NAVIGATING THE 4TH INDUSTRIAL REVOLUTION

FOURTH LEAP

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Bridging the Digital Divide in Southeast Asia

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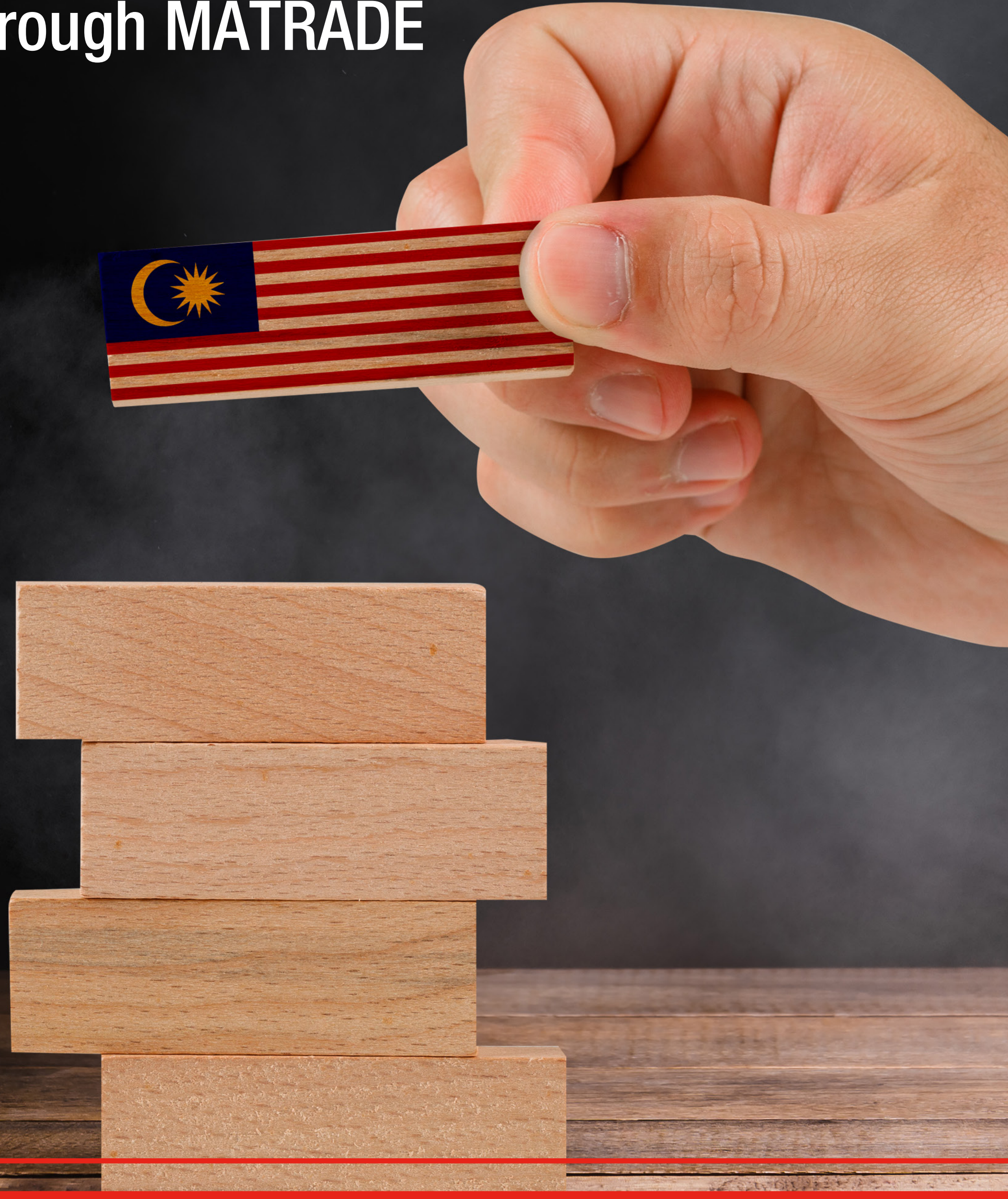

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"When the going gets tough, the tough get going. With challenging times ahead, we must muster our forces and steel our minds to face the mounting uncertainties and global unrest."

MUCH has happened in 2021 and we're only about a quarter way through. Things are looking up as we see the global economy rebounding from the bleak year that is 2020. While people are more optimistic, the future remains hazy even by the standards of economic forecasting. Socially, however, the vaccine rollout remains our only hope - but mask-wearing and SOP compliance will likely persist into the future. Things have changed, though for good or for bad, only time will tell.

When the going gets tough, the tough get going. With challenging times ahead, we must muster our forces and steel our minds to face the mounting uncertainties and global unrest. On the ground, we have to plot the course for our people, staying united to flatten the curve and protect the livelihoods of our dependents.

Inside this issue, you'll find a wealth of knowledge accrued from years of experience and toughing it out through the good and the bad. Our contributors range from C-Suite executives to academicians who have studied the subject matter, authored books and managed people of various backgrounds.

We touched on videos as more than just conferencing tools; bridging the digital divide in Southeast Asia; toured the mind of an innovator looking to revolutionise learning; garnered tips on how to secure the heart of an organisation; shared on the importance of digitalisation; sought growth in new avenues, and learned why customer experience matters.

All of this we eagerly share with you, dear reader, in hopes that the publication reflects our progress as a society of the world. Stay tuned for more as we bring you tips, solutions and food for thought to weather whatever storms the year has yet to give us. Feel free to reach out to us and let us maintain an open line of communication in the spirit of sharing for all to benefit. All the best, and stay safe.

– Sritharan Vellasamy
(sri@wordlabs.com.my)

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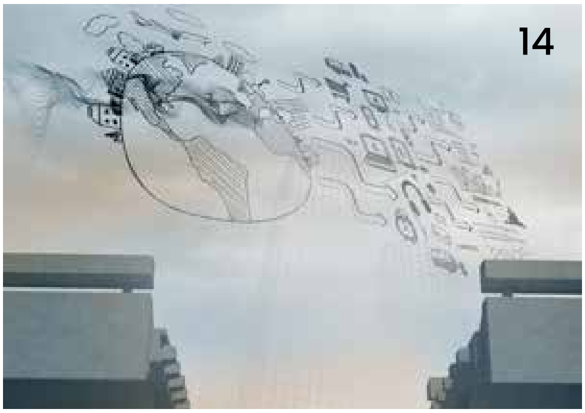
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Malaysia Leads Global Islamic Economy for Eighth Year

MALAYSIA continues to forge the way ahead in Islamic economy and finance, leading the way for the eighth consecutive year based on the ranking by the Global Islamic Economy Indicator.

Its burgeoning Islamic FinTech and economy sectors continue to flourish, with the aid of the government and the continuous push by the Malaysia Digital Economy Corporation (MDEC) to expand the digitalisation of the economy and aggressive creation of a conducive ecosystem, for which it can thrive.

For years, the Malaysian government has identified Islamic finance and Islamic digital economy as key economic growth activities to achieve and maintain its position as a global Islamic fintech hub.

Malaysia is the largest sukuk issuer in the world, in addition to having one of the best halal standards globally. "These global recognitions have paved the way for Malaysia to continue to lead as the global Islamic fintech hub, and towards becoming the heart of digital Asean.

According to the State of the Global Islamic Economy Report 2019/20, Muslims are expected to spend US$2.4 trillion (RM9.1 trillion) by 2024, up from US$2.2 trillion in 2018. The report also revealed that 66% of consumers are willing to pay more for ethical products while a report from Thomson Reuters projected Shariah-compliant assets worldwide will reach US$3.8 trillion by 2022.

On top of the recently signed Regional Comprehensive Economic Partnership Agreement, which created the world's largest trading bloc, Malaysia stands to capture 30% of the world population.

The key towards achieving inclusive financial growth is to make a strong effort to embed Fourth Industrial Revolution technologies, like Islamic fintech, to ensure fair and equitable distribution across income groups, and shared prosperity for all, in line with the recently-announced Malaysia Digital Economy Blueprint and Malaysia 5.0," said MDEC chairman Datuk Wira Dr Hj Hussin Mohamed Ariff.

Malaysia's excellent track record in fundraising augurs well overall, with the Securities Commission reporting a 130% increase in 2018, involving 1,449 SME (small and medium-sized enterprises), 18,700 investors (91% increase), and 5,612 campaigns (131% increase) launched. The Islamic capital market grew by 8%, to RM2 trillion, outpacing overall capital market growth of 3%.

Bank Negara Malaysia (BNM) and the Securities Commission have allowed innovation in fintech to proliferate such expansion. The government, through MDEC, have implemented various measures and initiatives.

One such initiative is the Digital Financial Inclusion, which is aimed at improving the B40 (bottom 40% earners) and micro SME's knowledge on financial services.

While FinTech Booster, in collaboration with BNM, is a capacity-boosting programme by MDEC to assist fintech companies, both local and international, to develop their products and services via three strategic modules: Legal and Compliance, Business Model and Technology.

Indonesia to Drive Digital Bank Growth

ACCORDING to the World Bank, an estimated 95 million Indonesians, one third of the country's population, do not hold bank accounts. However, of that 95 million, 60 million own a mobile phone, representing a large untapped market and a key avenue to offer financial services to new populations.

Digitizing payments in the private sector alone could increase bank account ownership by 29%. Many Indonesians living in rural areas live far from the nearest physical bank or ATM and have to travel significant distances to withdraw cash for payments for utilities, hospital bills, school tuition and other expenses. Digital banking would enable easier payments and give rural Indonesians access to more financial services.

Bank Jago, like a number of other fintech firms, will help increase financial services equity in the country by eradicating barriers such as geography and providing people with greater access to and ownership over their finances. Bank Jago's move comes amid news that Indonesia's financial services authority will now allow customers to open bank accounts and apply for loans through Gojek's app.

MDEC Accelerates Plans to Attract High-Value Digital Global Business Services (GBS)

Raymond Siva, Senior Vice President, Investment and Brand, and Chief Marketing Officer (CMO) of Malaysia Digital Economy Corporation (MDEC).

MSC Malaysia currently counts 579 active Global Business Services (GBS) companies within its fold, with 57% being foreign direct investments (FDIs). 30% of the foreign-owned GBS are part of the Forbes Global 2000 and Fortune 500 companies such as HSBC Electronic Data Processing (Malaysia) Sdn. Bhd., Jabil Global Business Services and Dassault Systèmes.

Although the number of active GBS companies accounts for approximately 20% of the total number of active MSC Malaysia companies, GBS is the largest contributor to MSC Malaysia's performance, adding up to 50% of investments, 66% of exports, 61% of jobs created.

In ASEAN, the number of GBS centres has grown by nearly 70% since 2010, where Malaysia hosts more than a third of these centres, followed by the Philippines and Singapore (Source: SSON Analytics).

The Government's commitment to improving digital infrastructure and providing a pipeline of digitally-ready workforce allows us to reinvent ourselves as the preferred location for high-value GBS such as Robotic Process Automation (RPA) Analysis, Artificial Intelligence (AI) and Data-led processing and Cybersecurity," said Raymond Siva, Senior Vice President, Investment and Brand, and Chief Marketing Officer (CMO) of Malaysia Digital Economy Corporation (MDEC).

"The role of digital technology and services is evident, especially following the outbreak of the COVID-19 pandemic which has led to further acceleration of digitalisation and accentuated GBS as a key pillar for an organisation's resilience and agility. The scope of GBS now includes finance, information technology (IT), Human Resource (HR), and procurement, as well as other functions, and that can be delivered onshore or offshore," added Siva.

"The trend is clear in Malaysia; companies are leveraging the GBS model to adopt and accelerate digital transformation, shifting focus from cost arbitrage to value-driven services," Siva said.

While Finance, HR and Customer Experience are the most common services, intelligent automation and data analytics now feature among the top range of services. Value-add and cost-saving from streamlining and centralising core functions are major factors encouraging more and more companies to outsource their business activities.

"Malaysia is now home to nearly half of all analytics-based services in ASEAN. To accelerate this growth, MDEC is engaging the industry to listen to their needs, develop progressive and conducive policy and regulatory framework, and a robust pipeline of digital talents," he added.

The Government's support outlined in the Malaysia Digital Economy Blueprint (MyDIGITAL) through various phases until 2030 to drive the country's high value-added economy and to become a net exporter of home-grown technologies and digital solutions will complement the rest of the national digital economy development initiatives such as the country's GBS sector in the coming years.

Such moves will go a long way towards boosting investor confidence and for these companies to establish Malaysia as their preferred base to other emerging GBS locations such as India and China.

"MDEC will continue to lead the nation's digital economy transformation towards the aspiration of Malaysia 5.0, enabling a society that is deeply integrated with Fourth Industrial Revolution (4IR) technology such as Internet of Things (IoT), Data Analytics, AI, and Blockchain. We have embarked on initiatives to empower more digitally-skilled Malaysians, enable digitally-powered businesses and attract more digital investments. In doing so, we are creating new opportunities for both the people and businesses, contributing to the growth of a sustainable and equitable digital economy, and firmly establishing Malaysia as the Heart of Digital ASEAN," said Siva.

FAST FACT

Southeast Asia's economy is among the fastest-growing in the world and is projected to be the fourth-largest regional economy by 2030. Analysts also expect this growth to boost the e-commerce market, with the digital economy set to grow from US$31 billion in 2015 to US$197 billion by 2025. Revenue from the e-commerce market in Southeast Asia in 2021 is expected to be US$67.6 billion, representing annual growth of 10.3%.

Vietnam Poised for Growth as Digital Tech Drives Another Industrial Revolution

IN the latest revolution of the global economy, the dynamics of labor and technology in new ways as smart technological systems are built with machine learning and big data. For Vietnam, this creates major challenges as production models shift and labor no longer translates into the competitive advantage it once did.

Recognizing the importance of using available resources in the current "Fourth Industrial Revolution," Vietnam's government and legislature have actively pushed new policies and programmes to increase competitiveness. Resolution 52, signed by previous Communist Party General Secretary and President Nguyen Phu Trong in September 2019, outlines proactive policies to guide the country's participation in the current economic transformation. In the resolution, the Communist Party of Vietnam pledged its commitment to a long-term strategy that would be rolled out quickly for both the political system and the society as a whole. There is also a need to increase the public's awareness of the meaning of the Fourth Industrial Revolution, in order to make full use of new opportunities.

Vietnam is also seeking to capitalize on the country's growing startup ecosystem. Since 2017, startup firms such as VNPay, Tiki and VNG have shown the country's potential as a startup hub. The growing sector is driven by rising consumer spending, increasing digital revenues from e-commerce and fintech, and Vietnam's increasing prominence as a destination for foreign investment funds.

3 Ways Singapore's Urban Farms are Improving Food Security

- Singapore is aiming to produce 30% of its own food by 2030, a number that is currently closer to 10%.
- To achieve this, emphasis has been put on citizens to help grow what they can.
- Growing food in urban farms on carpark rooftops to reused outdoor spaces and retrofitted building interiors is also key to the '30 by 30' goal.

Securing food during a crisis and preserving land for a livable climate is changing the focus of farming from rural areas to cities. At the forefront of this shift is Singapore, a city-sized country that aims to produce 30% of its own food by 2030. But with 90% of Singapore's food coming from abroad, the challenge is a tall order. The plan calls for everyone in the city to grow what they can, with government grants going to those who can use technology to yield greater amounts.

