NAVIGATING THE 4TH INDUSTRIAL REVOLUTION

FOURTH LEAP

Issue #04
October - December 2020

ISSN 2637-0638

KDN PP19416/11/2018(034987)
RM15.00

INSIDE

MALAYSIA 5.0

READY TO REINVENT MALAYSIA'S DIGITAL ECONOMY

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"The gem cannot be polished without friction, nor man perfected without trials."
– Chinese Proverb

AS COVID-19 leaves devastation in its wake, some things have become apparent. Some time ago, we shared the words of Professor Klaus Schwab, Founder and Chairman of the World Economic Forum: "In this new world, it is not the big fish which eats the little fish, it's the fast fish that eats the slow fish". The pandemic, it seems, has revealed that many are "slow fishes", and that the "big fish" in this story is time.

Social distancing and isolation have made evident that mankind, and the human condition, can sometimes be a dichotomy – bringing out the worst or the best in people. As we struggle to pick up the pieces, some doing better than others in this regard, we are forced to be malleable, resourceful and creative to navigate this dire strait. And with more time for contemplation, thanks to the Movement Control Order and quarantine, this has forced the conceptualisation and adoption of creative solutions as means to advance.

One of the biggest misconceptions about creativity is that – it has to be always in an unfettered and undiluted form. It seems, creativity cannot be chained, restrained or in any way filtered so that it can enable itself to unleash its effectiveness. True, but not always. Creativity must also revel within boundaries. It must protect itself despite all the obstacles or censorship - and yet ensure triumph through its overall value and objective.

Creativity and innovation alone, you may argue, is not enough. But as many are uprooted and shaken from the comfort of familiarity, we see new ideas and solutions cropping up, adapting to our contact-free environment. From less-than-perfect Zoom calls, and foreign ecosystem of virtual whiteboards to simultaneously editing a chaotic Google document, change is inevitable. Businesses are driven to reshuffle their operations, digitalise their processes and adopt digital solutions to accommodate the Work From Home environment. This, to some extent, requires creativity in this new reality.

We hope that this issue of the Fourth Leap Magazine will bring about some clarity in times of uncertainty, with the help of our featured thought leaders. Stay tuned for more as we bring you more tips, solutions and food for thought to weather the storm that is COVID-19. 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.

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Printed By: *QPrint2u Sdn Bhd, 21, Jalan PBS 14/10, Kawasan Perindustrian Bukit Serdang, 43300 Seri Kembangan, Selangor.*


08


12
FAKE NEWS


Industrie 4.0
30


16
FUTURISTIC


36


22

UNCTAD: Pandemic Alters Shopping Patterns Forever

THE COVID-19 pandemic has forever changed online shopping behaviours, according to a survey of about 3,700 consumers in nine emerging and developed economies.

The survey, entitled "COVID-19 and E-commerce", examined how the pandemic has changed the way consumers use e-commerce and digital solutions. It covered Brazil, China, Germany, Italy, the Republic of Korea, Russian Federation, South Africa, Switzerland and Turkey.

Following the pandemic, more than half of the survey's respondents now shop online more frequently and rely on the internet more for news, health-related information and digital entertainment.

Consumers in emerging economies have made the greatest shift to online shopping, the survey shows.

"The COVID-19 pandemic has accelerated the shift towards a more digital world. The changes we make now will have lasting effects as the world economy begins to recover," said UNCTAD Secretary-General Mukhisa Kituyi.

He said the acceleration of online shopping globally underscores the urgency of ensuring all countries can seize the opportunities offered by digitalisation as the world moves from pandemic response to recovery.

Figure 1: Percentage of online shoppers making at least one online purchase every two months

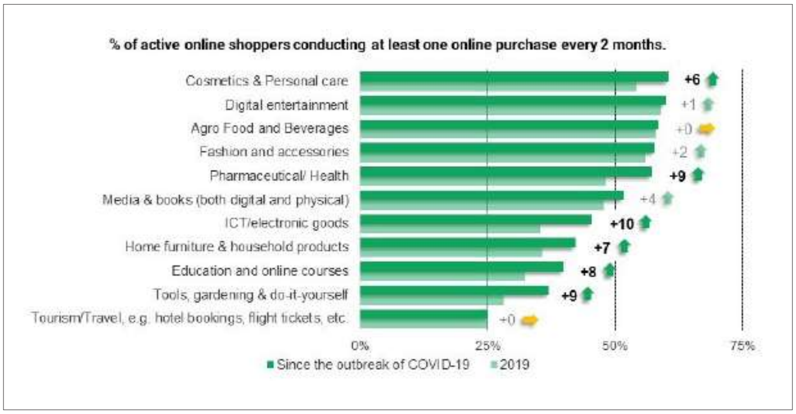
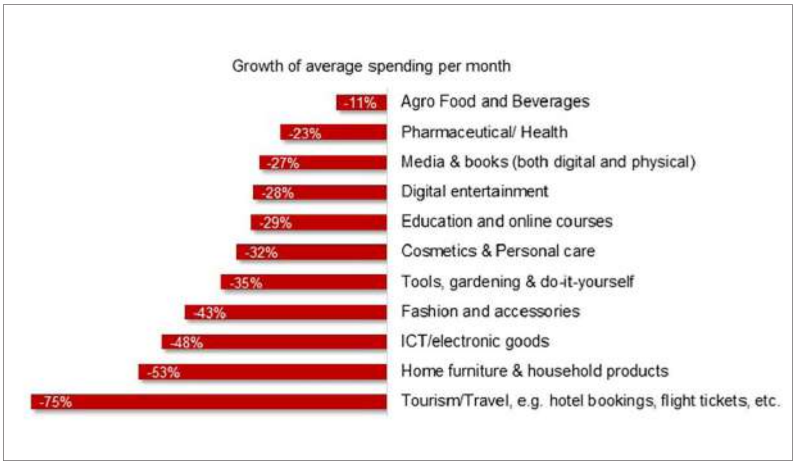


Figure 2: Fall of average online spending per month since COVID-19, per product category



Online purchases rise but consumer spending falls

The survey conducted by UNCTAD and Netcomm Suisse eCommerce Association, in collaboration with the Brazilian Network Information Center (NIC.br) and Inveon, shows that online purchases have increased by 6 to 10 percentage points across most product categories.

The biggest gainers are ICT/electronics, gardening/do-it-yourself, pharmaceuticals, education, furniture/household products and cosmetics/personal care categories (Figure 1).

However, the average online monthly spending per shopper has dropped markedly (Figure 2). Consumers in both emerging and developed economies have postponed larger expenditures, with those in emerging economies focusing more on essential products.

Tourism and travel sectors have suffered the strongest decline, with average spending per online shopper dropping by 75%.

The survey found that women and people with tertiary education increased their online purchases more than others. People aged 25 to 44 reported a stronger increase compared with younger ones. In the case of Brazil, the increase was highest among the most vulnerable population and women.

"Companies that put e-commerce at the heart of their business strategies are prepared for the post-COVID-19 era," said Yomi Kastro, founder and CEO of Inveon. "There is an enormous opportunity for industries that are more used to physical shopping, such as fast-moving consumer goods and pharmaceuticals."

"In the post-COVID-19 world, the unparalleled growth of e-commerce will disrupt national and international retail frameworks," said Carlo Terreni, President, NetComm Suisse eCommerce Association.

"This is why policymakers should adopt concrete measures to facilitate e-commerce adoption among small and medium enterprises, create specialised talent pools and attract international e-commerce investors."

No More Buffering

Pace of digital transformation accelerates

A global survey of 700 CIOs in large enterprises with over 1,000 employees, conducted by Vanson Bourne and commissioned by Dynatrace, found that over the past 12 months, the majority of CIOs (89%) say their digital transformation has accelerated, and 58% say it will continue to speed up.

Dell's latest Digital Transformation Index has reported that the coronavirus pandemic is accelerating digital transformation across the globe. However, Dell found that 94% of organisations in the UK are facing entrenched barriers to transformation. Lack of budget is the main barrier preventing organisations from fulfilling their digital transformation objectives.

The benchmark, based on a global survey of 4,300 business leaders, was conducted in July and August of 2020 by independent research company Vanson Bourne. They found that prior to the pandemic, business investments were strongly focused on foundational technologies, rather than emerging technologies.

The vast majority in the UK, 89%, recognise that as a result of disruption this year, they need a more agile and scalable IT infrastructure to allow for contingencies.

Adrian McDonald, EMEA president of Dell Technologies, said that the coronavirus pandemic has led to permanent changes in the business. "Business models that were successful before COVID-19 became fundamentally more successful after COVID-19," he said. "However, companies that had challenging business models prior to COVID-19 have experienced greater challenges."

Another study, from HP, which looked specifically at the opportunities to digitise manufacturing, reported that the majority of business decision-makers (77%) are looking to transform their business models over the next 12 months.

The Digital Manufacturing Trends report from HP found that 99% of respondents believe that digital manufacturing technologies can lead to economic growth and 90% are looking to evolve their business models because of the current world business environment. HP also reported that 92% of respondents said they are investigating new production and supply chain models, with 51% localised production and hybrid models, and 42% distributed supply chain.

In terms of the types of technologies business leaders are betting on, the Dell Digital Transformation Index reported that 78% of UK respondents believe an increase in the use of augmented reality (AR) will accelerate the speed with which staff learn how to repair things; 81% foresee organisations using artificial intelligence (AI) and data models to predict potential disruptions, and 70% predict distributed ledgers – such as Blockchain – will make the gig economy fairer, by cutting out the intermediary.

However, Dell reported that only 10% are planning to invest in Virtual/Augmented Reality, just 28% intend to invest in AI and only 11% said they plan to invest in distributed ledgers in the next one to three years.

From an IT management perspective, analyst Forrester predicted that cloud-native technology will continue to power digital transformation strategies. In its Predictions 2021: Cloud Computing report, Forrester predicted that by the end of next year, 60% of companies will be using containers on public cloud platforms and 25% of developers will be making use of serverless architectures.

> **Prior to the pandemic, business investments were strongly focused on foundational technologies, rather than emerging technologies."**

Digital transformation puts greater emphasis on merged IT systems and the use of new and emerging technologies like augmented reality, the use of AI for predictive analytics and additive manufacturing. As Forrester has found, organisations are increasingly turning to the public cloud, to build cloud-native infrastructure to support new digital transformation initiatives.

Undoubtedly, IT departments are going to be asked to do more to help organisations – making the best use of whatever technology can offer – to stimulate business recovery and growth opportunities.

There is a business case for embedding AI-powered automation in IT to manage the extra workload more efficiently. In fact, Dynatrace's study reported that 93% of CIOs think AI-assistance will be critical to IT's ability to cope with increasing workloads and deliver maximum value to the business.

Survey: 60% of Businesses Altered Digital Transformation Plans Due to COVID-19

FOR years, businesses have invested in digital transformation initiatives such as analytics, social media, and automation. In the wake of the global COVID-19 pandemic, many enterprises are reallocating budget dollars and resources to different digital transformation projects.

ZDNet's sister site TechRepublic Premium conducted a survey in 2020 to discover just how tech leaders are reimagining business in the digital age, and COVID-19's impact on those future objectives.

According to 60% of respondents, COVID-19 forced them to alter their digital transformation plans. For example, since COVID-19 began, 65% said they were using technologies to enable communications and collaboration between remote employees, while 56% cited an increased focus on digital tools to facilitate digital training.

In a similar TechRepublic Premium survey from 2018, the majority of respondents (68%) reported eliminating paper through digitisation, and 54% implemented online training. These initiatives remain in 2020, albeit, with a slight reduction. In 2020, 58% of respondents reported digitising paper, and 45% used online training tools.

Finding budget dollars for digital transformation is a perennial challenge. In 2020, 54% cited this as their organization's biggest digital transformation challenge; in 2018, funding ranked as a challenge for 45% of respondents.

We can expect upcoming budget plans to reflect the impact of COVID-19, as 47% of respondents plan to spend more on digital transformation in 2021 than in 2020. Only 13% of survey respondents foresee their company budgets for digital transformation to stay the same, and 2% anticipate spending on digital tech to decrease. In other cases, the uncertainty of COVID-19 leads to uncertainty over tech spends, as 31% of respondents do not know what their companies will spend on digital transformation.

Data is Fuel, 5G Fabric for Digital Transformation: Michael Dell

REITERATING that technology has never been more central than it is in the pandemic times, Dell Technologies chairman and CEO Michael Dell has said digital transformation is like a machine with data as its fuel and 5G as its digital fabric.

Announcing the new Project Apex as-a-service offering, Michael Dell said that as we talk about the digital transformation, "my hope is that we are also seeing a human transformation with more kindness, generosity, and empathy."

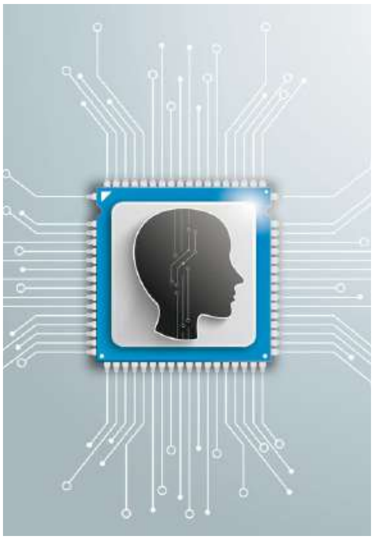
"We are going to need all of that kindness and generosity and empathy going forward to help bridge these divides and make good on the promise of a brighter future."

In a bid to help customers and partners on their digital transformation journey in the pandemic times, Dell Technologies announced a Cloud Console that will provide customers with a single interface to manage multi-cloud, on-premise and edge deployments.

The Cloud Console is part of a new "Project Apex" as-a-service strategy that aims to simplify how customers access Dell's capabilities across storage, servers, networking, hyper-converged infrastructure, PCs and architectural offerings.

"We are committed to delivering all of our products and solutions as a service in an effort we're calling Project Apex; so you can consume solutions, any way you want, pay-as-you-use, pay-as-you-go or subscription," the Dell Technologies CEO concluded.

Fourth Industrial Revolution: From Buzzword to Reality



THE Fourth Industrial Revolution has been met with both enthusiasm and fence-sitting. While sentiments and experiences have been mixed, most business leaders are now approaching 4IR with a sense of measured optimism.

While they recognise the potential value and business boost advanced manufacturing technologies can present – particularly robotics, the industrial internet of things (IIoT), cloud computing, advanced analytics, 3D printing, virtual and augmented reality – they are still deliberating how and where to invest and balancing the hype with their own level of preparedness.

Meanwhile, they're also well aware of the significant changes 4IR will bring to a new manufacturing workforce – one that is increasingly becoming a hybrid of human and machine.

PwC and The Manufacturing Institute (the workforce and thought leadership arm of the US National Association of Manufacturers), surveyed approximately 100 US-based manufacturers.

Looking at the results, we see a definitive – and, indeed, inevitable – shift to 4IR as companies seek to integrate new technologies into their operations, supply chain and product portfolio.

However, these companies acknowledge that scaling, justifying 4IR investments and dealing with uncertainty surrounding use cases and applications present a new set of challenges.

