

# An intergenerational play



**Peter Fox**  
Chairman, Linfox Group

When most Australians think of Linfox, they think of iconic big rigs rumbling across the outback. But the company has very much crossed the seas, servicing huge clients across some of the region's biggest markets.

Linfox has doubled in size over the past four years. How much of this growth is attributed to your Asian operations?

The lion share of the growth has come from Asia. Our business is operating throughout 12 countries in the Asia-Pacific region. In fact, today we have a greater number of Asian employees than we do Australian. Our business has significantly expanded throughout Southeast Asia and we also have a presence in both India and China. There's no doubt that the Asia-Pacific region is a place in the world where we not only partake – but where we see significant new opportunities in the 21st century.

What are some of the challenges of operating across diverse Asian markets?

That's a big question. The challenges are absolutely endless. Take India for example – it has the legal systems that the western world is familiar with, but each province has local governments with their own nuances. Another example is China – it has a plethora of provinces, each requiring different registrations on vehicles. You can't just buy a business and think you can operate in Asia or Southeast Asia or any of these individual countries. Every one of them has different nuances to how they operate.

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While the rise of China and India have gathered the most attention, Linfox has succeeded in expanding in emerging economies like Thailand. What is attractive about these markets?

Thailand has been a really successful market for us. Over 20 years we have built a business over there that is now worth over a couple of million dollars of revenue.

Vietnam has the prospects and I believe will have the prosperity in the next 20 years to similarly match if not surpass the development that has taken place in the Thai market for us. I find the attractiveness of Vietnam to be its geographic location and its very literate population. It has a very strong and emerging middle-income earning class – and they are very hard working. What Vietnam does lack is infrastructure and it lacks the standards of common utilities that we take for granted in Australia.

Likewise, Indonesia has a very large population, albeit spread across so many islands. Indonesia now has a more stable government. We see very large prospects in Indonesia.

One thing about Linfox as an organisation is that we typically work with the multinational companies such as the ‘Proctor and Gambles’, the ‘Unilevers’, and the ‘Tesco’s’. It is those organisations that we target as customers, rather than the local companies. We do business with local companies, but our focus is on the multinational food, retail and industrial companies.

Are language skills and cultural understanding important to business success in Asia?

I don’t think it is language that is the barrier, rather, it’s an understanding. Australia has an enormous advantage. We’re not seen as American, we’re not seen as English. I think we’re quite reserved – we’re not loud-mouthed in our ways. The Japanese will always put up a façade when you meet with their people in Tokyo, but I think if you get them out of their environment – whether in a sulphur spring out in country Japan or it’s them visiting us in Australia – they absolutely warm to the Australians. They like us – as do the Chinese – as do the Thais – as do the rest of the people in Southeast Asia. The language is initially a barrier, but you can get past that when they get an understanding of who you are. Our organisation is a family-owned business and our Asian colleagues appreciate the tradition of a family-owned organisation – and the family values that Linfox espouses. They actually warm to us and have a respect for who we are.

What is the biggest lesson you have learnt from working across Asia?

I think the advice to any organisation wanting to build a presence in Asia is to be patient with the returns on the capital that you invest. Our investment – if not for decades – is an intergenerational play. The benefits may not be reaped within this decade. We’ve been in Asia now for over 20 years. The decision we made to build our business and expand in the Asia Pacific has been the right one. I think we’re lucky that we don’t have a presence in the European or American markets. It won’t just be my generation that reaps the benefits of our geographic footprint. It will be the next generation of Fox’s that will see the benefit from the foundations that we’ve laid in the region.