

Burnmark Industries Sdn Bhd



The time-honoured virtue of perseverance and old adage of *'you just can't beat the person who never gives up'* would seem to suit Burnmark Industries Sdn Bhd to the tee, for this is a company that has had its fair share of ups and downs, yet has continued to defy the odds - threats of its foreclosure a near formality during the financial crisis of 1997/1998 - and live to tell its continuing story of success.

Recalling the history of Burnmark which began in 1990, when it was still originally a company that simply produced reconditioned automotive parts such as brakes for trucks and cars. At the time, the company was known as Akebono Sdn Bhd; jointly owned by current chairman, Abu Bakar Manap together with another partner. However, when the partner sold his stake to

Fazilsam Rahim in 1993, they renamed it to Burnmark, in line with the changes in the company's goals.

Not wanting to simply focus on the production of reconditioned brakes, Burnmark was determined to venture further within the local automotive industry by bidding for tenders in supplying exclusive parts and accessories to Proton. This partnership has survived to this day; a testament to Burnmark's enduring workmanship. Nevertheless, the company's road has been quite a rollercoaster of a ride, as the economic recession caused by the financial crisis of 1997/1998 almost crippled the company. Evoking memories of one of the company's toughest periods, Fazilsam, the company's managing director ventured, "no one wanted or could buy cars during the economic downturn. Things were tough at the time, Proton weren't in a position to build new cars, and Burnmark felt the consequences as well. Businesses were suffering since there simply weren't any demands for metallurgical parts. It became so bad that the board of directors had to sell a subsidiary of ours to a Taiwanese-based company. Its operation was in electrical and electronic equipment, had great potential but we had no choice - we needed to reduce our financial burden and to save the parent company, our bread and butter."

Although disappointed with the turn of events, there is no remorse within Fazilsam or his partner. They simply took it on the chin and strove to redouble their efforts with whatever was left. Their effort paid off when Burnmark was entrusted by Perodua to become the latter's second-tier vendor in producing their automotive component. The experience proved invaluable to Burnmark as they were able to learn on the sciences and practices of their Japanese counterparts. "Things started to recover in around 2000, the economy was recovering and we had been appointed as second-tier vendor for Perodua, wherein we were required to produce components to complement the parts produced by the first-tier vendor and due to Perodua's extensive usage of Japanese technology, it gave us plenty of valuable experiences, mostly in terms of quality control, timelines and costs," added Fazilsam.

Burnmark rise over adversities continued until just a few years ago, they were finally appointed as Perodua's first-tier vendor. Their path to success has indeed been challenging, but Fazilsam readily admits that the journey has been ably assisted by MIDF, whose continued support for local companies to realise their potential and advance further in their respective industries. "At a time when other commercial banks were turning a blind eye

to Burnmark, MIDF saw us from a differing perspective, and most likely, our potential, despite our weak financial situation at the time." The cooperation that began since 2003 has continued to this day and Burnmark's management team remains forever grateful to MIDF and the assistance provided, bringing Burnmark to the position it is currently in – "the predicaments of 1998 had left me nearly stumped, from finding ways at expanding our business, from a small-scale company to medium-scale, more so when funding applications were simply rejected by commercial banks. The financial assistance, especially its flexible nature, was definitely a welcomed boost" added Fazilsam.

The tale of Burnmark is definitely an inspiring one; more so that it simply started its operations at simple shop lots is now able to own its first factory in Shah Alam, to add to the one it has in Rawang while being first-tier vendors for both Proton and Perodua. What differentiates Burnmark to its competitors in the automotive parts industry, is their overall emphasis on quality alongside the ability to produce a complete package, in contrast to the rest, whom outsource parts of its products due to lack of capacity and expertise. According to Fazilsam, even during Burnmark's inception, it was already able to offer

complete packages as a result of the chairman's industrial expertise.

Further plans are afoot as Burnmark looks to expand its business beyond automotive industry by venturing into other areas so as to reduce its dependency on the automotive industry, hence meeting their sales target of RM100 million by 2020. "In order to sustain our business due to instability of the automotive industry, we had diversified our business into manufacturing of steel drum at our new plant located in Rasa, Kuala Kubu Baru and initially able to produce up to 80,000 drums per month. This new plant is to cater for the supply of drums to PETRONAS. As the competition in the domestic automotive sector is getting tougher, especially considering we are a Bumiputera company, we thank God that Burnmark able to remain competitive and still garners the trust of its customers," opined the company's managing director.