Key 4IR Survey Findings:

- While the sector as a whole is making assertive forays into 4IR, **many manufacturers still inhabit the awareness and pilot phase**. Nearly half of the manufacturers surveyed reported that they are in the early stages of a smart factory transition (awareness, experimental and early adoption phases). The majority of those that have implemented smart factory use cases consider a quarter to be a success.
- Manufacturers expect the transition to accelerate in the coming years – 73% **are planning to increase their investment in smart factory technology** over the next year.
- While we see a number of fence-sitters, **the bulk of manufacturers are indeed prioritising 4IR**, the digital ecosystem and emerging technologies. When asked about adopting an IoT strategy in their operations, 31% of manufacturers report that it's "extremely critical" while 40% report that it's "moderately critical."
- About 70% of manufacturers say **the biggest impacts of robotics on the workforce in the next five years will be an increased need for talent** to manage the robotics workplace and the opening of new jobs to engineer robotics and their operating systems.

BEYOND COVID-19: THE PATH FOR LOCAL SMES AND BUSINESSES TO EMERGE MORE RESILIENT

FOURTH LEAP

By Jeanne Kuah

THE coronavirus pandemic is a world-changing event and it took the world by complete surprise. Many countries globally have made the decision to impose lockdowns or partial lockdowns to reduce its spread, hitting a pause to many businesses except in "essential" sectors.

Even as lockdown restrictions begin to ease, local businesses will need to figure out how to operate in new ways. In short, resiliency – the ability to absorb a shock, and to come out of it better than the competition – will be the key to survival and long-term prosperity. The COVID-19 could end up dwarfing the financial crisis in economic damage.

HAVING STRONGER EMPHASIS ON INTERNAL ENGAGEMENT AND MANAGEMENT

The unchartered waters during the pandemic requires an agile workforce that can adapt to changes in the market. Local businesses and SMEs should take the opportunity to reskill and upskill its employees. This also helps keep employees engaged and prepare for the future. Learning is the new currency that can help us succeed as a workforce.

For example, employees working in sales may not be able to do remote work, but they can learn

Business leaders who are flexible, adaptable and agile, will ensure their businesses remain competitive even during the pandemic.

to work on changing customers' experience and interacting with them through other means. They can also learn new skills and cover other areas of work.

During these trying times, it is imperative that everyone plays their part. Managers should take a more holistic view in order to face challenges of disruption and inventory shortages. Aside from business operations, they should also consider balancing the working capital's constraints on inventory.

Financially distressed companies should take decisive actions to reduce operating costs. However, it is critical to maintain some flexibility by balancing reductions against the eventual need to scale operations back up as the economy recovers.

In the short term, businesses may also need to seek extended credit terms with suppliers and have conversations with bankers to clarify expectations, current loans including bank covenants and repayment obligations. There should be a continuous focus on assessing a company's liquidity.

> **"There is no doubt COVID-19 has shaken up many businesses. There will be new market opportunities as services and products are reimagined and new needs emerge from communities."**

RETHINKING THE BUSINESS MODEL

During the pandemic, consumers have also taken up new ways to learn, work, entertain themselves, procure essentials and non-essentials, connect with others, and increase wellness while at home. Some of these new practices will likely become a permanent fixture of the next normal. Consumer behaviour and demand patterns have changed significantly and will continue to do so.

Local businesses and SMEs need to adapt and rethink their business models to remain competitive on the other side of COVID-19. Again, an emphasis on the need to be agile. This means putting in place a new operating model built around the customer and supported by the right processes.

There is no doubt COVID-19 has shaken up many businesses. There will be new market opportunities as services and products are reimagined and new needs emerge from communities.

Leverage on intelligent automation to reduce dependency, frequency and duration of human-to-human contact.

Businesses need to rethink their revenue profile and position themselves for the long term.

For example, the adoption curve of e-wallets has seen a steep growth. During this period, e-wallet vendors have encouraged online food traders and customers to go cashless through incentives such as cashback and free delivery. Local F&B businesses and SMEs need to think of ways to cater to online customers and refine their online targeted campaigns.

We can also see the rise of social enterprises business models where profits and purpose are combined in practice. It considers how social impact is generated, which drives all business decisions. This is becoming increasingly critical to maintaining reputation, to attracting, retaining and engaging critical workers, and to cultivating loyalty among customers. Profitability is then the enabler for social impact. Hence, when rethinking business models, businesses should also consider social impact, especially in today's human, economic and social COVID-19 crisis.

ACCELERATING ADOPTION OF DIGITAL SOLUTIONS

The future of work, defined by the use of automation and technology, was always coming. COVID-19 has hastened the pace across all sectors.

A main change is lock-down measures resulted in businesses shifting to remote working for most employees. Many local businesses and SMEs were not prepared for this. They faced a lack of infrastructure and systems to support such a shift, such as availability of laptops, cloud-based solutions to remotely access files and setting up of tele-conferencing facilities.

Hence, local businesses and SMEs need to start to think about business continuity planning to be more resilient. As lock-down measures are being lifted, remote working seems to be widely encouraged to reduce social contact.

Based on a study conducted by SME Corp in 2017, SMEs tend to rely on manual processes and tasks. The usage of back-end cloud-based business processes among the SMEs in Malaysia, such as Enterprise Resource Planning (ERP), Electronic Payroll Systems and Customer Relationship Management (CRM) is still very low. Manual processes will not remain sustainable for the future and especially during this pandemic.

More automation is also required to support the minimisation of human contact. For example, on the manufacturing floor, workers will need to practice social distancing. Hence, machines need to be more automated to support production. Also, in the healthcare sector, when the system is overwhelmed, robots

will be required to serve isolated COVID-19 patients in hospitals and quarantine centres to support frontline healthcare workers.

Taking this time to make lateral changes is a good way to leverage this extraordinary situation to better prepare for the future. Digital adoption will not only enable businesses to cope during this period, but also emerge more resilient for the future. Digital adoption will increase productivity gains.

RESILIENCE IS VITAL

COVID-19 has affected every element of business, from the robustness of supply chains, to the stability of the financial markets, the availability of the labour force and the rapidly waning customer demand. In the face of these challenges, resilience is a vital necessity. Businesses that reinvent themselves to make the most of better insight and foresight, will disproportionately succeed.

Jeanne Kuah is the founder and principal of a data analytics and strategy development consulting firm. Her passion is to create a smarter tomorrow.

The transition to working from home or remotely, is a crucial step to ensure the business continues to operate.

HOW WILL COMPANIES RE-EMERGE POST COVID-19?

FOURTH LEAP

By Dr Thomas Tang

THE current pandemic of COVID-19 is having a devastating effect on the world. At the time of writing, 32 million cases have been reported, with almost a million casualties. The problem is exacerbated through global interconnections which promulgate the infectious nature of the virus. Many countries have attempted to contain the disease through compulsory lockdowns which, although curbing the spread, has caused major economic losses not to mention the social stresses related to confinement.

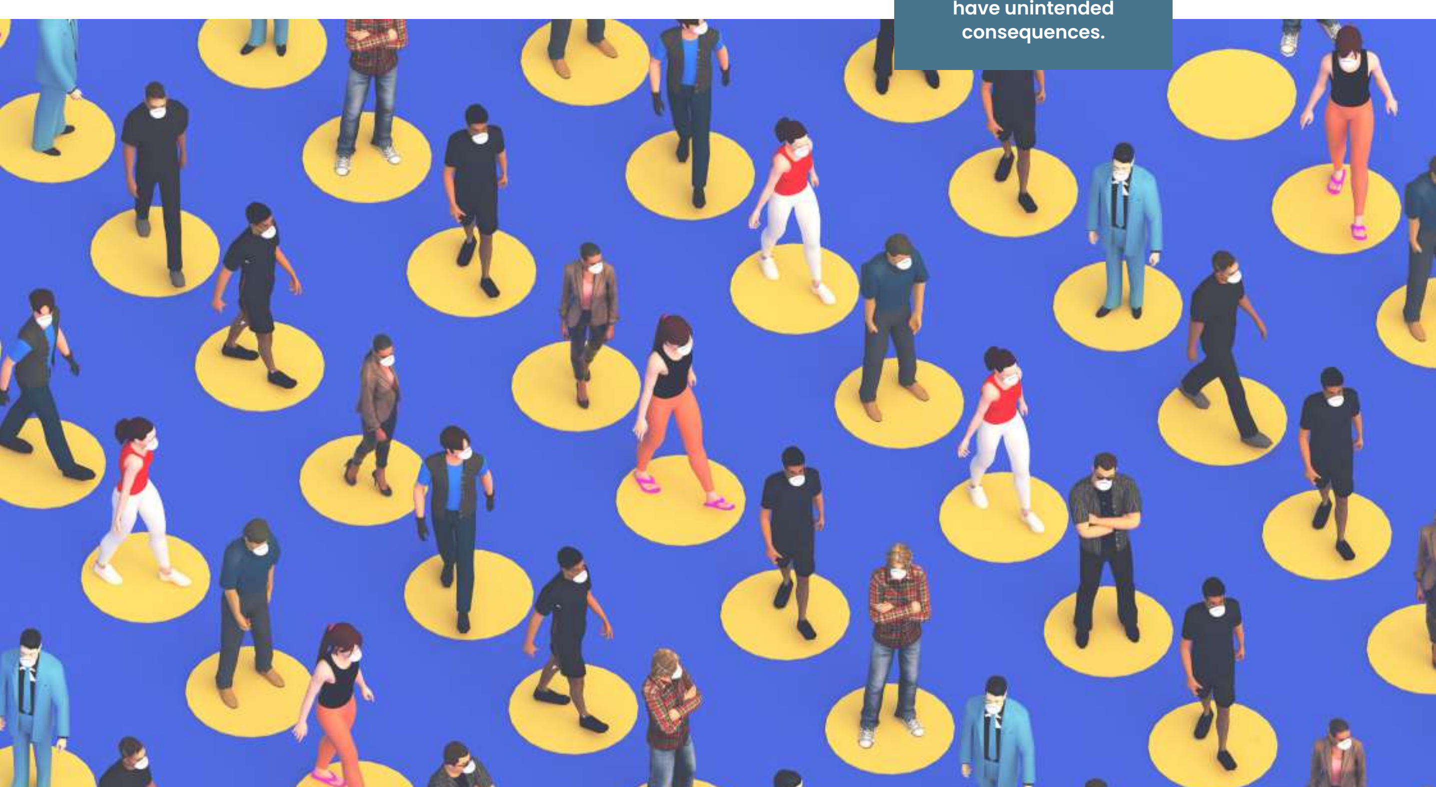
The World Trade Organization has predicted that the drop in global spending will lead to a decrease of US$6 trillion in merchandise purchases, down by nearly a third from last year. The social impacts are disturbing too. There will be cutbacks equivalent to nearly 400 million full-time jobs due to the virus according to the International Labour Organization in the second quarter of 2020.

WHAT DOES THIS MEAN FOR US?

In the present climate, COVID-19 has cast a huge shadow of uncertainty in our day-to-day activities. In many countries, people are unsure when they will be able to return to work and school. How long must we rely on quarantine and social distancing to keep the virus at bay? Although we should not drop our guard, there are some positives that companies and individuals can garner from this severe and debilitating situation.

The most obvious is the transition to online living and working. The virtual work community was already rooted before COVID-19 but widespread adoption is at its strongest under current circumstances. Workers are adjusting to home offices and online interactions. Whether productivity drops if workers are left unsupervised has always been questioned, but past studies have shown that actually the reverse is true. There is less distraction, hours are more flexible and employees are capable of successfully adjusting their home environment to suit remote working conditions.

Isolation and social distancing... While it may keep the virus at bay, it may have unintended consequences.



Fake news during self-isolation can lead to worsening anxiety and depression.

With the costs of office rental shooting skywards, the idea of home working is becoming more appealing to employers. There are online tools like Google Hangouts, Teams, Slack, Blue jeans, GoToMeeting, Skype and Zoom to ensure that workers remain connected.

Industries that have acutely felt the pain in this period are the hospitality, travel, food & beverage, real estate, manufacturing, wholesale and retail sectors. But some service providers have benefited from the lockdown, notably online deliveries for food, groceries, medicines and other essentials.

The current situation favours agility as retail outlets cannot rely on drawing customers into their shops right now; thus, the shopping experience has been redefined in terms of speed, efficiency and convenience. Much like Alibaba's business after the SARS outbreak in 2003 when the company reinvented itself into a consumer logistics entity, the large retailers must embrace this idea to survive.

Social distancing has become the norm. For some, this is a good time to take stock of life and decide on what is really important. Unfortunately, there is still a tendency to fall back on the "herd" psyche and listen to aberrant social media news, of which there is plenty. Media has an ethical responsibility to report facts and not manipulate minds. But sadly, politics and mischief have a strong foothold in this arena; so for most of us, self-isolation while listening to irresponsible media may compound the problem rather than helping us restore purpose in our lives.

Social distancing further highlights the problem of space. Most of our homes are designed around compactness and for eating and sleeping but not for daytime living. In cramped quarters, stresses inevitably arise. Hopefully the positive lesson that will be derived from the COVID-19 episode is the need for a rethink about daytime living with sufficient space allocated for distancing at the same time having practical allowances for working and living.

In an update to its World Economic Outlook, the International Monetary Fund (IMF) predicted that the global economy will contract by 4.9%. While this is alarming news, the economic depression has one silver lining. The quality of our environment has improved markedly due to the cessation of human activities worldwide. The Global Carbon Project, an organization reporting on climate change, notes that there has been a 5% drop in carbon emissions from previous years; China remarkably has set the tone with a 25% reduction. This is good news, as the UN states that we need to achieve a 7.6% drop year to year to get towards stabilising climate conditions.

Other parts of the environment are regenerating like air and water quality which have improved due to the lower numbers of vehicles and factories in operation; and animals are taking back the streets as evidenced by the scenes of wild goats strolling down the streets in Welsh towns and mountain lions being sighted in Colorado's urban settings. In a circuitous way, this reinforces the message that we should respect wildlife and their ways of life - catching exotic species for eating should be condemned, which many believe is how the virus problem started in the first place.

[1] *https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_749399.pdf*

WHAT WILL BE THE EMERGING MODELS FOR BUSINESS POST COVID-19?

Healthcare will initially be topmost on the minds of many. However much like SARS and other pandemics like H5N1 and swine flu, lessons learnt the hard way - like the need to invest in treatment drugs and clinical facilities - will sadly ebb as the world gets back to life as usual.

There is an outstanding difference between the investment in private and public healthcare. The quest to find treatment drugs in the private sector is largely motivated by the profits realised when the sick purchase drugs; in the public sector, it is the opposite way around in that cures are sought for diseases that afflict those who usually cannot afford expensive drugs. In the US, only 2.5% of the total health budget is dedicated to public health spending. Post COVID-19, perhaps that might change.

“Social distancing further highlights the problem of space. Most of our homes are designed around compactness and for eating and sleeping but not for daytime living. In cramped quarters, stresses inevitably arise.”

In general, companies will be reminded of the need for business continuity plans or BCPs. The updated BCPs will no longer just cover disasters like flooding, typhoons, acts of terrorism or cyberattacks, but will include pandemics and lockdowns. A whole new regime of remote working will be formulated and how vital systems like data servers and office systems are to be maintained in periods of remote working. Reliance on online services will grow but paramount in the minds of companies will be the risk of security breaches as more and more confidential information goes online.

For manufacturing companies that rely on labour intensive activities there will be a shift to automation and so-called “dark factories”, where robots carry out the tasks of humans but unlike the latter, do not need to stop and rest, and require no lighting or air conditioning. Artificial Intelligence (AI) and machine learning will dominate these industries as they become more entwined in Industry 4.0 settings. For customer-facing industries in the service sector, chatbots and virtual call centres will compete with foot salespeople. True, the human element can never be replaced even by the smartest humanoid robot but with the vulnerability of the physical workforce to lockdown, AI seems a viable option.

