say that PROI Worldwide as an alliance was highly



▲ Mr Tsang is appointed global chairman of PROI Worldwide in May 2016.
▲ 曾先生於2016年5月獲委任為「國際公關聯盟」環球主席。

demanding of its members. Most of the agencies invited to join would have to rank no less than the top five within their own market. One other criterion is that these agencies be run by “locals” to ensure that they have an in-depth understanding of the culture in which they operate. “Joining PROI Worldwide opened up a window onto the world for our group to grow our business,” he said. “This is especially helpful when we have a client applying to list in Hong Kong and the United States simultaneously. While we don’t have a subsidiary in the US, we can work with a PROI member over there to give the client the required services.”

“As an independent agency, our competitive edge lies in being in control of our own fate,” Mr Tsang said. “If you work in an international agency, your management decision is often affected by policies determined at the headquarters. For instance, if the parent company is not doing well, it may order a worldwide staff cut. Even if the regional office or subsidiary is turning a profit, it must follow suit and thus lose talents unnecessarily.”

Championing Corporate Governance
People are key to the PR industry. SPRG

has the good fortune to count quite a number of mid- to senior-management employees who have been with the company for more than 10 years, which is unusual in the industry. Mr Tsang believes that a sound people-management system is critical to keeping quality staff. “A fair system that rewards excellence and penalises the undeserving is very important,” he said. “Good staff benefits are equally important.” That is why SPRG has provided paternity leave since day one of incorporation. It also gives staff condolence leave and examination leave. “After all, it is only in a fair environment where every individual is free to develop and to go after promotional opportunities that talents can be retained,” he said.

Corporate culture is another element for success at SPRG. “In multinational corporations, it is common to see infighting between divisions or subsidiaries, which naturally compromises efficiency or the quality of work,” Mr Tsang said. “At SPRG, all offices operate independently. Since your performance does not affect my bottom line, there is no place for envy or suspicion. As long as my employees are capable of meeting

their performance targets, they will be promoted to the relevant positions without having to wait for someone to resign or retire.”

Mr Tsang further pointed out that a director must set a good example in terms of observing policies and implementing procedures. “A sound system should be one that draws a clear line between the owner (or boss) and his company,” he explained. “Some bosses approve their own claims for expense reimbursement as a matter of course. I first let our accountant verify the expense before approving it for reimbursement. Our system of merits and penalties is based on a comprehensive appraisal formula with objective standards. Even as the chairman of the group, I can’t just give myself whatever salary I want. My pay and benefits are determined by a group of several shareholders similar to the ‘remunerations sub-committee’ of a listed company.”

Risk management is another important element of corporate governance. Throughout the years, Mr Tsang and the PR group he founded had braved the ups and downs of the financial markets and learned a valuable lesson. “Our business boomed when IT (information technology) took off in 2000 so we went on a hiring binge,” he recounted. “When the dot.com bubble burst the following year, the new hands we hired became ‘extra.’ We were lucky to just break even in 2001. This experience taught me a lesson. An extremely bumper year in which the company can meet its three- or even five-year targets can mess up long-term planning.” Sound corporate governance is not just about strategic planning; it is equally critical to develop a sense of crisis and to prepare for contingencies.

Another common threat to a business is poor financial management. Mr Tsang used as illustrative example a Beijing company he acquired in 2000. “The company was founded by a bunch of young people specialising in IT PR,” he recounted. “Despite being highly talented, they knew

little about financial management. In PR, you may pre-pay some expenses for clients, for instance, a deposit to secure a venue. These young entrepreneurs kept going after business without realising that the company had a cash-flow problem. The more business they picked up, the more cash-strapped they were.”

“The type of corporate governance I implement requires thorough knowledge about the function of each department. I also endow each with adequate authority. In the case of these Beijing youngsters who kept going after business aggressively, all it would have taken was for someone in finance to hold them back so that they wouldn’t overshoot their limitation.”

Catering to Stakeholders

Today, organisations also must face stakeholders with different perspectives and standpoints. Here, Mr Tsang believes that a company director can play a leadership role.

“When communicating with stakeholders, it is critical to find out what they want,”

he said. “But stakeholders have different demands, some of which may well be conflicting. A board of directors, therefore, must help the company find a point that can best balance all stakeholders’ viewpoints.” If some stakeholders ask that the company carry out more corporate social responsibility (CSR), then the board will have to weigh that against profitability and strike a balance. A PR agency, for instance, may opt to charge a lower fee to work on a project that matches more directly its own vision, he said. In addition, employees also are stakeholders. As such, the company must strike a balance between making profit and keeping talents and establish a system to share the fruits of labour with the staff.

