





# SECTION IV

## SUCCESS STORIES

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# Going Back to Nature Brings Success to a Young Entrepreneur

It all began four years ago when Selvestone Junit, a young graduate from the Kota Kinabalu Polytechnic decided to quit his job as a bank executive and took the plunge into the world of business to pursue his dream

Driven by his passion for nature and the environment, Selvestone dreamed of building an eco-resort in in Kota Marudu (his place of birth), where guests would be one with nature while at the same time get acquainted with the area's unique cultural attractions. He also envisioned getting the local community to be involved in eco-tourism by showcasing their culture and traditions.

In 2011, Selvestone incorporated Panorama PLT and thus the development of Panorama Paradise Resort was set in motion. Nestled among a deer and stingless bee farm in a kampong setting surrounded by beautiful vistas of Mount Kinabalu and the forests, the resort offers eco-tourists, nature lovers and eco-adventurers back-to-nature and local culture experiences by having them stay at a longhouse, enjoy the culinary flavours of traditional Sabah delicacies, jungle trekking on the Mt. Cochrane-Mallas Kallas Trails and fisherman mangrove cruises during the sunset watch.

Selvestone said, "The resort's market comprise travel bloggers, nature lovers and photographers, hikers, adventure tourists and even artists and art collectors."

But Selvestone's journey to realise his dream was not by any means smooth. He faced a lot of discouragement from many who were skeptical about his business plan. His young age, being only 27 years old also worked against him. He lacked business experience and funding to kick-start his enterprise. His persistence in pursuing his dream was eventually rewarded in the form of a RM500,000 grant when he emerged winner



in the Rural Business Challenge Programme organised by the Ministry of Rural and Regional Development (KKLW).

However, the young entrepreneur's dream was not just about himself. His vision included getting the local community involved in the business too.

Selvestone explained, "The resort is not just about making money but also to help the local community to earn extra income. Furthermore, engaging with guests from various communities and places has been a priceless experience for both parties. I wanted to see the local people progress by exploiting the potential in local eco-tourism through showcasing our culture and environment to outsiders. That wasn't easy as they were resistant to change."

It took a while but when the resort was opened, he managed to convince some of the villagers to get involved by hiring them to make cultural presentations such as traditional dances and also to prepare local food for the guests.



Selvestone said, "They eventually got used to outsiders in their midst and they began to be actively involved in the resort's programmes."

"Panorama Paradise Resort started as a camp site and now, seeing what has been accomplished so far and seeing the involvement of the local people in the business was very satisfying. It wasn't just about my dream but also about changing the local community's mindset and helping them to realise the potential for rural folks to be involved in the tourism business."

When the resort was completed, Selvestone took another step to promote local tourism by setting up the Kota Marudu Tourism Development Association of which he is the chairman. The association, he said, has made the local community more aware of the importance of education, the environment and opportunities in local tourism.

To further promote tourism in the area, Selvestone is proposing to organise a 'Visit Kota Marudu Month 2017'. He also envisions Kota Marudu becoming a Geopark like Pulau Langkawi.

However, Selvestone is not done yet in his quest for knowledge and self-improvement. Busy as he is running a resort, he is also studying part-time for a degree in tourism management. His determination to succeed in his chosen field has earned him accolades such as Polytechnic Icon and Kota Marudu Youth Icon. He was also the winner of the 2017 Innovation Award for his invention of a generator set which uses solar-powered batteries.

Asked about the problem he had encountered in trying to start his business, Selvestone said financing and lack of experience were among his major challenges.

"I had no funding from any financial institution. My only funding came from the RM500,000 grant I had received from winning the Rural Business Challenge Programme in 2012. My age and lack of experience in business also worked against me. I had no support network and no marketing experience. I learned by trial and error and by networking with those with more business experience and know-how and also with various Government agencies and NGOs all over Sabah."

"Another challenge was the lack of infrastructure such as proper roads and electricity supply. We were the first tourism-related business in the area. The lack of infrastructure also made it more difficult to attract visitors. That's why in marketing the resort, I branded it as an adventure tourism."

Asked about the factors that would help a business succeed, Selvestone said, "The owner must understand his role and duties and be smart enough to build an organisation strong in financial management, public relations, marketing and business operations. He must exploit the uniqueness of his product and provide quality service."

*How can the Government help SMEs like his to succeed?*

"The Government is already helping SMEs by providing financing, promotion, developing capacity, marketing, and through many other aid programmes under various Ministries and agencies. One area where the Government can help a business like mine is to provide proper infrastructure and business facilities in rural areas where there are no telephone and internet access, electricity, water supply, irrigation and drainage and other basic amenities."

