

MAKING THE RIGHT MOVE

The packing and moving industry is booming as more people take advantage of the convenience offered by the professionals.

MOVING house can be quite a hassle for a family. Without proper planning and manpower, the task is quite a cumbersome one. The same goes for corporations. When there is a change of premises as a result of corporate expansion or the expiration of a property lease, the 'moving exercise' often creates tension and stress among employees and management.

Packing and moving is a serious business these days. Scenes of a truck loaded with furniture and appliances of all sorts when an individual moves house or a company moves office are diminishing gradually. More and more individuals and corporations are depending on the professionals to take care of their packing and moving needs. Whether it is an expatriate moving his family and home to another country or a company rushing to meet a purchase order deadline, packers and movers play a pivotal role in ensuring the success of each operation.

Despite this crucial responsibility, Robert T S Khoo, general manager of K C Dat Sdn Bhd, a leading packing and moving company, says that the public's perception of the industry is still immature. However, he reckons that this negative view will change with time.

A survey of the packers and movers market reveals there are more than 60 companies in the trade. But among these, only a handful has a major slice of the market share. According to Khoo, K C Dat and Crown Pacific easily take 60 to 70 per cent of the market. Both companies are, in fact, running neck and neck in the packing and moving business.

A profitable business often attracts a crowd. Others movers and packers have also moved into the packing and moving market, creating some intense competition in rates charged, Khoo says. Some companies have established 'fortresses' in different sections of the country. For example, Curio Pack, a relatively newcomer to the business has been in operations for close to four years now.

Curio Pack is a leading packer in the island state of Penang, and is fast expanding in Kuala Lumpur too. Other strong players in the industry include Maypack Sdn Bhd, Angel Air & Sea Freight, Tropical Baggage and International Movers Agencies.

Competition has a way of upgrading services and quality. Keen competition in the packing and moving industry has caused professionals packers and movers to pay more attention to new technology. Most of these companies have sophisticated equipment and methods for packing such as air-conditioned storage facilities for heat-sensitive machines like computers, bubble pack, corrugated roles, wrap packs, tissue paper and even custom-made wooden cases when the need arises. Technology has also paved the way for packers and movers to handle specialty moves like shifting mainframe and mini computers, automated teller machines, archival items and livestock.

And even with advanced technology aiding the industry, the job is not without hazards. Since accidents may occur even when the greatest of care is taken, packers and movers insure all the goods they handle. Company employees are usually also covered by the necessary insurance.

However, Khoo has this to say: 'K C Dat has always included a limitation of liability clause as well as a variation clause in all its quotations.' Khoo says this is a mark of professionalism as the compensation for the service provided by packers and movers in any move is never more than a fraction of the total value of the cargo moved. He adds that packers and movers cannot be held accountable for a complete repayment of a damaged item when the customer himself is not prepared to purchase a transit insurance.

Khoo says: 'I cannot see the logic of being asked to pay for the cost of a director's desk that's worth 5,000 rgt when the total move service compensation is only 2,000 rgt, and the customer has rejected the transit insurance of office equipment totaling 10,000 rgt for a meagre premium of 300 rgt.' K C Dat has various types of professional liability insurance such as carriers, warehousemen and public liability. In addition, it also has a special insurance package tailored for personal and household moving.

The industry average of paid-up capital is about 30,000 rgt. K C Dat's paid-up capital currently stands at 1.5 million rgt. Khoo claims that no other movers come close to this figure. However, he adds that the ease of entry by players into the industry has triggered some unnecessary problems. Indeed, it appears all that is indeed are perhaps a few labourers, a truck, and probably some capital to buy packing materials, and you're in the business.

'The industry is plagued by fly-by-night companies whose actions, lack of service quality and unethical practices have tarnished the image of the packing and moving industry,' Khoo laments. The lack of professional skills in the packing and moving industry can be seen in fraudulent shipping practices, high rates of damage and loss, inadequate insurance, price exploitation and wrong packing methods. As such, Khoo recommends the setting up of a packers and movers association to regulate the industry and impose minimum financial qualifications and entry requirements.

A breakdown of K C Dat's operations shows three major areas of business – in-bound, out-bound and domestic. The out-bound business, catering mainly to migration exercises, according to Khoo, will see a slowdown. But the in-bound and domestic businesses are expected to grow at a rate of more than 10 per cent and 15 per cent respectively in 1991.

As in all businesses, there's nothing more exciting than seeing a satisfied customer. In the case of packing and moving, the convenience and professional service enjoyed by satisfied customers are perhaps the best testimony that the industry is meeting the needs of the market, and is facing up well to the challenges of the industry. Potential customers are beginning to see the need to call the professionals when it comes to packing and moving.

With increasing public awareness of its services, coupled with the upsurge in the economy, the industry as a whole seems poised for greater growth and expansion.