

SME WEEKLY NEWS

(11 September 2017 – 15 September 2017)

Countries	Highlights
<p>MALAYSIA</p> <p>Malaysian companies still resist investing in digitalisation</p>	<p>Malaysian companies still resist investing in digitalisation, particularly in the initial take-up, despite rising awareness, said Deputy Minister of MITI, Datuk Chua Tee Yong. He said this was quite common in most countries, especially in Industry 4.0 adoption, hence, the government intended to have a blueprint to tailor its five-year plan and budget to encourage companies to embrace digitalisation. "We are more concerned with SMEs as big companies are more aware of market trends. For SMEs sustainability, they need to evolve in the pathway of digitalisation," he said. Based on survey by SME Corporation on SMEs, in terms of Internet adoption and digitalisation readiness a year ago, their awareness increased from 18% to about 30%. Constant engagement with the government and its agencies has helped SMEs to be aware of the need to change as that the fourth industrial revolution is no longer a possibility.</p> <p style="text-align: right;"><i>(Source: Astro Awani, 12 September 2017)</i></p>
<p>MALAYSIA</p> <p>Lazada targets over 50,000 SMEs with new #EveryoneCanSell programme</p>	<p>Lazada Malaysia has launched its #EveryoneCanSell programme, which aims to attract more than 50,000 merchants onto its platform by end of 2018. Lazada's CEO, Hans Peter Ressel said the group aims to attract more SMEs onto the platform through the #EveryoneCanSell programme, held in collaboration with SME Corporation Malaysia, Companies Commission of Malaysia, Malayan Banking and Telekom Malaysia. While Ressel understands that 50,000 merchants is a very ambitious target, Lazada believes its partnership with the four other parties will help entice and educate the merchants. The programme would help stimulate the growth of local SMEs, providing them with relevant solutions and tools such as e-commerce training, enhanced Internet connectivity and financial support, to help them scale up quickly. Deputy Minister of MITI, Datuk Ahmad Maslan, said that the initiative will offer SMEs with the "right ecosystem to compete globally" through the Digital Free Trade Zone.</p> <p style="text-align: right;"><i>(Source: Advertising Marketing, 14 September 2017)</i></p>
<p>VIETNAM</p> <p>APEC promotes SMEs via online-to-offline business models</p>	<p>APEC O2O Forum took place in Vietnam's Ho Chi Minh City, discussing ways of facilitating SMEs' access to global markets through online-to-offline (O2O) business models. At the forum, delegates from members of the Asia-Pacific Economic Cooperation (APEC) analysed opportunities and challenges SMEs should pay attention to when participating in global markets with the help of digital technology as well as the threat from network security issues. The delegates touched upon an APEC-funded project named 'New Era of Growth for APEC SMEs through O2O Business Models', which aim to promote businesses' access to global markets through O2O business models and best practices, and pave the way for a new era of growth by making trading across borders faster, cheaper and easier for them in the Asia-Pacific region. The project will set up an APEC SME O2O expert network and publish a comprehensive APEC SME digital competitiveness and resilience guidebook.</p> <p style="text-align: right;"><i>(Source: Xinhua Net, 11 September 2017)</i></p>