*What does it take to be a successful entrepreneur?*

"Many aspiring entrepreneurs want to do business but have no clear motivation and plans. Without a clear objective and business plan, failure is inevitable. Know your business. We must know thoroughly the business we are in, otherwise we can be easily cheated or manipulated by others. Never stop learning. Also learn to strategise in order to set the direction for the business."

"The importance of networking for business owners can never be over-emphasised. We make our business better through networking. Being in contact with a wide circle of successful people gives us the opportunity to learn from them. In the end, we must have passion for whatever we are doing. Passion will not allow us to give up when the going gets tough."



# The Yoghurt Way to Success

A yoghurt business that began in a house kitchen thirty-four years ago is still going strong today



**Malaysian Yoghurt Company  
Sdn Bhd**

Consumers purchasing Sunglo yoghurt products would most likely be unaware of its beginning. The product's history went as far back as 1983 when it was manufactured in a kitchen in a house in Petaling Jaya by Syarikat Sunglo. Four years later, Sunglo yoghurt was good enough to capture the attention of food giant Nestlé which acquired the brand in 1987 and was the brand's owner until 1995 when it was sold to Sunglo Sdn Bhd.

In 2015, Malaysian Yoghurt Company Sdn Bhd, a subsidiary of Sunglo Sdn Bhd and Magic Foods Sdn Bhd, became the manufacturer, distributor and marketer of Sunglo yoghurt products.

The managing director of Malaysian Yoghurt Company Sdn Bhd, Mr. Ramesh Gomez, said of his company's products, "Our yoghurt formulations were developed over the last thirty-four years to cater to the tastes of Malaysian yoghurt lovers. We have a wide range of yoghurts such as for direct consumption, for cooking, in drink forms, Greek yoghurts, or packed in pouches or bulk-packed in various sizes and with many variety of flavours.

"We try to keep our formulations simple and as natural as possible, like the yoghurt you would

make at home for your family. This means we use more milk and less of other ingredients to make our products thicker and more delicious."

He described the Sunglo brand as "a small brand in the local yoghurt market with an estimated market share of 2%".

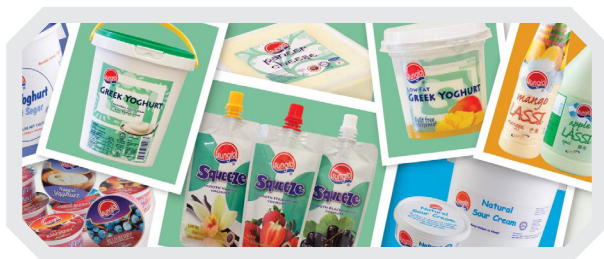
"However, we have been able to survive in a competitive market by exploiting the advantages of our size. We built our business on a small capacity model with lower overheads and more flexible systems. This enables us to offer a niche range of yoghurts that may not be viable for the bigger brands. We just want to make our yoghurts as affordable as possible and available to as wide a market as possible.

This strategy has obviously worked for the company as the Sunglo brand competes and shares shelf space at supermarkets with big brands like Nestlé, Dutch Lady, Marigold, Farmfresh, Anlene and Nutrigen.

As Gomez put it, "The success of the Sunglo brand of yoghurt is the pride of the company." Malaysian Yoghurt was awarded the Best SME (Negeri Sembilan) at the Safe Food Expo 2015 and was ranked eleventh in the 2016 Enterprise 50 (E50) Award organised by SME Corp.







Malaysia. The company has also received the National Mark of Malaysian Brand certification by SME Corp. Malaysia, halal certification by JAKIM, the Veterinary Health Mark certification by the Veterinary Department and MeSTI certification by the Health Ministry. Its yoghurts were recognised by Her World magazine's Kitchen as 'Best Selling Product: Fresh Yoghurt Category'.

Talking of the challenges faced by the company, Gomez said, "The biggest challenge in this business has always been brand awareness and market penetration. The first challenge for a small yoghurt brand like ours was to get brand recognition from consumers, especially when competing against well-funded big brands in the same market. The second is to develop a cost-effective distribution network which would allow us to penetrate deeper into the target market.

Against the background of a challenging marketplace, the company has been hugely encouraged by consistent popularity of its products and that appeal of its products is crossing generational lines.

Gomez explained, "What is most encouraging is that customers told us they loved our yoghurts and that their next generation also loves our brand. With parents and then their children continuing to buy our products, it makes us all in the company feel that all our efforts over the years have been worthwhile."

*What is the secret of the brand's longevity?*

"I believe that being able to manage change and maintain our relevance in the industry is key to our success. The marketplace has

changed considerably over the last thirty-four years and is continuing to evolve. Consumers demand change and as brand owners, we must change to meet market demands or risk becoming irrelevant."