Increasingly, stakeholders are asking that corporations take up more social responsibility, Mr Tsang said. Along this line, not only did he involve SPRG in CSR but he also launched in 2014 the Strategic CSR Network, a not-for-profit organization, to help others implement CSR programmes.



▲ Mr and Mrs Tsang (middle) celebrate the 20th anniversary of SPRG with staff serving the company from day one.
▲ 縱橫集團成立以來服務至今的員工，跟曾先生及他的太太（圖中）一同慶祝公司二十周年。

“Being in touch with many enterprises of different sizes, we are in a good position to learn about CSR programmes and to help clients show stakeholders CSR results,” he said. The Strategic CSR Network is positioned as a platform to line up corporations, social welfare organisations and volunteers. SPRG staff are encouraged to volunteer their time to participate. “CSR is about participation nowadays (as opposed to mere donations),” he said. “Some companies only organise volunteering programmes that fit in with their employees’ expertises. At SPRG, I simply let staff volunteer their time and efforts according to their own interest.”

Giving back to society is core to the CSR ideology. Mr Tsang devotes his time and effort to civic duties by involving in more than 50 director / committee / advisory member seats in various organisations. He also lectures at a university. In spirit and in action, he is a shiny example of one who contributes to society, safeguards established systems and leads an enterprise to new heights.



先生是白手興家的典範。他於29歲創立縱橫集團，現時是亞洲最大公關集團之一。曾先生獲獎無數，包括獲「PRWeek 2015 Global Power Book」評選為全球500最具影響力公關人物，更於2016年5月出任全球最大的獨立公關顧問組織——「國際公關聯盟(PROI Worldwide)」的環球主席。他是首位出任此職的亞洲人。

白手創業 自成一家

曾先生創立自己的財經公關公司前，在兩家跨國公關企業工作了一段日子。他憶述當年的經歷：「1989年，我加入了一家美國公關公司，入職一年後，公司有見金融市場暢旺，決定在香港加強財經公關團隊，並先在內部招募人材。我很認同優先內部招募的做法，因為要有晉升和發揮機會，人材才願意留下來。」曾先生笑言新團隊要求出色的中英語能力，還要樣子長得老成。兼備這兩大條件的他，從此踏上財經公關之路。

1995年，他跟三位舊同事萌起自行創業的念頭。他們採用了合伙人模式創業，並謂這是香港公關業界的先河。「我跟夥伴是合伙人關係。我們各自成立了公司，各人持自己公司的多數股權，然後我們成立一

家控股公司，並讓控股公司持有各合伙人子公司的少數股權。這架構的好處是合伙人掌握其子公司的決策權，能自行決定發展步伐。譬如當時我較年輕，比較進取，我的子公司規模發展就比其他夥伴的快一點。」

以合伙人模式創業與當時公關行業的大環境不無關係。「那時候香港公關行業由跨國公司主導，但他們面對人材流失的問題，因為有實力的人往往自立門戶。以合伙人模式拓展業務網絡，若有客戶要求自己業務範疇以外的服務，則可把客戶轉介予其他合伙人，生意不會白白溜走。」

縱橫集團規模日大，曾先生有感自己佔用控股公司之中央資源太多，對其他合伙人不公平，於是把該行政、財務團隊私有化，並逐漸發展成現時的縱橫集團，集團旗下有十多家子公司，每家公司由不同的董事總經理或總經理獨立經營。「縱橫集團已有一定規模，能發揮Generalist的優勢，但縱橫集團也是一群緊密合作的Specialists，能在不同範疇交出最專業的表現。」

除了獨立營運的子公司外，加入國際性聯盟也是曾先生的重要發展策略。「縱橫集團加入了國際公關聯盟——一個全球性的



▲ Volunteering activities organised by SPRG staff.
▲ 縱橫員工組織的義工活動。

公關聯盟，去年屬下公司的營業額逾七億美元。若把聯盟看成一家公司，以規模計其排名達全球公關公司的第三名。」

曾先生續指聯盟對成員要求很高，獲邀加盟的公司通常在其市場排名首五位，還須由當地人經營，以保證該公司對所在市場文化有深入理解。「加入聯盟是我們擴展業務的窗口，譬如有客戶要同時在香港和美國上市，我們在美國沒有分公司，但可以找聯盟內的美國成員公司，合力為客戶提供服務。」

