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WESRIA FOOD SDN BHD

Making Good in Food

In 1999, Mohd Taib Ali, an accountant cum former banker, took a step out of his comfort zone to enter into food court management, a business in which he had zero experience. His only ever foray in the food business was in being a co-owner of a restaurant in a shopping mall.



In recalling how he had ventured into food court management, Mohd Taib said, “At that time, I wanted out of banking as things were not good in the aftermath of the 1987 Asian financial crisis. Being of an entrepreneurial bent, I wanted to do my own business. I love food, so, in 1989, I partnered with a friend, who was also an accountant, to open a restaurant in Sungei Wang Plaza in Kuala Lumpur. The restaurant business was profitable but there were never-ending worker-related problems. In the end, I got fed up and started looking for something else to do.”

In his time as a banker he had travelled extensively and had come across companies managing food courts in shopping malls, particularly in Singapore and Australia. His interest was piqued when he saw the business potential in Malaysia, especially when he discovered that food court management in premium shopping malls were dominated by Singaporean companies while locals were largely confined to those in the smaller malls.

Opportunity came knocking when Suria KLCC opened in 1997. There were two food courts in the mall managed by two companies, a Singaporean management company on the second floor and a Bumiputera company on the fourth floor. Mohd Taib was to learn later that the local company was encountering a lot of problems in running the food court and struggling to pay the rental. With the thought that he could buy out the company's

management contract, he approached the then chairman of Petronas, Tan Sri Azizan Zainal Abidin, with his proposal.

Mohd Taib recalled of that meeting, “Tan Sri wasn't confident I could handle the job because of my zero experience in food court management. Thankfully, I managed to convince him to give me a try. I had to put up RM1.8 million upfront to take over the food court, lock, stock and barrel, including the existing tenants.”

However, getting the contract was only the first of many hurdles. The question of financing loomed large as the initial capital needed was high. Mohd Taib explained that banks are not very familiar with the food court management business and are usually reluctant to lend to such enterprises. After some run-around, he finally managed to obtain financing from RHB Bank.

He described food court management as a rather complex business. The management company's responsibilities are not confined to merely getting tenants and overseeing day-to-day operations but also include conceptualisation of the food court, its theme and design as well as carrying out associated construction or renovation works to fit the requirements of each tenant, planning the kitchen layout and installing fittings, providing cutlery, uniforms for staff, security and even halal certification.



Wesria Food's entry on the fourth floor was viewed with suspicion by the existing tenants and there was some resistance to its takeover of the food court. Eventually, Mohd Taib had to change 60 per cent of the tenants.

"But it isn't as straightforward as just letting tenants go and to look for new ones. It usually takes about two months to find a tenant. Obviously, there is no rental income from vacant stalls. But vacant or not, we still have to pay the monthly rental to KLCC for the whole food court. When new tenants are found, we have to carry out renovation to suit their requirements. That, again, eats up more money."

But fortune was smiling on Mohd Taib as his entrepreneurial instincts were proven right soon enough as the fourth floor food court, rebranded as Rasa Food Arena, prospered, with the average monthly turnover increasing from RM400,000 to RM1.4 million after Wesria Food's takeover.

It has been twenty years since the banker turned entrepreneur entered the food court

management business. Wesria Food is still managing the fourth floor food court at Suria KLCC but the company has since spread its wings with its Rasa Food Arena brand to other shopping malls like Alamanda Shopping Centre in Putrajaya, KLIA2 and NU Sentral. It has also partnered with Mydin Holdings to manage the latter's food courts at all its malls while the company's services now also include consultancy and training as well as providing designs for cafes.

Wesria Food is also the first food court management company to go for Hazard Analysis Critical Control Points (HACCP) certification for its food courts. In explaining his company's move to obtain the certification, Mohd Taib said, "Malaysians love food but we often ignore food safety standards. I want to change the attitude of the public towards food handling and food preparation by obtaining HACCP certification for all the food courts we manage."



“If we think out of the box and persevere through the tough times, we can make good in food court management.”

According to Mohd Taib, "Location is vital for any company to succeed in food court management. Also, don't aim just for customer satisfaction but aim for customer delight by always giving the very best menu with the highest in quality. Always take good care of the tenants and help them to make a good living. This is a rather tough business to be in. The initial investment is high, so careful consideration of the economic situation is vital before taking up management of a food court. If we think out of the box and persevere through the tough times, we can make good in food court management," he says.