"One of the biggest challenges that we, as an SME food business, have to confront is how to stay relevant to consumers in a world that is so rapidly changing. The art of making yoghurt may not have changed much over the centuries but consumers expect yoghurt brands to introduce innovative products that is in sync with the needs and desires of their changing lifestyle.

*Does Malaysian Yoghurt plan to go international?*

"Our business model is specific to catering to the Malaysian market. We are looking to grow our business by developing a range of premium yoghurts to cater to a niche segment of the market. I hope to see in ten years' time the Sunglo brand of yoghurt will be known and accepted by the majority of Malaysian yoghurt lovers as their preferred premium yoghurt brand.

*How can the Government help SMEs succeed?*

"SMEs are not small versions of large businesses, rather, they are quite a different type of business entity. For example, a large business would probably have layers of financial, technical, human resource, marketing and regulatory compliance expertise. In a small business, these roles would usually be undertaken by the business owner who may have expertise in his specific field but not necessarily in the other areas mentioned. As a business grows, these weaknesses, unless addressed, can cause serious problems. The Government could help SMEs address such issues by developing specific programmes for SME entrepreneurs to acquire knowledge in these areas. However, I believe that, ultimately, the job of growing a business is the responsibility of the owner and not the Government."



# Betel Leaf Recipe for Success

**Nik Juzailah binti Juhairi's entry into entrepreneurship was prompted by sheer gut instinct**

In 2002, the Universiti Malaya business studies graduate came across a struggling herbal products company in Penang. Nik Juzailah saw potential in the business and subsequently bought over the company. Thus began her entrepreneurial journey as the owner of Sireh Emas Marketing Sdn Bhd.

The initial period of her business life was 'hectic' as she put it.

"I had to revamp the entire operation, upgraded the production lines, re-strategise marketing and re-look at all the various aspects of business operation. It was time-consuming but necessary in order to build a firm foundation for the business.'

The company then was operating from a shop lot factory and its products consisted of a herbal body lotion and feminine hygiene wash made from natural ingredients, primarily from betel leaves. Today, Sireh Emas Marketing produces 48 skin and body care products – not counting its international brands – and employs 38 workers.

In the beginning, Sireh Emas products were sold mostly through herbal product outlets. In 2016, it gained access into supermarkets like Tesco. It will be available in Giant from August 2017. Nik Juzailah said the company hopes to be in Aeon outlets soon as the latter is interested in her Miusuki brand, the company's export product line.

Asked about the challenges she encountered in the business, she said, "Sometimes sourcing for quality ingredients can be a problem. For example, at one time, we needed the herb *temu lawak*, a few hundred tons of it, but only

one hundred kilogrammes were available. We searched all over in vain and only finally managed to contract with FAMA to supply us."



Another challenge was funds for marketing.

"With our limited financial resources, we were torn between focusing on advertising or expanding production facilities. Fortunately, we received financial assistance, about RM200,000 under SME Corp. Malaysia's Business Accelerator Programme (BAP), for packaging and for advertising on billboards along highways. We also obtained another RM200,000 to purchase bottling machinery."

In 2006, the company collaborated with SIRIM as the research agency to commercialise its research results in skincare. The project advanced to the pre-commercialisation stage based on the discovery and research by SIRIM. As large funding is needed at this stage – which takes three years before actual commercialisation – Sireh Emas collaborated with SIRIM for funding.

Nik Juzailah said Sireh Emas obtained its "first pre-commercialisation funding from the



Ministry of Science, Technology and Innovation (MOSTI). Fortunately, the application process was made much easier as we were already collaborating with SIRIM which is an agency under MOSTI."

Nik Juzailah is grateful that the Government is implementing many programmes to assist SMEs like hers, however, she hopes that it can also help SMEs to increase their exposure to the market by, for example, organising more trade expos for entrepreneurs to showcase their products.

*In a competitive body and skin care market, how does Sireh Emas' products stand out from that of its competitors?*

"Quality is a great differentiator. Our body and skin care products have nanostructured lipid carrier which is a bioactive carrier system that facilitates the absorption of active ingredients. Furthermore, to ensure the quality of the betel leaf extract, which is our main ingredient, we only source from one supplier."

An achievement Nik Juzailah is particularly proud of is being the winner of the Halal High Tech Challenge in 2016 with its feminine hygiene wash product. That win resulted in the company receiving a RM500,000 grant to develop a dual-function antimicrobial feminine product – feminine hygiene wash and hand sanitizer. The company was given eighteen months to develop the product. The concept and research have been completed and approved, and product development is on-going.

The company is also planning to go international.