The food items with potential for increased domestic production include vegetables, eggs, and fish. According to the Singapore Food Agency, these three types of goods are commonly consumed but are perishable and more susceptible to supply disruptions. Alternative proteins such as plant-based and lab-grown meats could also contribute to the "30 by 30" goal. In 2020, there were 238 licensed farms in Singapore.

KPMG Survey of Sustainability Reporting

SINCE the survey was first published in 1993, it has tracked monumental changes in sustainability reporting. 30 years ago, a paltry 12% of companies published sustainability reports. Today, the figure stands at 80% and over 90% among the largest companies in the world. In the 11th edition of the survey, KPMG professionals reviewed sustainability reporting from 5,200 companies in 52 countries and jurisdictions – including Malaysia – making this the most extensive survey in the series to date.

Key Trends Observed:

- Sustainability reporting in Asia Pacific has **grown by 6% since 2017 to 84%.** Many countries and jurisdictions in the region are among the global leaders including **Japan (100%), Malaysia (99%), India (98%), Taiwan (93 per cent) and Australia (92%)**
- **99% of the top 100 companies** in Malaysia report on sustainability, while **97%** include sustainability information in their annual reports
- **31 companies in Malaysia** have published integrated reports, up from 5 in 2017
- While there has been an increase in recognising climate risk to businesses, Malaysian corporations still lag behind in reporting on climate risks and the financial implications of these risks

Capbay Secures USD20 Million Series a Fundraising with Returning Backer KK Fund

CAPBAY, a fast-growing Malaysian Multi-Bank Supply Chain Finance and Peer-to-Peer Financing ("P2P") platform, has raised US$ 20 million in its Series A round. The funding comes from returning backer KK Fund, a Singapore-based venture capital firm that invests in startups across Southeast Asia with a strong foothold in Malaysia since 2015. The Malaysian investors include several angel investors with expertise in finance, technology and growing startup companies.

CapBay aims to use the funds to further strengthen its strong technological and funding capabilities. This will enable more efficient financing and market expansion in order to reach a wide range of investors and underserved Small and medium-sized enterprises (SMEs). CapBay's impressive business performance has laid the foundation for successful fundraising.

In December 2020, CapBay achieved a key milestone by funding RM 100 million across 500 investment notes on its P2P platform since its launch in March 2020, being the fastest fintech to hit RM100 million in P2P financing. This achievement is part of CapBay Group's strong track record of providing supply chain finance, having facilitated more than RM 800 million across 10,000 transactions covering SMEs.

The company also expanded investment opportunities for P2P Investors on its platform through its strategic partnerships with top institutions. CapBay became the first and only fintech company selected to be part of national telecommunications giant Telekom Malaysia Bhd's (TM) Vendor Financing Programme known as PERINTIS in September 2020. The strategic partnerships between top institutions and CapBay allowed P2P investors to invest alongside institutional investors in a safer asset class backed by the government and corporate receivables.

Recently, CapBay entered a joint venture with Kenanga to create Malaysia's first Islamic Supply Chain Finance fintech. CapBay invests into developing the Shariah-compliant supply chain finance market through the Kenanga Capital Islamic Sdn Bhd ("KCI") acquisition. Ang Xing Xian was appointed as CEO of KCI to grow the business and integrate with CapBay's award-winning technology.

DIGITISATION IN THE REALM OF IR4.0

FOURTH LEAP

By Jerry Durant

IN the last decade, there has been a major push for digitisation in the form of wholesale technology deployment. Prior to this well-publicised initiative, enterprises were blissfully satisfied by internal digital solutions, referred to as application systems. During these periods, there were efforts made to bring forth connectivity with external stakeholders, through internet front-end applications. In these cases, it became a unidirectional conduit that fed internally digital applications and less about true communicative cohesiveness.

Digitisation in IR4.0 requires us to examine where we presently stand. It's not simply a matter of augmenting what we have but conducting a comprehensive and clean greenfield examination of digitisation. Pivotal questions involve:

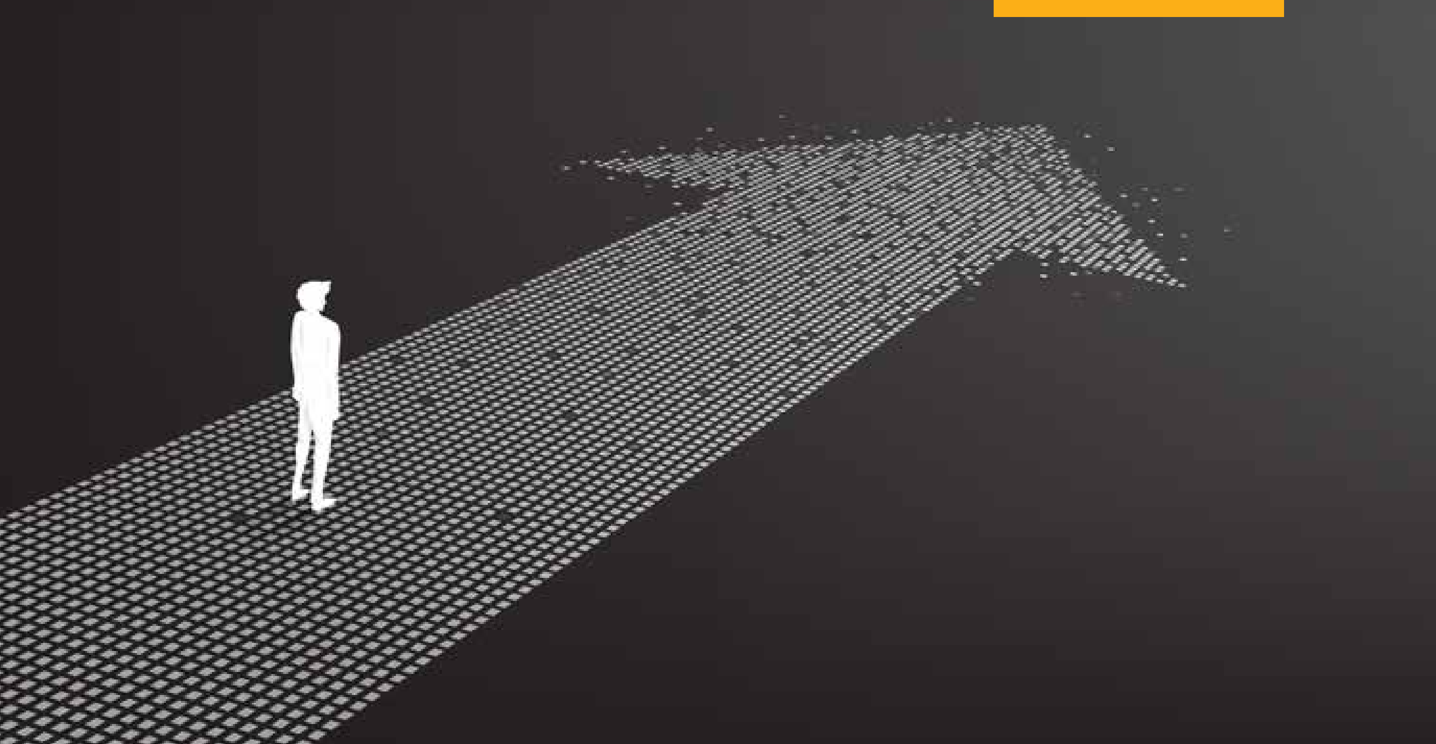
- What should our final digitisation scheme look like?
- Are there business processes, tasks and events that require reshaping?
- Establishing the scope of digitisation?
- Consideration on what IR4.0 technologies need to be considered as a part of our digitisation initiative?
- To what extent will human capital be required and in what form relative to present conditions?
- What new resources will be required to establish the IR4.0 digitisation objectives?
- How much are we able to invest? What value gains do we expect, both savings and opportunity? What timeframe has been set and to what degree of slack has been included?
- Consideration of external influences that affect the initiative, time schedule and value expectations?

These questions are fundamental and the depth of effort in responding to them is significant. Many questions may be difficult to answer simply because of the shift from digitisation represented by internalised automation (IR3.0) to one involving board technology cohesiveness (IR4.0).

THE STRAGGLERS

One cannot assume that everyone is ready for IR4.0 digitisation. As we look about the variety of enterprises we see many that are still floundering in excess procedures, paper-laden endeavours and gross inflexibility. Justified by years of normality, they are now under globally disruptive conditions, being forced to change in order to survive. But unfortunately it's not a cooperative release but one that still holds onto habit. In these cases, habits become digitised with consideration for optimisation. The result becomes one in which efficiency is lost and time is consumed.

Adopting new technologies does not have to be an all-or-nothing approach.



IR4.0 requires us to re-evaluate our business under present conditions.

Not all is bad with being a straggler because you have less vested which would otherwise be held onto with great fervour. Therefore, it means that while the effort may be large, the envisioning is apt to not be challenged by vested practices. Still the stragglers, like the IR3.0 adopters aspiring to go IR4.0 digitisers, must consider value, conceptualised design and the scope of their endeavours.

IR3.0 DIGITISERS ASPIRING TO IR4.0 DIGITISATION

As many companies that may be stragglers, there are as many who are already on the digitisation path. Existing ambitions now become subject to change. What we know in this shift is based more on cohesive opportunity and less about the technologies. This means that when we examine the various technology members in the IR4.0 paradigm we become more concerned about process interactive coherence that relates to the way we "should" be doing business. This results in our journey, beyond the formidable questions, involves pondering on how we do our business (efficiency, appropriateness, purposeful) and what really should our business be like.

It strikes squarely on our strategies and tactics that will eventually be encompassed within the IR4.0 digitisation deployment. Likewise, it also means that we have to be vigilantly mindful that adaptability and flexibility are strongly considered in order to avoid perpetuating change. In a recent discussion, a company brought up this point and decided on utilising artificial intelligence (AI) to provide guidance relating to inflexibility adaptations. What transpired in subsequent conversations revealed two flaws; the first being that recognising inflexibility in itself was a problem and the second being that the AI rules were based solely on past conditions (not present). As a result the use of AI was modified to look at changing outcomes and not based around past baseline conditions.

Moving to IR4.0 digitisation involves transitioning in a real-time context and avoiding possible big bang approach deployment pitfalls. Obviously new technologies may appear to be massive efforts but that does not mean that it requires an all-or-nothing approach. Contextually the mindset is not one of traditional practice but one that follows the rules of lean agility. Invest a little to get a little and do it cohesively. Assuming that we have undergone appropriate upfront considerations, we take existing internal digital applications and adapt them for external IR4.0 digitisation. This may involve creating new internet portals, establishing an exchange conduit between analytic resources, or providing expanded mobility. Regardless, the goal is to move forward and lay the groundwork for more formidable IR4.0 endeavours.

"Moving to IR4.0 digitisation involves transitioning in a real-time context and avoiding possible big bang approach deployment pitfalls."

EYE ON THE HORIZON

Our existence is dynamic and so are the various IR4.0 digital technologies. Not only do we have to be mindful of the ebb and flow of vendors but also the dynamic changes relating to the functional behavior of the technologies. One cannot assume that what is here today will be there tomorrow. This means that our mindset must be acutely attune to the dynamics of disruptive change. In 3.0 digitisation we managed this through project initiatives kept to modest short timeframes and broader plans not reaching beyond or grasp should we need to act.

Almost every case of failure and catastrophic disruption to initiatives is the direct result of visions that escape controlled realities and enter into a wishful dream-like state of fantasy. This condition may be powerful in gaining funding support but it is humiliating when ever present conditions bring about a truthful awakening. Be alert, don't dream too much, and retain as much control as possible for your IR4.0 digital endeavours.

The golden glow of digitisation opportunity is not a cake walk. If it was enough to have catastrophic disruptions occurring we must also contend with the intense demands that surround IR4.0 and digitisation in particular. We cannot expect the safety, comfort and familiarity of digitisation experiences as we have had during IR3.0 wherein challenges were internalised. In IR4.0 digitisation the effects become a burden of the community, with all of its interconnected parts whether established or forthcoming.

This means that profound engineering expertise will be essential and not become a cavalier experimental pursuit. With distancing and movement restriction, this creates added pressure on domestic resources and remote talent. Contributors will need to be the best of the best in terms of engineering skill, industry understanding and be able to work remotely in an effective communication environment to meet the needs of the IR4.0 digitisation initiative.

Change, one that is unfettered by old habits and not without strategy, is a chance to leapfrog your digitalisation journey.

In conclusion, what we see today isn't a lot of failure stories but a substantial amount of confusion. Many enterprises are holding onto IR3.0 digitisation vestiges that have resulted from present disruptions. In-flight initiatives have been throttled back and focus redirected to sustainment efforts (IR3.0/IT). And although the buzz is still about keeping the dream alive, the next several months will determine what the effect will be on reestablishing and advancement of the IR4.0 digitisation story. Our hopes should be on advancement, but in doing so we may need to become satisfied with existing in a stable IR3.0/IT state. Make wise use of your time to clean up present conditions, envision with clarity the right state of your business, and prepare to put digitisation back on the rails in the realm of IR4.0.

Jerry Durant is Chairman and Founder of The Clarity Group Global an established advisory consultancy committed to technological and organisational advancement. Clarity Group also is engaged in various progressive ventures involving challenged enterprises recovery, intelligent philanthropic investments and greenfield research.

There's a great deal of confusion, yet not unexpected, especially when dealing with shifting paradigms and disruptions to conventional business practices.

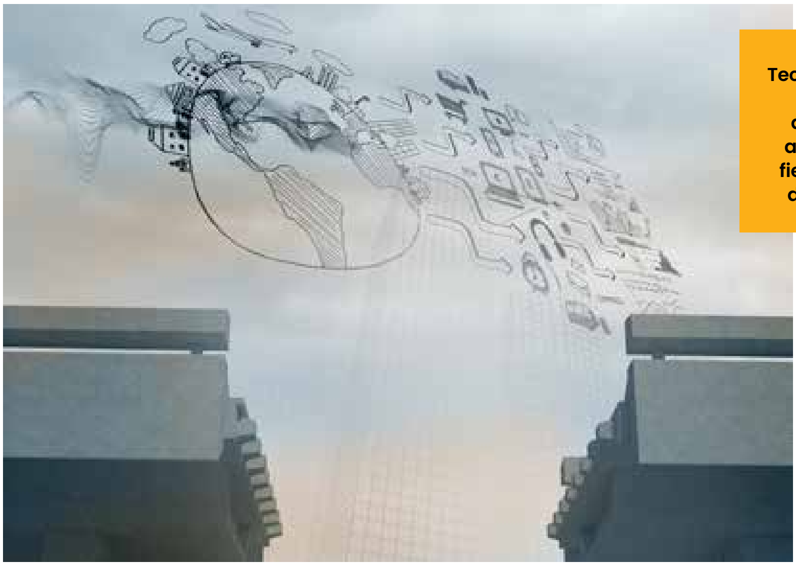
FOOD FOR THOUGHT

"Most of the executives I talk to are still very much focused on digital largely as a way to do 'more of the same,' just more efficiently, quickly, cost-effectively. But I don't see a lot of evidence of fundamentally stepping back and rethinking, at a basic level, 'What business are we really in?'"