TRANSCARGO WORLDWIDE (M) SDN BHD

Going Digital for Success in the Logistics Business



In 2006, twin brothers Ong Chin Kian and Ong Chin Keong left their jobs at a foreign-owned logistics services company to start Transcargo Worldwide (M) Sdn Bhd. The company started life as a two-men show but today it is one of the biggest independent logistics providers in Malaysia, employing over 140 employees in four offices in Peninsular Malaysia. Transcargo is a total logistics services provider, with operations covering sea, land and air freight forwarding, customs brokerage, third-party warehousing, inland and cross-border transportation, distribution and other value-added services.

The career path of the identical twins is an interesting one. Both majored in finance and both ended up working in the same logistics company because they could not find jobs related to their qualifications after graduation. Their first employer was a Hong Kong-based freight forwarder and this was followed by a Danish one. However, after six years of working for others, the brothers decided it was time they work for themselves. And thus was born Transcargo Worldwide.

As with most SMEs, Transcargo's start-up capital was sourced from family. "We've always been self-financed. The only external financing we obtained was for the purchase of properties like our warehouse. But it was tough in the beginning. It was just two of us as we only took in five employees later in that year. Cash flow was tight but fortunately, we had good customers and partners who supported us with credit when liquidity ran low," said Chin Keong.

Transcargo has moved on since those early days of struggles to impressive success. Chin Kian said the company has enjoyed robust annual growth of between 25 to 33%. Though this is expected to moderate to 20% in 2019 owing to prevailing global economic uncertainties.

Asked about what it takes to succeed in a rather competitive business like logistics, Chin Kian explained that technology adoption is crucial. "What has helped to make us perform well is our digitally-oriented approach. And that has benefited us as Transcargo is the only Malaysian-owned logistics company to have been appointed as Alibaba's logistics and customs agent for the Digital Free Trade Zone (DFTZ) at the Kuala Lumpur International Airport. We were one of thirty freight forwarders interviewed by Alibaba and was the only Malaysian company chosen to be their logistics partner."

Chin Keong explained that Alibaba uses the Electronic World Trade Platform (eWTP) for Business-to-Business (B2B) export via DFTZ. When eWTP went live on November 2017, Transcargo was the first Malaysian logistics company to use it to send the first shipment to Xiamen.

Chin Kian added, "Business volume is not big at the DFTZ now, but being a logistics partner with Alibaba has had great impact on our profile and reputation. Ever since our link-up with Alibaba, we have been receiving lots of enquiries on our services from local SMEs. There is also greater awareness of our company in the China market." The tie-up with Alibaba had also caught the attention of the Malaysia Digital Economy Corporation (MDEC). Transcargo is now part of the NESR Seller Adoption Programme 2019 - 2020: Cross Border eCommerce Initiative Partner under MDEC.

The brothers believe that 'the future is digital' and technology will drive the efficiency and sustainability of a company. As Chin Keong put it, "We want to provide the most efficient and best customer experience in the logistics industry. Ours is a rather complex business as it involves cross-border transactions and involve so many activities along the supply chain. It is an integration of transportation, storage, loading and unloading, packing, distribution and delivery. All of which are underlined by information processing to ensure that the process is not only seamless but safe and fast."

What has been the underlining factor for Transcargo's success? Chin Kian believes that effective human capital management is one of the main factors for Transcargo's success. He said in the digital age, a one-man show management style where the CEO wants to micromanage every area of operation is counter-productive. He believes the digital generation has a different perception of work-life balance and businesses have to cater to the young generation's perception of work and lifestyle.

"First, we empower them by ensuring they are well equipped to perform their work. Then we trust them to do their work, give them space to grow professionally. Create a good work environment in terms of management style and benefits. I would say our benefits are probably one of the best in the industry. I believe our human capital philosophy is a



“Malaysia needs to have homegrown global logistics brand like FedEx or DHL. We hope to become such a brand for the country.”

key factor for our growth. Happy employees are dedicated employees who will commit to the company's vision. That is vital for a company's success."

Transcargo aspires to be a fully digitalised Malaysian freight forwarder in five years. Its Port Klang warehouse is already fully digitalised and it wants to position itself such that it will be the most efficient and most reliable logistics provider through leveraging on technology.

The brothers have a vision for Transcargo. As Chin Kian puts it, "Malaysia doesn't have a global logistics brand like FedEx or DHL. We hope to become such a brand for the country."

VG OFFSHORE CONTAINERS INTERNATIONAL

A Malaysian Brand in the Global O&G Industry



When Ramasamy Menon, the founder and executive chairman of VG Offshore Containers International was asked about succeeding as an entrepreneur, his reply was, “Work hard. Learn well. Acquire knowledge and experience from the ground up. And when you are equipped enough, take courage and go pursue your dreams.”