「我們作為獨立公司，優勢要是經營得以保持自主。跨國公司最常見的問題是營運受限於母公司決策，例如地區分公司的業務不俗，但母公司業績不佳，下令裁員，分公司必須跟隨，人材白白流失。」

良好企管 領導成長

公關行業尤其重視人材，不少縱橫集團的中、高層已在公司工作逾十年，在公關行業中比較罕見，而曾先生認為有良好制度才能保持人材資產質素。「賞罰制度很重要，也要有優待員工的制度。」縱橫集團自第一天就有男士侍產假，也提供恩恤假、考試假等。「要有公平的制度環境，提供發揮和晉升的機會，人材才願意留在公司工作。」

另外是公司文化。「大公司不難看到部門之間互相嫉妒，影響工作效率。縱橫集團旗下公司相互獨立，你的表現不影響我的成績，少有猜忌。我的員工只要能力和實績達標，就可以獲晉升至相應職位，不用等待有人離職或退休才得以晉升。」

曾先生進一步指出董事還要以身作則，遵守和履行制度。「良好制度應避免老闆個人與公司混成一體。有些公司老闆拿單據報銷開支是自行批核了事，而我則先把單據讓會計核實才簽名批核。又以賞罰制度為例，我們有完整公式評核員工表現，標準比較客觀。我身為集團主席，薪酬也不是自己說了算。幾位股東組成功能類似上市公司薪酬委員會的小組，審核和釐定我的薪酬。」

風險管理也是企業管治的重要一環。他和縱橫公關集團經歷了金融市場起落，自言上了寶貴的一課。「2000年正值資訊科技行業熱潮，生意好得不得了，我因此擴充人手。2001年市況大逆轉，擴充人手變成過度擴張，第二年只能維持不賺不蝕。這



▲ Mr Tsang and Prof Joseph Sung, Vice-Chancellor and the President of The Chinese University of Hong Kong, visit the elderly at a CSR event of SPRG.
▲ 曾先生與沈祖堯教授（香港中文大學校長）一同參加縱橫集團的企業社會責任活動，探訪長者。

次經歷，讓我看到學到出乎意料的好生意，一年達成三至五年的目標，躍升幅度太快反而會打亂公司的長遠計劃。」曾先生從此體會企業管治不單講求對公司長遠發展的規劃，還要能意識到潛在危機，做好應變計劃。

財務管理不善也是企業常遇到的風險。曾先生以他在2000年收購得來的北京分公司為例說明。「那家公司由一群年輕人創立經營，從事資訊科技公關業務。那群年輕人很有才幹，卻不善理財。公關這行，有機會要替客戶預支開銷，例如預訂場地。他們只管接生意，卻沒意識到現金流出現了問題，生意愈大，資金卻愈見緊絀。」

「我所施行的企業管治，就是知道每個部門的功能，並給予適當的權力。這群年輕人拓展業務時只管向前衝，他們需要良好的制度，需要財務部門從後拉他們一把，以免衝得太快太前，超越自身能力所限。」

各方訴求 力臻平衡

現在企業要面對一眾觀點不同，立場迥異的持份者。曾先生認為公司董事可於此扮演領導者的角色。

「持份者溝通重在聆聽持份者所想所求，但不同持份者有不同訴求，訴求之間可能互相衝突。董事會要協助公司找到最能平

衡各持份者聲音的一點。」有持份者要求公司負更多社會責任，董事會可以考慮平衡公司盈利和社會責任。他舉例公關公司遇到有配合公司理念的項目，可給予比較相宜的收費。員工也是公司重要的持份者，公司盈利和保留人材也需要平衡，訂立制度跟員工分享成果。

曾先生看到不少持份者期望企業負上更多社會責任。他近年既在縱橫集團推行企業社會責任(CSR)，又在2014年成立了非牟利性質的縱橫社會責任網絡，協助其他企業推動CSR項目。

「我們接觸很多企業，有大有小，認識各類型的CSR項目，可以協助客戶向持份者展示成果。」曾先生先把縱橫社會責任網絡定位成聯繫企業、社福機構和義工的平台，尤其鼓勵縱橫員工參與義工活動。「現在CSR講求參與，要真心投入。有些公司組織的義工活動要與員工專長緊密結合，而我則讓員工完全按自己的興趣選擇義工活動。」

回饋社會是CSR的核心理念，曾先生以身作則，身負五十多項不同團體和機構的職務，又在大學院校兼任講師。正是以身作則的精神，親力親為貢獻社會，嚴守制度領導企業，使曾先生成為出色的領袖，引領親手創立的企業攀上高峰。