John Hagel III, Co-Chairman at Deloitte LLP Center for the Edge leaders.

BRIDGING THE DIGITAL DIVIDE IN SOUTHEAST ASIA

By **Damien Dujacquier, John Low, Sulina Kaur, Chua Thian Rui, Daniel Lim and He Wanxin**



Technology and digital inclusivity are essential to bridge the digital divide; it can improve accessibility, level the playing field and reduce gaps between different social backgrounds.

INSIGHTS from Roland Berger's latest study "Bridging the digital divide: Improving digital inclusion in Southeast Asia" show that digital technology has been increasingly embedded in every part of the economy and individuals' livelihoods. This is especially apparent in the recent COVID-19 pandemic, with digital tools replacing physical interactions and transactions.

"In Southeast Asia, however, there are approximately 150 million adult individuals or 31 per cent of the adult population that are still currently digitally excluded because they lack access to communication technologies or have low levels of digital literacy," says Mr Damien Dujacquier, senior partner and co-author of the study.

Disabilities, illiteracy, age, wealth, concentration of economic activity in urban areas and enterprise access to capital are common factors that create this digital divide.

Digitalisation, including the automation of factories (Industry 4.0), has transformed the economy and dynamics of global industries, including in Southeast Asia. Digital skills and capabilities are now fundamental to successful participation in societal and economic activities. If the digital divide is left unaddressed, large parts of the population will miss out on the opportunities that digital technology presents.

BENEFITS OF DIGITAL INCLUSION

"At least USD 15 billion of revenue and savings per year can be unlocked in Southeast Asia by bridging this digital divide," states Mr John Low, senior partner and co-author of the study. Emerging nations cannot afford to ignore the digital sector if they aspire to increase their share of global trade. These impacts can be measured across three areas:

- **Economic:** Improvements can be made by allowing individuals and businesses greater access to both local and global markets through online channels and digital transactions and increasing labour productivity through digital tools. In doing so, Roland Berger projections suggest digital inclusion in Southeast Asia has the potential to unlock USD 16 to 307 per capita in new revenue streams from the technology, media and telecom (TMT) sector and financial services, as well as increase labour productivity. This translates to USD 19 million to 2.9 billion revenue depending on the country.

- **Social:** Digital technology can help level the playing field and close the gap between different social backgrounds. By allowing digitally included individuals and communities to take advantage of a wealth of online resources and expand their knowledge sources, this heightens social mobility through the development of new personal or professional skills.

- **Governmental:** Digital inclusion increases civic outreach, greater efficiency and access to public services. E-government services that are optimised and automated benefit from greater efficiency and cost savings, which could, in turn, be allocated to other under-invested segments. Roland Berger projections suggest that digital inclusion in Southeast Asia has the potential to reduce government costs by USD 45 to 128 per capita. Depending on the country, this works out to be USD 7 million to 3.3 billion of taxpayer savings per year.

KEY FINDINGS IN SOUTHEAST ASIA AND MALAYSIA

In Roland Berger's Digital Inclusion Index (RB DII) which measured the level of digital inclusion in countries based on four key levers; accessibility, affordability, ability and attitude, Southeast Asia ranked fifth out of seven global regions. This is due to low scores in the affordability and ability levers. The cost of data and telephony and Information & Communication Technologies (ICT) tools such as smartphones and computers, remains relatively expensive for the largely low-income populations of many of Southeast Asia's emerging nations.

Similarly, levels of education and digital literacy in the emerging areas of Southeast Asia also lag behind the global average. But Southeast Asia is stronger when it comes to accessibility and attitude, where its scores are at or above the global average. Recent infrastructure developments have supported greater smartphone use in the region, for example, and a young demographic has driven enthusiasm for technology and hunger for greater digitalisation.

SEA Country Rankings

Overall positions and scores for each of SEA's 10 countries [max. Score = 100]

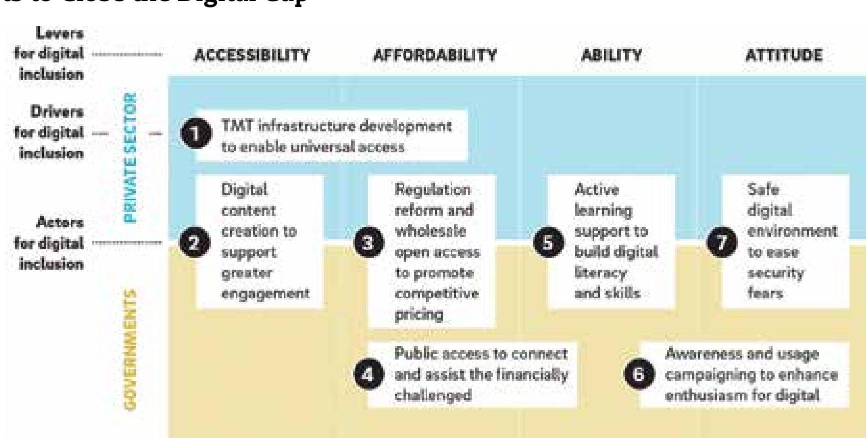
	Ranking			Overall Score			Accessibility			Affordability			Ability			Attitude		
	2020	2017	Change	2020	2017	Change	2020	2017	Change	2020	2017	Change	2020	2017	Change	2020	2017	Change
Singapore	1	1	—	86	83	↑	86	80	↑	88	87	↑	84	83	↑	82	85	↓
Malaysia	21	21	—	76	71	↑	68	58	↑↑	81	78	↑	80	80	—	87	90	↓
Brunei	38	37	↓	65	63	↑	49	47	↑	86	84	↑	65	63	↑	69	68	↑
Thailand	38	40	↓	64	61	↑	64	55	↑	62	59	↑	60	68	↓	79	83	↓
Vietnam	44	49	↑	64	54	↑↑	61	45	↑↑	64	56	↑	61	63	↓	76	64	↑↑
Philippines	45	42	↓	63	59	↑	60	54	↑	59	56	↑	72	71	↑	67	68	↓
Indonesia	49	48	↓	61	55	↑	53	46	↑	60	57	↑	67	61	↑	81	71	↑↑
Myanmar	55	68	↑↑	53	42	↑↑	58	38	↑↑	53	48	↑	37	32	↑	66	63	↑
Cambodia	57	62	↑	52	45	↑	48	36	↑↑	58	55	↑	51	48	↑	50	45	↑
Laos	69	67	↓	46	43	↑	36	31	↑	54	51	↑	48	48	—	59	52	↑

Top performer | Bottom performer | ↑ Improved | — Unchanged | ↓ Degraded

Source: RB index on GSMA, ITU, World Bank, UNESCO, UNDP, Euromonitor, Ookla

Malaysia has sustained its digital growth by boosting accessibility. Its MYR 22 billion (USD 5.4 billion) National Fiberization and Connectivity Plan (NFCP), and the rollout of enhanced 4G connectivity by TMT companies, are expected to further increase this. However, quality remains an issue. While the policy and infrastructure dimensions score well at 96 and 73, respectively, the broadband quality score is still very low at 45. This poor performance is a drag on its efforts for greater digital inclusion.

Seven Catalysts to Close the Digital Gap



Source: Roland Berger

Digital inclusion is the way forward to enable more competitive societies.

Roland Berger devised a framework to improve digital inclusion based on seven drivers to facilitate the four levers. Responsibility for these drivers is split across the key actors in digital inclusion, which is the private sector and governments.

1. TMT infrastructure development to enable universal access

Digital inclusion begins with the availability of internet access and ownership of a digital device. Increasing investments in and development of TMT infrastructure is a necessary first step, particularly in rural and underserved urban areas where digital connectivity is unavailable or unaffordable.

Devising a sustainable investment model is key, especially for SEA countries in the early stages of digitalisation, such as Cambodia and Laos. This would lift the barrier, alleviate cost concerns associated with infrastructure development, and allow incumbent and new network operators to enter the markets.

The building of telecommunication towers and lines may be challenging especially for archipelagic nations like Indonesia and the Philippines. New technologies, such as floating solar-powered networking rigs, can help here.

2. Digital content creation to support greater engagement

Establishing network accessibility is not enough to improve digital inclusion – relevant content must also be created to encourage user engagement.

A robust user-focused content ecosystem drives traffic by generating material that is relevant and value adding to people's lives, for example, locally focused entertainment, weather and traffic updates, or government services such as tax forms.

Governments can encourage such content by updating policies and regulations for the digital age. For example, in banking/finance, new policies and modification of regulations are required to enable fintech players to roll out services such as e-payments or blockchain. In addition, governments can stimulate digital startups through programs such as digital clusters, funding and incubators.

Language also plays an important role and is especially applicable to SEA countries, where English is not widely spoken. The low volume of content in local languages is a key barrier to digital inclusion. Artificial intelligence (AI) software can play a vital role here as it offers immediate and relatively high-quality translations of content at low cost.

> “Fear is a major hurdle in ensuring long-term digital inclusion. The proliferation of cybercrime and fake news discourages those who feel unprepared and unprotected when it comes to engaging with the digital world.”

3. Regulation reform and wholesale open access to promote competitive pricing

Encouraging competitive pricing can ensure digital inclusion becomes more affordable. For example, a pro-competition regulatory framework that incentivises investments, innovation and ultimately greater digital inclusion can make broadband offerings more competitive.

Wholesale open access networks (WOAN) may also be a viable solution in countries with low availability of connectivity, and in highly consolidated markets that require more substantive changes in their broadband market. WOANs offer more equitable and less costly access to backhaul infrastructure. Such policies can help improve rural networks that are less attractive to private investors.

4. Public access to connect and assist the financially challenged

Public access has been an integral part of many national digital strategies for decades in achieving universal access, especially in bridging the digital divide for communities frequently underserved by the private market.

Investing in public access diversifies broadband markets and expands connectivity in underserved areas that are of little interest to commercial providers. This is executed by purchasing bulk wholesale data connections from providers and channelling the capacity to users at very low, or no, cost.

Requisite policies and facilities are key to improving connectivity, such as prioritising the underserved groups and offering free WiFi hotspots or computers in public spaces. These must go hand in hand with digital skills training.

Digital education needs to be part of the curriculum from an early age and digital programs are vital to empower the workforce.

5. Active learning support to build digital literacy and skills

Empowering the digitally excluded to use digital services is highly important for sustained digital inclusion. Adoption, however, can be intimidating for new users, highlighting the need for programs that actively support the building of digital literacy, skills and confidence.

There are two critical areas to prioritise. First, digital education needs to be added to national curriculums from an early age, and second, there should be programs that empower existing workforces, particularly within traditional industries, to upskill so they can continue to be relevant in an increasingly digital economy.

Ensuring that programs account for technological changes, are flexible to meet a diversity of needs, and empathise with learner challenges will be keys to success.

6. Awareness and usage campaigning to enhance enthusiasm for digital

A digitally inclusive society embraces technology through enthusiasm for digital tools and services. As such, developing campaigns that promote awareness and usage of ICTs is a useful driver to promote digital inclusion.

Campaigns are not simply about creating awareness of digital's applications and benefits. They help people build digital confidence in areas such as:

- Understanding and applying basic cybersecurity knowledge; for example, recognising fake news and cybercriminal activity
- Appreciating the convenience and benefits of digital services such as e-commerce, mobile money and internet banking
- Registering personal information for accessing online services such as e-government services
- Managing information and communication such as search engines, social media and collaboration tools like e-mail and chat applications.

Various forms of outreach via traditional marketing strategies and community engagement programs tailored to different communities can be used to engage and enthuse audiences, as well as new technologies such as augmented and virtual reality, smart systems and the Internet of Things (IoT).

7. Safe digital environment to ease security fears

Fear is a major hurdle in ensuring long-term digital inclusion. The proliferation of cybercrime and fake news discourages those who feel unprepared and unprotected when it comes to engaging with the digital world. Thus, building a safe digital environment is integral for achieving greater digital inclusion.

A safe digital environment has four hallmarks:

- Firstly, a resilient cybersecurity framework directly creates protection mechanisms within digital environments. Through robust and systematic cyber risk management processes, digital space can better withstand cyberattacks and recover more quickly after a disruption.

Digital inclusion in Southeast Asia has the potential to unlock USD 16 to 307 per capita in new revenue streams.

A resilient cybersecurity framework directly creates protection mechanisms within digital environments.

- Secondly, a strong legislative structure equips regulators with the necessary powers to address the growing sophistication of threats and create a safe online environment. Instruments such as a Cybersecurity Act provide frameworks for the preventing, managing and governing cyber incidents.
- Thirdly, a highly skilled cybersecurity unit and a swift action plan that combats cybercrime with speed and scale is vital for administering criminal justice efficiently. Having such capabilities provides a greater sense of security for users.
- Lastly, international partnerships are crucial as cybersecurity is a global issue. Disruption to one country can have significant spillover effects on others, such as on interdependent services and financial markets. Therefore, collaboration and cooperation through international partnerships is vital.

SYNERGETIC ENDEAVOURS BETWEEN PRIVATE SECTORS AND GOVERNMENTS A MUST

Whether with network providers, e-commerce retailers, digital banking services or social media, most end-user engagement involves commercial players. Therefore, the private sector needs to play its part in offering services that are viable and secure for underserved markets if digital inclusion is to be enhanced. For example, service startup apps demonstrate their ability to promote digital inclusion by integrating individual service providers and SMEs into their platform, thus expanding digital inclusion.

Expanding digital inclusion often requires governments to take the role of chief initiator. Some countries have set up a national agency to oversee the management of digital initiatives involving multiple facets, from land development, community development, education and manpower development to economic development. This could be in the form of a digital inclusion council. Over time, as digital inclusion grows, the council's purpose may evolve into achieving the next step in the ongoing process of digitisation such as digital readiness or Smart Nation.

Governments can also take the lead in driving digital inclusiveness. A popular strategy is to do this through e-government programs, in which government services are digitalised. By exposing the population to digital interactions as a byproduct of consuming government services, e-government can build greater accessibility, ability and attitude. Examples of countries with strong e-government programs include Singapore, Sweden and Estonia.

Digital inclusion is the way forward to creating more enabling and competitive societies, propelling them to greater heights in the future.

Damien Dujacquier is Senior Partner at Roland Berger and is a Co-Managing Partner of Roland Berger's South-East Asia offices. He has decades-long experience in South-East Asia, in countries such as Indonesia, Malaysia, Myanmar, Philippines, Singapore and Thailand. Based in Singapore, Mr. Dujacquier leads the Telecom, Media and Technology competence center in the region.

John Low is Senior Partner at Roland Berger and is a Co-Managing Partner of Roland Berger's South-East Asia offices. He has a total of over 25 years of working experience of which 20 years were spent on consulting and over five years in the industry and public sector. Based in Malaysia, he is currently leading the Public Services Competence Center for South-East Asia.

Sulina Kaur is a Principal with Roland Berger Malaysia. She has spent 8+ years focusing on civil economics, during which time she has honed her expertise in economic development, including tourism-led development, smart city and urban planning, and, more recently, digitalisation for government entities. Sulina is also passionate about talent development and supports regional expansion through recruiting efforts and she is also supporting projects in Civil Economics across South-East Asia.