<p>THAILAND</p> <p>Thai SMEs visit Japanese firms aimed at elderly market</p>	<p>Krungsri brought 30 Thai SMEs to Osaka, Japan to help them get a better understanding of business opportunities related to Thailand's transition into an ageing society. In 2018, the number of elderly will exceed the number of children. That will drive demand for goods and services for senior citizens, while business owners have to adapt to the change. During the trip, experts from a research company under Mitsubishi UFJ Financial Group (MUFG) shared insights about the overall picture of the elderly care business in Asia, Japan and Thailand. With MUFG's strong network, the group was provided with access to several ageing businesses in Osaka and nearby cities and most of them are normally not open to outsiders. Pornsanong Tuchinda, Krungsri's Head of Commercial Banking said the Thai SMEs fully reaped the benefits of studying and exploring opportunities in various geriatric businesses, including those making equipment and other products related to elderly and their caregivers.</p> <p style="text-align: right;"><i>(Source: The Nation, 13 September 2017)</i></p>
<p>INDONESIA</p> <p>Bahrain keen on studying SME empowerment from Indonesia</p>	<p>Bahrain says it wants to learn from Indonesia in terms of empowering SMEs, particularly the management of Smesco Center in Indonesia. Chairman of ASEAN Bahrain Council appreciated the development of SMEs in Indonesia, as well as the opportunity to cooperate with ASEAN countries, especially Indonesia. Hasan Jauhari, expert staff of macroeconomy at the Ministry of Cooperatives and SMEs stressed that the Government of Indonesia paid special attention to SMEs because it proved to not only contribute as a growth engine through its contribution to the GDP of 62.58% but also in job creation. Also, Indonesia SMEs play an important role as it also supports big businesses, especially in distributing the products of daily needs of the community, reaching a value of 56% to all corners of the country. Another important position of SMEs is its existence in preserving products based on local wisdom and natural resource based products as well as maintaining and dominating domestic market with domestic consumer potential of 253 million people.</p> <p style="text-align: right;"><i>(Source: Netral English, 15 September 2017)</i></p>

REMODELLING A STAID BUSINESS

The younger generations in family-owned businesses are usually tasked to modernise the company. But to change the business entirely is a different matter altogether. Ee Soon Wei's suggestion to do away with the family's printing business was not well received by the elders. Over the past four years, the CEO of Art Printing Works (APW) has traipsed around family resistance to transform the printing facility in Bangsar into what he calls, a 'creative campus'. Aside from a smaller print production area, APW now houses a co-working space, F&B hub, a pocket park and event spaces.

The transformation of APW took a lot of grit as his family has a long history in the printing business. Ee's grandfather founded The Royal Press in Malacca, in 1938. The business expanded and the family started APW, its commercial printing company in Lebu Ampang, Kuala Lumpur in 1952. In 1965, APW relocated to its current site in Bangsar. In its heyday, during the 1980s and 90s, APW was doing a turnover of RM20 mil to RM25 mil. The business thrived on printing school text books. However, these contracts eventually went to other printers, which set APW on its path to decline.

Thus, Ee left his job to restore The Royal Press in Malacca. That led him to also take a look at APW. The business was saddled with a bad debt of RM7.5 mil. So he got himself appointed as the CEO and went about recovering the debt. Within the first year, he managed to collect about half the debt amount and this gave him some leeway to restructure the business. With the opportunity to turn APW into something else, he started



travelling around to observe trends that were taking place in the region. He noticed a growing movement towards adaptive reuse of old buildings and spaces, and wanted to rejuvenate APW by opening up its space to accommodate other events and businesses.

"I started going into the rental game. I mean, if you look at it, nearby shopping centres were basically landlords. But people didn't look at us as Bangsar because this is an industrial area. So we couldn't get the right rental rates," he says. Ee went to Singapore to pitch to F&B businesses there with a rental rate of S\$2.50 per sq ft and landed his first tenant, coffee boutique Pulp, three years ago. It was a risk that paid off well for him. Since then, others have come in to use its space for business and events.

Ee's experience with APW has opened up three verticals in the business; the first one is in the area of consultancy to help others create a captive audience, the second is in the area of real estate to either manage a property for others or to takeover dilapidated properties, and the third area is in building a food hub. Curating food concepts is very important as food is a very big thing in Asia.

Things are certainly looking up for Ee and his venture in APW. "We do much healthier numbers now. But it's only because we invested in all these things. I think our revenues are likely going to jump three to five times what we are doing now because opportunities have started to open up for us," he says. The company's revenue is currently derived from rental and events. "The print is still there. We still have existing customers, most of them are contract-based. But we have not grown the business. But in time to come, exit will be the natural way," he says.

(Source: The Star, 11 September 2017)

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