“VG Offshore is Malaysia’s global brand for offshore containers.”

Ramasamy’s reply is actually a summary of his own entrepreneurial journey. The sprightly 70-year-old described himself as ‘a self-taught engineer with no paper qualifications’, who had learned his craft and acquired his business savvy from the ground up. Over the years, he acquired technical skills from working in various production lines, and rose up from the ranks to be a supervisor and eventually a manager.

Losing his job when the company he was working with closed down, however, was the spur that pushed him into entrepreneurship. In recalling that milestone moment, he said, “The closure of the company was a blessing in disguise, otherwise, I’d have been contented to be an employee till retirement.”

The knowledge and experience Ramasamy had gained from his employment became the platform upon which he would build VG Offshore to what it is today, a global brand for offshore containers. The oil and gas (O&G) industry was booming then in 1994 and he saw opportunities beckoning particularly in offshore containers.

Ramasamy recalled the start-up years. “I had zero financing. But there was huge potential for offshore containers especially in newly opened markets like Vietnam, so that was the first market I focused on. My first big break was being a sub-contractor to supply wire ropes to a Singaporean client.”

Out of that deal grew a good business relationship. However, the client’s advice to Ramasamy was to keep overheads light by not doing his own manufacturing but outsource instead. Though that worked for a while, it was soon frustratingly clear to Ramasamy that he had no control over the quality of the products he was selling. And quality was something he was most particular about.

At the end of 1994, he decided to go into manufacturing himself and started off with a small factory in Shah Alam with two workers. His first order was for ten containers. The business grew fast and in 2010, he opened his current factory on a 60,000 sq. ft. site in Pulau Indah, Port Klang. Within a month of operations there, he had

run out of space and the neighbouring 70,000 sq. ft. lot was leased, and eventually purchased. The company now sits on a 5.5 acre site and employs about 100 workers.

The VG brand has carved out an enviable reputation in the global O&G industry for quality products that are in compliance with the highest international standards. VG manufactures a wide range of customised onshore and offshore service modules, such as accommodation modules and living quarters, onshore modules and cabins, offshore service modules and other specialised equipment.



Ramasamy, who has taken on the role of Executive Chairman, has passed the baton to his son, Arvin Menon who is the Managing Director of the company. Arvin said, “We are the pioneer manufacturer of offshore containers and market leader, with a 25% share of the domestic market. We are export-oriented, with 95% of our products sold all over the world. From day one, we decided we would not compete in an overcrowded market. We prefer to operate in a very niche market with customised products and that’s how we’ve branded ourselves.”

Asked about the challenges he had faced in the early years, Ramasamy said, “Good times or bad times don’t last forever. The trick

is to make the best of the good times and survive the bad. Good financial management obviously is critical for sustainability.”

VG has always been self-financed. “In the early days, I even sold off our family car to get some working capital. We were also fortunate that some clients gave us deposits so we could buy materials to do their jobs. One supplier even offered us a credit line of RM1 million after seeing our purchase track record. Our financial management philosophy has ensured our sustainability and we have resources for further growth. In fact, we are building a new and bigger plant this year.”

The only financing VG had taken was for the purchase of the two properties the company is operating on. “Thanks to the support of Malaysian Industrial Development Finance Berhad (MIDF), Malaysia External Trade Development Corporation (MATRADE) and grants received from the National Mark of Malaysian Brand programme by SME Corp. Malaysia,” said Arvin.

VG has won a string of awards and recognition over the years. It was the first company in south-east Asia to be awarded the Manufacturing Agreement for the Execution of Certification of Offshore Containers. In 2018, it was the winner of the ASEAN Business Award in the SME Excellence category. The company was the recipient of SME Corp. Malaysia’s Enterprise 50 (E50) Award in 2014, 2016 and 2017 as well as the SME100 Fast Moving Companies Award 2015.

What is Ramasamy’s advice to aspiring entrepreneurs? “There has been much talk about encouraging young people and new graduates to go into business. So my advice is, work for people first. Acquire knowledge and experience in whatever field you are in. Master the hard and soft skills you will need when you set up your own business. Work hard for others so you’ll learn to work hard for yourself. Then go pursue your dream.”

AFY HANIFF GROUP (M) SDN BHD

Citronella Formula for Success

Amirul Firdaus bin Haji Yunus, the Managing Director of AFY Haniff Group (M) Sdn Bhd was still in school in 2006 when his father Haji Yunus bin Haji Haniff was introduced to natural insect repellent made from natural ingredients like citronella (*serai wangi*). Seeing the potential in the product, he, being of an enterprising nature, gathered family members to form a company to produce household products with natural herbal ingredients as a safer alternative to chemical-based products found in the market.