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SECURING THE HEART OF YOUR ORGANISATION

FOURTH LEAP

By Carla Lastimosa

DESPITE the ongoing challenges of COVID-19, top talent remains in demand. There has been an increase across the board with regards to recruitment and hiring in the Philippines. Companies understand that acquiring and retaining high potential talent will be crucial to enable them to build sustainable operations to position for future growth. We've seen a noticeable shift with some of the top talent working overseas being attracted back to the Philippines during the past nine months – invariably linked to job security concerns. This will be a key hiring trend to watch in 2021.

While the global pandemic presents an unprecedented set of circumstances, business leaders across Asia Pacific responded to these global challenges by implementing flexible and remote work policies, digital transformation initiatives to drive efficiency and taking steps to increase and improve internal communications. Most employees prefer a blended combination of remote work and at the workplace.

In the Michael Page Philippines Talent Trends 2021 Report, our findings show 87% of employees prefer blended flexibility, and having a choice when it comes to working arrangement. Organisations must recognise that flexible work arrangements should be tailored to individuals and setting a clear definition of flexible work would be the first step towards nurturing the motivation, performance and engagement levels of employees.

With a heavy emphasis now on virtual relationships, new joiners to most companies complete the interview process and onboarding remotely. Some of these employees lose the feeling of belonging when they join the company as they are unable to set foot in the office nor physically meet with their immediate superior; let alone the entire team. There is a sense of disconnect immediately as it is harder to build rapport with people virtually.

Employees are the heart of the organisation and securing high potential talent is key to sustainable growth.

To improve employee engagement, organisations must think beyond monetary benefits to provide an overall well-rounded experience for their employees.

Companies in the Philippines have completely shifted their perspective with regards to employee engagement activities. The level of importance is high as the mode of communication/ engagement is purely virtual. Connection needs to be reinforced due to lack of physical interaction between colleagues, therefore companies have to level up the virtual connection with regards to people engagement. There is a growth in Microsoft Teams and Workday usage which are stable communication platforms. Also, some companies are incorporating Data Analytics in HR in order to collate more information in order to enhance the employee experience during the pandemic.

PLAYING THE BRANDING GAME

Employer branding is an important factor to attract jobseekers, as professionals begin to rethink their own purpose and values, and whether that aligns with the companies they are working for. Prospective candidates are becoming increasingly empowered with the wealth of information available to them from review sites such as Glassdoor to social media to company websites.

As such, strong employer branding can make the difference in a company's ability to attract top talent. In a candidate driven market, top talent considers more than just the remuneration package, but also other factors such as digital strategy, dynamic working, values, identity and purpose, diversity and inclusion, along with environmental and corporate social responsibility initiatives.

Another aspect to talent demands in the Philippines is employee engagement. Especially in times of adversity, communicating with employees is a key element of a company's long-term success and a strong indicator of overall culture, values and effectiveness in bringing employees into an organisation. Enacting strong talent retention strategies can also help ensure that the time and resources invested in training new employees is well-rewarded. To improve employee engagement, organisations must think beyond monetary benefits to provide an overall well-rounded experience for their employees.

ENRICHING THE EMPLOYEE EXPERIENCE

Acknowledging hard work and efforts goes a long way.

With existing employees some companies are more proactive when it comes to employee engagement. These include informal connects with hiring managers, dinner vouchers/ meal reimbursements, coffee sessions, sending food/product hampers or virtual game nights.

Competent, passionate, and hands-on leadership will help send a message that your employees' contributions are valued, creating goodwill and a desire to succeed – both as an individual and as part of the team. Secondly, providing growth opportunities and a clear development plan shows you care about helping your employees maintain job satisfaction.

A good way to inspire employee confidence is to start with your management. The number one reason workers leave their job is because of poor management. This means the first step any company should take to ensure employee retention is assessing its managers. Firstly, it is important to clearly state fair goals. Employees get frustrated when their jobs are fuzzy with objectives. A good strategy to increase retention rates is to adopt SMART goals: Specific, Measurable, Ambitious, Realistic and Time-bound. Keeping expectations clear and fair is a simple idea for companies looking to retain their staff. Only when goals are the right mixture of SMART components will an employee feel satisfied with the content of their work.

"In the Michael Page Philippines Talent Trends 2021 Report, our findings show 87% of employees prefer blended flexibility, and having a choice when it comes to working arrangement."

With the ongoing war for talent predominantly in the IT, E-commerce, Fintech, Healthcare and Supply Chain sectors, a number of activities and performance reviews take place in order to manage salary expectation during the year-end discussions. Making employees feel valued goes beyond just monetary benefits.

To ensure employees feel recognised, it is important to notice and acknowledge their efforts. Regardless of length of tenure, a simple "good job" or "thank you" from a superior goes a long way. It shows management cares about employees on a personal level and reaffirms that their efforts have been noticed. This can be done by rewarding hard workers or incentivising hard work. Good rewards can include awards, allowing a late arrival or early marks if goals are achieved, or even throwing office parties or shouting dinner to celebrate key milestones. Remember you can reward a single employee, a group, or even an entire department. Be sure to acknowledge staff when the company does well, too.

It is also very important to listen to your employees, especially in times of change and adversity. Every staff member contributes to your business, so their voices want to be heard when something is wrong. Adopt an open-door policy so staff members can keep managers in the loop when something is making their jobs more difficult than it needs to be. During company meetings, allow everyone a chance to speak. This lets them voice their opinions while giving them the feeling their opinions matter and will be taken onboard. Be sure to actually listen, too! If their complaints aren't dealt with, they'll begin to feel ignored – a huge factor in a poor staff retention rate.

People are the heart of your organisation, and with the workforce no longer tied to having one career, job stability, and linear progression, employers need to adapt their talent retention program in order to keep up – or risk losing their best team members to other companies.

Every staff member contributes to your business, so their voices want to be heard when something is wrong.

Carla joined Page Group in 2012 after 9 years of professional recruitment experience. Based in the Kuala Lumpur office, Carla manages the recruitment of executive level and senior management-level candidates in the corporate functions, human resources as well as the procurement, supply chain, manufacturing and engineering sectors within Michael Page Philippines. As a Director in the business, Carla recruits primarily in C-level positions and senior management functions in the Philippines. Carla's recruitment experience totals more than 18 years of which she has amassed broad knowledge of multiple industries including Industrial, FMCG, E-commerce, Retail, 3PL and Services. She has completed her Bachelor's in HRM from University of Santo Tomas, Philippines and pursued her MBA with Edith Cowan University through a local program in Malaysia.

INVESTORS TO LEAD THE 4TH INDUSTRIAL REVOLUTION

By **White Hole Hub (WHH)**

THE first three revolutions changed the way we live, think, work, and innovate. Starting from mechanisation of labour intensive tasks to mass production and robotic automation, these revolutions make the world of manufacturing a marvel. The two common features of these three revolutions are their focus on manufacturing and their birth from inventions. These revolutions were interconnected in a way that they started from mechanisation, amplified for the scale and automated for the productivity uplift.

The 4th revolution, that we are now part of, is significantly different from its predecessors. The 4th revolution is all about connectivity. Integral to its success is the ability of an ecosystem to interconnect various modular solutions into a single working component. While the first three revolutions were driven by the inventors, scientists, and engineers, the 4th one needs a super networker to champion the success. This is where our investors would lead the revolution from the front end.

INVESTOR AS A NETWORKER

Investor, by definition, is not the one with the money but the one who is making the decision to invest. The former is a financier. Investor community has an unwavering passion to learn more about anything and everything. Imagine a venture capital (VC) fund principle, private equity (PE) portfolio manager, or hedge fund analyst; these are the investors. Part of their jobs is to talk to a variety of subject matter experts and get a notional sense of the future.

A typical investor would have access to a net spanning across c-suite executives of Fortune 500 companies, law makers, partners in consulting firms, fellow investors, analysts of large banks, and freelance exceptional talent. They use the information gathered from this wide net to make investment decisions.

Over time, as the information becomes knowledge, they do help the founders of their portfolio companies to define strategy, circumvent the hurdles, and achieve the goals. Of the many tools and tricks in an investor's hat, the most frequently used one is their impeccable sense of leveraging their network to prosper a portfolio company, and then make a successful exit. More than their deep pockets, VC/PE funds boast about their wide network of eminent thought leaders, and their ability to tap talent at will. For them, their network is their net worth.

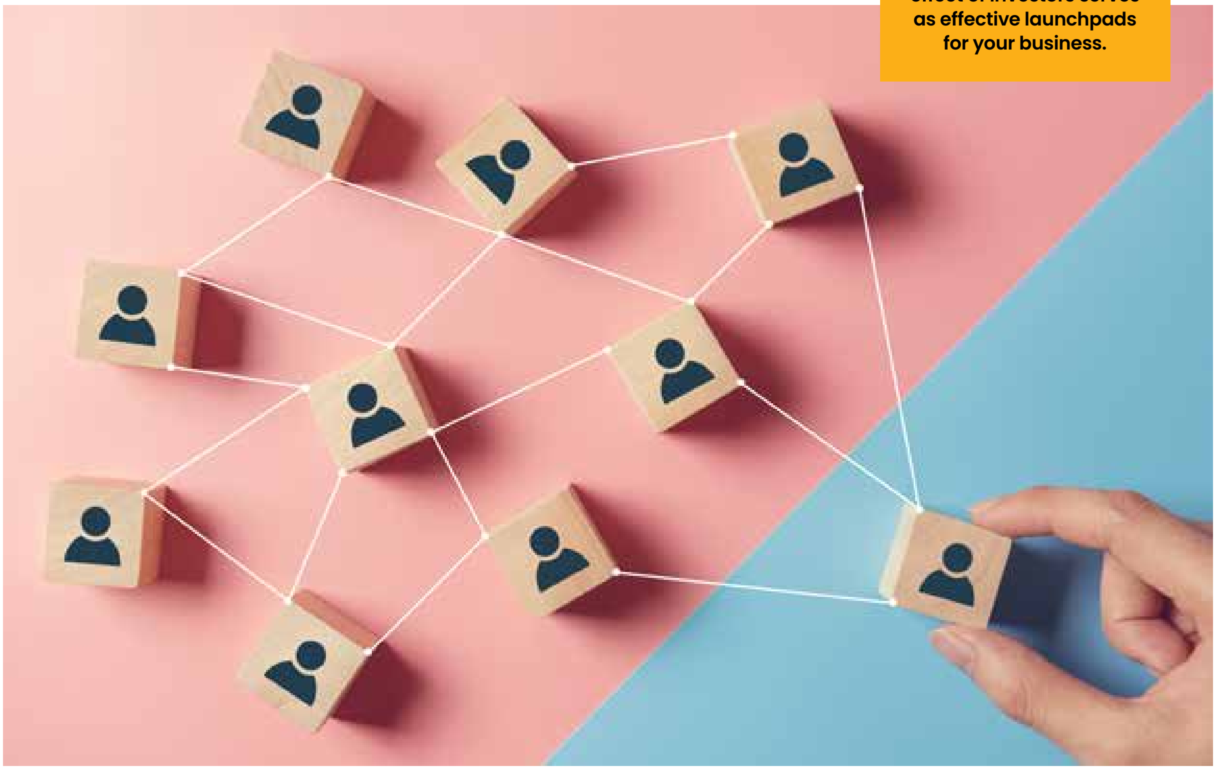
HOW "NETWORK = SUCCESS"

The rumor is that an idea occurs to at least seven people across the world, at the same time. Thus, ideas are not inherently unique. And startups are not unique either. When Google was launched, there were already 100+ search engines in the market. Facebook was not the first social network. Tesla was not the first electric car company. The point is, with the same idea and similar product, some start-ups succeed while others fail. There are many reasons, including the attitude of the co-founders, the market conditions (also known as "luck"), geographic presence, lean operations, no-too-greedy investors, credible mentors, and a thorough business model.

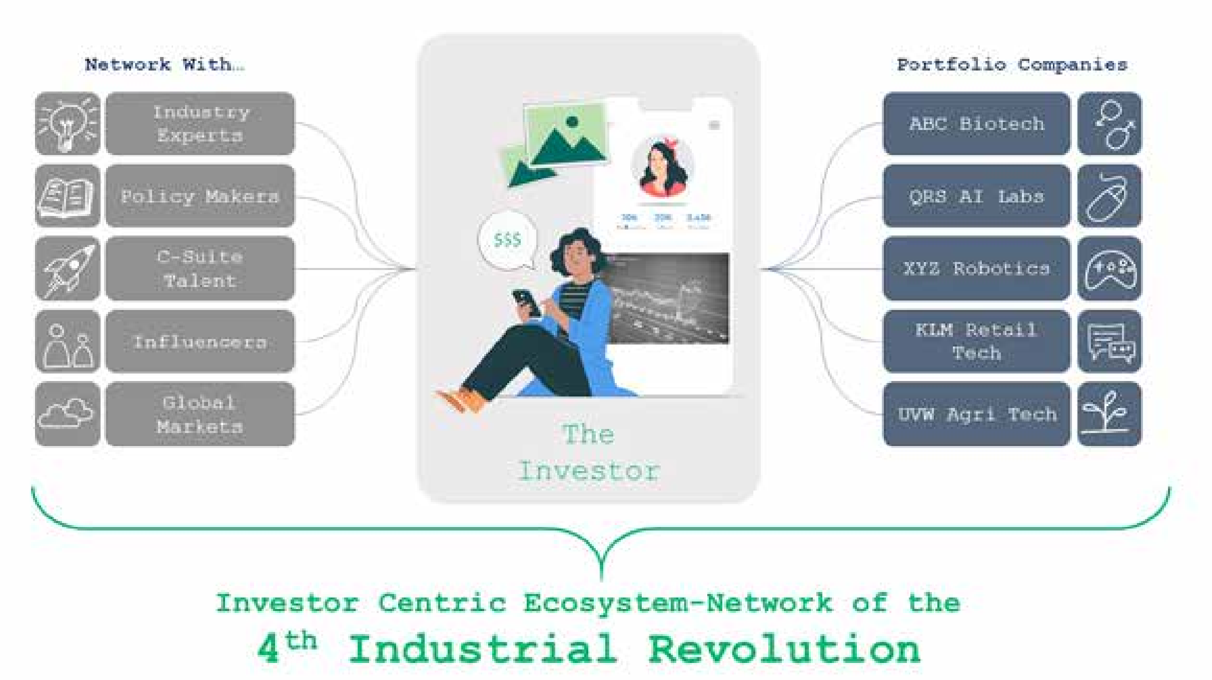
One abstract factor of success is the network effect of the founders, investors, and mentors. Google had Ram Shriram of Netscape and Jeff Bezos of Amazon as the first angel investor. Imagine their network effect on Google's success. Facebook had the blessings from the guru Peter Thiel (PayPal co-founder) and Sean Parker (the notorious Napster). Tesla had Elon Musk and then Google as the early investors. It was not their money that mattered. It was the power of ruthless branding and gargantuan network these investors brought with them. These strongly connected "celebrities" of silicon valley opened the doors of customers, business partners, regulators, and future financiers.

Google, Facebook, and Tesla are a few of the many progenitors of the 4th revolution. In the coming years of the 4th revolution, having a strong network would become a non-negotiable trait for the success of startups, ecosystems, and the revolution itself.

"The 4th revolution is all about connectivity. Integral to its success is the ability of an ecosystem to interconnect various modular solutions into a single working component."



With a gargantuan network and strong branding, the network effect of investors serves as effective launchpads for your business.