"We expect to launch internationally in November 2017. Currently we have received an order for one Xanzwhite product line from Cambodia. We are also planning to export to Indonesia and Myanmar. The product line to be distributed in Myanmar is Miusuki Skin Care which consists of seven SKUs. Indonesia is also a target market because of its huge



population and we are aiming for a niche market. Our international strategy is to focus on countries within approximately three hours flight time to ensure better management of our products in these markets."

*How does Sireh Emas apply technology to promote its business?*

"In 2009, we started to market our Xanzwhite product line fully online. This is to connect directly with customers. We even have one-on-one sessions with customers to gain feedback on our product. We also use media social as marketing tools. There is also our SirehEmas2You website for customers to make orders for our products and to pay online."

"We also use IT tools in our company's administration, for example, storing documents using iCloud. This makes filing faster and easier for tracking anywhere and anytime. We also use special technology in screening the active ingredients in our products."

Nik Juzailah's journey as an entrepreneur so far has been challenging but rewarding. She is, however, not by any means sitting on her laurels. She has already formulated plans for the next phase of growth such as having her own sireh extraction plant, more product lines including a cosmetics line.

As a word of advice to aspiring entrepreneurs, she said, "Build networking, whether with Government or in the marketplace. Feel the pulse of the market. You cannot afford to sit in the office only."





# Making a Business out of Clay

Zurenawatte Zaidil is making money from clay. The owner of Heliconia Craft Collection in Kuching, Sarawak, produces beads made from clay and other ceramic products. The beads she produces are used to make chains, bangles, earrings and other ornaments based on customer preference

She said, "My designs are inspired by nature and based on contemporary market designs."

Zurenawatte said she did not know anything about beads previously but was interested to learn about it. That was how she ended up attending the Ceramic Bead Design Course conducted by SIRIM in 2008 and also an INKSEN course on the production of ceramic accessories. Heliconia Craft Collection was set up after she had completed the course in ceramic bead design. However, it was only in 2010 that she finally felt confident enough to introduce her products into the market at the Kuching Waterfront Expo organised by SIRIM. The good reception for her products gave her the impetus to proceed further with her business.

As with the early stage of all business, challenges were many for Zurenawatte, among which was market resistance to some of her products.

The market was not ready to receive ceramic beads. There was a lot of discouraging talk from people but I remain committed and remain determined to make products that will be of such a quality that it would one day be accepted in international markets.

Since then, Zurenawatte has gone to achieve several milestones in her entrepreneurial journey, among which were being included in Amanah Ikhtiar Malaysia (AIM)'s 400 Successful Entrepreneurs list. Entrepreneurs in the list will be visited by the Finance Minister.





The company was also selected to participate in FashionMATRADE 2016 and featured in the TV3 programme 'Nona'.

She is grateful for the financial and other assistance provided by the Government at the Federal and State levels. She said her initial capital in starting the business was a loan of RM1,000 from AIM. "Later on, I received an Incubator Grant from SIRIM. I started operating from the Ceramics Centre after obtaining additional capital from AIM. It was from here that the business started to develop. As the business was doing well, I obtained more financing from AIM to grow it further.

"I participated in the MIED-SIRIM Programme and also received assistance in the technical and promotional aspects of running my business. I also attended skills upgrading courses every year. The Sarawak branch of Kraftangan Malaysia provided assistance in the form of design enhancement and promotion even up to now.

Other agencies that provided various forms of assistance – financial, training, guidance – included Sarawak Craft Council, INSKEN, MARA, UPUIH, Ministry of Agriculture and Agro-Based Industries (MOA), KEMAS, SEDC, Sarawak Tourism and SME Corp. Malaysia.

Having travelled thus far in her business, Zurenawatte is still going strong and hopes to realise her dream of seeing her products being recognised in international markets.

*What is her advice to aspiring entrepreneurs?*

"If you aspire to be an entrepreneur, go ahead, give it a shot but give all your best. There are a lot of twists and turns in business but we must never give up. Challenges are normal in doing business and if we persist, we will succeed."





## Cutting Edge Connectivity with IX Telecom

A business that started with RM30,000 in capital in 2008 has today established its presence in 200 locations around the world

Noor Helmi, founder and CEO of IX Telecom Sdn Bhd, had always wanted to be an entrepreneur and his dream was to own a telecommunications business. A telecommunications engineering graduate of Multimedia University, he started working life with a start-up telecommunications company and later joined Air Asia, a start-up airline. His stint with Air Asia proved to be an important one as it was there he acquired precious practical knowledge and experience, and most importantly for an aspiring entrepreneur, the can-do-never-say-no attitude of the airline's boss, Tan Sri Tony Fernandes.