The education sector has always been trending towards online teaching and research, and perhaps this is the nudge towards wholeheartedly committing resources and investment in this area. MOOCs, which stands for massive open online courses, are popular open enrolment courses that offer education to the masses. Companies like Coursera have popularised this method of learning to assail the domain of academic learning institutions, some of whom still resist online media for learning - but on the whole, the majority of institutions are recognising this as a huge opportunity and are offering online courses and recorded lectures as part of their curricula. Online exam invigilation and intellectual content validation and protection will probably be some of the thorny challenges faced by learning institutions of the future.

There are opportunities for SMEs too. Apart from the market for online delivery, the lockdown has highlighted the need for people to find ways of relieving stresses and boredom. Online exercise classes have unsurprisingly reported a boom in log-ins and the lack of physical sports events has spawned an interest in e-sports. Already a growing industry, house confinement may be the boost that this US$1.25 billion sector needs. Telemedicine, a small but burgeoning industry is in the current spotlight and will become more sophisticated. Currently, apps like Doctor on Demand, Plushcare and LiveHealth Online lead the telemedicine market but as people recognize the urgency to protect their health; it is likely that these and other products customised to local cultures will enjoy a resurgent wave of popularity.

Lastly, with people wary of travelling, there will be a demand for virtual reality such that the experience can be brought to the customer rather than the customer going to the experience. Expect a surge in VR/AR as the technology becomes more authentic and accessible and as more virtual experience options come online.

In conclusion, COVID-19 has provided many harsh and important lessons. We cannot always take our health for granted and we must be guarded and prepared. Businesses have to be part of this too. Emerging from this period, we must test out new models of working, find new opportunities, let go of outdated ideas, and develop new forms of trust and cooperation amongst companies to build a more resilient future for all of us.

Dr Thomas S. K. Tang is currently an Advisor for Atlas Industries (Vietnam) Ltd and also the Sustainability Advisor for The Purpose Business.

With the minimisation of physical contact and face to face interactions, there may be a quicker adoption of VR/AR systems.

MALAYSIA 5.0: READY TO REINVENT MALAYSIA'S DIGITAL ECONOMY

Malaysia Digital Economy Corporation Chairman Datuk Wira Dr Hj Rais Hussin Mohamed Ariff, shares on Malaysia's Fourth Industrial Revolution (4IR) vision and the Malaysia 5.0 digital economy.

EXCLUSIVE

"The COVID-19 pandemic allows for the exploration of new technologies that could lead to more sustainable, inclusive and resilient economies and societies. New technological paradigms are introduced, reflecting the greater need for collaboration across all stakeholders. Interconnectivity in this extraordinary situation is crucial for the nation to achieve shared prosperity."

Datuk Wira Dr Hj. Rais Hussin Mohamed Ariff
Chairman of Malaysia Digital Economy Corporation (MDEC)

MALAYSIA'S digital economy has been on a steady rise, growing at around 21% annually. In 2018, the digital economy contributed RM267.7 billion or 18.5% in the gross domestic product (GDP) which is among the highest within the ASEAN region. In the wake of the COVID-19 pandemic, the Malaysian government recognised this growth as a crucial driver to stimulate economic recovery.

The digital economy journey began with the government's inception of the Multimedia Development Corporation (now known as the Malaysia Digital Economy Corporation [MDEC]) in 1996. It was initially tasked to promote the Multimedia Super Corridor Malaysia (MSC Malaysia), a national initiative by the Malaysian Government to promote both the national Information and Communication Technology (ICT) industry and provide a test-bed for the global ICT industry.

In 2017, the government launched a national level technical working group, led by the Ministry of International Trade and Industry (MITI) to develop a National Industry 4.0 policy and MDEC was part of the working group to develop a proactive measure to transform the Malaysian businesses and its related services. 5. Industry 4.0 is one of Malaysia's first steps in embracing the digital revolution that is expected to transform the nation.

The government has been continuously promoting the nation's digital agenda through multiple policies and initiatives.

Continuous Promotion of The Nation's Digital Agenda:

- 01 National Strategic ICT Roadmap and Digital Malaysia (2008-2012)
- 02 National eCommerce Strategic Roadmap (2017)
- 03 Industry4WRD (2018)
- 04 National Fiberisation and Connectivity Plan (2019-2023)
- 05 National 4IR and Digital Council (Latest)

As of 2018, Malaysia's MSC Malaysia investment
(Now known as the digital investment sector)

- 01 Attracted investments surpassing 320 billion ringgit
- 02 Created 182,538 new high-value jobs
- 03 Emergence of domestic ICT industry worth over 40 billion ringgit

In 2019, the World Bank placed Malaysia among other high-income economies. Our digital adoption levels were reported to be higher than approximately a third of Organisation for Economic Co-operation and Development (OECD) countries.

A PRIME INVESTMENT DESTINATION

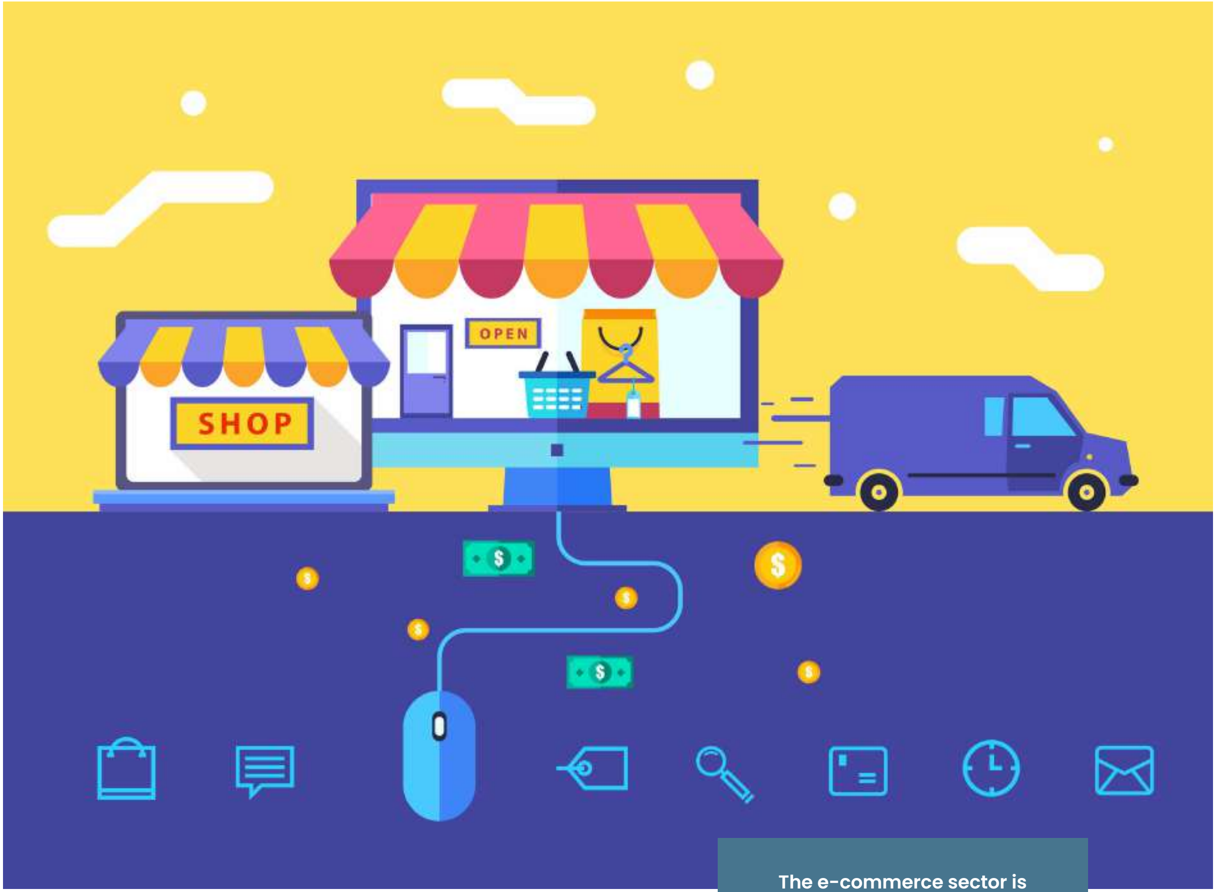
Consistent growth and uptake of digital tools in the past few years are indicative of Malaysia's robust Digital Economy, and have caught the eyes of foreign investors. The Global Services Index™ (GSLI) 2019 by global strategy and management consulting firm A.T. Kearney saw Malaysia maintain its top three positions yet again, a constant since the study's inception in 2004.

The Fintech adoption rate is also increasing in Malaysia and the region with consumers, wanting more financial inclusion, better fees, and easier ways to transfer funds. With high-speed broadband facilities and better digital literacy are also driving adoption.

Annual revenues in Southeast Asia's conventional fintech space are forecasted to treble from $11 billion in 2019 to $38 billion by 2025, according to Bain Capital. Digital payments are reflecting this trend, with 22% of Malaysians using e-wallets and 28.2% cards, according to fintech service company Rapyd's 2020 Asia Pacific eCommerce and Payment Study.

Furthermore, Malaysia has been crowned as the best country in the world to invest in or do business for 2019, according to the CEOWORLD magazine. Ranked first among 67 countries, the publication asserts that Malaysia remains the most attractive investment destination.

According to Malaysia Investment Development Authority's (MIDA's) Malaysia Investment Report 2018, these rankings include Bloomberg's Emerging Market Scorecard where we again clinched the top spot in a line-up of 20 other emerging market peers, ahead of prominent nations like Russia (2nd), China (3rd) and Korea (10th).



The e-commerce sector is expected to exceed RM110 billion by 2020, making up nearly 40% of Malaysia's digital economy (Source: DOSM).

Another accolade is Malaysia's nine-spot leap to secure a global ranking of 15 among 190 economies in the World Bank Group's Doing Business 2019 report.

4IR & MALAYSIA 5.0 DIGITAL ECONOMY

At the cusp of the Fourth Industrial Revolution (4IR), Malaysia is blessed with the opportunity to re-engineer the human experience using technologies that could decentralised authority and de-emphasise divisions along the lines of colour, creed and country – what the Japanese have coined as "Society 5.0". This concept is now being adopted here as "Malaysia 5.0".

Today, MDEC is poised to take on a leading role in catalysing the transition to Malaysia 5.0 as a new narrative for the nation. This includes introducing using emerging technologies that are now considered essential tools in the new Malaysia 5.0 digital economy.

Malaysia 5.0 directly addresses financial inclusion, access, performance and growth through the 4IR tools, such as fintech, blockchain and artificial intelligence (AI). These digital initiatives and hubs will emerge as core components for the next-gen infrastructure of every country. They will be the ones facilitating the interoperability of goods and services that are flowing through them with interconnectivity between various market sectors.

Recently, the government announced the National 4IR and Digital Council and The National Digital Infrastructure Plan (Jendela) to steer the socio-economic development of the country through the use of technologies to accelerate the growth of the digital economy.

This includes the formation of the National Technology and Innovation Sandbox to produce the right local talent who is highly digital-skilled in innovation and technologies with high-tech entrepreneurship capabilities.

"Malaysia 5.0 directly addresses financial inclusion, access, performance and growth through the 4IR tools, such as fintech, blockchain and artificial intelligence (AI). These digital initiatives and hubs will emerge as core components for the next-gen infrastructure of every country."

4IR TECHNOLOGIES TO PROPEL NATION AHEAD

The COVID-19 pandemic has resulted in a global standstill and impacted several industries – some more than others. Industries such as Food & Beverage (F&B), Aviation, Travel, Tourism and Retail experience unprecedented disruptions in supply chains and consequently led to a surge in unemployment rates. The clarion call for the adoption of 4IR technologies has never been greater.

According to Datuk Wira Dr Hj Rais Hussin, the COVID-19 pandemic allows for the exploration of new technologies that could lead to more sustainable, inclusive and resilient economies and societies. New technological paradigms are introduced, reflecting the greater need for collaboration across all stakeholders. Interconnectivity in this extraordinary situation is crucial for the nation to achieve shared prosperity.

The country's digital infrastructure and readiness to embrace technology allowed people to weather the storm. Ever since the Movement Control Order (MCO) was enforced, online services and e-wallet applications saw a considerable boost in users. People are ordering food, groceries and other necessities online to avoid contact and reduce the risk of COVID-19 infection.

Not only that, Malaysia's research arms are actively deploying IR 4.0 solutions to curb the spread of the virus. Business owners and employees embraced the new normal by espousing WFH practices and utilising cloud-based video conferencing solutions to participate in online meetings.

This scenario is not unique to Malaysia alone. Around the world, technology is assisting scientists to study the novel coronavirus; tech creators and innovators are rolling out diseases monitoring applications to curb the outbreak.

Datuk Rais emphasised that the 4IR represents new ways in which technology can be embedded within societies. The integration of robotics, machine learning, AI, Internet of Things (IoT), blockchain, financial technology (fintech), data analytics and drone technology with the synergy of 5G infrastructure will displace conventional technology and significantly alter the way consumers, industries and businesses operate.

SUSTAINABLE DIGITAL ECONOMY & VALUE CREATION

By embracing 4IR and "Malaysia 5.0" for the nation's economic recovery, Malaysia has achieved a balanced and equitable growth distribution across all layers of society. The emphasis on well-being and environmental conservation has always been at the forefront of development initiatives.

"Malaysia 5.0 can contribute to the economic cycle and to a more sustainable economy through which a more prosperous life could be created for the population regardless of race, age and class," shared Datuk Rais.

In the agricultural sector, modernisation and digital transformation would guarantee food security, increased productivity, strengthen supply chains and enable digitally skilled workers. For instance, in oil palm plantations and paddy fields, drone technology and other agrotechnology has helped plants and farmers monitor and enhance crop production to generate a more sustainable and viable source of income.

The adoption of emerging technologies in traditional industries such as agriculture is aligned with Malaysia's Sustainable Development Goals (SDG) to improve the well-being and income of farmers, fishermen, agro-based entrepreneurs and livestock breeders.

MDEC'S INITIATIVES TO UPLIFT THE SMES

Digital Xccelerator (DX) Virtual Platform:
A platform that helps SMEs gain access to available programmes, incentives, and technology solutions that best match their specific digitalisation needs.

SME Digital Acceleration Programme:
A business transformation accelerator programme that digitally empowers businesses, namely by providing a structured approach to adopt digital with outcome-based results.

Smart Automation Grant:
A matching grant for services companies that help automate their business processes and move towards digitalisation. The purpose of this grant is to help them kickstart the development and implementation of projects that drive the adoption of technologies to automate business operations.

SME Digital Quickwins:
A platform that focuses on facilitating the process of connecting technology solution providers with SMEs to properly tackle and overcome the challenges that these businesses face with digital by implementing free or discounted digital solutions.

eUsahawan:
This platform provides courses that impart digital entrepreneurship values and knowledge to micro, rural, and youth entrepreneurs to foster income generation and increase sales at the broader, national level.

Under the #DigitalVsCovid Movement, MDEC has also rallied local and foreign tech players in Malaysia to extend their digital solutions and services to both businesses and citizens. The digital platform is dedicated to mitigating the negative impacts of COVID-19.

5G infrastructure and 4IR technologies will keep the Malaysian economy on an upward trajectory.

Earlier this year, the World Economic Forum (WEF) and MDEC announced a joint effort to co-design pilot policy principles and regulatory frameworks to accelerate the utilisation of drone tech for societal benefits. Aside from increasing crop yields, drones can be efficiently used to identify dangerous conditions without putting workers at risk, act as a lifeline for remote populations and reduce carbon emissions.