"INVESTOR + NETWORK" = "4TH INDUSTRIAL REVOLUTION + SUCCESS"

The pillars of the 4th revolution are artificial intelligence, the internet of things (IoT), robotics, biotechnology, 3D printing, and augmented reality. None of these themes work in isolation. The outcome of the 4th industrial revolution is a connected collective consciousness powered by its pillars.

For example, a biotechnology company that is 3D printing the human tissues is fully automated (run by robots), and is connected to the outer world by IoT. The co-founders of this biotech company would need to focus on their product (and its sales), while also collaborating with the 3D printing partners, providers of robots, and IoT vendors. To best divide and conquer, the investors would pitch in to manage the latter part of bringing in the best partners for ensuring the success.

Investors are the connecting glue between all the pieces of the puzzle. In many ways, the trophy of accomplishment would be equally lifted by the co-founders and their valuable investors.

CONCLUSION AND RECOMMENDATIONS

For the start-up, treat your investors like co-founders. Choose them wisely. They are the key to every door. Do not go with the one that provides the highest valuation, but with the one that provides the highest value.

For the financiers, groom more investors that are super networkers. For the industry, align the investors with a complementary skillset. The VC/PE funds would transform from being very niche at present to being very generic at least. This would help them to better interconnect their portfolio companies and complement their offerings. The VC/PE/Hedge funds would create a complete ecosystem of their own. For example, an IoT company in their portfolio would use AI modules of another portfolio company, and would sell its services to an augmented reality company from the same portfolio.

Investors would become the epicenter of synergy and symbiosis. Imagine a 100% automated organic urban farm, selling its produce through a wellness platform, powered by the data collected from wearable devices (IoT). On top of this, all these companies are incubated/invested by the common investor(s). This is the role of Investors in the 4th industrial revolution, in a nutshell. 0

White Hole Hub (WHH) is a start-up accelerator based out of Singapore. At the time of inception, the co-founders identified a gap in the start-up ecosystem of emerging markets: majority start-ups fail to make an impact not because of their fault, but their limitation to tap into the right network at the moment of need. It is unfortunate for any venture to fail! WHH helps investors and start-ups in getting access to right investments opportunities, right ventures, and hand hold the portfolio to companies to become global success.

"For the start-up, treat your investors like co-founders. Choose them wisely. They are the key to every door. Do not go with the one that provides the highest valuation, but with the one that provides the highest value."

Treat your investors like co-founders and they might just lead you to success.

THE TOP 10 MALAYSIAN COMPANIES TO ACE CX – A PRIMARY DRIVER FOR INDUSTRY 4.0

FOURTH LEAP

By Manoj Menon

FOURTH LEAP

By Ashley Foo

The Customer Experience is the pulse of every business now and the primary outcome of any IR4.0 strategy.

DO you remember the last time you bought a cup of coffee? Did you collect it from your regular barista, or was it delivered to you through an app? What made it particularly special?

With our busy lives and short concentration spans, companies and organisations are fighting tooth and nail for our prized attention. This has made companies shift from a reactionary mindset (Customer Service) to a more proactive and holistic one (Customer Experience). Gone are the days where Customer Service was viewed as a last resort and a means to dealing with unhappy customers. The CX experience encompasses a true journey for the customer from the moment she learns about the brand, to the product or service and finally the end-use.

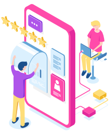
A truly customer-centric company rethinks the customer journey and assesses every touchpoint they have with the customer. The finest CX is when a company delivers on its brand promise; this is central to the company's mission and vision. Consumers can connect and relate with the brand, creating loyalty and driving sales further. We believe great CX is the primary outcome of any Industry 4.0 strategy. Twimbit set out to understand which are Malaysia's top 10 companies who are delivering great Customer Experience.

THE CX FRAMEWORK

The delivery of holistic CX journeys requires companies to master 4 distinct dimensions, viz., Employee Experience, Digital Experience, Customer Service, and Brand Story.

a. Employee Experience

The foundation of any company starts with the employee. As Millennials comprise about 50% of the Malaysian workforce[1], this new generation of employees seeks meaningful roles and careers in the workplace. It is vital that every company reassess their employee journey from the moment they hire and onboard, right to the employee's exit experience.



b. Digital Experience

With the onset of COVID-19, businesses find themselves in a precarious position; to accelerate into digital or risk going bust. As a result, many companies have deflected to digital. Although providing a digital experience is often synonymous with a seamless and frictionless experience for the user, the complete journey looks into mixing the physical and digital experience. This hybrid experience creates the perfect blend for the user.

c. Customer Service

Organisations evaluate their customer service based on a few measures, such as Net Promoter Scores or the Customer Satisfaction Index. The pioneer of modern business management Peter Drucker famously said, "If you can't measure it, you can't improve it." These measures are fundamental for companies who want to start managing their CX journey.

d. Brand Story

How consumers perceive a brand is a key component to CX. 86% of consumers find that authenticity is an important factor in choosing brands. [2] When companies invest in building a relationship with their consumers, it positively impacts their bottom-line and also fosters customer loyalty.

As important as customers are, one must not neglect the Employee Experience as "Happy employees make happy customers".

[1] *Judy Chang, Jamaliah Jamil, 2018, https://www.researchgate.net/publication/328369403_MANAGING_MILLENIALS_AT_THE_WORK_PLACE_IN_MALAYSIA*
[2] *Maryam Moshin, 2020, https://my.oberlo.com/blog/branding-statistics*

Companies need to review their customer journeys and prioritise crafting memorable experiences.

Top 10 List

(The companies are listed in alphabetical order)

- Astro
- CIMB Bank
- Grab
- Maxis
- Maybank
- myBurgerLab
- PETRONAS Dagangan
- Resorts World Genting
- Shangri-La Hotels (Malaysia)
- Yoodo

METHODOLOGY

Using the four dimensions of CX, we evaluated the best companies in Malaysia and were able to bring together the top 10. Our methodology follows a 4-step approach: Identify, Benchmark, Analyze, and Select.

We started off our quest with identifying an initial list of the best Malaysian companies across industry verticals through comprehensive secondary research. We ended up listing over 50 Malaysian brands. Next, we narrowed the list down to 25 companies by benchmarking them against the four CX dimensions.

Moving on, we analysed and conducted primary and secondary research. In our primary research phase, we interviewed employees of the companies in order to gain first-hand insights and better understand the implementation of the four dimensions. We continued our research by running a consumer survey to gain a better understanding on how Malaysians perceive the CX offering by these companies. During our secondary research phase, we pored over all publicly available information under the four dimensions. We considered factors such as the company's vision and priorities to understand their CX aspirations.

Bringing together the information gathered in the benchmarking and analysis stage, we selected the Top 10 Malaysian companies to ace CX.

"Place the customers at the heart of the business, and you will see the competitive advantage this CX model gives. In the Industry 4.0 era, a great CX would require a blend of both human and technology."

The finest CX is when a company delivers on its brand promise; this is central to the company's mission and vision.

3 KEY TAKEAWAYS

Over the course of studying the Top 10 Malaysian companies to ace CX, we identified findings that other industry players can learn from. The best practices across the 10 companies can be summarised into three main themes:

- **Mobile-first, personalised, and humanised digital experience**
  The pandemic has accelerated the digital adoption of many companies. With the average Malaysian spending over 8 hours a day on the Internet, companies can take advantage of this and offer complementary solutions that are both physical and digital in nature.

- **Improve customer engagement to increase loyalty**
  Malaysians are slightly ahead of the global average when it comes to being brand loyalists. Companies need to review their customer journeys and prioritise crafting memorable experiences. They need to see the customer in a bigger context, instead of a merely transactional relationship.

- **Growing emphasis on Employee Experience**
  A company's success is dependent on its employees. Empowered teams and employees are better prepared to deliver an exceptional CX. Many of the companies on the list have extensive programs that promote a positive experience. These programs also focus on the learning and development of the employees.

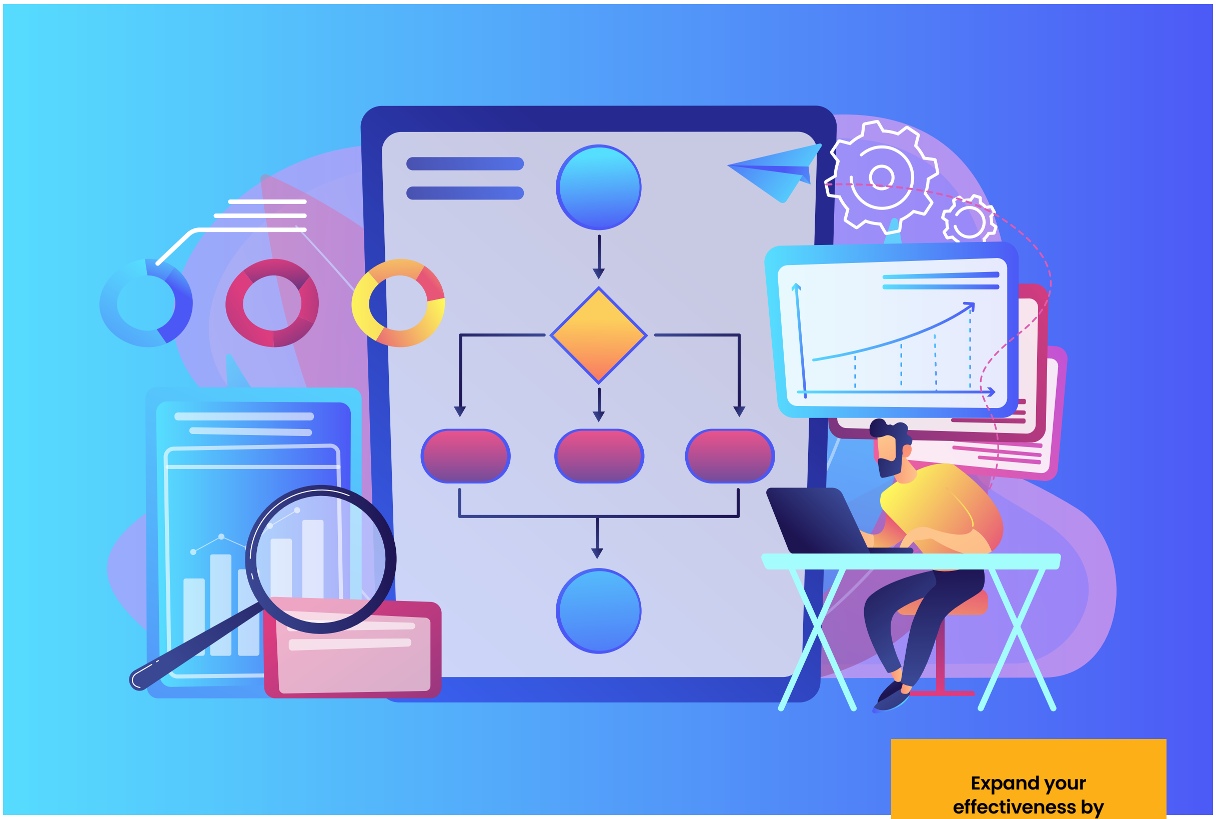
CLOSING WORDS

Place the customers at the heart of the business, and you will see the competitive advantage this CX model gives. In the Industry 4.0 era, a great CX would require a blend of both human and technology. Malaysia has a chance to showcase its unique Customer Experience flavour to the world. This is possible by combining the hospitality and warmth we are known for with leverage of technologies such as AI.

Manoj Menon, Founder of Twimbit and a business leader with over 20 years researching Customer Experience. He is passionate about working with people, organisations and the wider community to help them achieve their potential and make a difference. I have a good grasp of technology and how we can leverage it to drive exponential impact in our business and careers.

Ashley Foo is a business finance analyst turned CX practitioner and researcher. She is a passionate individual who enjoys connecting the dots between various industries and identifying potential areas of improvement and innovation in the CX realm.

[3] *https://digitalinfluencelab.com/malaysia-digital-marketing-stats/*
[4] *Staff Writer, 2019, https://www.marketing-interactive.com/loyalty-scarce-among-malaysians-as-many-consider-more-brand-options-finds-study*



Expand your effectiveness by taking the big leap to digitally transform your business.

GO DIGITAL OR GO HOME

FOURTH LEAP

By Hanzo Ng

COVID-19 struck the world when we least expected it. Life was going on as usual, and we were operating businesses without knowing there was a massive wave of pandemic just around the corner. Once it hit the world, we were doomed. Like a domino effect, it severely impacted every section of society.

When Malaysia went into MCO lockdown, my phone started ringing with notifications from clients' emails and messages cancelling hundreds of thousands worth of contracts!

I was devastated, demotivated, and depressed.

But I decided not to stay that way.

I reorganised myself and brought the team together, deciding that I would continue paying my team, with no firings, no pay cuts, and no unpaid leaves! I am proud to say that we managed to pull through as a team, even though it was tough.

And do you know our secret to the lockdown success was?

DIGITAL TRANSFORMATION

That's right! One of the many changes we embraced was going digital. If we look at businesses around us, everybody is learning to digitise their products and services. This ranges from remote work for high-skilled employees to access to digital health.

"If there were any lingering doubts about the necessity of digital transformation to business longevity, the coronavirus has silenced them. In a contactless world, the vast majority of interactions with customers and employees must take place virtually. With rare exception, operating digitally is the only way to stay in business through mandated shutdowns and restricted activity. It's go digital, or go dark."[1]

Before I dive into how digital transformation helped our business, allow me to tap into our background.

As one of Asia's top Sales Solutions company, Sales Ninja Training helps small-medium, listed and global companies in various industries – be it B2B, B2C, direct sales, enterprise sales, retail sales, channel sales, dealer sales, or project sales, to transform their organisations into sales performing departments. Leading Sales Training in Malaysia, we've impacted in excess of 12,000 salespeople in more than 800 corporate companies and thousands of SMEs across over 30 industries.

Starting in a 400-square-foot room with only myself, I set up Sales Ninja Training with the goal of changing the sales performance of companies all over the world. From there, Sales Ninja Training has doubled in team size, revenue

[1] *www.bdo.com/insights/business-financial-advisory/strategy,-technology-transformation/covid-19-is-accelerating-the-rise-of-the-digital-e*

and office space – expanding to an office that is over 2000 sq feet and backed by a solid team of more than 10 driven individuals. Over the years, the desire to ensure that Sales Ninja Training's clients achieve their sales targets and to safeguard the company and our salespeople, has not changed – it's just gotten stronger.

HOW WE WENT DIGITAL DURING THE MCO 2020

While many people wait for the virus to be over, I worked my way out of the crisis, not by cutting expenses but by challenging myself to change.

I developed a sales plan, refined the sales strategy and in nine days launched a new business model, renewed my team's mindset and sharpened their method to generate revenue and income.

With the team closing sales "daily" since 30 March 2020, our companies are pouring in cash on a daily basis.

GO DIGITAL

We shifted our business entirely onto digital to reach the people we needed to. We were an enterprise corporate selling at a B2B level and we switched to B2C for a while.

We put massive marketing campaigns on Facebook and launched apps. We targeted people by doing lookalikes to ensure that we generated leads. In two months, we generated over 2,000 leads that my sales team eventually followed up with and closed sales.

And because we've got tons of leads, it actually generates back our B2B sales but using a B2C channel. That is something that most enterprise sales companies or enterprise companies don't do.

