



Dominic Ho

The architect of KPMG China



Dominic Ho, former KPMG China Chairman, was instrumental in establishing the firm's presence and operations in China. He laid the groundwork by launching KPMG's first representative office in the country in April 1985. In an exclusive interview with KPMG, Dominic shares his experiences in leading the firm's early expansion in China and his current role as a non-executive director, on the board of a number of high profile companies.

For someone who retired in 2007, Dominic is still a remarkably busy person. The man who began his KPMG career as an auditor in Houston in 1975 spends about 90 days a year working, advising on numerous boards, including banks, property companies and airlines.

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In his free time, he is either in his second home in Beijing, or in the US tending to his farms – one of which produces the aptly named 'Holive Oil' – and spending time with his seven grandchildren.

"It's not about the money and it's not about the status," Dominic said when asked about why he is still keeping himself so busy with his INED commitments. "I'm doing this because they are people I enjoy working with. The management of the companies value my input and I can see my input having an impact on them."

While his experience at KPMG gave him first-hand exposure to a variety of industries, Dominic said he still indulges in a lot of his own reading and research in order to keep himself up to speed with the latest developments and trends. When one of the firms he was advising wanted to acquire a cybersecurity firm, he promptly put himself through a two-week cybersecurity course as he wanted to make sure he had the necessary and most up-to-date knowledge to contribute to the discussions.

Aside from work commitments, Dominic pointed out that an even bigger reason for his reading and research habits was simply because he enjoys seeking out additional or new information.

This hunger for information helped shape his successful career and was the source of his vast knowledge of different industries. The latter was a key aspect of his successful career as it allowed him to understand the market and where it is heading, and to spot potential business opportunities.

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Excelling in China

One of the biggest achievements in Dominic's career was his role in establishing KPMG's China franchise.

As relations normalised between China and the US in the 1970s, he sensed that there were business opportunities to be had with the Chinese starting to open up to more pragmatic and reformist policies. This had KPMG, along with many other international firms at the time, starting to think strategically about how to approach the brand new China market.

Dominic promptly wrote a letter in 1979 to Stanley Klion who was the executive vice chairman of KPMG International, asking him what plans the firm had for entering the China market, and making a few suggestions of his own.

Three years later, he began making frequent trips between China and the US as a consultant for China's growing oil and gas industry. Dominic, who looked after oil and gas clients in Houston, was the natural candidate for the job as he could speak Chinese and understood the culture.

However, for any long-term strategy to work, the firm needed someone on the ground full-time. Dominic was, once again, the right choice for that. In 1984, he became the first full-time staff member to be based in China and was tasked with looking after the firm's first representative office in the country.

Establishing a foothold in China was not easy as Dominic had limited resources to work with. Before the official opening of the representative office in April 1985, he worked from a room in Jianguo Hotel Beijing.

"My initial time in China was very challenging," Dominic reminisced. "I've always said that life is not the toughest when you've got too much to do. Life is the toughest when you have nothing to do and you wake up not knowing what to do about it."



During his early days in China, one of his main objectives was to build up a relationship network for KPMG. He succeeded as he understood what the Chinese, in particular senior officials and state-owned enterprises, wanted at the time, which was to learn more about the international community.

That gave him the opportunity to establish strong relationships with key government officials as Dominic capitalised on his vast knowledge of the markets. He did that by giving frequent lectures and training on subjects such as accounting, auditing, economics, taxation and internal controls.

“I was able to provide them with the knowledge they wanted, either through books that I brought with me or via in-depth discussions and lectures,” Dominic commented. “It was through these activities that I managed to build up a network of relationships, many of which turned into lifelong friendships.”

None of this, however, would have been possible if not for the support of the Hong Kong office and the man who was leading it at the time, David Gairns (1985-1991).

“I was in the right place at the right time, and had the right people to help me,” Dominic said.

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The Hong Kong connection

Dominic's original plan was to be based in China for two years. He ended up staying in the country for around five years.

Having helped establish KPMG's presence in the country, he was then invited to join the Hong Kong firm by Iain Bruce (Senior Partner 1991-1996) and Marvin Cheung (Chairman 1996-2003). With 1997 looming, they were keen for China to become a core focus of the Hong Kong operations. Marvin, who Dominic considers his mentor, felt Dominic was the best person to do that due to his strong relationships with the Chinese.

Similar to when he first arrived in Beijing, one of the first things he did in Hong Kong was to gain a better understanding of just what China meant for Hong Kong and vice versa, where this relationship was heading, and the potential business opportunities for KPMG. He quickly realised that this was a relationship that had great potential, partly due to the geographical proximity of the two markets.

Most importantly, China was opening up and Chinese companies needed funding to fuel their growth. Hong Kong, on the other hand, boasted one of the deepest and most developed capital markets in the region. With the right strategy and approach, firms that serve the capital markets, such as KPMG, could potentially capture plenty of business opportunities.

One of the strategies was to host a series of capital markets seminars, aimed at Chinese 'window' companies, or the Hong Kong commercial arms of Chinese provincial, state and city governments. It was through these seminars that the innovative idea of assisting Chinese companies to raise funds in Hong Kong via the city's equities market first appeared. Those discussions helped form the backbone of what would become a mainstay in Hong Kong's capital markets – H-share listings.

"It's about using the knowledge you have about one market and deploying it successfully into another," Dominic explained. "China wanted to learn from the world and develop its own capital markets. What better way to do so than by getting Chinese firms to list directly in Hong Kong and learn how to meet international standards."

Secret of success

The man who masterminded KPMG's dominance in H-share IPOs, which at the height of its prowess had a more than 40 percent market share, agrees it has become much tougher to replicate such success in an increasingly competitive landscape where every competitor now sees China as a strategic focus.

Still, he believes there are ways for companies to maintain their competitive edge such as to always plan ahead. "Companies need to think about what is going to happen and what can happen next," Dominic noted.

"Always be prepared for a number of different scenarios and have a reaction plan ready for each of them."

The other advice he has is for business leaders or those with aspirations to become one. In his eyes, the best leaders do not necessarily have to be correct all the time, but are instead those who have a clear goal in mind and are able to steer the company towards that goal with conviction.

One of his favourite examples of a strong leader is the founding prime minister of Singapore, Lee Kuan Yew. "He was fair, he knew what he was doing, he showed the country a direction and he led by example," Dominic explained. "He was a good leader."

The worst type of leaders, on the other hand, are the ones with a million goalposts and who can never seem to make up their minds. To avoid being like them, it is imperative for business heads to be able to form convincing arguments and conclusions.

"I've always tried to tell those around me to read more because conclusion can only come from information," he explained. This is an especially important trait when it comes to China. One of the reasons he believes he was particularly successful in China is because the Chinese, specifically the senior leaders, tend to view things in a more philosophical manner.

As a result, those trying to establish relationships in China need to be able to partake in in-depth discussions and across a variety of topics such as arts, culture, history and geography. "You can only do that if you read a lot," Dominic said. "Knowledge is actually part of entertaining clients."



Joint chairmen 2003-2007, John Harrison & Dominic Ho

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