Indonesian Plater Finds Fast Success in Auto Market

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In 1831, British scientist <u>Michael Faraday</u> discovered electromagnetic induction, arguably the greatest scientific achievement in the modern history of surface treatment. Faraday is known to have inspired many people throughout the world, not only in chemistry but in other fields as well.

One hundred and fifty years later, an admirer of Faraday's accomplishments, a young Indonesian man named Hotman Malau, began his career in the plating industry. After working for another plating company, Malau decided to start his own plating shop in his garage. He could not have dreamed then that in a short time, he would be leading a booming business with 700 employees. Although his company, PT Hotmal Jaya Perkasa (West Java, Indonesia), has faced trials, it has pulled through and is successful today. Malau, along with his son as his business partner, have built an entity that focuses on sustainability as a long-term strategy.

Surrendering his diploma

Malau had always been infatuated with everything related to electroplating. Therefore, he knew that engineering was a promising path to accomplishment in the plating industry. After completing high school, it took Malau eight years to graduate with a bachelor's degree in engineering, finishing near the top of his class. He entered the workforce at the relatively mature age of 26 and joined a job shop that specialized in anti-corrosion plating.

In 1990, Malau's first son was born while his career was only beginning. Malau named his son Faraday, after Michael Faraday, the great inventor. With no capital whatsoever and a 4-year-old son to support, Malau started PT Hotmal Jaya Perkasa in 1994 from the confines of his garage. Hotmal is derived from a combination of the first three letters of Malau's first name and last name.

Because physical proof of a certified college diploma is required to find almost any job in Indonesia, he surrendered his graduation certificate to an investor to prove that he was 100% committed to his new venture and would not walk away to find a job elsewhere. After a few years, the investor began to see profits and returned Malau's diploma to him.

Revving up to prosperity

Just as William Harley and Arthur Davidson started their motorcycle business from a garage, Malau first used his garage to offer plating services. Customers were introduced via word of mouth, and volume increased quickly. Malau outgrew the garage after only two years and moved to a location more befitting of a factory.

Through the 1990s and 2000s, PT Hotmal expanded and at one point, had 700 employees because of the thriving Indonesian auto industry's need for anti-corrosion plating. Over time, the company automated processes, tripling.

production capacity. Now, however, the company requires only 350 employees at its two factories in Cibitung and Tangerang, Indonesia.

Malau, a first-generation plater, became an industry legend in his country because of his specialized knowledge of the plating of metals and ability to grow his business so quickly.

Hard Times

The most challenging time for PT Hotmal was in 2011. An earthquake in Japan triggered a series of events that almost led to the collapse of the business.

Malau laments, "The tsunami, which occurred immediately after the earthquake, wreaked chaos on the automotive fastener industry because steel from Japan was no longer available in Indonesia."

Faced with the prospect of shutting down, some of PT Hotmal's customers scrambled to use locally available steel. The change in the material quality led to a recall at a fastener manufacturer, which almost bankrupted PT Hotmal.

Contributing to a circular economy

Last year (2023) was a turning point for the company as the young Faraday, now 32, helps his 66-year-old father navigate an unknown future with new challenges. As a company that focuses 90% of its business on zinc and zinc-nickel plating used in automotive applications, metals are near and dear to its heart.

Therefore, plastics have not been core to the family business. Nonetheless, the father/son duo is intentional about managing every segment of the organization. Therefore, they plan to recycle all the polyethylene plastic used in the jerricans

supplied by the chemical suppliers. While still in the experimental phase, PT Hotmal currently grinds the plastic into flakes. The intention is to mold the plastic using onsite injection molding equipment in the near future. The company is currently in talks with partners regarding the end-use applications of such recycled plastic.

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