Haji Yunus eventually left the company he founded and set out on his own. Thus was born AFY Haniff which set out to offer safer, environment-friendly and sustainable household products made from the herbal essences, particularly citronella oil.

Amirul recalled those early years of the business, “As with most entrepreneurs, financing was the biggest hurdle my father faced when setting up business. He needed more than his own savings for seed money and operating capital but he was quite creative in getting financing. He actually practised a form of factoring to obtain operating capital. For example, when he received an order worth RM30,000 from Mydin and needed money for production, he would show relatives the purchase order and then persuaded them to lend him the money using the document as a sort of collateral. He also used purchase orders to get financing from TEKUN Nasional.”

Amirul added that his father, who was the owner of some plots of land in the village would also use that as collateral for loans from friends.

Financing from entrepreneur development agencies became easier as the company gained more credibility with a growing list of clientele. However, when the company launched its products in the beginning, it faced yet another hurdle. As Amirul explained, “When you introduce a new product the market is unfamiliar yet, you have to do a lot of promotions to get acceptance as well as conducting countless product demonstrations. My father started off selling to restaurants, canteens, small shops and the biggest family store in Melaka then. It was hard work but within less than a year he had managed to have his products sold in nine Mydin outlets.”

AFY Haniff has indeed come a long way since its inception thirteen years. From a two-product manufacturer in the beginning, it now has thirty-seven products under its banner, from natural based insect repellent to dishwashing liquid, foaming handwash and home freshener. Among its popular household brands are SWiPEL and D'Menc. In 2019, the company introduced its current champion, SWiPEL Serai Wangi (an insect repellent made from citronella oil) of which over a million units are produced every year.

The AFY Haniff brands are now sold in 2,000 supermarkets in Malaysia, Brunei, Singapore and Thailand. In the domestic market, the products are sold in leading retail outlets, such as Giant, Mydin, Aeon and Aeon Big, Jaya Grocer, Tesco as well as KK Mart. There have also been buyers from Nigeria and Australia.

“We are aiming high. We want to be a business empire like multinational companies. We want to see our products becoming household names.”

The company's sales turnover in its maiden year of operation was RM75,000. By its second year, it had grown to RM150,000 and then RM200,000 by the third year. In 2018, sales turnover totalled nearly RM13 million.

The company first started exporting in 2014 to Brunei via Sabah. Amirul explained, “We first entered the Sabah market through the Citarasa Malaysia programme under Giant Hypermarket. The response to our products was very good and Giant Sabah started to

buy our products but through a third-party distributor. We monitored the sales there and found that it was consistently high month after month. Finally, we decided that we would do better in terms of profit margins by selling our products directly.”



As circumstances would have it, the company had an employee from Sabah who had been working with them for five years but then wanted to resign to return home to care for his ailing father. Amirul took this as an opportunity to enter the Sabah market directly by appointing a trusted employee to set up business in the state. A house which doubled as a residence for the employee and as a sales outlet on the ground floor was rented. From that humble beginning, AFY Haniff now operates 126 outlets in Sabah. From Sabah, it was a natural expansion into neighbouring Sarawak and Brunei.

“The response was very encouraging and we decided that for the long-term it would be more profitable to have a partner in Brunei to sell our products. We finally found that partner and established AFY Haniff Brunei. We have similar arrangements with our partners in Singapore and Thailand where we are based in Hat Yai.”

The company now has a workforce of 105 workers, who are all locals, at its factory in Melaka. Students of village industries from



Indonesia regularly do their internship there as well. Of the company's corporate philosophy, Amirul said, "Ours is a family business and we see our employees as part of the family. We believe in discussing plans and sharing ideas with family and staff. We are focused on what we want to achieve, on market expansion, on how to remain competitive and to continually increase sales volume."

Asked about the major challenges his company is facing, Amirul said, "Production costs are rising but it's difficult to increase price as customers are very price-conscious nowadays. Revolving capital can be a problem too as supermarkets operate on sixty-day credit terms. And then there is the reduction in profit margin when supermarkets cut prices for promotion campaigns. We have no choice but to cut our selling price if we want to participate in their campaigns."

On facilitation from the Government, Amirul said, "Advertising is very expensive, especially for SMEs. The Government could help by making available a platform - an advertising channel - for SMES to promote their products. We already have presence in e-commerce via Alibaba and Lazada as well as in Tesco Online and Mydin Online and others. However, a dedicated advertising platform for SME products and services will be very useful in helping SMEs to enhance their market access, at least locally."

