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# Hargon – The Next Generation in Trailers

*Many may know Hargon as the market leader in producing car carriers in Malaysia. The second generation is now taking over and is using the solid reputation to build upon.*



## Solid Foundation

Hargon Engineering Sdn Bhd has been established in 1980 as the result of the founder's desire that it is time to start something on his own. The circumstances were in his favour as he had three partners that he could rope in and work together. "There were four of us, each with a different expertise and focus. That made us a powerful and harmonized team," said Chong. Having worked for others, Chong gained experience for a decade before starting out with his own business. Today, the company operates and supplies in four countries, namely Malaysia, Singapore, Indonesia and Vietnam.

## Recipe for Success

Chong learned early on that it takes something special to ensure that the business is built in a sustainable way. Having seen that his former employees failed to do so, he set out to do things slightly different. "These were tough times. As soon as 1985, we hit a recession and it was really a tough time for us," he remembers. When asked what he did in order to weather the bad times, his answer is somewhat baffling, but also a very sensible one. His approach was simple "Most business also expand when times are good. They hire people, add equipment and gear up towards even further growth. When the economy turns bad, they then have all these assets that they need to service and maintain, which in many cases becomes a burden that will break the company. Size isn't always an advantage.

**H**aving made the appointment for our interview with Chong Pim Sam, Executive Director, we met with an energetic man who has spent the last decades building a robust business that is now being taken over by his son. Driving into the yard, we see all the names that are familiar to us: trailers waiting to be delivered.



Hargon stayed small and we didn't have to downsize in bad times". Overexpansion in boom times would typically end in the collapse of the business when the economy shrinks is what Chong has observed. Today, the company employs some 60 people, keeping it lean but capable of handling the work-load. Furthermore, Hargon Engineering has its own design team, making them independent from third parties.

### Focused Range

Likely the most prominent design from Hargon Engineering is their car carrier. It is likely also Chong's proudest moment. Developed in-house, it has managed to capture some 70% of the market share for that segment. "Our car carriers were revolutionary when we launched them in 1983 as the first in the market. They are very robust, some of them run for 20 years with the prime mover being replaced many times over," a proud Chong elaborates. Using only one cylinder, the operation of the upper deck of the carrier is exceptionally smooth. Hargon Engineering also offers bulk tankers for cement, flour and animal feed. On top of that, clients like Linde or AirLiquide rely on Hargon engineering for their tankers. Gas cylinders are made by foreign third parties as there are no companies in Malaysia offering them for the trailer making industries. It takes knowledge though on how to assemble these into the trailers, a skill that Hargon Engineering prides itself in too. Making it a one-stop shop, Hargon Engineering also provides certification. While mostly Hargon Engineering produces trailers, they also offer body-building services for rigid trucks. One such model would be for palletized gas cylinders. Rounding off the offer, it is here in the Hargon Engineering shop where HAMMAR has their high-tech sideloaders made.

### Challenges

Having seen three recessions that left many businesses in tatters, Chong says that "Maybe we are not going through the fourth one?" Another challenge he sees is the need for homogeneous products across the region. With the ASEAN Economic Community (AEC), the free movement of goods will only be

possible if the markets all operate under the same conditions. In Chong's view, trailers are currently operating under capacity as modern technology and components would allow for higher BDM and payloads. Legislation has a big impact on the business and the management team monitors the developments closely. According to Chong, there is a lot of technology available to improve the trailer business, but the current developments in legislation pose too much uncertainty.

### Next Generation

Injecting new ideas into the business is Chong Jia Hao, son of Chong Pim Sam. Having studied electronics, he is looking at improving the trailers by using high-tech. "Most of the trailers we make are custom made. This allows us to offer advanced solutions. However, it is up to the customer if they want to add these items. Sometimes, we even manage to include some gadgets that improve the performance while not adding too much cost to the finished trailer." In essence, Hargon Engineering's team is trying to transfer more of the work-steps from the driver to the machine. "We are not afraid of trying new things if the customer requests these." Flexibility needs to be allowed for. Therefore, the company can accommodate various requests. As an example, Chong (Jia Hao) said that they can fit axles of various kinds from SAF-Holland and BPW to TMC or Fuwa. 

