

IMPROVING QUALITY OF LIFE

Testing and certification CEO helps companies meet standards and boost safety, **Tang Zhihao** reports.

Originally a doctor and scientist in pharmacology and ergonomics, Wolfhart Hauser never thought he would become an expert in the testing and certification industry.

Hauser, a keen skier and CEO of London-listed company Intertek Group plc, is renowned for his ability to help prevent ski injuries.

He entered the testing and certification industry at the age of 28 and has been working in the field for more than three decades.

People may consider Hauser's path from medicine sciences to testing and certification unusual but he said there is not a big gap between the two fields.

"Modern medicine is not only about curing diseases, but more about prevention. It is just like what we are doing in testing.

"Prevention makes people's lives safer and better," he said.

Hauser has been CEO of the multinational company since 2005 and said it has seen solid growth in past few years.

Intertek's compound growth rate of earning, before interest, tax and amortization expenses, was about 13 percent between 2008 and 2013.

"What makes Intertek successful is its efforts in providing good services for customers worldwide," Hauser said.

"In the past, if clients want to sell a product in a country, they needed to go there and get it certified in that country. That was not flexible and not service-oriented," he said.

Intertek's clients get access to testing certifications and information about their products in any country.

"We aim to support our customers and help them meet the quality standards," Hauser said.

He said Intertek does not just say yes or no according to international standards but listens to clients' requests and provides them with one-stop solutions.

"Creating a successful business does not mean you need to invent great new things. I think you can be successful if you combine many existing things, knowledge and activities in a new way," said Hauser. He encourages his management team to face up to more

challenges and achieve better results.

"I have never been satisfied with the business. If you do that, you will lose out at some point," he said.

Intertek was the first international third-party testing and certification company and it entered the Chinese market in 1989 by launching a joint venture in Shenzhen.

The company has set up more than 100 labs and offices with nearly 10,000 employees in China.

Opportunities in China

When Hauser visits China, he continually eyes up new opportunities in the market.

"The Chinese government has taken a series of reform measures to boost third-party testing, inspection and certification companies.

"I hope to learn more about the development and orientation of the current TIC market," he said.

Although China lowered its targeted GDP in recent years, Hauser said it remained as one of Intertek's most valued areas for the future.

The significance of Intertek China is not only its operating revenue at the forefront of countries around the world, but also its



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potential for development, he said.

"China's GDP growth in the next decade will be less than the past ten years as most of the

growth came from industrialization and investment.

"However, China's GDP is still growing at between 7 and 8 percent, and I think that growth will continue," said Hauser.

Intertek China can grow more than the country's GDP growth in next few years, he said.

"When GDP grows, people's expectation for quality of life will also grow, which usually gives us more business opportunities," said Hauser.

The Chinese government has taken measures to reform State-owned TIC companies, which will provide opportunities for Intertek to deepen its market penetration.

There are more than 20,000 TIC organizations in China, of which more than 70 percent are supported by the government, according to Hauser.

"On the one hand, State-owned testing authorities will participate in competition, which will be a challenge for us.

"On the other hand, the government will support third-party TIC companies in a fairer and more open way, which also gives us a great opportunity to leverage our international resources and experience to do business," said Hauser.

Research firms suggest that the TIC market in China is expected to reach 210.5 billion yuan (\$33.8 billion) in 2014 and 257.4 billion yuan in 2015.

Intertek is in the process of establishing a subsidiary at the Shanghai Free Trade Zone to support its future development.

Intertek provides a wide range of services including those in Hong Kong and Singapore and has in-depth insights into the modes and demands of free trade zones.

"To set up a company at FTZ is a



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From top: High-end testing machines at Intertek. Wolfhart Hauser has a pioneering spirit and said skiing is an indispensable part of his life. The lab for furniture testing at Intertek.

strategic decision based on the pressing demand for the all-around testing and inspection service from the companies in the zone and the flexible supporting policies," said Hauser.

For Intertek localization has become the key to success.

"Our local management team has global knowledge for our customers

and they can translate that into local language and culture. That is working very well.

"China has developed very well, but we cannot stop there and we must do more for the Chinese economy," said Hauser.

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