"AFY Haniff is aiming high. We want to be a business empire like multinational companies. We want to see our products becoming household names. We are also looking at the possibility of being listed on the stock exchange."

For aspiring entrepreneurs, Amirul advise is "Be very sure of what field you want to be in and be very focused on your vision. Ask yourself who wants what you have to sell. It's about positioning and branding. And when we are in business, networking is most important. For example, we need to partner with supermarket chains. They are the cheapest and fastest way for us to enter the marketplace because we are selling to an existing market of hundreds of thousands of customers. Imagine how much it would cost us to reach out to these customers on our own."



WARISAN CRAFT WOOD

Crafting Success out of Wood

Rohani Md Piah had her heart set on a career in education but fate intervened and instead she ended up as an entrepreneur in the woodcraft business. In 1991, the would-be entrepreneur from Temerloh was accepted into in a handicraft-making course conducted by the Pahang state branch of the Malaysian Handicraft Development Corporation (Kraftangan Malaysia). Taking up the course would prove to be a turning point for her career path.

Upon completion of the course, Rohani went to work first for a company in Penang and then with another in Kuala Lumpur. In 2001, armed with the knowledge and experience she had gathered, she returned to her roots in Temerloh to start her own business at the age of twenty-seven with her husband Mohamad Mat Nor who had also been a Kraftangan course trainee. Thus was born Warisan Craft Wood under the One District, One Industry programme run by the Pahang branch of Kraftangan.

Her entrepreneurial journey began with a seed capital of RM1,500 complemented with support from Kraftangan in the form of a rent-free workshop and some wood-working machines. From the very beginning, Rohani and her husband were determined that their products would stand out from the rest. Her exclusively designed handicrafts featured elements of traditional motifs like pecan flower, sunflower, ketam guri and ferns as well as contemporary designs of heliconia, bamboo shoots and paddy. Her other products include sofa sets, panels,



screens, gazebos and fences. Nothing is gone to waste as wood remnants are turned into small items, such as key chains, book markers as well as other souvenirs with calligraphic engravings. Times were tough financially for the first three years. They were new in the market and customers were not certain of their ability to deliver while cash flow was always a problem.

“Because we had so little capital, we would ask customers to give us a deposit when they placed their orders. They usually refused to do so. We were always short of cash to buy raw materials. The profit margin we got for the orders we received was thin as they were mostly for small quantity of low-value items. For a period of time, our personal finances were so bad I couldn’t service my car loan for three months. We’d not have survived without the help of family members who gave loans to see us through those difficult times.”

Fortunately for the newbie entrepreneurs, overheads were low as they did not have to pay rent and for the machines initially.



“Dare to be different so you’ll stand out in a crowded marketplace.”

In their second year of business a ray of hope came when a large company sub-contracted them a job to supply furniture for schools. The successful outcome of that job contract would earn them the confidence of the company which has been giving Rohani regular business ever since.

In 2006, after over five years at the Kraftangan premises, the couple shifted to their current location. “But it was just a tiny lot 14 feet wide by 40 feet long and when it rained we would get wet at the front and back,” Rohani recalled.

Their breakthrough came in their fifth year of business in the form of a sizeable job contract from the Ministry of Communications and Multimedia. Rohani said of that milestone moment in her business, “It was the biggest order we have ever received then. We were contracted to supply door with carvings and other products for the interior of a hall in one of the ministry’s buildings.”

The profits earned from that job enabled them to expand their workshop while their assets would grow later on when they acquired a one-acre piece of land with the profits from their business.

Rohani described those early days as ‘really tough’. “We managed to survive thanks to the support of Kraftangan. They provided us rent-free premises for the first six months as well as the free use of their woodworking machines. When we needed other machines to make certain products, we were allowed to use those at the Kraftangan centre and pay only a small percentage of our sales value to them as a fee. Kraftangan also supported us by enabling us to showcase our products at regular promotions in Kuala Lumpur as well as in exhibitions in Thailand, Vietnam and Cambodia. Our products were also on display at a Kraftangan exhibition in Dubai recently.”

Rohani is also grateful for the support of the Malaysian Timber Industries Board (MTIB), who provides training courses for woodcraft entrepreneurs and enables them to participate in exhibitions locally and outside the country by sponsoring their travel expenses. The company has participated in exhibitions in Indonesia, Brunei and Singapore under the auspices of MTIB. Back in 2006, by invitation of the Pahang state Government, Rohani’s products were exhibited at a handicraft expo in the famous Harrods department store in London.





From those early years of struggles to get a foothold in the handicraft business, the company's products have since found markets not only locally but in some ASEAN countries, such as Singapore and Brunei. Today, her clientele even includes royalty. Recently, Rohani was the recipient of the Woman Craft Entrepreneur Award 2019.