Thus, 4IR technologies could establish a much better living environment; create new, more purposeful employment opportunities; upskill the labour force; better health and education, and create smarter, greener cities.

SPEARHEADING DIGITAL TRANSFORMATION

MDEC positions itself at the vanguard of digital transformation by focusing on stimulating inclusive, high-quality growth. Its current role is to ensure Malaysia makes the Digital Leap and embrace the era of 4IR to drive shared prosperity and to reinforce the country's role as the Heart of Digital ASEAN, a regional digital powerhouse and industry trailblazer. These are focused on three primary focused drivers: empowering Malaysians with digital skills, enabling digitally-powered businesses, and driving digital investments.

By introducing nationwide digitalisation initiatives, the agency has remained true to the Government's Shared Prosperity Vision 2030, and its goal to firmly establish Malaysia as the Heart of Digital ASEAN. This is done by channelling their efforts into assisting SMEs.

Keeping in close synergy, the government and MDEC partnered with e-commerce industry players to jointly roll out the PENJANA E-Commerce Initiatives to further encourage traditional companies to adopt e-commerce platforms while encouraging domestic consumption among local consumers to spur economic recovery.

> **"MDEC's current role is to ensure Malaysia makes the Digital Leap and embrace the era of the Fourth Industrial Revolution to drive shared prosperity and to reinforce the country's role as the Heart of Digital ASEAN, a regional digital powerhouse and industry trailblazer."**

Given that over 90% of Malaysian businesses can be categorised as SMEs, it is imperative that smaller businesses must be digitally empowered. Most MDEC initiatives and programmes are skewed towards supporting digitisation and digitalisation of "mom and pop" enterprises.

IN IT FOR THE LONG HAUL

Malaysia's digital economy is forecasted to contribute 20% to the economy by 2020, a surge of 2.2% since 2015. Backed by the launch of the Digital Free Trade Zone (DFTZ) in 2017 and the current global crisis, the e-commerce sector is expected to exceed RM110 billion by 2020, comprising nearly 40% of Malaysia's digital economy.

The DFTZ is a strategic national initiative, spearheaded by MDEC to drive seamless cross-border trade through digitalisation and to facilitate access of local SMEs to vast opportunities in the global markets via e-commerce.

MDEC had the foresight to encourage the development and testing of next-generation technologies such as blockchain and fintech. This proved fundamental in attracting many start-ups and foreign investors to be based in Malaysia.

Addressing the growing demand for digitally skilled Malaysians, MDEC introduced the Tech Talent Development initiative to upskill and reskill the workforce. This has further sustained the nation's investment appeal.

The Malaysian government also incentivised its industrial sectors by offering tax breaks for the electronics sector and related intellectual property (IP); automation equipment capital allowance for services; and provision of incentives for digitalisation and innovation efforts to accelerate digital transformation.

This long-term commitment by the government spells good opportunities for foreign companies that have embraced or are looking to implement IR 4.0 technologies in their business operations.

MDEC'S ASPIRATIONS FOR THE NATION

There is little doubt that 4IR is here to stay. However, it is in the implementation that will separate the progressive societies from repressive ones. As one, we need to facilitate the nationwide adoption of 4IR tools for all elements of society to weather the imminent displacement and stand abreast with international peers.

Datuk Rais concluded that the principal philosophy governing the diffusion of 4IR tech into Malaysia's digital economy lies in the achievement of unified prosperity for all. The silver lining of this global crisis is the opportunity for retrospection, reinvention and to realign goals by placing society at the nucleus of 4IR technology and not in the peripherals. O

www.mdec.my

Datuk Rais ... "The principal philosophy governing the diffusion of 4IR tech into Malaysia's digital economy lies in the achievement of unified prosperity for all."

A CITY THAT IS SMART? SAYS WHO?

FOURTH LEAP

By Ezatul Faizura

WITH the increased popularity of smart cities phenomenon, there have been many discussions on what exactly constitutes a smart city. However, there has yet to be an authoritative definition that practitioners and citizens can use as a yardstick to determine whether a city is smart. Without this certainty, there is the challenge of potential inconsistencies in the development of smart cities. At best, there would be misaligned expectations from all stakeholders, and at worst, these inconsistencies could be taken advantage of by unscrupulous parties.

How then do we build a "smart city", if we do not have an explicit definition of a "smart city"? Should we even try? After all, with or without formally coining the term smart city, many cities are already taking advantage of technology to "smarten" their processes and services anyway.

Thus, "smart cities" in whatever form that the stakeholders may choose to define them, have provided benefits in one way or another (e.g. more efficient public transportation resulting in more public commuters and less cars in the city). So can these cities then be considered "smart"?

While working on my Executive Masters in Innovative Governance of Large Urban Systems (IGLUS) from Ecole polytechnique fédérale de Lausanne (EPFL), I was privileged to have had the opportunity to witness and experience first-hand what other cities around the world are doing with regards to smart cities, including the cities of Cyberjaya, Malaysia; Seoul, Korea; Istanbul, Turkey; Detroit & New York, USA; and St. Petersburg & Moscow, Russia.

"...the starting point of a smart city should be the needs of its people. Technology should merely be an enabler to meet those needs."

Cohen, B. (2015, August 10). The 3 Generations Of Smart Cities. Retrieved from https://www.fastcompany.com/3047795/the-3-generations-of-smart-cities

Technology should be seen as an enabler, not a disruptor or a replacement.

Conversations with stakeholders, from Ministers, academicians, regulators, industry experts right up to the man on the street, all gave real insights on the challenges that cities are facing today.

So, based on the learnings that I got out of these five cities, what exactly is a smart city?

Early literature indicates that smart cities were initially very focused on futuristic utopian hi-tech cities. The vision of flying cars, automatic household gadgets, service robots and intelligent systems all come into mind. However, literature also shows that this technology-driven approach is not the most ideal.

The Songdo project in South Korea is an example of how a technology-driven smart city can potentially fail. It started with the noblest of intentions: Songdo International Business District aimed to "banish the problems created by modern urban life" (McNeill, 2014).

Today, often dubbed as a "Chernobyl-like ghost city", this mega billion dollar project has failed to attract investors and inhabitants (Pettit, 2018). It seemingly had all the ingredients needed to make up what was thought to be a smart city: sensors built into city infrastructures, neighbourhood connected via video connectivity, traffic autonomously managed, etc. But with all its technological advancement, Songdo was deemed a failure, and could not attract "normal" people, hence the sterile feel to the city.

Technology needs to be people-centric and the needs of the people should be foremost in the development of smart cities.

McNeill, D. (2014, April 07). New Songdo City: Atlantis of the Far East. Retrieved June 10, 2019, from https://www.independent.co.uk/news/world/asia/new-songdo-city-atlantis-of-the-far-east-1712252.html

> **Each city has its own set of unique problems, and hence its own set of unique needs. Furthermore, each city is at its own stage of urban development, which in turn will determine its own set of priorities."**

Following the lacklustre performance of Songdo and other similar technology-led smart cities, many cities have adopted a more city-led approach. This is where the city itself defined what is required in their respective cities, with technology as an enabler instead of a leader. An example of a city-led smart city is Seoul, South Korea, where there are many top-down initiatives and city-driven programs that capitalize on technology.

Of late, many cities have begun to become smarter from a more bottom-up approach, with the needs of the citizens as the starting point. Smart services are co-created by the citizens and the market, most times independent from any city-driven initiatives. Citizen participation and public inclusivity are paramount in this type of smart city.

These three phases of smart cities have been succinctly illustrated by Cohen (2015), summarized as follows:

Cognizant of the many examples of smart cities, many have attempted to define smart cities, including academicians, regulators and practitioners. However, there is yet to be a single authoritative definition that could conclusively say that a city is smart.

What can be deduced from my IGLUS experience is that there should be no generic theme when approaching smart cities. Each city has its own set of unique problems, and hence its own set of unique needs. Furthermore, each city is at its own stage of urban development, which in turn will determine its own set of priorities. These priorities would determine whether a city is at Cohen's Smart City 1.0, Smart City 2.0 or Smart City 3.0.

Hence, there should NOT be a one-size-fits-all cookie-cutter approach to building smart cities. What works in Seoul would not necessarily work in Selangor, and the problems in Moscow need a different set of resolutions from the problems in Istanbul.

SO THEN, WHO CAN SAY THAT A CITY IS TRULY SMART?

From the sample cities observed, it was seen that there were a few common elements when their smart city key success factors were studied. These are:

Connectivity
Any smart city is dependent on the ability of the city to interact with its citizens. And this can only be done if the connectivity infrastructure is in place.

Availability of services
Ample smart city services must be made available to its citizens. Sufficient apps must be available for the citizens to run their daily tasks, and the services must be made available to them easily, through devices owned.

Figure 1: Cohen (2015) 3 Generations of Smart Cities

Pettit, H. (2018, March 28). *Smart city in South Korea turns into a 'Chernobyl-like ghost town'.* Retrieved June 10, 2019, from https://www.dailymail.co.uk/sciencetech/article-5553001/28-billion-project-dubbed-worlds Smart-City-turned-Chernobyl-like-ghost-town.html

ADVANTAGES OF SMART CITY

PRODUCTION
- ORGANIC FOOD
- SAFE PRODUCTS
- REDUCE THE COST OF DELIVERY
- HAZARDOUS MATERIALS EMEGENCY RESPONSE

CONTROL
- WATER TREATMENT
- WATER MANAGEMENT
- ENVIRONMENTAL CONTROL
- CONSERVATION OF ANIMAL POPULATIONS

UTILITY
- SMART WASTE MANAGEMENT
- RECYCLING
- REUSE
- EQUIPMENT MONITORING/ CONTROL

SERVICES
- MOBILE PAYMENTS
- REMOTE OUTAGE NOTIFICATION
- ONLINE ORDERING
- REMOTE CONTROL
- 24 HOUR ACCESS

TRANSIT
- INTELLIGENT RAIL AND TRANSIT SOLUTIONS
- FLEET MANAGEMENT
- ASSET TRACKING
- MOBILE PAYMENTS
- SMART ROADS

PUBLIC SAFETY
- VIDEO SURVEILLANCE
- REMOTE SECURITY MONITORING
- EMERGENCY RESPONSE
- SMART STREET LIGHT
- MASS NOTIFICATIONS

A smart city uses technology to provide services, process meaningful data, and solve city problems while promoting sustainability.

Data sharing
Any smart city needs to have sufficient data to efficiently and effectively understand the needs of its citizens. It is imperative that different players and stakeholders share all relevant data with the relevant members within the smart city ecosystem. This is to enable the incorporation of more meaningful city services.

Inclusivity
The higher the level of public participation, the higher the chances are for the smart city to be sustainable and successful. When citizens feel more engaged, they feel more ownership towards the smart city initiatives. Similarly, the more the smart city includes existing players within the city, the less resistance there would be to any new initiatives introduced.

Additionally, from the case studies conducted, most cities seem to be somewhat in agreement that technology should NOT be the starting point to a smart city. Instead, the starting point of a smart city should be the needs of its people. Technology should merely be an enabler to meet those needs.

Therefore based on all the above, I am adopting the following description of a smart city in my daily smart city approach with my stakeholders:

A smart city is any city that **intuitively adapts and responds** to the **needs of its citizens.**

This definition breaks down the smart city into three characteristics:

i. The city must be able to **act intuitively**, with minimum human intervention;
ii. The city must be able to on its own **adapt** and **respond**, and
iii. The city must be able to address the **specific needs of its citizens.**

Only if a city successfully achieves all three of the characteristics specified above should it then be considered a “smart” city.

Therefore, a city is only smart, if the citizens say that it is smart.

This is a contribution by Ezatul Faizura, Business Development Assistant General Manager at TM One
The opinions expressed in this article are those of the writer

Maxis-MDEC Pact to Nurture Digital Economy

MALAYSIAN telco giant Maxis and Malaysia Digital Economy Corporation (MDEC) are collaborating to promote corporate innovation among businesses in Malaysia, from startups or large corporations, to stimulate the ecosystem and spur the country's digital economy.

The partnership was formalised with both parties signing a MOU detailing the framework for its mutual cooperation.

Through the year-long collaboration, Maxis and MDEC will jointly develop mentorships and programmes to provide coaching to startups and corporates embarking on their digital transformation journeys.

Additionally, both parties will facilitate events and engagements that will foster a conducive environment for networking and collaboration between startups as well as larger corporations to generate business leads for the industry and accelerate corporate innovation.

"In this challenging and increasingly competitive business environment, we firmly believe that innovation will be a key success factor in re-evaluating business models and digital transformation strategies," said Maxis CEO, Gokhan Ogut.

Highway to a 100 Unicorns

MICROSOFT Malaysia in partnership with the Malaysia Digital Economy Corporation (MDEC) and the Malaysian Global Innovation & Creativity Centre (MaGIC) have launched the Highway to a 100 Unicorns initiative, as part of a joint effort to strengthen the nation's startup ecosystem and empower local startups with mentoring, technology, and access to enterprise clients.

Eligible startups will gain access to focused workshops on business and technology, as well as monthly knowledge-sharing webinars with the global startup community. Additionally, the top startups from Malaysia will stand to gain from an intensive year-long mentorship program, access to enterprise clients as well as engagement opportunities with Microsoft experts and industry leaders.

"Malaysia has a vibrant startup ecosystem, and they play a vital role in our economy as innovators, disruptors and first-movers. We are excited to be partnering with MDEC and MaGIC to introduce the 'Highway to a 100 Unicorns' initiative in Malaysia. This is part of our collective commitment to empowering our local startups with the right technology and expertise, enabling them to scale and achieve more globally. Our local startups can potentially become tomorrow's unicorns, helping to shape our economic recovery and resilience, and build a stronger long-term future in Malaysia," said K Raman, Managing Director of Microsoft Malaysia.

"Kuala Lumpur has been recognised as the 11th emerging startup ecosystem in the world by Startup Genome, adding to confidence that Malaysia primed to be the preferred 'land and expand' base for the best innovators and tech startups regionally. The commitment of corporations such as Microsoft will further strengthen international investor confidence by bringing in the wealth of market knowledge, resources and a vast network of clients. As the spearhead of Malaysia's digital economy, MDEC is firmly committed to assist local tech startups in their fundraising journey, global market expansion, and forging corporate partnerships to entrench our Malaysia as the Heart of Digital ASEAN," said Surina Shukri, Chief Executive Officer of MDEC.

"Highway to a 100 Unicorns" initiative is in line with MaGIC's commitment to drive the development of a vibrant and sustainable startup and social enterprise ecosystem in Malaysia, built on impact-driven innovation and inclusivity. While we have witnessed steady growth over the years, the entire ecosystem has been challenged to innovate and accelerate its growth at a much faster pace in recent times. This initiative presents an exciting opportunity for our local innovators and founders to scale and move beyond our borders, through global collaborations, as well as industry-led mentorship and guidance. MaGIC, together with our partners, is poised to further help startups looking to broaden their reach," said Dzuleira Abu Bakar, Chief Executive Officer of MaGIC.

Gaming Trends During Pandemic

AS the pandemic induces more lockdowns and the possibility of State of Emergencies being declared, more and more people are turning to gaming as a form of escapism. According to Deloitte's 2020 digital media trend survey, gaming services and virtual sporting events (esports) are welcoming new consumers, and not just Gen Z or Millennials either. As travel and tourism suffers, the gaming industry is flourishing and introducing new avenues for even Boomers and Gen X to enjoy.

Even before COVID-19, Deloitte's survey found a quarter of consumers ranked playing video games as a top three form of entertainment. The interactivity and social aspects of gaming is more pronounced in younger generations - around 40% of Millennials and Gen Z.