In 2008, the 29-year-old Noor Helmi left his job to pursue his dream with the establishment of IX Telecom Sdn Bhd with his partner, funded only by a capital of RM30,000.

IX Telecom is a global virtual network operator with services that include global internet access, IP VPN, point-to-point connection, hosting, machine-to-machine, IT outsourcing, business process outsourcing and knowledge process outsourcing. It has established partnerships with service providers in over 200 countries. Currently, it has six offices in Malaysia, Indonesia, Singapore, Hong Kong and USA (San Francisco and Washington DC). It is also servicing major telecommunication companies in Malaysia as well as multinational corporations (MNCs) which have branches abroad.

Noor Helmi said, "I believe there is no direct competitor with the same business model like ours in Malaysia. Though we are small, IX Telecom is global in character with nationals from ASEAN and Europe working for us. We even hosted MBA interns from the renowned



Massachusetts Institute of Technology Sloan who provided strategic recommendations on how to take this company to another level."

But it was not all smooth sailing in the early days of the company. Gaining acceptance on home ground was an uphill struggle. It was only after the company had established its credentials internationally that it found acceptance locally. The company's major local clients are telecommunications companies, with Telekom Malaysia being the main one. Air Asia is also one of its customers.

Noor Helmi said, "The Malaysian market was more receptive to our products only after we had proven ourselves internationally. I suppose it's a question of credibility. We have established our presence among the bigger companies and some small ones as well but there is still a long road ahead to achieve the recognition we want for our brand."

"We are essentially a B2B business and, of course, networking is essential for growth. As part of our promotion strategy, we participated in industry-related conferences and events such as communications and service providers' exhibitions. This also helps in networking with industry counterparts.



*With the rapid developments taking place in the digital world, how would IX Telecom realign itself to meet the challenges emerging from Industry 4.0 and the Megatrends?*

"Industry 4.0 is essentially about automation and data exchange. IX Telecom will always be aligned with disruptive technology, which comes with an innovative company culture. Platform-based developments will further accelerate the evolution of existing services and we will be there to ride along with the emerging trends. Right now we are working on big data and business analytics, software defined networking and Internet of Things (IoT). We strongly believe that all these developments will holistically boost the growth of our business."

*What are the challenges he encounter since becoming an entrepreneur?*

"Funding is always a challenge. We are financially stable now but funding will always be a challenge as financing needs get increasingly bigger in tandem with business growth. Another challenge is finding talents. The quality of the people we hire is crucial to the company's success. Getting talents who can fit into our company culture is not easy. However, right now, I can say we have the best team on board."

*Has the current economic situation affected business?*

"Yes, but it wasn't as bad as it was in the previous year because our overseas business has helped to cushion the impact."

IX Telecom, which currently has a workforce of thirty, was a recipient of the Market Development Grant (MDG) from MATRADE and recently secured first place in the Enterprise 50 (E50) Award 2016 by SME Corp. Malaysia.

Noor Helmi said it was a surprise for the company to have won the award as it was the first time they were participating in it. "There



was strong competition from other companies who had been nominated year after year. Maybe it was our business concept that made the difference."

Asked about his expectations ten years from now, Noor Helmi said he would surely want to see his business expanding further.

"We are already a global company but it's not enough. We want to go into other areas, build bigger teams, carve out a bigger market share. Right now our challenge is limited resources in finance and human capital but that won't deter us from pursuing our dream. We look up to successful global businesses like Grab, Agoda and Facebook as our role models."

*What does it take to succeed in business?*

"It's all about hard work and determination as well as having a positive attitude. We believe in continuous improvement in performance and growth. We aim for a consistent upward trend in our growth path. People management is also crucial while the culture of the company will attract the right talents. For example, in IX Telecom, we blend work with the fun element."

*How do you keep going in the midst of challenges?*

"I am not one who gives up easily. Be positive and you impart that positive attitude to people around you. Look at what Tan Sri Tony Fernandes has achieved with that kind of attitude. Believe, learn from experience and mistakes. Believe you can, and you can."



# A Batik Man Through and Through

Amir Harith, popularly known as Bujin, is a batik man through and through and, together with his business partner, Taufiq Hussien has grown a successful business out of his passion for the traditional art form

Bujins L Batik Sdn Bhd is a producer of high quality batik attire and accessories with contemporary and futuristic designs for a mid-to high-end clientele.

As evident in his product design, Amir is a talented batik designer whose works reflect youthful appreciation for a traditional art form but with a contemporary twist. He draws inspiration from the environment – flora, fauna and people around him. His designs are fresh and unique and each is one of a kind. Each piece of his work has a rationale, a distinctive look and story behind it.

On how he got involved in the batik design, Amir said, "Since the age of twelve, I was always fascinated by batik painting. This interest grew stronger through the years especially as I watched my father who is an art teacher at work."