As a way of paying back for the support she had received during the company's early days, Rohani also trains participants who are undergoing handicraft development programmes conducted by Kraftangan, MTIB and the Pahang state Government.

Rohani said one has to be tough-minded in doing business. She added, "I'm aggressive in pursuing my business. I'm ever willing to learn new things so I attend whatever training that is available and participate in as many Government-sponsored promotional activities as possible." She also organises her own promotional activities. "It can cost quite a lot to do this, that's why many dare not do it. I take the risk because I want to grow my sales. In fact, our own promotional activities have helped to increase our sales volume."

She advised aspiring entrepreneurs, "Artistic talent alone is not enough to succeed in business. Making handicrafts isn't easy.

Obviously, first you must have the interest and commitment to learn the skills. The art of making handicrafts has been passed down from generation to generation. We must show respect for our heritage by continuing it with pride and full commitment. Artistic talent has to be complemented with business acumen. Dare to be a risk-taker. Dare to be different so you'll stand out in a crowded marketplace. Be creative. Flow with market trends if you want your products to be popular. Have a business plan and set targets. There will always be challenges in doing business, for example, increasing price of raw materials, increasing competition, changes in market trends. If we don't plan to tackle such challenges, it will be difficult to succeed."

To have a sustainable career as an entrepreneur, she said, "Be persistent in pursuing your dreams. And don't be proud. For example, when you get a small order which won't make you much profit, take it anyway. Give it your best and deliver as promised in terms of quality and promptness. If a customer is satisfied, word will go around. Always remember, word-of-mouth advertising is one of the effective advertising for any business."

ALLIED CHEMISTS LABORATORY SDN BHD

Good Business Chemistry

In 1998, in the midst of a global financial crisis, a chemist, Soh Song Chaw, quit his job at an international firm to start his own lab testing business with three fellow chemists as partners. Thus was born the Johor Bahru-based Allied Chemists Laboratory Sdn Bhd which today lays claims to a 70% share of food testing market in the state.

The company, which is a third-party testing laboratory, offers services that include chemical analysis and microbiological examination of food and feed, water and effluent, pharmaceuticals and traditional medicines, oil and fats, soil as well as services related to environmental and industrial hygiene monitoring for ambient air quality, chimney emission, boundary noise and water and environmental site assessment.

Allied Chemists has made its presence felt in Johor since its establishment over 20 years ago and now lays claim to being the leading lab testing services provider in the state. The company opened a branch in Kuala Lumpur in 2018. Soh Ee Shan, the son of the founder explained that the company's move into Kuala Lumpur was to tap into the market potential in the central region.

In talking about the challenges in the lab testing business, Ee Shan said, "There are many challenges involved in setting up such



“ We strongly believe in financial prudence for sustainability and talent for credibility. ”

a business. For one thing, start-up costs can be pretty high. We need to purchase expensive equipment for the lab. Entry barriers are also very high as our personnel must be qualified chemists with knowledge of analytical chemistry while there are stringent requirements to obtain accreditation from the various bodies concerned if we are to have credibility in the market. With regards to financial management and talent, we strongly believe in financial prudence for sustainability and talent for credibility.”

Ee Shan added, “My father always said that every single cent that is spent must meet the objective of that expenditure, otherwise don't spend. So we aim at extracting maximum value out of our spending. Our emphasis on financial prudence has made us self-sustaining financially. On the occasions when external financing is needed, MIDF has always been supportive. Financial prudence is the key to financial sustainability. As a business, we can't take



financial sustainability for granted just because investors or the Government are giving financial support.”

The other major challenge in the business is getting and retaining talent. Ee Shan explained, “We’re in a specialised field. The job is not easy and involves a lot of field work. We need qualified and dedicated chemists and they must have knowledge of analytical chemistry as well. So far so good, we have a group of dedicated young people – about 70 of them – working for us at our two branches. We want to nurture them and develop them to fulfill their potential.”

Allied Chemists is one of the first few Malaysian private labs to have been appointed as a panel member for the testing and analysis of traditional medical products by the National Pharmaceutical Regulatory Agency under the Ministry of Health. It is also approved by the Department of the Environment to conduct analysis for scheduled wastes.

Allied Chemists has been providing food testing services for manufacturers for the last eighteen years. Describing the service as an important function, Ee Shan explained that testing of the final product by a third party lab is crucial to ensure food safety as contamination and formulation off-spec can happen in the value chain whether it is from raw materials, the environment or personal hygiene or even sabotage.