However, what will become of the industry once work and school resumes? According to Futter in his 2019 article "The Future of Gaming is in Subscription", there is a chance a third of consumers might still be invested in video games. New releases and a back catalog of games, as well as the success of streaming video services will continue to drive growth for top game titles.

More and more people are watching others play and participating in various discussions on games. Some are also engaging in more virtualised versions of sports as a substitute to live physical sports. This will keep the engagement going well into the future.

Silk Road: Southeast Asia's First Partner-Driven Digital Supply Chain Financing System

FUNDING SOCIETIES, the first and largest peer-to-peer (P2P) financing platform in Southeast Asia, connects SMEs with investors through an online marketplace, thereby increasing access to financing for SMEs. Registered with the Securities Commission, it recently became the first P2P financing platform in the region to launch a partner-driven digital financing solution, Silk Road.

Launched in May 2020, Silk Road enables customised and seamless information sharing via a digital portal, thereby creating a frictionless and expedient experience for users. This allows greater convenience and lowers the cost of managing the financing process through a single dashboard. Silk Road is currently being utilised by car dealers to obtain financing through Funding Societies' platform but can also be extended to multiple other use cases or partners.

Wong Kah Meng, Co-founder and Chief Executive Officer of Funding Societies Malaysia, said, "Despite a slowdown in the overall automotive sector amid the COVID-19 outbreak and the country's restrictions on business activities in the first half of 2020, the used car segment, on the contrary, has seen impressive growth. Acknowledging this trend, through Silk Road, we aim to further uplift the local used car industry by providing a fast, simple and seamless platform and financing solution for dealers to expand their business, leveraging on the current growth wave."

By integrating Silk Road with Funding Societies' dealer financing offering, the platform is able to enhance the experience for SMEs and partners through the aspects of transparency, accountability and speed, as compared to more traditional methods involving physical documentation or informal methods such as e-mail and messaging applications like WhatsApp. With the integration moving forward, used car dealers will only need to upload their invoices online before receiving their approval within 24 hours' time.

Despite an established used car segment in the country, used car dealers often face numerous issues when it comes to obtaining capital to expand their businesses, mainly because traditional financing avenues do not usually cater to used car dealers that are sole proprietors or partnerships, which are seen as too small for banks to serve profitably.

Since the launch of Silk Road, there have been a recorded 16,500 sessions (user usage), peaking at 9,550 sessions in August alone. This symbolises the quick adoption of the system and take-up of the dealer financing product by dealers.

As for the dealer financing product, the platform has successfully disbursed RM100 million across 4,000 notes as of August 2020. In addition to used car bidding platforms, Silk Road also enables used car dealers to finance vehicle purchases from verifiable open market sources and finance the settlement of outstanding amounts to banks for vehicles which are pending to be sold to a subsequent buyer.

The platform has been gaining traction amongst partners and its features could be effectively utilised in areas such as e-commerce and serve more underserved or unserved SMEs across the region.

By investing in SMEs, investors could earn risk-adjusted returns. Meanwhile, SMEs obtain access to short-term financing to expand their business through a fast and simple online process. Additionally, SMEs benefit from not having to provide collateral for financing, while interest costs are minimised due to short financing tenures.

Dachser and Fraunhofer IML Continue Research Partnership on New Technologies

THE Fraunhofer Institute for Material Flow and Logistics IML and Dachser are extending their collaboration in the DACHSER Enterprise Lab for a further three years. Their partnership will continue to focus on research and development projects with practical application benefits for the Dachser network. These include digital technologies such as data science and artificial intelligence (AI), real-time locating systems (RTLS), 5G and the Internet of Things (IoT), autonomous vehicles, and adaptive warehouse systems.

"The first step in our joint research work in the DACHSER Enterprise Lab is to gain a detailed understanding of new technologies and their potential for logistics. Then we build on that to develop prototypes and concepts that add tangible value for Dachser and our customers, turning them into innovations," explains Stefan Hohm, Corporate Director Corporate Solutions, Research & Development at Dachser, who will head the new IT & Development executive unit as of January 1, 2021. "So far, the work we've done together has proven that we can transform research results from the DACHSER Enterprise Lab into new processes and services throughout the entire logistics network," Hohm says.

"We're delighted that Dachser is continuing its collaboration with Fraunhofer IML. Our research results up to now and our new research contracts show just how important applied research is for logistics and supply chain management," says Prof. Michael ten Hompel, Managing Director of Fraunhofer IML. "We're particularly proud that the lab teams have continued to work effectively despite the restrictions imposed by the coronavirus pandemic. Of course, technical aids such as video conferences and collaboration tools have been a great help. But above all, it's the extraordinary commitment and motivation of everyone working at the DACHSER Enterprise Lab that is key to successful research in challenging times," ten Hompel says.

In the DACHSER Enterprise Lab, Dachser logistics experts and scientists from Fraunhofer IML work in mixed lab teams on various research and development assignments. The partnership between the logistics service provider and the research institute was launched in October 2017 and will now run until October 2023.

Cyberjaya's New Masterplan: Driving Growth for Global Tech Hub

CYBERVIEW Sdn Bhd (Cyberview), the Tech Hub Developer of Cyberjaya recently held an online panel discussion themed, "Cyberjaya's New Masterplan: Driving Growth for the Global Tech Hub".

In tandem with Cyberview's new mandate to spearhead the development of Cyberjaya, the webinar discussed the newly introduced masterplan which aims to further propel the growth of Cyberjaya as a Global Tech Hub. Cyberview will now lead the development of Cyberjaya, in efforts to revitalise the smart city, by focusing on three specific tech clusters which are Smart Mobility, Smart Healthcare, and Digital Creative.

The panellists included Roni Shah Mustapha, Head of Business, City & Communications Division, Cyberview Sdn Bhd; John Low, Co-Managing Partner SEA, Roland Berger; and Jin Xi Cheong, Founder and Chief Executive Officer of Poladrone. The panellists provided insights into the new masterplan and how Cyberjaya is well-positioned to be the preferred location for tech businesses and investment.

"In today's changing world, it is imperative that Cyberjaya is revitalised in continuing our focus on technology-based industries. An implementation plan formulated by our consultant Roland Berger, has enabled us to place a lot of thought into how the masterplan will transform Cyberjaya into a vibrant Global Tech Hub, in an inclusive and closed-loop fashion. Additionally, we are confident that our three tech clusters will drive development in emerging technology solutions and will be the innovation hub for an entire value chain across the mobility, healthcare, and digital creative clusters," Roni said.

Digital Technology Versus Counterfeit

WOULDN'T it be wonderful if you could pick up your phone, open an app, take a photo and see A-Z of a watch's history, ownership, origins and identity? The digital revolution could make this a possibility and in the process, topple the counterfeit economy.

Approximately 40 million fake watches are made each year, versus 20.6 million genuine Swiss watches, resulting in a loss of $224 million on the primary market.

The champion in this fight is Origyn, a non-profit based in Switzerland dedicated to taking down fakes. They have developed a digital certification tool that combines decentralised technologies, machine learning and artificial intelligence.

The technology analyses various reference points from images and/or sounds made by the movement of a watch for rapid authentication and identification. Every watch contains elements that make it unique and thus, Origyn can individually analyse all components of a watch - from its hands to the screws, rotor or the barrel.

"For the project to work, brands have to get behind from the start by generating 'digital twins' of their luxury products at the production stage," explains Vincent Perriard, one of Origyn's three co-founders. These "twins" will be impossible to copy and tamperproof.

Thanks to the technology being built on an open and decentralised protocol, they are able to maintain an accommodating governance system, allowing brands to remain independent.

The Swiss foundation's solution would provide end customers with a guaranteed means of distinguishing genuine from fake. "Having a tamperproof certificate of authenticity is a decisive factor," says Vincent Perriard. People want to know if they are able to re-sell it later.

Origyn would be able to link each new watch to its owner and even record the information, should it be lost or stolen. It will also make it easier to transfer ownership and liaise with insurers. Customers who own a luxury watch from a previous generation, that hasn't been registered, can contact a boutique, an authorised retailer or the brand itself and have a 'digital twin' generated." Provided brands support the project, this range of services will be available as an app from summer 2021.

Fitness Apps Growth Skyrocket in First Quarter of 2020

WHILE fitness apps have been popular long before COVID-19, its popularity in the first half of 2020 was inimitable.

Between Q1 and Q2 2020, health and fitness app downloads surged by 46% globally, with India seeing the biggest growth, at 157%, followed by Middle East and North Africa, at 55% and Asia-Pacific at 47%. This data was taken from MoEngage, which measured the growth of home fitness apps from five regions, representing 1.5 billion mobile app users.

India's increase in downloads translates to 58 million new active users. This is due to India having the largest lockdown in the world, with 1.3 billion people instructed to remain indoors.

Furthermore, more gyms and fitness centers started offering virtual classes to allow members access to services. People were also inspired to invest in home fitness equipment as they are no longer able to visit the gym.

In terms of usage, mindfulness and meditation apps were more popular in the month of April and May. By June, people shifted their focus to active workouts and diet tracking in order to remain active indoors. As these new lifestyle habits are becoming more widespread, whether or not this trend will continue after the pandemic is the question of the day. However, the fitness mobile app market is expected to boom in the coming years.

World Bank Exhorts Philippines Govt: Invest in Telco Infra, Boost Digital Transformation

THE World Bank is urging the Philippine government to do its share in improving the country's communications infrastructure amid an increased internet usage due to the country's urgent shift to digital services–online education, online shopping, digital payment, work from home setup, and others–caused by the pandemic.

This came as telecommunications companies continue to ramp up capital expenditures to improve on their respective networks, due to increased demand in internet and mobile connections. With the COVID-19 pandemic forcing day-to-day activities to go online, the World Bank stressed that the Philippine government "should take the lead in transforming the economy into a digital one."

"In a society-wide digital transformation, the government itself must lead by example," said World Bank economist Kevin Chua, the lead author of the report titled "A Better Normal Under COVID-19: Digitalizing the Philippine Economy Now."

Upgrading digital infrastructure, promoting digital payments, improving the efficiency of the logistics system and fostering a conducive business environment are among the recommended measures cited in the report released by the World Bank and the National Economic Development Authority (Neda). The report also stated that efforts to improve the country's telecommunications systems have been hampered by complex government regulations – causing a "digital divide" that makes lives worse for the poor.

The government claims that it has taken steps to address the lack of infrastructure, including the anointing of a "third telco" in Dito Telecommunity. Industry and media analysts, however, said that the government may face more problems than solutions due to Dito's delays and rollout issues, as well as potential national security threats.

"The biggest concern is that China will be able to listen in on our communications," says Dr. Renato De Castro, a professor in the International Studies Department at De La Salle University in Manila.

The Department of Information and Communications Technology (DICT) echoed the need for more investment support as it appealed to senators earlier this month to prioritize the National Broadband Program and the free internet access program in schools. According to the DICT's presentation to the Senate, the ideal budget for the broadband program amounts to P18.18 billion, but the Department of Budget and Management (DBM) only approved P902.19 million.

The DICT is requesting an additional P17.2 billion for the program, so that it would be able to activate the cable landing station in Baler, Aurora, and connect to the National Grid Corporation of the Philippines (NGCP) node in San Fernando, La Union.

The department would then be able to fire up 4 DICT nodes and 15 NGCP nodes. From there, it can provide bandwidth to nearby government clients and beneficiaries of free Wi-Fi. In the meantime, the country's telecom service providers continue to invest in network improvements as the demand for connectivity increases as a result of the pandemic.

The Philippines is actually already among the Top 10 countries in the world when it comes to investments in telecom based on the IMD World Digital Competitiveness Rankings of 2020. "Efforts to enhance digital infrastructure are hindered by legal and regulatory constraints in the telecommunications markets," Chua said. "Limited digital infrastructure has directly contributed to the problems of affordability, speed and access to the internet."

As the government works to ease bottlenecks such as the restrictive cell tower permitting process, further investments in national broadband facilities will help to create better and more accessible internet services that are vital for e-commerce, work-from-home setups and distance learning needs that will persist even after the pandemic quarantines are lifted.

Vietnam to House Global Supply Chain?

WHILE the US-China trade war and the COVID-19 outbreak has been seen as disruptive to other parts of the world, Vietnam is leveraging the situation to improve its position in the global supply chain.

Its proximity to Southeast Asia countries and China is a boon in terms of being connected and competitive. Low costs, political stability, investor-friendly policies, improving infrastructure, and state-backed efforts to promote tech startups make the country even more appealing.

Vietnam is a party of 13 free trade agreements (FTAs) thus having one of the most open economies. In recent years, many multinational firms have relocated some of their supply chains out of China to places like Vietnam.

South Korea was the largest investor in Vietnam in 2019, providing almost a fifth of the total US$38 billion of new foreign direct investment in the country. This is followed by Hong Kong, Japan, and China.

Reports noted that many of US tech giant Apple's suppliers, including Pegatron and Foxconn, iPad maker Compal Electronics and also Inventec, an AirPod assembler are building a plant in Vietnam.

Manufacturers are knocking on the doors of Vietnam's northern provinces and committing billions of dollars to set up operations, including Samsung Electronics, where it is producing about half its smartphones.

Although the country is not immune to the global economic downturn, its prospects for recovery remain positive and are the brightest among Asian countries. The main goal now is to ensure and maintain sustainable growth in Vietnam.

LEADING DIGITAL ADOPTION IN AN ORGANISATION

FOURTH LEAP

By Naquib Mohd Nor

THESE days digital adoption in organisations is a conversation around almost every boardroom and pantry across the country. The conversation is often tricky as everyone seems to approach the subject from a different angle. I find that most of the time with Malaysians, the conversation revolves around the novelty of the technology, akin to people talking about the latest features on their mobile phones. We talk about these latest things, marvel at what utility they afford us, whilst pontificating about how we would be light years ahead if only we embraced this change.

Why then is digital adoption in the industry yet to blossom in Malaysia? Studies by the Malaysian Aerospace Industry Association (MAIA) and the Federation of Malaysian Manufacturers (FMM) have found that Industry 4.0 readiness amongst Malaysian SMEs is less than 15% on average.

Ironically, from the CEO down to the shop floor operator, everyone carries a mobile phone - which, in some surveys, is considered evidence of "digital adoption". The fact of the matter is that digital adoption is yet to have a game-changing impact on our industrial landscape. Just like the conversations, the reasons for this are also multi-faceted.

FIRST HURDLE TO DIGITAL ADOPTION

The first challenge often heard is to determine where to begin the digitisation journey. Here is where most companies face the first hurdle which is simply to define their processes, despite many companies having ISO approvals. Perhaps not such a mystery if you consider that the attitudes towards having these certifications in the first place, is often in the best-case compliance and in the worst-case, viewed as a necessary evil.

Coming from the aerospace industry, AS9100 or similar approvals are granted not by demonstrating an ability to comply (which is a given) but the ability to demonstrate continuous improvement. To do the latter, one must know and be in full control of one's processes. This is the prerequisite to being able to improve them and therefore the prerequisite to be able to automate them. This seemingly logical sequence of reasoning is deceptive in its simplicity. At every level it implies an escalating level of industrial maturity, taking into account a host of high-level technological and managerial capabilities.

