

# Mahesh Sivaswamy Seizes Opportunities for Transworld Group Singapore

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Ocean Carriers

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## Transworld Group Singapore Proves that Opportunities are Still Abound



The global container shipping industry is one of cyclical changes, normally going through periods of booms and busts. We are currently in the midst of a cyclical valley point with rates at all-time lows and volumes continuing to fall. Yet some companies are consistently able to do well, despite where we happen to be in the business cycle; companies like [Transworld Group Singapore](#) have shown they are able to brave the storm and are bearing a course towards continued [success](#). Their sound business practices, family run business ethics, and the underserved area the company operates in are all linked to their successes. LM recently sat down with the Transworld Group Singapore's Chairman, Mr. Mahesh Sivaswamy at their regional company meeting in Bangkok, Thailand, to discuss more in depth how his company has not only survived, but prospered during his time at the helm.

### Flourishing amongst Rough Seas

The overarching theme we came to interpret as one of the main driving forces to the success of Mr. Sivaswamy business is opportunity. Throughout the history of his business, opportunities came at the right time, and because of the structuring of the company, they were able to strike while the iron was hot. However, that's getting a little ahead of ourselves, to get the full picture let's start at the beginning.



Mr. Sivaswamy father was a monumental figure in his life and was the person that originally started the company. The company was originally an Indian based shipping agency with the base of operations located there as well. Sadly, after Mr. Sivaswamy's fathers passing the company's reigns were handed over to his son, Mahesh Sivaswamy, to foster what his father had started and to build the company's reputation further; maybe even further than his father had originally even envisioned. For it is here where the spread of the company begins.

"We have always been a family owned and operated company," said Mr. Sivaswamy. "After my father's passing we eventually moved from India to Singapore in 1999. This was the catalyst for our businesses expansion and where our venture into ship owning and operations in Asia truly began." The company first started out as a feeder operator known as Orient Express Lines (OEL). OEL started out successfully with a feeder business to Bangladesh, but opportunity came calling from an unlikely source.

*"When you're down and out opportunities keep coming; don't let go of those opportunities."*

"Soon after starting OEL in Singapore, Maersk Line decided to move their base of transshipment operations from Singapore to Tanjung Pelepas. Because most of the feeder operators in Singapore were already serving their main line operator clients who did not move to PTP in Malaysia, this led us to a unique opportunity. Various operators were called upon to come to Tanjung Pelepas, however only a small few were willing to move, and our group was one of them. It was fortunate that we had just started the business, as we were still quite flexible, and we were willing to move to PTP to serve Maersk Line as their feeder operator in South Asia.



At that time, there were only two feeder operators out of Tanjung Pelepas covering the Indian subcontinent. The

business grew and we had a lot of good volume. One ship became two, which became three, which then transformed into more service loops.” A combination of being at the right place, at the right time, with the right people, and right structuring of the company, gave Mr. Sivaswamy the flexibility to reach for the opportunity in front of him, which helped take his business to the next level.

### **Seizing the Opportunity**

After canvassing for their own cargo, customers began asking for services other than ocean transportation. Transworld GLS was established as another arm of the group focusing on other services like trucking for pickup and delivery of client containers to and from the port, customs brokerage, warehousing, and even freight forwarding. This move led the group to become a neutral forwarder as well, able to serve their clients globally and with impartiality, and was a stepping-stone to the opening of other divisions within the company.

This would turn out to be a great decision, as the economic crisis of 2008 hit most ship owners hard, just as they were receiving their newer and larger vessels. These vessels would now be coming online into a market at a time when the world’s economic growth is in a slump and a slowing growth in the number of container movements would lead these vessels to sit idle next to the ships already at sea waiting for cargo. While it affected their business, having smaller vessels helped Transworld Group Singapore get through tough times by still being able to serve emerging markets that were still growing, despite the global economic downturn.



When asked about the effect of larger vessels cascading down into his market and affecting Transworld’s business, Mr. Sivaswamy said, “the cascading effect happens when larger ships supplant the next class size down into other trade lanes that are currently balanced; this then causes these lanes to have over capacity issues once these vessels are introduced. This continues down the line on to each progressively smaller trade lane. This cascading effect has limits though. It comes to a point where larger ships cannot cascade down further, as other issues such as draft limitations and port and terminal infrastructure of the smaller river ports cannot handle anything larger than what is currently serving them. We’ve found a sweet spot of the market with ships designed for these ports.”

### **Family Run, Family Practices**

Throughout the process and transformation of the company, the employees are the bedrock that has helped the



company stay true to its goals. Mr. Sivaswamy sticks close to his father's philosophy of trust and openness when running his business.

"The values originally came down from my father and haven't changed include trust and openness," said Mr. Sivaswamy. "We are aware of the trends in the industry about trying to squeeze every drop of efficiency out of a company, but we put people ahead of making everything like a process driven factory.

*"We are very a people oriented business and we have very good IT systems backing up the entire company to assist our staff, but we still need the trust in the people to run the company well."*

"Ultimately, the people make the business tick. We are fortunate to be able to run our company this way, as it is hard to compare us to a major steamship line, for example. We fit our niche well now, and plan to continue into the future." Mr. Sivaswamy maybe a bit modest, with over 500 employees altogether working for Transworld Group Singapore and its six other subsidiaries throughout Africa, the Indian subcontinent, and North and Southeast Asia, they are not just a regional feeder operator any longer.



Throughout our time with Mr. Sivaswamy, what impressed us the most was the positivity Mr. Sivaswamy emits for the industry. Amongst the drudges of reports of doom and gloom, his positivity is a beam of sunshine through a cloudy forecast in the industry. They are aware of the trending booms and busts the container shipping industry cycles through, but they are focused on the long-term gains of the company. Their focus on being a family owned company allow them to not just think about next quarters return for shareholders, but allows them to think about the bigger picture. Allowing them to sway away from knee jerk reactions or decisions that may save costs in the short run, but do not make sense long-term.

An example of this is their recent acquisition of part of [Forbes & Company](#)'s logistics business in India. This valley point in the cyclical pattern of the industry we're in now is the best time to acquire new assets. Continually investing and adding new segments to their business, when the opportunity arises, are what has driven them to the success they have today. Transworld Group Singapore should be held to others as an example of what good practices can bring. Steady growth can be seen throughout the company with more operations opening up in

Africa, the Middle East, and Asia, this once regional feeder operator has found a niche that they can continuously profit from, even in times of stormy weather.