The company has been on a consistent growth trajectory, having recorded a compounded average growth of 15% on a year-to-year basis and counts Petronas, Tiger Balm and Toshiba among its major clients. Its future plans include creating greater awareness of its Kuala Lumpur branch and entering the Singapore market once its new facilities at the Johor Bahru headquarters are ready. Plans are also afoot to go regional in ASEAN within a ten-year timeframe with the vision ‘to be recognised regionally as a preferred partner to provide lab services’.

Allied Chemists is a MS ISO/IEC 17025 accredited testing laboratory in the fields of chemical and microbiological testing under the Laboratory Accreditation Scheme. Its accreditation is recognised by the International Laboratory Accreditation Cooperation and also in countries which have entered into the Mutual Recognition Agreement with the organisation.

The company is also a registered member of the laboratory panels for the Food Safety and Quality Division as well as the National Pharmaceutical Regulatory Agency while its technical experts are registered with the Department of Occupational Safety and Health as Industrial Hygiene Technicians and Competent Persons of Noise.

KUNDASANG AQUAFARM PLT

Innovation the key to a Young Agropreneur's Success

A 28-year-old graduate is in the forefront of an innovative first-of-its-kind project to uplift the livelihood of the vegetable farming community in the Kundasang highlands in Sabah. Azizul Julirin, owner of Kundasang Aquafarm, is the pioneer of the aquaponics farming system which integrates hydroponics and aquaculture techniques to grow vegetables.



“We operate on a zero waste concept, with emphasis on savings by optimising the use of all available resources.”

Azizul, who is a graduate of Universiti Malaysia Sabah, hailed from the tiny village of Mesilou - population 50 households - in the Kundasang highlands, the leading supplier of highlands vegetables in Sabah. His family has been in vegetable farming for over thirty years and he has always been passionate about continuing the family's tradition. But the vegetable farmers of Mesilou are facing a serious problem in the deteriorating quality of the soil.

“The economy of Mesilou has for decades been dependent on vegetable farming but the nutrients in the soil are depleting from years of farming. Yield is declining and so is the quality. This forces farmers to increase the use of fertiliser as well as pesticides to protect their crops. Such a situation is not sustainable,” said Azizul.

The ecological problem was compounded by natural disasters like the 2015 earthquake in Ranau. The earthquake caused mud flows that polluted water sources, serious soil

erosion and also blocked access to farms. All these events spurred Azizul to seek for an alternative farming method.

His interest in agriculture led to his taking up a degree in aquaculture. When he was undergoing industrial training in Japan in 2011, a massive earthquake followed by a tsunami struck the country. During the relief operations, he noticed a Non-Governmental Organisation (NGO) giving the victims aquaponics kits as food production kits to help them grow their own food so they would not be overly dependent on outside aid. When the earthquake struck Kundasang, he was reminded of that kit and sparked the idea to start his aquaponics farm.

In late 2016, after gaining enough confidence, Azizul started Kundasang Aquafarm, the first of its kind in Sabah.

Looking back to that time, Azizul said, “The biggest challenge when I started the business was insufficient knowledge of

business management as well as financing and guidance. Fortunately, I came across an online advertisement from SME Corp. Malaysia asking for young entrepreneurs to enrol for the Tunas Usahawan Belia Bumiputera (TUBE). I emerged as the best participant of the TUBE 3.0 Sabah programme and was given a starting grant of RM15,000.”

Other grants would come his way through his participation in various innovation competitions organised by Government agencies.

Whatever financial aid Azizul received was ploughed back into the development of a proper prototype for his aquaponics farm. After about a year of trial and error, he finally found the perfect formula to enable his prototype to be commercialised. The company has been making good progress ever since. From its inception in 2016, the company has achieved sales turnover of more than RM500,000. The 5,000 sq. ft. farm can produce up to 1.2 tons of vegetables and fruits like strawberry, tomato, Japanese cucumber and pak choy a month with an average monthly revenue of RM20,000.

Azizul said, “Our markets are restaurant chains like McDonalds as well as other restaurants and hotels in Kota Kinabalu. We started selling our produce in Brunei in 2018. It wasn’t easy to enter Brunei as the market there had concerns about the fertilisers and pesticides used during planting. However, our hydroponic vegetables are now well accepted by Bruneians.”

The business, he added, is doing fine inspite of the economic uncertainties. “There is increasing demand for vegetables that are free of toxic chemicals as people are more health conscious now. We also operate on a zero waste concept, with emphasis on savings by optimising the use of all available resources. Our aquaponics system has reduced operational and production costs. To save on advertising and promotion costs, we make use of e-commerce platform to expand the market.”