They only do B2B, which is cold calling, email marketing, and AdWords. But we proceeded to use a B2C strategy for our B2B business!

And so far, it has worked for us, so I hope that it can work for you as well – digitalising your channel.

Constant communication is necessary to keep the business strategies aligned and morales high!

So, to sum up, below are the key takeaways on how we survived the pandemic and coached 324 businesses to thrive during the crisis:

1. **Talk to a Lot of Prospects and Customers**
   Kept in touch with the market to figure out who is buying and who is not. Used the power of social media platforms such as Linkedin, Facebook, etc., to network. Basically, hang out in the same place where your target customers are located.

2. **Keep Innovating**
   Kept innovating and creating new solutions to serve the market's wants until they started buying! Successfully tested and pivoted our business model.

3. **Constant Communication**
   We had four meetings a day to keep everyone aligned with the markets' needs. Spread the energy and enthusiasm to your teammates. There are days when they may lack motivation and may have other responsibilities to take care of. However, it would make a lot of difference if we conduct virtual meetings to keep the teammates on the same page, motivated and optimistic!

4. **Keep Fighting**
   Day and night until we got results. Nothing could stop us. All of us had our eyes set on only one goal. We joined hands and made things happen because the energy was so high!

5. **Go Digital**
   Shifted entirely to digital to reach the people we needed to. Optimise your Facebook Ads. Create a lookalike and re-targeting strategy to target the right market and obtain successful sales conversions.

6. **Strong Mindset**
   Cultivated mental fortitude, reinforced with persistence and perseverance.

Hanzo Ng is an entrepreneur, sales trainer and consultant, delivering sales solutions since 2009. He is on a mission, and he lives by his favourite saying; "Sales have changed my life, now it's my time to help others change theirs."

SHEDDING LIGHT ON DATA PRIVACY

CEO and Founder of Straits Interactive Pte Ltd, Kevin Shepherdson, shares his views on data privacy and security, and clears air on several misconceptions.

FOURTH LEAP

By Kevin Shepherdson

GROWING distrust and concern over data privacy has skyrocketed in the past years. Big tech companies are in the crosshairs of the public as the impact of breeches are intensifying. In the past decade alone, hundreds of millions of user records have been exposed, including partial payment data, login tokens and personal information.

With trust in corporations worsening and concerns about companies' ability to self-police brought to question, how then will companies try to rebalance the scale and address public sentiment? Kevin Shepherdson, CEO and Founder of Straits Interactive Pte Ltd, has much to say on this topic.

An informed and cautious attitude towards data security is crucial. How has consumer trust changed the landscape of data security over the past decade?

Over the past decade, we have seen people become more comfortable with the digital landscape and actively engage in online activities and even trading their personal information for free services or convenience. Recent data and privacy breaches have, however, contributed to consumer distrust and raised consumer awareness regarding data protection and privacy. For instance, the Cambridge Analytica data scandal and the recent SolarWinds data breach.

The Consumer Intelligence Series: Protect.me research conducted by PwC United States in 2017 revealed that:

25% of survey respondents believe that their data is being handled appropriately by businesses.

80% of respondents believe that new technologies should be regulated by the government for consumer protection.

Although this research was conducted in the United States, it is also a strong indication of consumer concern regarding data protection. Meanwhile, the past decade has also seen data protection laws including the EU General Data Protection Regulation (GDPR), Philippines' Data Privacy Act (DPA), as well as, Malaysia and Singapore's Personal Data Protection Act (PDPA) coming into effect. Recent amendments to data protection laws are also a reflection of consumer concerns regarding data protection and privacy.

In fact, the issue of lack of transparency surrounding Singapore's TraceTogether app and WhatsApp's privacy policy controversy reflect both the public sentiments on security and privacy of their personal data.

How and what is end-to-end data protection and governance as-a-service?

As the term "end-to-end" suggests, this means that the Data Protection-as-a-Service (DPaaS) will be an integrated, holistic service provided to organisations in Singapore that covers all aspects of data protection - it starts from managing the way in which they collect personal data and then continues through the information lifecycle: how they use personal data, how they disclose personal data and how they store personal data, together with how they move towards operational compliance with data protection requirements.

The rationale for this is that compliance should not be a one-off effort and should not be simply a case of putting a few legal documents in place that do not necessarily reflect operational realities or reflect what an organisation actually does in practice. It should be systematic, sustainable and support business operations. To achieve it, an organisation needs to devote considerable resources to put together their operational compliance initiatives in order to demonstrate accountability. Hence they will need advisory support and relevant operational expertise to do this in a way that has buy-in from all levels of staff and management and that is therefore sustainable.

So DPaaS addresses this pain point by providing advisory support services and templates to help the organisation set up a data protection management programme, as well as data protection training for the relevant staff i.e. data protection committee within an organisation.

What can consumers do to safeguard their personal data & privacy in today's digital economy?

In today's digital economy, many people may find themselves engaging in more e-commerce or online entertainment activities. And we are seeing a surge in online scams, including in Singapore. To safeguard themselves, consumers need to be cautious when providing personal data, especially when they come across a message, an email, or a telephone call that sounds too good to be true and promises a quick solution by clicking on a link, opening a document, or giving a caller access to sensitive personal data such as a bank account.

Before proceeding with an action e.g. sign up, buy or share, it is important to verify the actual source. Unfortunately, consumers need to learn to be suspicious by default and to keep in mind that both marketers and scammers use psychological triggers to entice consumers into sharing personal data about themselves.

Another good practice would be to ensure that all online accounts have two-factor authentication. This means, say, a password (one authentication factor) plus a code sent by SMS to a registered mobile number (the second authentication factor) for signing into online accounts. Passwords should be strong by including a mix of numbers, symbols, upper-case and lower-case letters. The same password should not be used for several accounts at any time, and certainly not for access to bank accounts, etc. In addition, it is also good practice for consumers to change their passwords from time to time - say, at least every few months.

Besides that, it is recommended for consumers to read the privacy notice to figure out the permissions and access that they need to give to a mobile app developer or to know how the organisation uses and stores their personal data when downloading free apps or signing up for memberships on an organisation's website.

It is recommended for consumers to read the privacy notice to figure out the permissions and access that they need to provide to use an app or service.

As many apps can be privacy-intrusive, consumers should not blindly click "I accept" to all the terms and conditions before reading the privacy notice. We hear many consumers say that they have no choice but to accept the privacy notice and that there's no point in reading it because they can't get it changed. They should actually be thinking about whether they really want and need to download the app.

Before downloading an app, think about:

1. Why has the app been made available and by whom?
2. Whether the app is made available free of charge by an unknown organisation for a frivolous, even entertaining, purpose or does it make good commercial sense?
3. How does the organisation that made it available make money from it?

If there is no clear and logical answer, then - if it is free - you are the product! Collecting and selecting personal data about you might be the only real purpose of making the app available.

What can businesses do to improve security attitudes and awareness?

Businesses should adopt data protection practices/ standard operating procedures (SOPs) that support their business and train all employees in them so that good data protection practices become simply "the way we do things here for our customers and for ourselves".

Employees who are well-trained in well-designed data protection practices that support their business understand the role that they play in safeguarding personal data within the organisation and what they should do to safeguard such personal data.

Employee training is an ongoing process. It should be conducted at regular intervals and should address the practical aspects of their jobs. It needs to be kept up-to-date as the operations in the organisation change over time (for example, where a new product or service line is developed or when systems or processes are overhauled) or where there are updates to the data protection policies and SOPs within the organisation due to a change in local data protection laws or a change in the expectations of the data protection regulator due to changing community expectations.

On the consumer front, businesses can improve the security attitudes of customers by communicating information about the collection, use or disclosure of personal data in a clear, straight-forward and non-legalistic way. In this manner, customers are assured of the security of their information and that the business is serious about protecting customer data.

Are there any tools to assess the privacy practices within an organisation?

There are many tools available to ensure compliance with data protection laws ranging from software with resources such as frameworks, templates, inventory management and scanning. An example of a tool would be IAPP's GDPR Genius which provides resources related to the GDPR to its members.

At Straits Interactive, we have an integrated privacy management tool, DPOinBOX that helps our users and their organisation achieve operational compliance, implement data protection or privacy management programs and demonstrate accountability to regulators.

Is there a benchmark to measure compliance with data privacy regulations among countries or organisations?

While not constituting a benchmark to measure compliance with data privacy laws overall, ISO 27701 is the industry standard for privacy management systems and is being adopted widely among international organisations.

Meanwhile, in Singapore, we have IMDA's Data Protection Trust Mark (DPTM) that is awarded to organisations that can demonstrate to an independent assessor that they have all the policies and SOPs

Authorities in the European Union have introduced AI governance frameworks promoting principles such as accountability, transparency, fairness, and more.

Data protection laws and regulations such as the GDPR, PDPA, DPA, etc., are there to protect the privacy and integrity of personal data.

in place to achieve compliance with the PDPA in Singapore. So the DPTM might be said to measure compliance with the PDPA among organisations in Singapore.

There are other standards and certifications that are emerging at an APEC and at an ASEAN level that have the potential to serve as compliance with data privacy regulations among organisations in different countries.

Amidst continuous concern over WhatsApp's updated privacy policy, what are the common consumer misconceptions?

The most common consumer misconception seems to be either:

1. WhatsApp collects personal data that is included in messages sent by users of WhatsApp; or
2. WhatsApp is going to be collecting other personal data that is intrusive without users quite knowing what it might be collecting or not being able to distinguish between what it needs to collect in order to be able to operate as expected.

> **"Consumers need to learn to be suspicious by default and to keep in mind that both marketers and scammers use psychological triggers to entice consumers into sharing personal data about themselves."**

For example, WhatsApp needs to have access to our photos so that we can attach photos to messages and needs to have access to our contacts list so that we can communicate with people in our contacts list via WhatsApp.

These misconceptions arose through a combination of arguably poor communication by WhatsApp of the changes it was making, coupled with a lack of trust in Facebook regarding personal data that has arisen due to past data privacy scandals in which Facebook has been embroiled - the Cambridge Analytica scandal, for example. They were fanned by commenters writing about the changes without looking at what WhatsApp was actually changing or understanding what personal data is required in order for WhatsApp to work in the ways with which we are familiar.

In addition, commenters did not seem to know or understand that there are two different versions of WhatsApp:

1. Users of WhatsApp may interact with family and friends, work colleagues, etc. using WhatsApp, a process with which most of us are now very familiar.
2. WhatsApp also has an app for business, under which users may interact with businesses, for example, when they have queries about products or services or want to purchase products or services from businesses using the WhatsApp Business app.

The most significant update in WhatsApp LLC's new privacy policy where users do not choose to interact with businesses that use WhatsApp for Business is that WhatsApp has added more information about how it will use their users' metadata (data about data) such as the time, frequency and duration of a user's activities and interactions with other users. Such usage information does not depart from what we typically see in apps and data analytics - both to improve technical aspects of the service and to increase its attractiveness to users.

WhatsApp LLC was already collecting additional information about a user's hardware model, operating system and phone number. However, the update states that WhatsApp will also collect other information such as battery level, signal strength, app version and mobile operator. WhatsApp LLC also collects the user's IP address. Still, they have clarified that this is with only enough precision to estimate a user's general location (e.g. their city and country) unless the user permits the collection of more precise location information.

The major change is where users decide to interact with businesses that use WhatsApp Business. Such businesses may provide WhatsApp LLC with information about their interactions with WhatsApp individual users. WhatsApp LLC clarified that the new update relates to how merchants using WhatsApp Business to chat with customers can share data with Facebook, who could use the information for targeting ads. In addition, where a user chooses to use Facebook information about their interactions may be provided by Facebook to WhatsApp LLC.

Do note that this is up to users to decide if they will interact with businesses using WhatsApp Business and/or if they will use Facebook. If they choose not to do so, their data will not be collected. Similarly, many have misunderstood and shifted to other messaging platforms due to the fear for their privacy.

If we look at the specific context where WhatsApp collects and shares personal data in the business context of the WhatsApp Business app in terms of :

1. Enabling customer service
2. Interacting or discovering a business online
3. Shopping experiences including enabling transactions

The image beside is an example of a business promoting its business products and services on Facebook:

Currently, the "Message" button enables the user to utilise Facebook Messenger to contact the business. However, it may be possible that an additional option to WhatsApp the business will be included in the future. This will be useful for people who do not use Facebook messenger and prefer using WhatsApp as it may be more convenient for them to do so. Next, the image below is another random example of a company that sells its products on Facebook.

In this example, the same "Message" button is used to enable an e-commerce transaction. Using Facebook's new hosting services, businesses or business service providers can use the WhatsApp Business Application Programming Interface (API) to conduct their e-commerce services. This means that users can easily transact with businesses via the WhatsApp engine. This is where personal data could be shared with businesses in order to help fulfill the transaction. Additionally, WhatsApp states that in this context, personal data can be used in targeted advertisements and recommendations.

For individuals who engage in online shopping activities, these scenarios may be familiar:

1. Recommended products that appear next to your chosen product
2. Customised advertisements related to your previous purchases or activity

The above scenarios would not have been possible if the individual's website and product browsing history was not tracked and shared with third parties. Analytics and tracking results show that users respond well to recommendations. It provides them with convenience and reduces the time needed to research and compare other products.

Regarding tracking and analytics, the privacy concerns may be valid, at least if WhatsApp is able to identify the individual concerned. In other words, the tracking options may be:

1. track what a user does in the knowledge that the user is Jim Lim; or
2. track what a user does and know that it is the same individual, but not being able to identify them.

People may well think that option (1) raises privacy concerns, while option (2) does not and/or any privacy concerns are overridden by the benefit of receiving targeted advertising.

In any event, it is not only Facebook and its group of companies that does it. Every online business and mobile developer that provides a product or service free of charge is actually doing this with the good intentions of enhancing your customer experience while monetising your personal data. It just so happens that in the case of WhatsApp Inc. it has been more transparent than some others and/or it's simply been unfortunate to attract more attention than others - perhaps because Facebook has a less-than-stellar reputation in connection with privacy.

The fact is that online business entities with whom users are communicating or transacting via WhatsApp (or any mobile app for that matter) can also abuse personal data. Thus, for WhatsApp users who choose to use WhatsApp in the above business context, it is crucial to read the privacy policy and conduct due diligence.

As businesses can now have access to such personal information, the onus is now on them (and not only Facebook or WhatsApp as they have their own privacy policies) to safeguard the personal data in their possession and put in proper transparent practices to ensure the data is used responsibly and according to their declared purposes.

This is where local data protection laws and the EU GDPR keep such companies in check by ensuring they follow specific rules when collecting, using, disclosing, or storing personal data.

As part of our analysis of data protection trends in 2021, we expect to see more privacy breaches along with the usual data breaches. While WhatsApp is secure, there will inevitably be user ignorance where they attach unsecured documents containing personal data in chat groups or sharing such information with the wrong recipient.

What are the app's new features and how does it comply with regional data protection guidelines?

As a company that is based in the United States, WhatsApp LLC faces few local legal requirements in relation to data protection/privacy; however, it seems that they have chosen to comply with the transparency requirements that are typically seen in data protection laws. Arguably, they have been more transparent than is required under the PDPA in Singapore.

What are your thoughts on privacy and data ethics in new technologies, as we head towards data protection excellence?