Amir said, "Producing high quality artisan batik is a time-consuming process, so mass production for our products is not feasible. We have partnered with a few high-end retailers to sell our batik, especially the ready-to-wear collections. We also travel the world to promote and sell the Malaysian story."

The business was established just three years ago in partnership with Taufiq. It currently has a workforce of six.

Amir said, "The business is still in its infancy. Obviously, there is a lot of work ahead to grow it. We also need more talents for design work. Fortunately, we had set up Bujin Academy in 2015 to develop a talent pool of batik designers and we can draw from this to help us expand. There are also other challenges to overcome,

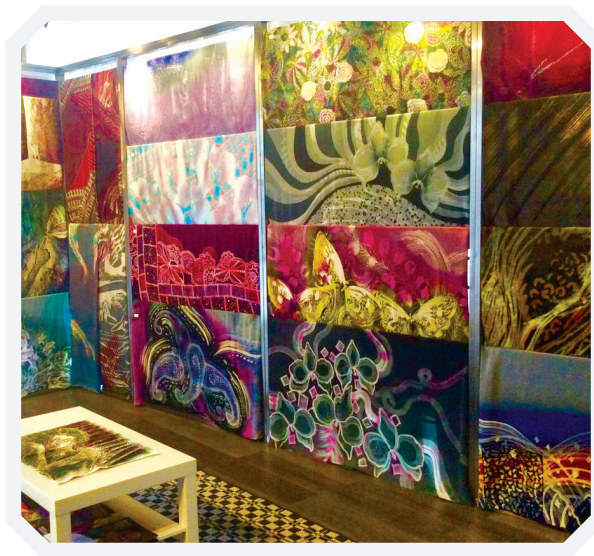


such as the increasing cost of materials. For example, the price of cloth has risen 30% but we have to absorb that to maintain our finest batik standard."

Amir, whose talent was discovered by Kraftangan Malaysia, had already shown his potential before even setting up Bujins L Batik by winning the 2012 Pertandingan Piala Seri Endon organised by Yayasan Budi Penyayang. In 2014 he had his works showcased at the international ready-to-wear fashion show, Who's Next in Paris, France and Capetown, South Africa, under the auspices of Kraftangan Malaysia and Tourism Malaysia.







Besides the boutiques, the company also sells its products online, supported by advertising on Instagram and Facebook. The company uses various media such as e-commerce platforms as well as social media to reach its market, particularly the millennial. At the same time, it uses the available analytics to further enhance their marketability.

Asked about the challenge of going into e-commerce, Amir said it was 'more difficult than learning how to make batik'.

"There are so many options available and we didn't know which would be effective. In this matter, we were fortunate to have guidance from SME Corp. Malaysia and other friends along the way."

The company plans to enhance their website to give better customer experience and position itself at the forefront towards TN50. However, though the partners are well aware of the importance of keeping up with developments in the digital economy, they are also passionate about keeping traditions alive.

Taufiq, Amir's partner, is also the owner of several technology companies. He said, "We kept talking about the advancement of technology, IoT and stuff like that but sometimes, we have to take a step back and not forget our history and culture. We should

marry technology and tradition to get the best out of the two, especially in a business like ours."

Looking ahead, Taufiq said, "The market for batik is huge not just in Malaysia and ASEAN but also around the world. We are always exploring other international markets and spreading the batik story to the world. We are looking for opportunities to collaborate with organisations, especially fashion designers, to produce specially designed batik products using different materials that would make them unique in the market. In this respect, collaboration with suppliers and technology partners is important. We are very grateful to be working closely with them and particularly SME Corp. Malaysia who is guiding and helping us to explore new markets."

Amir is confident that Bujins L Batik will continue to grow.

"Our unique selling point is our customised products. Right now we are looking at ways to improve our production process to cater to market demand. Ten years down the road, I want to see the Bujin Batik brand recognised in the international market."



## A Suite of One-Card Solution

The mindset of an entrepreneur is quite different indeed. Koh Lee Ching, the CEO of CALMS Technology, is one such example. While working for a smart card solutions company, she saw potential where others had not and decided to leave her job to pursue the opportunity

Koh, an aeronautical engineering graduate from Imperial College, UK, told of how CALMS Technology came about.

"I started the business in 2002 after having worked more than nine years as a product engineer, marketing computer-aided engineering programmes. Subsequently, the company I worked for decided to market smart card solutions. Being involved in the new business opened my eyes to its potential. Smart card technology offers unlimited possibilities, unconstrained by engineering formulas, yet this was an unmet need as the cost of technology was high then and only available from overseas providers."