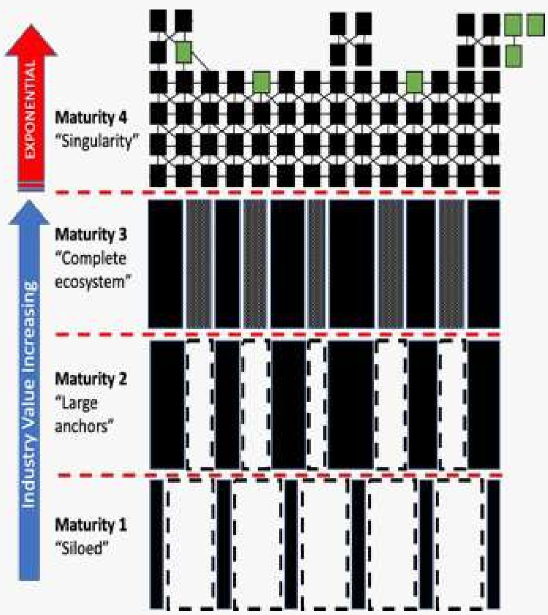
For example, to be in full control of one's processes, one often has to have designed them oneself or have the ability to do so. A cut and pasted operation may not be sentient of the nuances and intrinsic dependencies to be able to fundamentally alter a process. In one of my recent consulting experiences, I observed how a Malaysian Kaizen expert was trying to apply methods he learned in the automotive sector to aerospace. The instinct was to go for the micro improvements in processes.

This, I realised, was where his focus had been all this time in Malaysia because he had no visibility of the wider processes which had been cut and pasted from Japan. The problem was that it was the higher-level process considerations that required reconfiguring. Micro process improvements, a fraction of a minute here or there, were meaningless if the larger process was inefficient.

Those who lead industrialisation in Malaysia, whether from the government or private sector need to understand these fundamental differences to be able to affect meaningful change. We often whitewash these things to the point where we blur significantly the lines between competence and replicability. The former implies deep knowledge and understanding and the latter relies mainly on memory. This becomes more critical in the Fourth Industrial Revolution (IR4.0) as manufacturing and business processes are evolving more and more fundamentally.

A CLOSER LOOK

To illustrate this, let us appreciate Malaysia's strategy for growing Foreign and Domestic Direct Investment (FDI/DDI) in the country over the last few decades. The process



The diagram above illustrates conceptually the transformation the Malaysian industry is envisaged to undergo towards Industry 4.0. Each level represents the entire ecosystem producing a complete product e.g. a complete aircraft tail. The white spaces are gaps (filled by outsourcing to or from other countries) whereas the black and grey boxes represent Large and SME companies respectively.

Maturity Level 1:
Is where companies are small and siloed with many gaps yet in the ecosystem.

Maturity Level 2:
Is where the small companies now have grown into larger anchor companies, filling up a greater part of the ecosystem capability.

Maturity Level 3:
Is where SMEs now begin to fill the remaining gaps, resulting in a complete ecosystem that is able to deliver a complete product.

Maturity Level 4:
Is an idealisation of what Industry 4.0 aims to achieve. It is a collection of autonomous companies connected by a digital network. This end state provides maximum flexibility in production with the green boxes representing capabilities that may be from other industries whose particular values/advantages can be capitalised on for greater product value or production efficiency.

begins with lots of effort being put into seeding an industry; for example, attracting a large global player to establish its manufacturing in the country. Then, we incentivise the growth of that company's supply chain and we hope that over time, Malaysian SMEs begin to emerge to fill that supply chain and form a complete and sustainable value chain. Reads like a fairytale with a "happily ever after" except that IR4.0 demands that we smash that rigid supply chain into smaller agile units connected by a digitised knowledge framework.

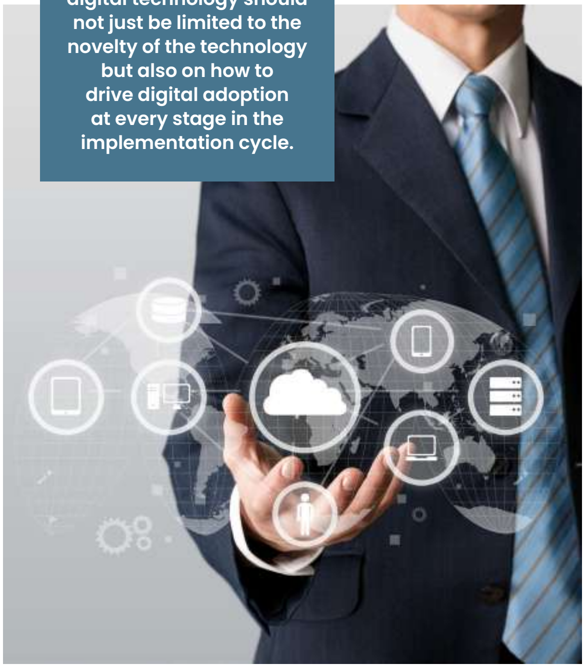
This more flexible structure will now be able to bend and mold itself to cater for a more rapidly changing market. A market that demands more tailored products with sustainability built-in. Leading digital adoption in this more volatile, uncertain, complex, and ambiguous (VUCA) environment requires deep technical knowledge and broad strategic thinking. It requires companies that can continuously reinvent themselves as demands emerge and dissipate.

I believe that fundamentally, Malaysians can leverage the diversity of the country's cultures and ethnicities to develop the dynamic talent that will power these companies of the future. Our global diaspora has shown that Malaysians can be highly effective. We must take the time to understand the "nuts and bolts" of how to make this work and direct our efforts towards achieving this.

I was once asked, "How can we, as a country, reduce our dependence on fossil fuels?". My response was that it's not a "dependency" that we have but an "addiction" and that just as addicts undergoing rehabilitation the process will be long and painful. We will not look pretty going through it, but we will come out the other end truly emancipated.

This article is a contribution by Naquib Mohd Nor, CEO of Strand Aerospace Malaysia (SAM) and President of the Malaysian Aerospace Industry Association.

Discourse surrounding digital technology should not just be limited to the novelty of the technology but also on how to drive digital adoption at every stage in the implementation cycle.



SPICING UP THE BUSINESS WITH 4IR

Fourth Leap's Jamie Axel has a conversation with Gary Gan, Founder and General Manager of Hexa Food Sdn Bhd, a herb, spice and seasoning manufacturer, about its remarkable digital journey and its foray into the Fourth Industrial Revolution.

HEXA FOOD has come a long way from its humble roots. Starting the business from scratch, Gary Gan Kian Keat founded the company in 2007 with little to no experience in the F&B industry. Without a doubt, there were many hurdles that he had to overcome, from learning all aspects of the business including sales, marketing and accounting, to settling debts that were accrued by the previous owners.

Hexa Food's initial clients include foodservice operators and manufacturers, focusing on the business-to-business segment but soon expanded to supermarkets, hypermarkets, and more. As the business continues to grow, the company sets its sight towards global expansion and currently exports to over five different countries with more plans for the year 2020.

Some of Gary's proudest moments was when Hexa Food won 2nd place in the Enterprise 50 (E50), organised by SME-Corp in 2016, which is a prestigious award programme honouring and recognising the accomplishments of enterprising small and medium enterprises (SMEs). The nominees are judged based on several criteria including operations and management competencies, and financial capabilities.

WHERE TECHNOLOGY MATTERS

The comfort zone is where dreams go to die; Gary was never in that zone. He challenged the convention and had to juggle various problems one would expect of a budding company. Back then, it was not only about developing the Hexa brand, but also maintaining and running of the business. With so many things to do and with none other than two other clerical staff, they were working on a very lean structure. That is where technology came in handy.

Using nothing but simple digital tools and service providers such as Google, backed by the knowledge of Search Engine Optimisation (SEO), Gary managed to market his products digitally and focused on online engagement at a time when competitors hired salespeople and adhered to conventional methods.

> **Hexa Food won 2nd place in the Enterprise 50 (E50), organised by SME-Corp in 2016, which is a prestigious award program honoring and recognising the accomplishments of enterprising small and medium enterprises (SMEs).**

Proper execution with a slim margin of error and striking on a timely basis, the company rose and saw a whopping RM8 million in sales – all without hiring a single salesperson.

As the company continues to grow, innovate and embrace 4IR technologies, Gary mentioned that one major thread that follows a significant change is to get everyone on board. This includes the top management, seniors and juniors within the company. "Educating the staff on how specific technology would assist them in their quotidian tasks makes a difference, and then let the tech do the talking."

Today, the company is working with Huawei to incorporate Artificial Intelligence (AI) and Cloud technology into its operations. Hexa Food is interested to explore how AI can assist in Quality Assurance and reduce wastage. One simple example is to distinguish between the "good" and the "bad" chillies in a sack which will improve productivity and efficiency in the production line.

Furthermore, having digitalised the data logging processes, the company can then focus on gathering data – machine data, production data and environment data – in order to improve the Overall Equipment Effectiveness (OEE), thus leading to higher efficiency. The employees are able to obtain measurements such as the temperature of foods to comply with Hazard Analysis and Critical Control Points (HACCP) standards.

4IR TECH: A LONG TERM STRATEGY

"We have a team of six people working on automation and 4IR technology and saw a marked improvement in efficiency," shared Gary. 4IR is a long-term strategy, and often show a marked increase and significant benefit within a year or more. He mentioned that many of the processes have now been simplified.

The year 2020 would see the establishment of a new "smart" factory, with full adoption of 4IR technologies. Hexa Food hopes to see a 40% increase in efficiency in their smart factory. The company has since transitioned beyond the preliminary stages and look to improve its existing factories in stages.

Hexa Food also has its own eCommerce platform, ebaza.com. my which was launched in 2015 to market its food products. Foreseeing the impact of eCommerce on the future, Gary proceeded to set his gaze on online marketplaces such as 11 Street, Lazada and Shopee.

"Through trial and error, our in-house developers have created our very own software to automate mundane tasks and make jobs easier," said Gary, adding that it isn't enough to just adopt a certain technology, but it must make business sense, reducing manual procedures rather than increasing the workload of the employees. "It's near impossible to get it right from the get-go because of uncertainties. All we had to do was iron out the kinks."

KNOWING IS THE FIRST STEP

Gary asserts that 4IR technology would certainly benefit adopters, but with a caveat: one should not adopt new technologies to just jump on the bandwagon. "It's imperative that you know how it will fit your business model. The adoption of technology into the business should be done with proper preplanning and knowledge on the particular tech," he warned. He advises all to learn about what 4IR technologies can offer as it may just be the piece of the puzzle you never knew you were missing.

"The journey to digitalisation and 4IR adoption isn't a lonely road. There are many avenues and opportunities," he said. With the right partners and the right technology, any businesses can navigate the Fourth Industrial Revolution without much difficulty, Gary concludes. O

Behind the scenes... The company ensures processes are compliant to international standards.

MOVING BEYOND COVID-19 INTO 2021

FOURTH LEAP

By Sam Kon

OVER the past nine months, businesses have been adjusting to the pandemic and in a few months' time we will be wrapping up for 2020. Even if a vaccine is found soon, it will still take at least a year to go through tests, clinical trials and produce the capacity for mass distribution. In short, the world cannot be idle and one more year is a long way to go for any businesses who strive to survive through the "new normal". Now is the time for all of us to review how we've adapted to the current situation and how we want to build a better future.

ONLINE PRESENCE & EXPERIENCE

The recovery rate for businesses since implementation of social distancing measures have been slow, especially those that depend on physical foot traffic. Majority of city dwellers are accustomed to searching or shopping online. By now, businesses should already be online and even be analysing their data.

One of the major benefits of having online presence is that businesses are not limited to domestic markets. Businesses can choose to set up an online presence in international platforms for higher visibility. With domestic sales not being promising enough, this can be supplemented with international customers.

Based on a recent study, Accenture (2020) pointed out the 2 areas of emphasis for consumers now are safety and convenience. So businesses need to retire old information; instead, be quick to update and understand individual wants and needs. The sooner they launch themselves into online and gather these customer experiences, the sooner they can tweak and provide an unparalleled online user experience. Speed is key.

DATA, TRENDS & DECISIONS

Making a decision without data is like driving in the dark without your headlights on, not knowing where you're heading. The power of data allows us to interpret and explore upcoming trends. The merchandising industry can use these data to help them identify trends, plan and schedule their purchases; ensuring minimal wastage within the supply chain especially when resources are limited now.

Be on the lookout for current trends and market needs. Covid19 may have sparked off a sharp increase in demand for masks, personal protective equipment (PPE) and gloves. It has even created new necessities and behaviours such as the increased demand for personal laptops and tablets. This is due to businesses needing to work remotely while education institutions had to conduct online classes.

Interesting to note is that market trends are never permanent. They constantly evolve over time. Previously, disposable masks were in high demand; now, consumers are more conscious minded and prefer reusable masks instead. Pairing data with a pinch of common sense, businesses can be more prepared for the next trend.

ACQUIRING VS RETAINING STRATEGY

Budget slashes, marketing initiatives temporarily halted and any form of spending have to be justified with a certain return of investment (ROI); cash flow being tight during such times calls for a more sustainable growth strategy. Instead of passively communicating through advertisements as a costly acquiring strategy, businesses should consider retaining strategies such as engaging with customers and building a genuine relationship with them.

Taking it to the next level, you can even adapt your business model from consumption to co-production. Traditional consumption business model is about producing products and pushing to consumers. Whereas the co-production business model is a reverse engineered process of designing a product suitable for the current consumers.

Co-production involves businesses diving into customer data, collecting interactive inputs, understanding customer behaviours and building a product together with them. It is a product created by the consumers for the consumers. This approach not only increases engagement with your customers, it also significantly reduces risk of a product that doesn't meet the current market demands. In the current market, there is very little room to invest in trial and error.

THE NEW WORKPLACE

Companies have been exploring lean and agile processes to help their employees to work efficiently. Technology has definitely opened new doors in the way we can interact and work. As offices now begin to reopen their doors, every business will be reassessing how they have been working thus far, balancing between productivity and their capital expenditure.

In the current market condition, it is inevitable there will be a surplus of the talent pool in the ecosystem. Therefore, human capital services

> **"Co-production involves businesses diving into customer data, collecting interactive inputs, understanding customer behaviors and building a product together with them."**

and softwares with algorithms will need to relook into catering to the current situation, where the workforce needs a platform to springboard their transferable skills and experiences. Whether the next platform could build a new synergy in a gig economy business model will define how these talents' skills and experiences can be made accessible to the global market.

SURVIVAL OF THE FITTEST

The pandemic has been disruptive; all aspects of businesses have to be revisited. Only by embracing the digital transformation, businesses are able to make informed decisions with data. With reliable data, businesses can be more resilient and operate sustainably.

The international arena is by no means a big sea. Previously the rule to survive is the big fish eats the small fish; now, the rule has changed - it is the fast fish that eats the slow fish. Reliable data and accurate interpretation of the data will get you up to speed.

Sam Kon is an ecommerce consultant from Beyond Infinity Consultancy. He is also a certified ecommerce trainer by Alibaba Business School and Taobao University; Enabling and empowering businesses to boost their revenue by going from offline to online (O2O).

Softwares and digital platforms are key to springboard the workforces' transferable skills and experiences.

There's a significant decline in the number of mall visitors and overall spending, post-MCO, with Fashion Apparel taking the biggest hit.

HOW TO REPIVOT YOUR BUSINESS DURING COVID-19

FOURTH LEAP

By Vittorio Furlan

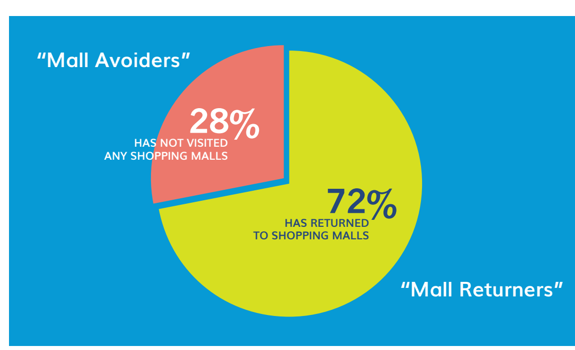
2019 left us with much to look forward to with the progress in trade talks between powerhouses USA and China, and the global stock market had posted their best year since the 2008 financial crisis (The Guardian).