Azizul believes being innovation-driven is the key factor for his business success. He cited as an example, the cost-savings derived from the aquaponics system in his farm, “The monthly operational costs are low as we save as much as 90% in water usage while productivity is three times higher compared with conventional farming methods. I’ve also incorporated the Japanese concept of kaizen - continuous renewal - into our company culture so we are always on the lookout for improvement.”

As for his vision for Kundasang Aquafarm ten years from now, Azizul said, “I want to scale up production to at least 30 tons of vegetables a month by 2025. I would like to expand the application of the aquaponics system to farmers in Kundasang in particular and Malaysia as a whole so all can enjoy its benefits. This will also enhance food security. I hope to also open an agropreneur academy to train young people who are interested to enter this field of business.”



He advised the younger generation, especially new graduates, who want to be agropreneurs, “Prepare by equipping yourself with knowledge of the field you are going into. There is plenty of information on entrepreneurship which is readily available from the Government. As an entrepreneur, you will also need soft skills and learn to network. In the end, if you want to succeed, you have to be tough-minded and persistent in pursuing your dreams. Be an entrepreneur. Be a job-creator instead of being a job-seeker.”

INTER STICKER TRADING CO.

A ‘Sticky’ Business Pays Off

In 1986, Mohd Noor bin Che Man started Inter Sticker Trading Co. at a shop at the Muhammad VI Stadium in Kota Bharu, Kelantan, to supply paper-based stickers to schools. The enterprising Mohd Noor soon saw the potential in stickers for apparels, particularly for schools and so turned his attention to a new product. From there, it was a matter of time before he started selling his textile stickers to Government agencies and the private sector.

Today the company has grown from that humble beginning into a manufacturer of stickers for a wide range of apparels like t-shirts and uniforms as well as sportswear and equipment. It also supplies customised stickers for special events and various types of finishing for textile products and printing and embroidery. Its sportswear and equipment stickers are carried on globally recognised brands like Adidas, Yonex, Mikasa, Tibhar, Nike, Darrows Dart Technology and Molten.

But it was not always smooth sailing in the beginning. As has been the experience with most entrepreneurs, financing was always an issue. To keep the business running, Mohd Noor borrowed from relatives and friends and later as business picked up, he managed to obtain loans from banks for expansion. In 2017, the company received a matching grant from



“We are passionate about our business. Being passionate about what you’re doing will take you far.”

SME Corp. Malaysia under the Bumiputera Enterprise Enhancement Programme (BEEP) to purchase printing machinery.

Mohd Noor has since taken a back seat and let his son Muhammad Ikhwan run the business. Under Muhammad, who holds a Master’s degree in technical textile from the University of Manchester, UK, the business has grown into one with a national and international clientele that comprises the public and private sector, schools, universities as well as retail.

Those early years of struggles are still fresh in his memory. “We had very little capital so we had to optimise our resources. But we learned financial prudence from there. Then technical problems arose as we were unfamiliar with the machinery used which was all very frustrating



as we were aiming for zero defect and top quality for our products. But we learned the importance of having technical knowledge of production machinery from there. I'm proud of the fact that the business has survived for over 29 years and we are now one of the leading manufacturers of textile stickers in the country. We are passionate about our business. Being passionate about what you're doing will take you far."

Muhammad attributed the longevity of the business to their continuous improvement culture. He explained, "From day one, quality has always been the cornerstone of our company culture. That's the reason we keep investing in production technologies to improve efficiency and ensure quality for all our products. It was our quality first approach that caught the attention of some global brands and we are now their original equipment manufacturers."

Muhammad's investment in technology, such as in acquiring a 12-colour printing machine from the US and a 12-head automatic embroidery machine from Japan has certainly paid off in terms of greater productivity and quality. The company has the capability to print 3000 t-shirts and embroider 2000 apparels per day.

By adopting technology, Muhammad said, "The company is able to operate under less technical constraints and that frees our imagination and creativity to take us further." Muhammad is a firm believer in the power of innovation and that he attributed the success of the company to passion for innovation and improvement supported by a strong team spirit.

He said, "We are always on the lookout to raise the quality of our products. We also position our company as an Organisation Image Enhancer, meaning that the products our clients buy from us help to enhance their image because ours are of top notch quality."

Talking about future plans, Muhammad wants to be prepared and equipped to cater to future trends. "We are heading towards mass customisation and yet at the same personalisation as well in the textile and fashion industry. I have started a pilot project for mass customisation and a R&D project on 3D image processing for body measurement. My vision for the company in ten years' time is that we would be a decentralised business, operating not in a single location but spread out over the ASEAN region."