New technologies are created with the positive intention to improve the lives of individuals. However, as new innovations in technologies are introduced (IOT, Artificial

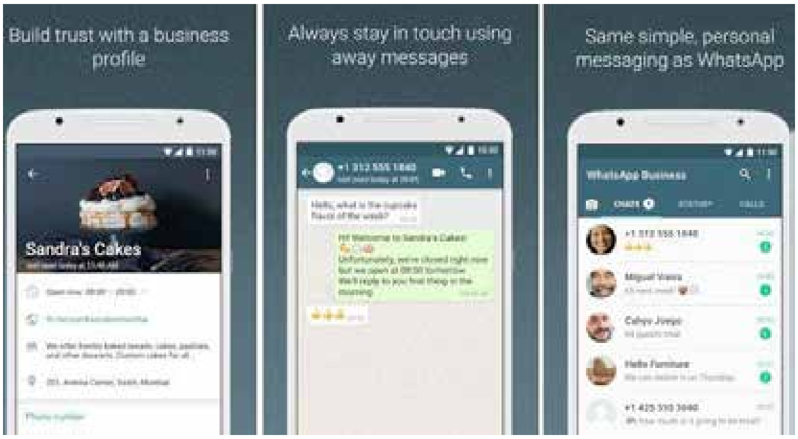
"The smarter the product, the more intrusive the application could be. This is an evolving area, where there is a need to balance technological capability with public expectations, including as they develop over time."

Intelligence/Machine learning, Big Data, etc.,) there will definitely be social concerns and the questions of ethics will certainly arise in terms of how data will be used or processed.

In fact, data ethics is becoming prominent with ethical issues such as biases, discrimination (whether it is algorithmic or even inherent with the developers), and those related to privacy creating concerns. The smarter the product, the more intrusive the application could be. This is an evolving area, where there is a need to balance technological capability with public expectations, including as they develop over time. Regulators are well aware of emerging concerns and have been proactive in stimulating dialogue about them while taking care not to stifle innovation.

For example, because of the advancement in artificial intelligence, machine learning and automated decision-making, authorities in the European Union have introduced AI governance frameworks promoting principles such as accountability, transparency, fairness, and so forth.

Singapore's Personal Data Protection Commission (PDPC) has proposed a model AI governance framework for organisations using AI in decision-making to ensure that the decision-making process is explainable, transparent and fair as well as human-centric.



Kevin has strong expertise in systematic Data Privacy, GRC & Operational Compliance (Advisory, audit and platform solution). He has taken on senior leadership roles with close to 20 years of experience in End-to-End Marketing (Consumer, Corporate, Internet) & Business Development/ Sales experience covering computer software, computer hardware and consumer electronics industry.

The biggest challenge lies not in the supply side capacity but rather the market demand.

WE NEED A NEW DIRECTION TO GROW

FOURTH LEAP

By Ir. Dr Mohd Shahreen Madros

THERE seems to be a disconnect somewhere. While the government believes they are doing so much for the industry, the industry on the other hand feels that the government could do more. At the same time the people at large feel that we, as a nation, are slowly losing ground, and might even fall behind our neighbors in this economic race.

As a developing nation, we have been quite proactive in shaping our own economy. Since independence, we have intentionally shifted our economy from dependent on agriculture and minerals to be an industrialised economy. Today, manufactured goods contribute more than 80% of our export, and we are now less dependent on rubber, palm oil, and petroleum. The Electrical & Electronic (E&E) sector is the biggest component (almost 40%) of our export, and our total trade is larger than our gross domestic product (GDP). We have successfully industrialised, and become a global trading nation.

Government agencies have contributed greatly towards growing and supporting our economy. Malaysia Productivity Corporation (MPC), Malaysia Investment Development Authority (MIDA), Malaysia External Trade Development Corporation (MATRADE), SME Corporation Malaysia, and many other government agencies have played a crucial role. Total registered businesses currently stand around 1.2 million, with approximately 98% of those are SMI/SMEs. Through these agencies, the government has been directly involved in local enterprise capacity development. They assisted in talent and skills development, technology acquisition, provided special funding to grow businesses, standardisation to meet international requirements, embracing new technology of industry 4.0, and so on.

SUPPLY & DEMAND IN NEED OF BALANCING

When our economy was growing at a very fast pace towards industrialisation, the market demand was larger than supply. With high economic growth, creating more agencies to help develop capacity on the supply side of the industry make sense. The Industry sector and enterprises needed help to grow their capacities. However, now with more than 1.2 million local businesses, our efforts are still in silos and focused on the supply side initiatives. Globalisation has brought more foreign enterprises into our own local market. A crowded market place resulted in more competition, and the demand side became a challenge.

Simply put, supply has exceeded demand. The biggest challenge lies not in the supply side capacity but rather the market demand. The scenario has changed, and our efforts probably should too. To effectively help our enterprises, ministries and agencies should work closer together, and balance their efforts by growing the market so that there are more business opportunities. Our enterprises' biggest challenge now is finding buyers for their product and services rather than technology acquisition, branding or talents. Moreover, the current pandemic has only heightened enterprises' survival experience. To open up new business opportunities for our enterprises, we could either be more effective in managing our internal demands, or we could explore new frontiers beyond our borders.

Government participation in businesses via government link companies (GLCs) could be an effective way to energise our local enterprises if there are clear policies and engagement in their procurement process. GLCs should not compete but rather be the vehicle to create more high-value technology companies in the private sectors.

TAKING A CLOSER LOOK

The Oil & Gas (O&G) industry is one sector that presents great opportunity. It is one of the industry sectors that we are in control of, from upstream crude oil production all the way to downstream processing. Ironically, with the thousands of enterprises developed over the years, the bulk of the equipment used in our field and operations are imported. Local enterprises selling these products are mere agents of goods produced elsewhere. While we have succeeded in developing our natural resources effectively, we have, however, failed at developing technology enterprises that could carry on even after our natural resources have depleted.

Although we have been quite successful in bringing in more foreign direct investment (FDI) in our effort to become an industrialised nation, we have not truly capitalised on coordinating efforts to ensure more participation of local enterprises with these multinational companies (MNCs) in their supply chain.

While the E&E sector merchandise is our biggest export, how much of it is contributed by our own local enterprises? The E&E sector exports are currently dominated by foreign MNCs. With few exceptions, much of the products involved mere assembly of imported components into final goods. We need leadership that would ensure good collaboration between foreign MNCs investing here and local enterprises. The opportunity to supplement or replace the imported components by locally developed goods should be explored.

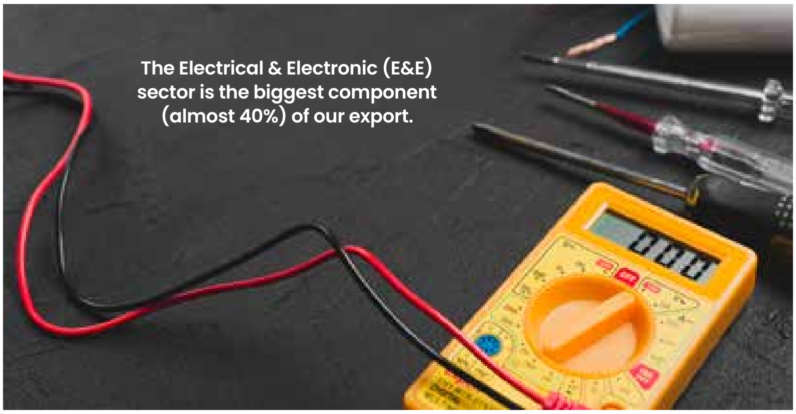
A LESSON TO LEARN

Tapping into the global market is now becoming more crucial than ever. New developing economies who used to be our peers are now market leaders. They have created their own global champions and they have ventured beyond their shores. They became Fortune 500 companies, and transformed into global technology leaders. Interestingly, many of these new global companies rely on their local enterprises back home for support in their value chain. They didn't grow alone but rather through a healthy ecosystem that is in-tuned with global requirements and can withstand global challenges.

The global COVID-19 pandemic and the trade wars preceding it should be a reminder to us in what we will be facing in the future. The trade wars among the world economic superpowers have shown us what countries would do to protect their own economy. We cannot over rely on (FDI) for employment or sustaining trade surplus. The days when industrialisation meant we should be aggressive on FDI should be balanced with an equally aggressive development of local global champions. Our investment policies that have good incentives for MNCs should be balanced with equal vigor, if not more, for growing our own global champions.

It is obvious we can no longer do things the same way and expect a different outcome. Continuously growing the supply side should be balanced with growing high-value businesses. Our trade must not be heavily dependent on MNCs but rather, we need to start growing our own global champions. Effectively connecting the industry value chain by promoting collaboration of MNCs, GLCs, and local enterprises could open up new opportunities for our businesses. With good coordination of each industry value chain, we can grow our own Fortune 500 companies, and raise the hope of our country becoming a high-income nation.

> **"The days when industrialisation meant we should be aggressive on FDI should be balanced with an equally aggressive development of local global champions."**



The Electrical & Electronic (E&E) sector is the biggest component (almost 40%) of our export.

Ir. Dr Mohd Shahreen Madros has over 30 years of working experience in various capacities. He was a lecturer in Universiti Kebangsaan Malaysia (UKM), with over 20 years experience in the Oil & Gas industry. He was also the appointed CEO of MATRADE from early 2017 until Feb 2019 during which he represented Malaysia in many international trade missions. Dr Shahreen is currently an independent advisor to industries, a board member of a public listed company, a certified coach, and an Adjunct Professor at the Graduate School of Business, UKM.

VIDEO ANALYTICS – THE COMING REVOLUTION

FOURTH LEAP

By Arun Jethmalani

FOR several decades, video was simply a device to record actions and movements – mainly used in entertainment and security applications. Till the nineties, video meant analog – good only for viewing. Tape storage ensured that archival and retrieval remained cumbersome.

It is only post-2000, that the now ubiquitous digital cameras took off. The ability to store (and manipulate) video data digitally laid the foundation for video analytics. There have been simultaneous and significant advances in chip technology, cloud storage, machine learning, artificial intelligence, and fast and affordable bandwidth. It is now possible to move, process and analyse video content in real-time.

SO WHAT IS VIDEO ANALYTICS?

Video analytics essentially enables the computer to understand video data. We can compare with archives, analyse metadata in multiple ways, build algorithms to feed AI systems... and more! There are numerous analytical tools that allow software to detect motion, shapes, objects, colours; recognise faces and pinpoint locations. And it can now happen in real-time. But the x-factor is that the machine is learning all the time, and that is what drives the next video revolution.

WHERE CAN VIDEO ANALYTICS BE USED?

Traditionally, one of the major applications of video has been surveillance. And this segment has naturally seen some of the fastest adoption of the new technologies.

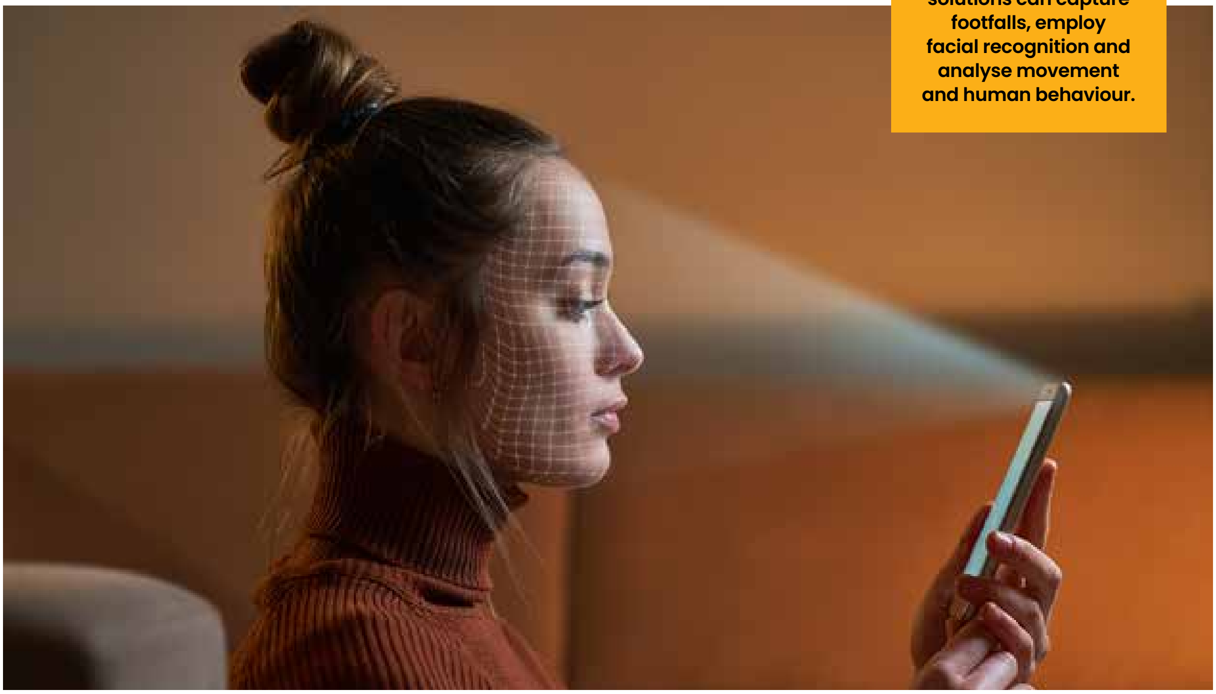
Analysis of movement or change in video images allows generation of real-time alerts in case of illegal entry (perimeter threat detection), or when customers enter a shop, or when a worker strays into an unsafe area. Similarly object detection is used to spot weapons, unaccompanied bags at airports or in trains and buses, out-of-place objects in factories or construction sites. Similar systems can detect fire and smoke. Cameras have audio capability as well, and unexpected sounds (e.g. screams) can trigger alerts.

NOT JUST ABOUT SURVEILLANCE!

But security is only the tip of the iceberg, as new and innovative use-cases are being imagined and created at a furious pace. Here are just a few examples of what's already being done:

- Probably the most controversial of video analytics tools is face recognition. Reports suggest that the Chinese government is now able to recognise and track its billion plus citizens as they move around.

Modern, video-based solutions can capture footfalls, employ facial recognition and analyse movement and human behaviour.



Even as many fear that such technologies will be misused, the reality is that the genie is out of the box. Today, even your phone comes with a face-recognition feature. The security benefits are obvious, and such systems are used in high-security establishments, airports, border control, etc. It's not too far-fetched to think that offices or factories will increasingly use such technologies for security and attendance. And many governments will try to emulate the Chinese.

- Video analysis can now capture traffic violations and recognise number plates simultaneously. In many cities, such solutions are enabling automated tickets, tolls, parking, and entry to restricted areas.
- Modern video-based solutions can record and analyse footfalls. These systems are used in retail outlets, airports, stadiums, museums, and all kinds of public events. Apart from the obvious crowd control applications, retailers can better understand shopper footfalls and conversion ratios by time of day, or day of week, or during special occasions. Such technologies are being used to enforce social distancing and queue management, preventing crowding at malls.
- Taking this a step further, in stores; algorithms or "heat maps" generate insights on where customers went, how they navigated, what they looked at, for how long, what they handled, checkout time, etc. Apart from improving product placement and store layout, with personalisation algorithms, retailers can significantly enhance customer experience and sales conversions. Similar visitor movement data and analytics are creating opportunities in a wide variety of applications.
- In factories, apart from the obvious security and safety applications, video analytics can help detect flaws in products and machine operations – in real-time! Motion tracking of goods or equipment in warehouses, ports and factories can improve traffic flows, enhance productivity and reduce inventory costs.


