

## British Chamber's Member Company Interview \_ SMART Group of Companies\_ July Newsletter



### Company's Profile

SMART Group of companies, one of the leading firms in the energy sector with high reputation in the market. The company is also a member of United Nations Global Compact (UNGC) since 2016 and leading the way in CSR in Myanmar. British Chamber Oversea Partner Delivery Advisory Team has sat down with Ms Yadana Su Hlaing, Managing Director of SMART Group of companies to speak about corporate governance and corporate social responsibility.

### Interview Questions:

**1. Can you tell us about SMART group of companies?**

SMART Group of Companies was established in 1994. Under the group's umbrella, we have SMART Technical Services Co., Ltd, which provides a one-stop service to Oil and Gas Sector. SMART Electrical Trading Co., Ltd mainly distributes various brands of electronic products to private and public sectors which we also have retail outlets. SMART Energy Resources Co., Ltd works on seismic shot hole drilling which includes project management, human resources, equipment and materials renting. SMART E& P International Co., Ltd is an exploration company which we has an onshore block in a partnership with an Indonesia Company called PT Istech (EP-5). We also have a representative office in Singapore for Business Development and Vendor sourcing. SMART has its own Training Centre which provides leadership training and workshops to working professionals. SMART Media, a publishing firm founded under the Chairman's strong passion for books, particularly distributes books in leadership and the Oil and Gas sector.

**2. Does SMART has businesses/projects working with British Companies? And could you tell us more about that?**

For SMART Technical Services, we don't have a formal British partner yet. However, we do receive regular visits from delegations of British Companies in discussing potential business opportunities

and collaboration. SMART Electrical Trading works as an exclusive distributors of UK companies: Lucy Electric UK Ltd and Megger Power system.

**3. What is SMART's key point of differences/USP from a business perspective? E.g. what makes it successful?**

I believe our good corporate governance makes us stand out of the crowd throughout the years. We have a clear organisational structure available on our website and we deeply embrace key issues such as transparency, right business practice and good ethic. Moreover, we have a code of ethic handbook which our employees pledge before they join the firm and we expect them to follow in their daily operations. We also conduct regular compliance workshops twice a year. Our employees are given objectives, which include business, safety and CSR goals that need to be achieved annually as we review those as a part of KPI process. Additionally, internal audit and compliance are inspected quarterly. I believe our corporate culture and strong sense of responsibility towards the role of a combination of corporate and society, with a good ethic executed in our daily activities, contribute to where we are today and on recognition as a market leader.

**4. SMART has been a member of United Nations Global Compact (UNGC) since 2016. On this note can you tell us more about SMART CSR initiatives/activities and why does SMART feel CSR and responsible business practices are important?**

We set up a foundation in 2012 – Ray of Hope which provides aid and voluntary assistance in areas of health, education, social welfare and environmental saving based on the priorities of our Chairman what he believes as the basic need to the Myanmar people. SMART is the main funding provider and occasionally our partners and family members of SMART employees also contribute. This is not a philanthropic vision and we do not provide cash constantly or offer one off donation. We contribute our involvement into selected CSR projects such as volunteering our time and effort in providing tutoring programs, health care programs, and fun fairs for the home for the ages. For example, we have published a 1000 CSR education books which we received 80 % of grant funds from ASEAN CSR 2020 project to raise awareness in human rights, labour rights and gender equality which we actively educate people on the field site also in Yangon and Bago divisions. We also provide mobile clinics, volunteer in emergency cases, promote road safety campaign. In additions, we have planting activities in every World Environmental Day mainly in the universities compound in Thanlyin area, outside of Yangon city.

**5. The responsible business is paid high attention in currently released Myanmar New Investment Law. How do you see this will have an impact on ways of doing business in Myanmar?**

Definitely! There is an impact on it. Business in Myanmar must need to start or pay more attention in doing corporate social responsibility. As Myanmar is opening up FDI to the world, foreign companies are entering Myanmar to partner with local companies and will be seeking firms with a good reputation. For SMART we do put a lot of effort on our CSR activities which are not fully appreciated by Yangon business community at present due to CSR is seen as an expense. At SMART, we believe doing CSR is taking efforts to improve the society and being responsible for any negative impact of our ethical behavior or business dealings in the community. We wish to maintain our good reputation in the market that applies the same to our business partners. If SMART can do CSR activities without costing too much to the firm, we think other companies can do the same or even better than us if they want sustainable growth in the long run. Moreover, we also suggest companies to follow up with their CSR activities and conduct assessment to ensure it went well.

**6. Vicky Bowmen from MCRB once mentioned that “When international companies consider to partner with local companies, the first thing they want to know – who are the local businesses, who will understand the anti-corruption regulations that foreign firms have to follow? Who are the local businesses that will not be a reputational risk for international companies?” What advice would SMART give to those businesses looking to enter Myanmar?**

Due diligence is a must and its need to be prioritized and executed expeditiously. I advise British companies to keep the same level of international standard or expectation on Myanmar business as they have in other developing and developed countries. This is for the interest to help local companies to improve in terms of their corporate governance and ethic. I would suggest foreign companies to understand the key players in the relevant industries, request ownership details and study the financial statements of the companies and more importantly examine the way which the local companies have secured or acquired the deals either through a legal means or by corruption. Foreign companies can get the support from the third party such as Directorate of Investment and Company Administration (DICA) and Myanmar Centre for Responsible Business (MCRB). I would also suggest that it's important for local companies to practice due diligence on foreign companies and vice-versa.

**7. *Is SMART open to partnership or alliance opportunities with British companies looking to enter the Myanmar market?***

We welcome relevant business opportunities from UK. We are actively attending business matching session, conferences across the region and in the UK to develop our business. In terms of sector, we prefer to meet foreign businesses who are able to provide engineering and technical know-how services supporting the Oil and Gas sector. For our trading sector, we want to be more involved in areas where we are able to enhance our capacity rather than be appointed as a marketing agent.

**Thank you very much and this interview has been edited for length and clarity.**