"Malaysia then was introducing smart card technology in our national identification system with the introduction of MyKad and also the migration of credit cards towards smart card-based systems. MyKad ultimately became a multipurpose smart card that serves as a common key to the information highway and other business needs. It's so widely used now, from the Government to the financial and private sectors. There was potential of enabling multi-applications utilising smart card technology. It was then that I decided to pursue the opportunity by developing my own systems."

The timing of Koh's entry into the business world was just right. It was a time when local venture capital companies were willing to invest in early-stage companies, and she had a technology with great potential. The company received an investment after talking to six potential investors. The investment was used as seed-funding to hire programmers to develop its core product called Card Application Lifecycle Management System or CALMS for short, thus the company's name. The product



continues to become the core component of the company's solutions that enable multi-application smart card implementation.

Later on, as an investee company of Malaysian Technology Development Corporation (MTDC), the company also received funding for business growth. For product development, funding was obtained from the Product Commercialisation Fund via the Malaysia Digital Economy Corporation (MDEC).

*Was it tough to be a business owner?*

It was tough going in the early days, as with all things new, finding market acceptance was not always easy as customers questioned the credibility of the company and its product.

"It isn't easy to get market acceptance for a new product from a new business. Customers perceived our products as prototypes. They were also worried we might not last and leave them in the lurch without back-up service. Our early customers, the educational institutions, had reservations about us. To assure them, we would tell them we would give our source codes to a trusted party, say, a lawyer. These days, when clients ask for referrals, we ask



which of the hundreds of our clients they would like to visit."

The company now has a workforce of thirty-four and distributors in Singapore, Indonesia, Thailand and Vietnam. Plans are afoot to expand further in ASEAN. Meanwhile, it is developing its own eco-system for networking to get connected with prospective partners globally.

CALMS' first foreign deal was made five years ago in Indonesia.

"It took us quite a while to penetrate the Indonesian market but we finally concluded our first foreign deal in Jakarta five years ago. A lesson we learnt from that was we needed to have face-to-face meetings for things to move. And what works in one country does not necessarily work in another."

The company now offers a suite of one-card solutions to more than 400 organisations from various sectors in Malaysia, Indonesia, Singapore and Thailand. Locally some of its major clients included INTI International College, Panasonic Manufacturing Malaysia, Steelcase Manufacturing, F&N Dairies, The International School of Penang, Malaysia Airports Holdings, Air Asia and Sunway City.

The company's business model has changed somewhat since its inception. It started by using the normal licensing model where the software would be installed at customers' business premises and they would be charged a one-time licensing fee with an optional annual maintenance fee. The server is owned and managed by the customer.

Koh said, "In 2016, we launched our latest product EDUPurS (education purse) on cloud. Now we host and manage the core application and the charges customers pay are based on an annual licensing model together with a pay-per-use fee." The company's products cater to the needs of a wide range of organisations.

Some of our products include Time Attendance Management System which manages attendance records and transactions for staff in a business organisation or an educational institution; CALMS E-Purse Management

System which enables a cashless environment thus removing the laborious task of cash handling, eliminating leakages and improving accountability; and CALMS Visitor Management which enables better management of building security and visitor processing."

*What is Koh's business philosophy?*

"CALMS' core culture revolves around professionalism, having a global mindset and being agile. Professionalism is vital as our customers are enterprises and we must make sure we meet their needs. That is prerequisite if you aspire to be a global brand. Being agile means enabling multi-applications within one smart card. We need to be able to integrate our solutions with the different systems, hardware and devices out there. We also believe in incorporating what the customer has already invested in so that we can maximise return on their investment with minimal cost."

She said that another critical success element for a business is having the right people in the team.

"A perennial problem has been getting and retaining talents, especially in sales and programming. Salaries for local programmers are high and they tend to job-hop. Currently, our programmers are mainly from India. Teamwork is vital if we are to have excellent customer care. A consistently high level of service quality is crucial to retain our clients and in attracting new ones. It's important to remain in touch with customers, do troubleshooting whenever needed and to show that we really care about their interests."

*How does she see her business ten years from now?*

"We want to be a global unicorn (a unicorn is a start-up company valued at over USD1 billion). Right now, we are concentrating on regional expansion. Later on, we will look into going global, into markets in the West and the Middle East."

CALMS Technology is an MSC company, a HID Global Partner and investee company of MTDC which had also received the ISO 9001:2008 certification.