Motion tracking technology is being used in the gaming and film industry to mimic real movement and enhance animation quality.

- Film-makers and gaming companies have long used motion tracking technologies that learn from real people movements and enhance animation quality. But now, new and exciting applications are exploding.
- In cricket matches, ball-tracking technology is used to help umpires predict the likely trajectory of the ball in leg-before-wicket decisions. Golfers use videos to analyse their own actions and perfect their swings. In many competitive sports, video analytics is used by coaches to analyse their own teams as well as that of rivals.
- Elderly people in old age homes or living alone are being monitored using video and abnormal behaviour triggers alerts to doctors or healthcare workers.
- A variety of video analytics tools are what makes it possible to have driverless cars. Signals from multiple cameras are analysed in real-time, to make sure the vehicle doesn't break a light or hit a person or another car, or fall into a ditch.
- And it doesn't end there – Computers are even analysing human behavior from videos! Facial expressions and body postures are used to assess emotions and allied behavioral patterns. Some algorithms can be applied to groups of people, encouraging use in law enforcement and crowd control. Employers are using video analytics to assess candidates and their responses. Were they lying? Or uncomfortable while answering a particular question? Similar technologies are used by marketers and market researchers. Smartphone apps have been developed that can help detect autism spectrum disorder (ASD) in children, by analysing facial expressions and eye movements.

AND THIS IS ONLY THE BEGINNING!

As video analytics technologies evolve, we will see applications that we cannot imagine today. The COVID crisis has substantially accelerated this evolution as video communication is now the norm – for meetings, education, marketing, recruitment, conferences... and much more.

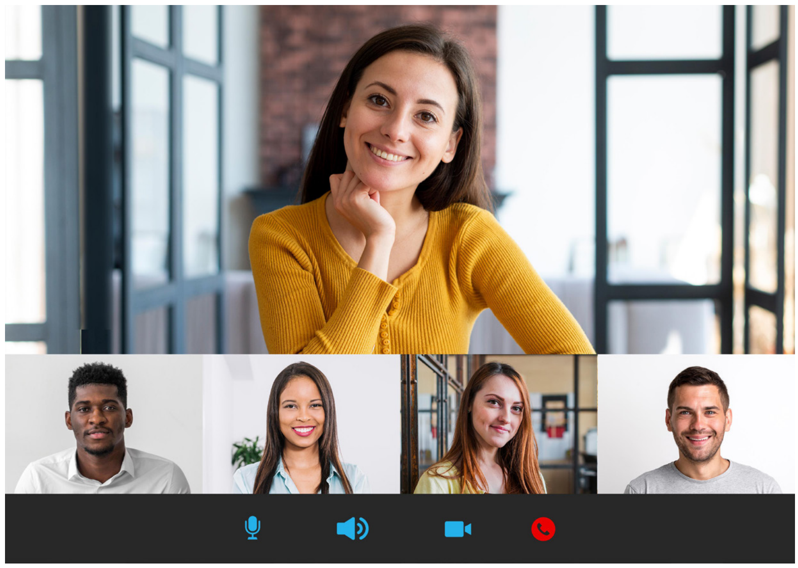
At the risk of sounding repetitive – this is only the beginning. Video analytics is fundamentally disruptive, and will alter our lives in ways we cannot even think of today.

Arun Jethmalani, Founder & Managing Director of ValueNotes, has a 35-year working career spanning IT services, management consulting, market and equity research, competitive intelligence and web publishing. He has been extensively published in leading newspapers and journals on equity investing, strategic intelligence and technology; and is a regular speaker at global conferences on research & intelligence, technology, finance and tech services.

DIGITAL VIDEO INTERVIEWING IN A BRAVE NEW WORLD

FOURTH LEAP

By Martin Conboy



APPLYING for a new job during a global pandemic is especially challenging; after all, who wants to meet face to face in real-time and risk exposure to COVID-19. Thus, companies have spent time since the beginning of March 2020 looking at video interviewing, hiring, virtual onboarding, and trying to react sensibly and safely throughout these unstable and fast-changing operating conditions. This past year has brought HR a host of unprecedented issues to navigate, including employee safety concerns and how to engage in a new remote world.

According to a new study by staffing firm Robert Half, employers are turning to virtual hiring by video and onboarding due to COVID-19—and many plan to continue post-pandemic due to its success. Three-quarters (75%) of 2,800 senior managers surveyed say their companies conducted remote interviews and onboarding sessions during the pandemic. More than 60% implemented these practices only since the pandemic began, and 12% did so before COVID-19 started.

"Organisations have transitioned to digital virtual hiring and onboarding incredibly quickly—the pivot has been remarkable," says Richard Deosingh, a district president for Robert Half. "While there has been substantial growth in the practice of using video for interviewing and onboarding, there are many companies that have been using video for initial interviews with candidates even before the pandemic, and for them, the change was much easier."

Not only has the implementation of the practice been successful, but so have the results: 60% said their companies shortened their hiring processes, and the same amount say they expanded their talent search geographically to attract a wider pool of candidates.

In general, video has become a part of most people's personal lives. Just go on to any public transport system anywhere in the world and you will see people with their heads stuck in their phones or laptops looking at videos, so the shift to the business world has been quite seamless. Asynchronous (one-way) video interviewing speeds up the process for everyone involved by eliminating travel, costs and fitting in with hiring manager schedules more easily.

Now that employers can see the benefits of virtual hiring and onboarding, it is hard to see them going back to the old ways and they will continue to embrace video hiring as the standard operating procedure post-pandemic.

"Though it may have been hard to adopt or adapt to using video before it became necessary, this trial by fire has opened eyes to the time it can save during the hiring and onboarding processes. They may choose to adopt it as a practice moving forward, despite being back in the office," Robert Half's Deosingh says.

Karin Borchert, CEO of Modern Hire, predicts that the rapid shift to remote hiring that started this past year will become a permanent fixture at many organisations.

As such, HR leaders need to be exploring and adapting to new technologies to support virtual recruiting, onboarding and hiring, while also ensuring a seamless candidate experience. Borchert recently shared her outlook for the future of hiring with Human Resource Executive (HRE) magazine:

Borchert: *"The top priority for HR leaders in 2021 should be focusing on helping their organisations adjust to the unexpected change of remote work and remote hiring—a trend that began this year due to the pandemic. This year ushered in many changes that required employees and their employers to act quickly and transition to remote work, which was a new concept for many and posed unique challenges. HR leaders should prioritise making the work-from-home situation as positive of an experience as it can be, as we've learned that it will likely stick around long after the pandemic is over. HR leaders must nail down the logistics of how their organisation works,* *their policies, how they manage, how they engage, evaluate and promote their workforce and, of course, how they hire—all remotely. This will require organisations to adopt new technologies and methodologies in 2021."*

HRE: In what ways has the pandemic impacted how HR will hire in the long run, when it comes to the technologies and strategies used?

Borchert: "The pandemic has accelerated the use of technology in hiring and, moving forward, companies will continue to use hiring technology. For companies like Walmart and Amazon, business boomed amid COVID-19, and thousands of positions opened up to keep up with supplies that were flying off the shelves. Large retailers turned to technology to keep up with the unprecedented amount of applications they were receiving. By adopting technology like pre-hire assessments and virtual interviewing technology, which support fast and objective hiring decisions, companies were able to drastically reduce logistical constraints, shorten the time-to-hire cycle and keep both employees and candidates safe amid ongoing COVID-19 concerns.

Because of the success, these large enterprises saw with recruiting, hiring, and onboarding new employees, they will likely keep their hiring processes 100% virtual post-pandemic, as technology allowed them to make smarter hiring decisions in a way that in-person interviews could not compete with. In 2021 and beyond, most organisations will do the same and continue completely virtual hiring processes due to the efficiency, effectiveness, and fairness of the technology. And while some fear that they won't receive a personalised interview experience with virtual hiring, an engaging, branded experience is still possible with remote hiring with interview features like virtual job tryouts, phone and video interviews, and automated chatbots to help candidates work through any issues they may be having during the process."

HRE: What does the world of work look like in 2021, particularly when it comes to remote work?

Borchert: *"Remote work will continue to be part of the job in the future, as most companies have learned their workforce can be just as productive at home as they are in the office. This means remote hiring will continue in tandem, as it has proven to be advantageous throughout the pandemic, for a number of reasons.*

One of the biggest perks of remote recruiting is it allows not only a more diverse workforce but enables employers to bring in domain expertise without regard for geography. Aside from expanding the candidate pool, there are several other benefits of remote hiring."

In a recent blog post, Jessica Newman of Canadian video interviewing company VidCruiter.com compares Online dating to online hiring:

"Online dating mirrors online hiring in many ways. Both are complicated by similar challenges. For one, it's often difficult to trust the information we read because people can easily hide behind the screen. At best, online profiles are one-dimensional; at worst, they're flat-out misleading.

On dating sites/apps, people lie about their age, weight, height, or even marital status. On resumes, people embellish their education, work history, or skill sets. They don't tell the whole story. Eventually, we discover someone isn't as great as we believed them to be, and that is when disappointment creeps in. There's gotta be a better way!"

THE POWER OF VIRTUAL INTERVIEWS IN MATCHMAKING

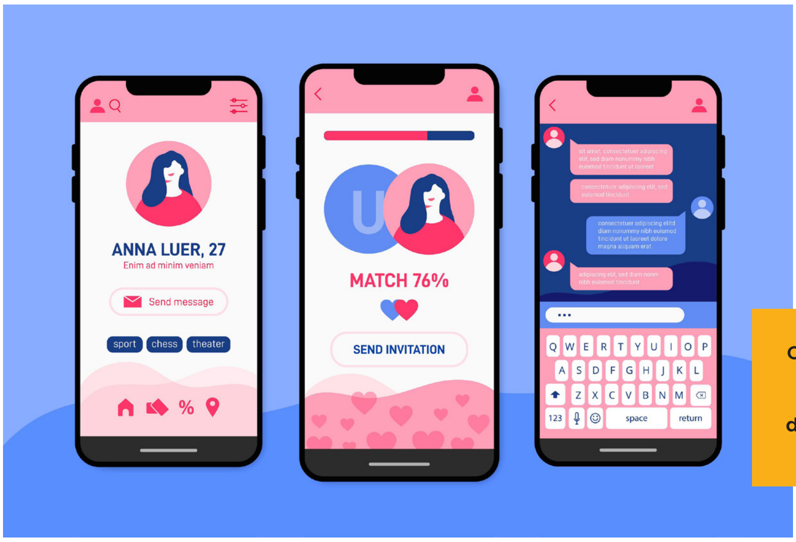
If a photo is worth 1,000 words, a video is worth 10,000 words. That's when you start to see someone.

Online digital video interviews help expose lies and embellishments by adding an extra layer of realness, coming close to what we'd experience in real life. There's eye contact. We can hear the inflection in a candidate's voice. There are facial expressions and there's body language, which all help us make better-informed decisions.

People want to see photos and videos of potential suitors, and hiring managers want to see more multi-dimensional aspects of job applicants, too. A video conference is your chance to authenticate candidates in ways words on a resume or online profile simply cannot.

To summarise, we may have been future shocked into the practice of digital video interviewing, but it is here to stay and it has already become the new normal. O

Martin Conboy is well recognised as one of the leading voices of the outsourcing industry and its role in facilitating outsourcing success in the Asia Pacific.



Online hiring and online dating have similar challenges – it's often difficult to trust what we read online.

DESKTOP AR: FRESH VIEW ON IMMERSIVE LEARNING

Fourth Leap's Jamie Axel has a chat with Dr Sirisilp 'Rabbit' Kongsilp, CEO of Perception on Desktop AR, a tech solution that can revolutionise education and the learning process.

FOURTH LEAP
By Dr Sirisilp 'Rabbit' Kongsilp

DESKTOP AR is a tech solution that can change the learning experience. It is an alternative to costly VR/AR headsets, turning a 2D monitor into a volumetric display using their Holo-SDK software and affordable AR glasses. However, while the current VR/AR market is projected to be worth 300 billion USD by 2024 [1], Dr Sirisilp 'Rabbit' Kongsilp believes that its tools need to be accessible in order to be truly empowering.

Popular VR/AR headsets cost upwards of USD$500, making the tech inaccessible to many. Desktop AR, on the other hand, is low-cost and offers the same immersive experience. Following studies that students learning from VR test better than those using just traditional methods [2], with students showing better comprehension and retention with immersive learning techniques, Rabbit believes Desktop AR has the potential to revolutionise learning on a wide scale.

What is Desktop AR and what's the science behind the technology?

Desktop AR is an augmented reality system that turns an ordinary 2D monitor into a volumetric display. It creates illusions of objects floating in front of a computer, bringing virtual objects into the real-world using a webcam and anaglyph glasses.

In a nutshell, Desktop AR tricks our perception by targeting perspective, relative size, motion parallax, and stereopsis visual cues. Desktop AR tracks a user's head position via a webcam and renders images on a screen that match a user's perspective in 3D.

How is Desktop AR more affordable than the conventional VR/AR technology? How is it able to provide a similar experience yet costs less?

Unlike VR headset and AR glasses technologies, users can enjoy Desktop AR at home using DIY red-blue glasses and a computer. Therefore, users do not have to purchase a new device but can simply utilise items that they already have.

[1] https://www.statista.com/statistics/591181/global-augmented-virtual-reality-market-size/
[2] https://meetmaestro.com/insights/is-ar-vr-technology-a-better-way-to-learn-heres-the-latest-research/

SPINACH SPAM!
SCIENCE-SCAPADE GOES VIRAL

2016 Study On Scientists "Teaching" Spinach to Send Emails Gain Renewed Attention.

PROTECTING your inbox against spam and unwanted marketing collaterals was never easy - especially if you've never bothered to Kondo-ed your sea of emails. Well, things are about to get even more interesting. For whatever reason, scientists decided to "teach" spinach plants to detect explosives and send emails.

But in all seriousness, the study, titled "Nitroaromatic detection and infrared communication from wild-type plants using plant nanobionics" was originally published in the journal Nature Materials. Plant nanobionics refers to the scientific practice of altering plants with extremely small particles to give them new abilities.

In the study, researchers from MIT and the University of California, Riverside, embedded tiny sensors made of carbon nanotubes into spinach leaves so they could detect nitroaromatic compounds, which are often found in explosives. Once the roots came into contact with these compounds, the sensors in the leaves issued a fluorescent signal that was detected by an infrared camera attached to a small computer that sent researchers an email alert.

"Plants are very good analytical chemists," MIT's Michael Strano, one of the authors behind the study, said. "They have an extensive root network in the soil, are constantly sampling groundwater, and have a way to self-power the transport of that water up into the leaves."

Strano added that plants could already detect oncoming droughts as well as subtle changes in soil and water, and plant nanobionic research could be extremely useful in the near future in detecting pollutants and combating environmental changes.

Although the study was conducted back in 2016, "spinach" and "email" began trending across social media recently.

WHERE CONTENT MEETS CONTEXT

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