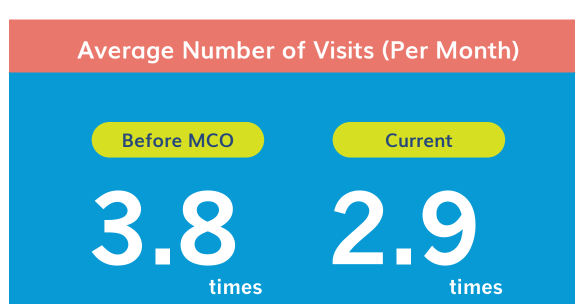
The optimism was cut short with the spread of COVID-19, which left the world in an uproar as many countries had to implement a movement restriction initiative. It was estimated that over a third of the planet's population was under some form of the restriction by April 2020 (Business Insider).

Back home, in response to the pandemic, the Malaysian Government implemented a Movement Control Order (MCO) in March. Relaxation on restrictions gradually phased in by early June as the number of active cases of COVID-19 reduced, and to help reinvigorate the economy.

However, this has led to a change in consumers' spending behaviour from the implementation of lockdowns and a general fear of the pandemic. To better understand this shift, we performed an online survey across Malaysia last July 2020.

With the data analysed, we found that only 72% of respondents were returning to malls and the data shows an overall decline in monthly visits as compared to pre-MCO.





We also noted that the purpose of visiting shopping malls and time spent for each visit had also changed for our respondents.

Top 3 Purpose of Visiting Shopping Malls

Before MCO	Current
Window Shopping / Kill Time	Replenish Groceries / Essential Items
To Dine-in	To dine-in
To Shop for Fashion Items	To Purchase Personal Care Items
2h 32m	1h 50m

Average Time Spend in Shopping Mall

The average spend and categories of items purchased had also changed as seen below. There is a major decline in overall spending, with Fashion Apparel taking the biggest hit with a 35% slump. The trend shows that mall visitors are only physically purchasing essential goods and have shifted their non-essential shopping online.

Categories of Item Purchased / Used

	Before MCO	Current
F&B (Dining)	79%	60%
Groceries	48%	52%
Beauty & Personal Care	50%	31%
Medical / Healthcare Products	31%	24%
Fashion Apparels	59%	24%
Services (Money Changer, etc.)	37%	23%
Fashion Accessories	39%	12%
Leisure / Hobbies / Entertainment	44%	11%
Home & Living	26%	10%
Books & Stationery	34%	10%
Average Spent	**RM 430**	**RM 284**

Average number of categories visited - Before MCO : 4.5 | Current : 2.6 -34%

The following highlights the top 3 reasons as to why 28% of the respondents elected not to visit shopping malls after the relaxation of the MCO.

Not Feeling Safe to go out from Home (Worried of Covid-19)	75%
Concern Towards Crowded Shopping Malls	52%
Concern About the Long Queue When Entering Stores	44%

Top 3 Reasons

> **A lack of emphasis on what your brand stands for allows competitors to steal mindshare, erode brand perception, and even degrades value with short-term thinking."**

HOW DO YOU, AS A BUSINESS, MOVE FORWARD?

With consumers less reluctant to visit malls and the drop in overall spending, there is now a need for retailers to adapt their business strategies. We propose the following 4 steps businesses can take to still make 2020 their year:

1. **Let Data Do the Talking**
2. **Brand Building Means More than Ever**
3. **Tug at the Heartstrings of your Consumers**
4. **Steal the Spotlight**

1. Let Data Do the Talking

Data-driven marketing may have been a buzzword for a while now, but it's more than just hype. At ADA, we think of it as much more than a passing fad – because we live and breathe data. But data on its own is more than just random numbers on a screen. To glean value from data, you need insights.

A common mistake many businesses make is to assume that once they have data, it will magically solve all problems and answer all pertinent questions. In reality, they need to gather insights from the data, which then leads to action, and ultimately turns into clear business outcomes.

This is easier said than done, of course - which is why we coined a simple framework: IDEA.

IDENTIFY the problem in as precise a manner as possible

DATA ANALYSIS is then applied to reveal specific and actionable information

EXTRACT unique insights and perspectives from the information

ACTIONABLE strategies and solutions are created to deliver results

2. Brand Building Means More than Ever

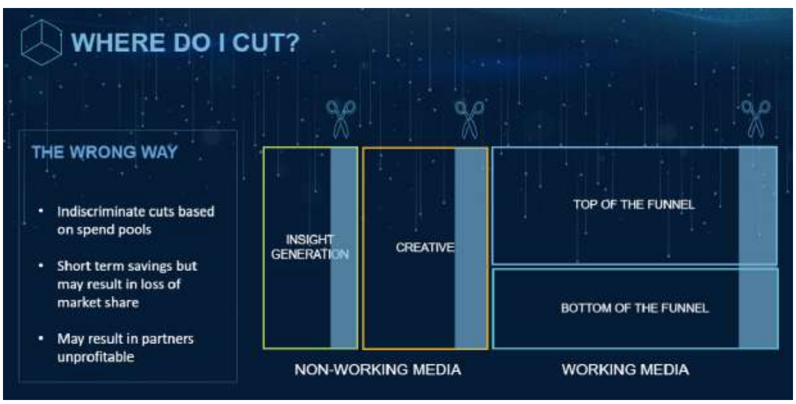
With the increasing pressure around performance, and the advent of digital, which allows you to track what seems like everything, there has naturally been a move towards shorter-term performance-based activity.

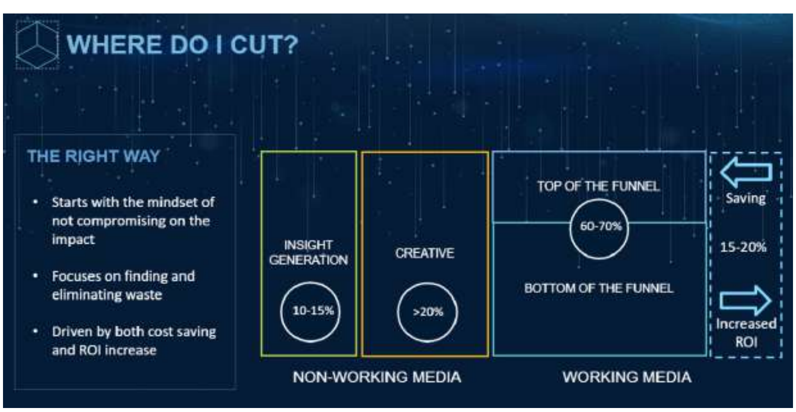
This has sometimes come to the detriment of the brand. A lack of emphasis on what your brand stands for allows competitors to steal mindshare, erode brand perception, and even degrades value with short-term thinking; resulting in heavy discounting of categories or products.

Various studies show that despite the tremendous changes precipitated by technology, the ideal ratio between brand building and activation remains the classic 60:40.

When times are tough, marketing is naturally one area that receives extra scrutiny. Rather than eliminating activities like brand building which are perceived as hard to measure, to save costs and raise return on investment (ROI), business should focus on finding and eliminating waste. This starts with the mindset of not compromising on the impact of the media.

A budget of 10-15% for insights generation and more than 20% for creative is recommended for non-working media while 60-70% is recommended for working media.





3. Tug at the Heartstrings of Your Consumers

Ever been on a tight budget, but walked by the store and picked up that fuchsia pink lipstick you didn't really need but wanted anyway? It was a pick-me-up item during a stressful period, relatively inexpensive in the overall scheme of things.

Termed the "lipstick effect" by economists, famous beauty brands Estée Lauder and L'Oréal saw their sales beat estimates during the 2016 economic downturn in Hong Kong.

This behaviour is confirmed by a study conducted in 2018 by experts Peter Field and Les Binet, titled "Media in Focus: Marketing Effectiveness in the Digital Era", where they argue: "Big Data users are forgetting that the fundamental role of marketing is to make consumers want to buy their brands to such an extent that they don't have to discount them."

But don't put the blame squarely on your lack of willpower. Most of our purchase decisions are based on emotions, and that stems from the subconscious part of the brain! According to Harvard professor Gerald Zaltman, 95% of our purchasing decisions are driven by our subconscious mind.

When consumers are tentative about spending, brands need to circumvent this by tapping into the emotions of their customers. Because that is what will make the difference between a must-have and a feel-like-I-have-to-have.

In ADA, we segment individuals into personas based on their behaviour and interests, and then customise the messaging to be relatable and exciting for them. This is exactly how we helped our client, a global premium skincare brand grow their business by 490% at the height of the pandemic.

4. Steal the Spotlight

When growth is moderating or in a climate where uncertainty reigns, most brands will play it safe, or wait it out. The "noise" during this time

will be lower than usual. And as our research shows, Asian brands have not done much to capitalise on previous slowdowns compared to their Western counterparts.

Which is why we say this is the perfect time to stand out and steal the spotlight. You have to think about the story you will sell and how you will tug upon your customers' emotions.

Great imagery and outstanding creativity will evoke emotions. A great campaign will allow you to clearly express who you are as a brand, and win your customers' share of heart, beyond their share of wallet.

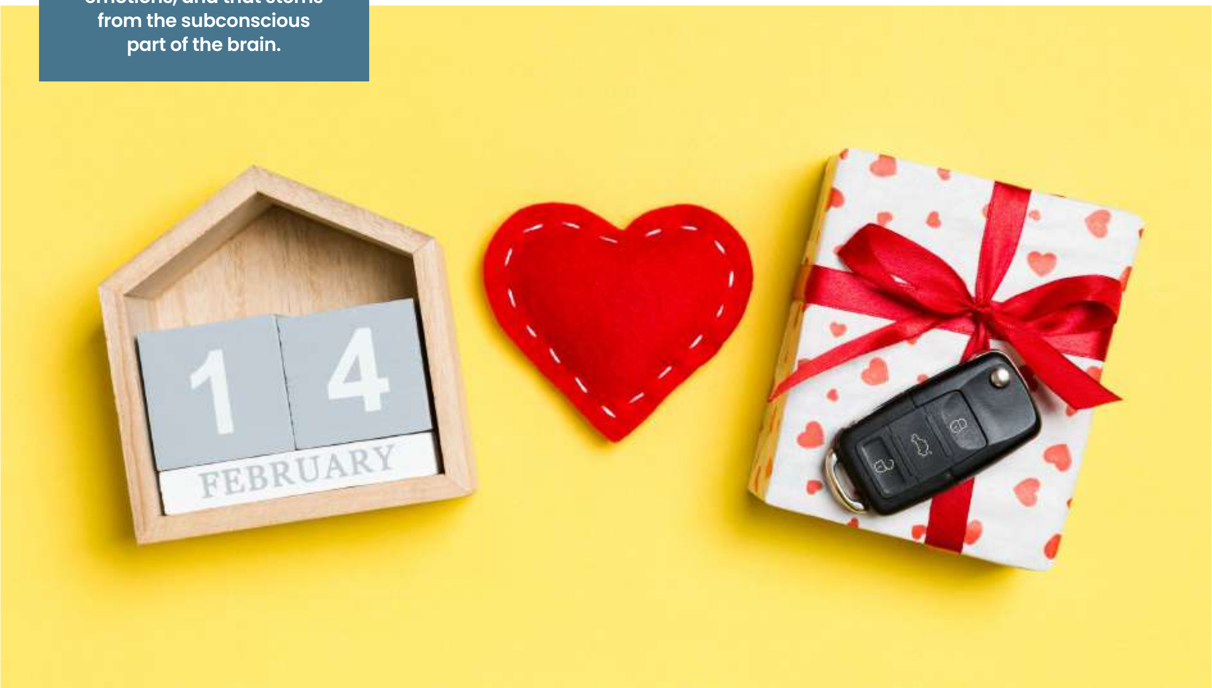
Your great campaign could be humour-filled, heartwarming, or even nostalgic. But it will be uniquely your brand's.

As people have started going out and economies are kick starting again, businesses need to adjust to the new reality to continue striving and prosper in these uncertain times.

Vittorio leads Business Insights, a business dedicated to providing data driven solutions to understand and manage their present & future customers. Working closely with data scientists, business consultants and industry experts, he combines the data sources, technology and advice with the aim of driving better decision making in the corporate world.

Customers are shifting to online shopping for non-essential goods.

Most of our purchase decisions are based on emotions, and that stems from the subconscious part of the brain.



SURVIVING THE COVID-19 DISRUPTION

Strategies to ensure business continuity in the wake of COVID-19.

FOURTH LEAP

By Bala Subramaniam Rasu

COVID-19 is here to stay for some time. I do not mean to sound pessimistic but I think the waves it is creating will leave an indelible mark on our lives, particularly the way we work and do things. And, in the short term, for those of our clients, partners and friends in business, the question in everyone's mind is "How do we avert a financial crisis in our business in the wake of the Covid-19 disruption?"

A financial crisis is where you run out of cash to keep yourself and your operations going. So, the three things that you must do in times like this when it comes to cash: conserve, conserve and conserve. Now, let's see how we can do that.

1. TARGET EXPENSES LIKE AN EAGLE FOR AVOIDABLE COST

Check all your activities. Drill down expenses because expense means cash outflow. If your chart of accounts in the accounting system that you are using is meticulous and thoughtfully designed, you can simply drill down and identify the avoidable cost in your operations. Stop it where you can and see your cash reserves grow.

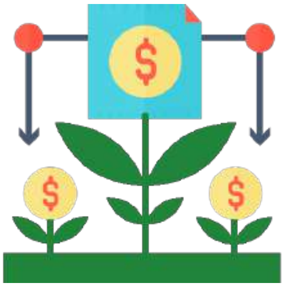
Having said that, take care to make a distinction between operating expenses and investments or capital expenditure. Operating expenses generally fall between fixed cost and variable cost. The distinction is significant because variable cost increases or decreases upon the level

of operating activity, whereas fixed cost remains more or less constant irrespective of whether your operations increases or reduces up to a certain range of activity. Therefore, your focus must be on avoiding or reducing fixed costs such as rental and lease payments.

Variable cost, on the other hand, will reduce proportionately as your operations decrease or are scaled down. For example, selling costs such as salesmen's commission and travelling claims will decrease or increase as sales decrease or increase. Therefore, by drilling down from your accounting software, you could sift out those that show a disproportionate variance and investigate to avoid it if justified.

Investment expenses or capital expenditure are for near term strategic purposes which must be carefully considered before a decision to avoid or eliminate is made as it may have a significant impact on the ability of the company to sustain future growth and prospects.

2. **COLLECT, COLLECT AND COLLECT**
The next point of attack should be in generating extra cash. How can this be done? Simple, focus on collecting all receivables, whether originating from prior sales or otherwise like in friendly advances made but not yet returned. Provide a generous discount if you have to, because every Ringgit collected matters now.



3. **SALES, SALES, SALES**
Create good new sales, preferably cash sales. Make this a priority because, in times like this—where there is a slowdown—your

organisation is bound to have excess capacity. Instead of terminating and confirming their fears, a better approach would be to redeploy them on income generating activities such as developing a new market or channel partners to develop new sales. They may surprise you particularly with their savviness in social media and word-of-mouth marketing skills. And you can bet that when the economy turns, you would have gained their trust and loyalty to an even greater level.