# Recognition Engine for Innovation

Recogine Technology Sdn Bhd describes itself as “an ICT-enabling company that is passionate about delivering world class intelligent transportation systems for the transportation and security industries”

Recogine is one of the companies that had participated in the High Impact Programme (HIP) 2 organised by PlatCOM Ventures. HIP 2 is a Technology Commercialisation Platform Programme under the SME Masterplan that brings innovations to the market for commercialisation. The company was co-founded by Dr. Tay Yong Haur and his business associates in 2005. The name 'Recogine' was joined by combining two words 'Recognition Engine'. It was established to realise the dream of creating a technology company based on pattern recognition, artificial intelligence and machine learning algorithms to power various products and solutions in solving industry problems.

As the company's Chief Technical Officer, Ng Kam Sin put it, “We see ourselves as leaders and innovators of niche intelligent transportation system solutions and products that combine the best of creativity and technology. We develop end-to-end solutions to help our clients benefit their clients.”

But it all began humbly enough, with Recogine's first job being to install CCTV, emergency phones, control cameras and fibre optics cable along a highway.

Ng explained, “Providing traffic solutions for highways was our core business for the first ten years. I believe 70% of Malaysia's highways have our ITS. Our clients include KESAS, LEKAS, SKVE, BesRaya, SILK and the MRT project.”

The company has since expanded into other market segments such as hospitals, security and public transport like LRT, MRT and monorail.



Ng said, “We believe these areas can benefit from our products and solutions. We are very much involved in the MRT project. We had also started in a small way with security systems for a residential environment. That actually came about from our highway video analytics product which we discovered could be customised for residential application. From there, we moved into other areas such as light infrastructure like hospitals and universities.”

Among some of Recogine's key products are the Intelligent Transportation Systems (ITS) for traffic management, and for the healthcare sector, the Total Hospital Information System (THIS) and Hospital Information System (HIS).

“Our ITS,” explained Ng, “are advanced applications to provide innovative services for different modes of transport and traffic management. They provide information that enable users to make safer, more coordinated, and smarter use of transportation networks.”

Another of the company's proprietary products is RecoSecure, a security management system



for industrial, commercial and residential environments. Ng said that RecoSecure is a smart policing system which optimises security patrols and improves communication for enhanced security.

The Total Hospital Information System (THIS), a project by the Ministry of Health, provides a complete ICT system and a paper-less hospital environment. It also integrates the clinical, administrative and financial systems. Patients' medical records, guidelines and clinical protocols are instantly available and can be assessed in one integrated workstation at any place and at any time in the hospital, provided that the user has authority to access the information.

Recogine's products and solutions are award winners. The company won the prestigious International Invention, Innovation and Technology Exhibition Malaysia (ITEX) award in 2013. In 2016, the company was a gold and silver medal winner at the same forum. In 2017, it was a short-listed finalist for ITEX Malaysia. Besides several other awards, its highway solutions have also received the endorsement of the Malaysian Highway Authority. Recogine has also received the ISO 9001:2008 certification from UKAS.

Though the company has gained market traction and acquired a good reputation for its products, it was not always the case, especially in its early days.

Ng explained, "Selling a new product or service is never easy. For example, when we first introduced our video analytics software here, it was tough to get market acceptance. Imported brands from Europe and USA have long been in the market and potential customers were skeptical of the quality of local products. We had to do a fair bit of promotion. We gave demonstrations and even free trials to potential clients. We participated in many exhibitions. Now, after having been in business for over ten years, our products speak for themselves."

Be that as it may, Recogine is not about to rest on past achievements.

"We are committed to be a leading technology creator for ITS and surveillance industries and to continuously provide innovative products. That's why we have our own R&D arm, RecoVision. We have a team of ten involved in R&D where we are focused on hardware technology development. R&D is critical for sustainability. It's hard work and costly but that's the only way to go considering the challenges arising from new technologies."

*What challenges and opportunities do Recogine foresee?*

"The market and the technology are changing at a rapid pace. We simply have to keep pace with market developments or lose out. We are in a very competitive market. It's not just about having better products but also about getting the products out in the market faster than that of our competitors."

"Take, for example, video analytics. There are lots of ways to work it. We have to look at mobile applications, iCloud, Big Data and IoT so our products would be aligned with emerging trends. That's where R&D comes in. To meet the challenges and opportunities ahead, we are collaborating with several organisations such as universities (currently, UTAR and UNITEN) and telecommunication companies like JetTV, internet companies like NarrowBand and even NVIDIA. We are looking into artificial intelligence (AI) as well."

"We want to be a major player in video analytics, not just in Malaysia but globally as well. Our products are good enough to be on the world stage and to compete with other international companies. Taking a step at a time, we have started going into ASEAN countries like Thailand, Indonesia, Vietnam and the Philippines."

*What has been the key factor to Recogine's success so far?*

"A dynamic organisational culture that nurtures innovative ideas is essential to build a sustainable business. We also need to be resilient, have that never-say-die attitude in the face of difficulties."