4. CUSTOMERS, CUSTOMERS AND CUSTOMERS

Be extra nice to customers, because they are probably going through the very anxieties that you are going through such as cashflow concerns and more sales to ride through the period. Therefore, suggest payment schedules and other flexible terms even before they ask you. They are sure to remember you for your considerate thoughts.

5. DEVELOP NEW REVENUE STREAMS OR MARKETS

It is times like these that you must be steadfast and of clear mind to counter the disruptive forces and turn it into an advantage. Recently, a client of mine called to say that they are launching into health care products—entirely different from their present business—as they foresee that the Covid-19 will leave and bring about profound changes on the way health and hygiene plays a part in people's styles. This is an example of opportunities in the midst of a crisis.

6. FINANCIAL ASSISTANCE, MORATORIUM ON BORROWINGS AND TAXES

The Malaysian Government and banks have—as some Covid-19 affected countries did—been announcing financial assistance schemes, moratoriums on repayments of borrowings and/or rescheduling of terms. Furthermore, the Central Bank of Malaysia has announced that these are automatically granted with no penalties and that it will not in any way have a bearing on the customers' credit rating profile. Additionally, the insurance companies have been instructed to assist their customers in regard to premium dues and other obligations.

Some banks have even gone further by announcing that interest will not be compounded during the moratorium period. That, I thought, was most forbearing of bankers to go that extra mile to support its customers.

Apart from the above, the economic relief package has also announced substantial loans at very low interest rates that you can apply for to tide you over these uncertain times. These are timely and thoroughly appropriate measures as cash flow and cost of funds will matter tremendously across almost all economic sectors as economic activity is forced to come to a standstill.

Another matter that you should urgently do is to revise your forecast profits for the year and apply for a reduction in your tax installment plans as the Covid-19 disruption is certain to impair your results for the current year. In this respect, you should work with your accountants and make a decision. You, therefore, will be well advised to evaluate these features and incentives and apply them for your unique circumstance

7. YOUR STAFF: YOUR MOST VALUABLE ASSET

You probably would have heard the maxim that "Staff can make or break an organisation". Communicating your plans and actions will augur trust and confidence. In times of crisis, organisations that had stayed true to welfare and development, will demonstrate greater ability to weather a storm. Your efforts in the past in this regard will determine their support and commitment levels during these dificult times. If you are unsure, open a dialog session and come out sincerely so that you know how you are perceived so that you can appropriately devise your strategic and tactical plans during these times. Which brings us to the next point.

8. LEADERSHIP

Your leadership skills in motivating and inspiring them to stay strong and committed to your organisation's turnaround/survival strategies will determine where you will be when the crisis turns. Therefore, negotiating revised remuneration terms, financial support and comforting their concerns on continuity of employment will boost their trust and confidence levels and loyalty which will be critical to obtain buy-in for your plans.

9. REDUCE ACCOUNTING COST

Many business owners, particularly SMEs, are unaware that a lot of unnecessary cost is actually hidden in their finance and accounting function. Mostly, it is due to duplication of processes and procedures owing to low application of automation and fast financial closing techniques. This is basically an issue of skill deficit as SMEs have a limited pool of talents to source from.

The SME sector is traditionally an unglamorous sector from the perception of job seekers. For this reason, qualified accountants or talented para-technical accounting personnel shy away from it. For this group of job seekers, SMEs will not give them the profile that they seek to future-proof their career nor be able to lure them with the financial incentives that MNCs or listed corporations could offer. Hence, SMEs—even those on the higher end of the spectrum—make do with general administrative staff with some basic bookkeeping knowledge. Accounting and finance, therefore, can be a daunting task for these SMEs.

Another factor that adds to it is the fact that SME business owners themselves do not possess the domain knowledge in finance and accounting to effectively monitor and drive its function and performance. Therefore, they may not be aware that finance and accounting function is lumbering at low efficiency levels and even overstaffed—sometimes referred to as the blind spot.

These twin factors feed each other and drive up the accounting function cost to unnecessary levels without being noticed. In times like this it will pay to scrutinise this area for cost saving measures. If you are unable to do so you could engage the service of a Financial Recording and Reporting Service Providers (FRRSP) who will optimise cost and drive efficiency on your behalf.

10. MERGERS, RECONSTRUCTIONS AND DISCONTINUANCE

In an unfolding environment such as we are in now, contemplations abound. Some of us may consider exiting the market that we are in presently. Some may consider exiting one market but entering another. While some may consider shutting down temporarily and take a wait and see stance. Even some might seize this opportunity to buy up competitors and consolidate their position. The same could also be said for investment opportunities, where the market may be hawking attractive priced assets. Whatever it may be, this may be the time to do just that which you feel the time has come. Covid-19 may well be the forbearer of the reset button. Call up your trusted accountants or consultants. Now may well be the moment for that.

11. CLOUD TECHNOLOGY AND WORKING FROM HOME

With Covid-19 hotspots popping up every day across the globe its fury, it seems, is far from over. With measures like movement control orders, lockdowns, curfews and social distancing becoming commonplace to contain the disease, it is likely to leave a lasting impression and probably forever change the way we live and work hereto forth. Therefore, lifestyle choices, the way we interact socially and at work will be affected in some way or other. Social distancing and working from home will be the new normal.

Given the present scenario, the priority of business owners will be to keep their business afloat and their staff safe and gainfully engaged. And, the only way possible—at least in the immediate future—is by working from home and leveraging on cloud technology. And, since 75% of the workforce is now made up of millennials, adapting to this new work style will not be difficult. This is therefore the ideal time to migrate and immerse yourself into the digital space—which in all probability you had been contemplating but never got to it! 0

Bala Subramaniam Rasu, Managing Director of RBS & Associates and member of the Malaysian Association of Certified Public Accountants and the Malaysian Institute of Accountants. He is an approved company auditor, Tax Consultant and a Liquidator. This article serves to provide guidance to SMEs in Malaysia in the wake of the measures taken to combat the Covid-19 virus pandemic. Some elements of the guidance may not fully reflect the latest government incentives. The reader is advised to refer to current government notices.

THE MISSING KPI OF OUTDATED BUSINESSES
(AND HOW TO OVERCOME IT)

FOURTH LEAP

By Maverick Foo

ASK any entrepreneur on the key units that make up a business, and all will agree the four fundamental areas are:

1. Sales
2. Marketing
3. Operations
4. Finance

Sure, there are some other departments such as technology, customer service, R&D, and HR, but you and I will agree that it can be nested under the four, and further expand once the company grows in size.

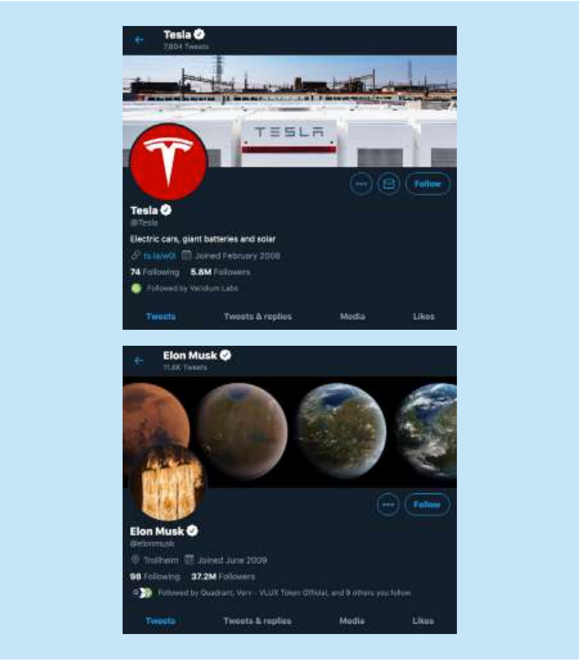
As a matter of fact, some entrepreneurs may even go on to combine Sales and Marketing under one roof, while Operations and Finance are under another.

As they are starting out, some may even be handling all four!

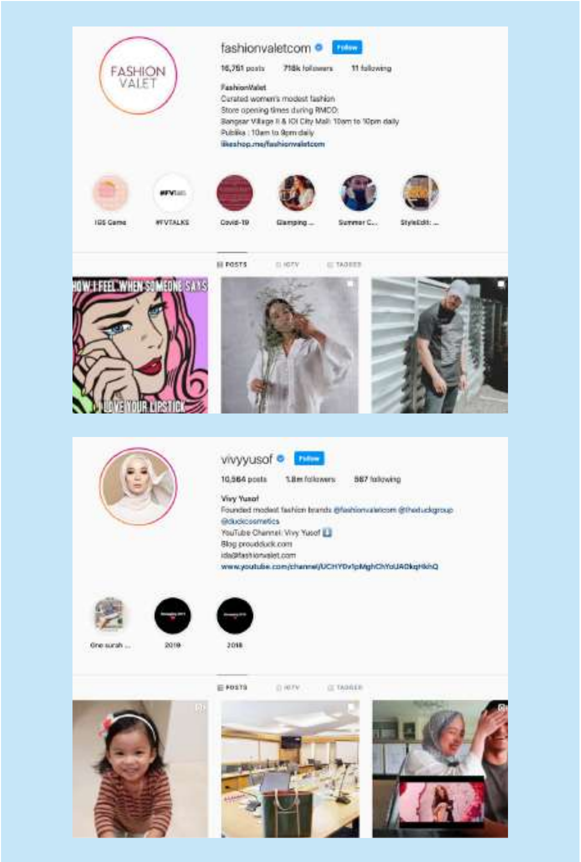
But one thing is for sure, while traditionally those are the essential functions, over the last two decades, the International giants such as Apple, Alibaba and Uber, and the local legends like AirAsia, FashionValet, and Grab all have one extra element that sets them above their competitors. Let's take a look at some facts and figures.

If you look at the number of followers under Tesla's Twitter account, and then compare it with Elon's, you will see the difference in numbers.

But it's not just an outlier for Elon, who is the man behind the engineering marvels Tesla, SpaceX, SolarCity and HyperLoop. Here are other similar occurrences.



Microsoft vs Bill Gates



Even for local fashion icon Vivy Yusof.

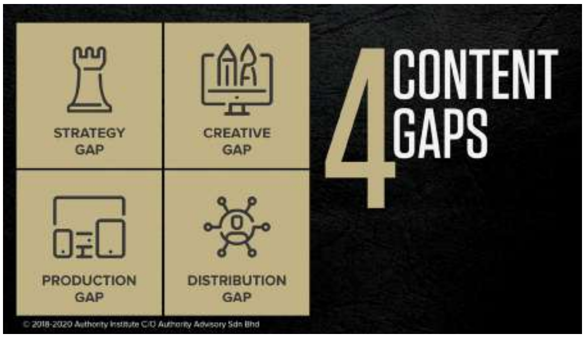
All of them have an additional business function, a special ingredient, a secret sauce even, and that is the missing KPI that others lack—**Key Person of Influence.**

In the past, it is common for business leaders to hide behind the brand. This was the case of the pre-2000 days of industry giants such as *P&G, Unilever* and *American Express*. But today, can you imagine a *Facebook* without *Mark Zuckerberg*, an *Amazon* without *Jeff Bezos*, or an *Alibaba* without *Jack Ma?*

As a matter of fact, research has repeatedly shown that the number one reason why some startups got invested in while others do not, is because of the founder. Some may have better market insights, while others the technological advantage, but the constant denominator of all these successful ventures is that they have a Key Person of Influence.

The good news is, before the year 2000, branding a KPI will require a high upfront investment of PR, promotion and advertisement cost. With over 197+ social media platforms and 3 Billion internet users, the real focus now are:

1. **Content Strategy**
   What is the best format that your target audience prefers, which also happens to be part of your natural content creation skill set (writing, designing, video taking etc)?
2. **Content Ideation**
   What angle of content will excite your audience, steal their attention, cultivate the trust towards you and your brand?
3. **Content Distribution**
   Which online channels do your most profitable audiences "hang out", and what is the most effective medium on those platforms?



If you notice, I have left out Content Production; with the hundreds of free to paid software, ranging from images and infographics with *Canva* and *Stencil*, to video animation and editors like *Kapwing* and *Veed.io* or even outsourcing platforms like *Fiverr* and *Upwork*, most of the hard work can be taken off your hands.

And I'll be honest, even among the three mentioned above, they can be partly outsourced as well. Imagine having your well performing content reaching a wider audience with an effective marketing push, or leveraging the success strategies and proven frameworks by partnering with a business consultancy agency.

That is the true leverage of technology, where even something as intuitive and subjective as creativity, or as unique as your personality, are no longer restrained by the concept of time, talent and reach.

But let's head back to the original concept here—*the making of you as your business' KPI.*

And to do that, let's look at the KPI Framework that we use to help our clients to activate their authority, stand out from the crowd and become the market leader in their industry.

STEP 1 - PERSONIFY YOUR BELIEFS

Our behaviours are what others will notice externally, but it's our internal beliefs that drives our actions. While others will be motivated by what we do, they will be inspired to follow us, if they know what we stand for, and what we believe in.

Projecting your ideologies, principles and values are the starting point to your journey to be a KPI, and to do that, you need to first identify your beliefs.

Ask yourself:

1. In an ideal world, what do people believe in?
2. What irritates you that propels you to do what you do?
3. If there's one thing you want to be remembered for, long after you are gone, what will that be?

STEP 2 - POSITION YOUR AUTHORITY

Because of your years of industry experiences, learned expertises and accumulated connections, whether you like it or not, you are known for something. Sometimes, it's something so innate that we don't even realise that we have it.

That's why having mentors and coaches are handy, for they help us uncover the "goldmines" buried in our very own backyard.

Ask yourself:

1. What problems do people come to you for help?
2. What comes naturally to you while others struggle?
3. If you are strapped for cash, what's an ability you can rely on to "save" you?

STEP 3 - PUBLISH YOUR THOUGHTS

This ties to the content marketing strategy we talked about earlier. Once you have identified your message and your authority, you will need to produce articles, videos, podcasts, white papers, books or any content format that you're most comfortable in.

Ask yourself:

1. Given your experience in your industry, what are some common problems that you can help solve?
2. Which do you find easiest - writing a 1000-article, designing an infographic or recording a 8-minute video?
3. What are some myths or misconceptions others "experts" had been throwing around that you do not agree with?

STEP 4 - PROPAGATE YOUR MESSAGE

Publishing your content is useless if you cannot find effective methods to distribute them and reach your Most Profitable Audiences.

Ask yourself:

1. What are some social media groups that you've created or part of, that you can share your content pieces with?
2. Can you partner with any publications or communities out there that share the same target audience as you?
3. Do you have a minimal budget to "boost" your content on social media?

For many, 2020 is a year of change. With the COVID-19 Global Pandemic serving as a wake up call to most business owners, corporate leaders and entrepreneurs, we find ourselves evaluating our processes, propositions and position in the market. In the next 18 months, we will welcome new market leaders, or even new millionaires, and if my hunch is right, they would have done two things right:

1. They capitalised on the situation that had crippled others in their field
2. They leveraged their Unfair Advantage and became the Key Person of Influence of their business.

Now, we can wait out to see if my hunches are right, which frankly serves no purposes other than bragging rights or *"I told you so"*.

Or, strike now in a time when even giants have toppled, and work on becoming the KPIs that will ultimately give you the x-factor, putting you ahead of everyone else once the dust has settled.

This is a contribution by Maverick Foo, Marketing Strategist & New Profits Consultant of Authority Institute. He is also a Co-Founder of KICKSTART.MY and has built 9 international businesses & brands.

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"Relax, this is just a word association test to see how well you might work with others. Now, when I say 'cat', you say ...?"

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