

MAY 2019

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FEATURE STORY

Franchising:
Passive Income A Myth

ENTERPRISE OF THE MONTH

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Solving SME Capital Woes

COVER STORY

UNIQUE FIRE:
EXCLUSIVE INTERVIEW
WITH MARCUS LIEW





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On The Cover



MARCUS LIEW
Director of Unique Fire
Industry

Today, I am going to tackle a topic that I have been feeling strongly about for quite some time now, an issue which I believe has been plaguing not just this industry alone, but affecting people in a deeply personal level, entrepreneurs or otherwise. Today, I wish to talk about "entitlement", or more specifically, the need to be rid of it.

As a child living in a harsh environment, my father used to tell me "The world does not owe you anything." Those words carried me through my day to day life, shaping the person you see in front of you today. It is a nice one-liner that can get me fired up, but I have never truly understood it until my recent revelation.

Just because you love someone deeply, you are not entitled to be loved back. Just because you slaved and hustled for your company, you are not entitled to higher pay and promotion. Just because you negotiated with your boss to get a good deal on your client's behalf, you are not entitled to a handshake and a closing deal.

It is one of the inconvenient truths that everybody knows about but refuses to believe. Bad things happen to good people, and good things happen to bad people. Acting according to instinct is sometimes the answer, and cheaters can and will win. Attractiveness will take you further in life and more importantly, equal effort does not translate to equal rewards.

Time and time again, I have heard phrases like "I deserve to get a higher salary. I deserve a break. I deserve to be happy." But why not replace the word "I" with something more meaningful instead? My customers deserve better services, my children deserve a better education, my boss deserves a better employee etc.

When you let someone else be the centre of your own universe, you will slowly but surely find your self-entitlement receding away, and see it replaced with a purpose-driven life. Who are we to place ourselves at such a high pedigree? When we take ourselves less seriously, and when the inevitable time comes when you do not obtain what you "deserve", you will find it easier to pick up the pieces and keep pushing forward.

As entrepreneurs, we fight hard to earn a place in society, but in the end, who are we fighting for?

DATO' KK CHUA
EDITOR IN CHIEF
ENTREPRENEUR INSIGHT



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Growth Malaysia

Growth Malaysia has launched late February this year, an initiative by Fave in collaboration with several partners, including Grab Malaysia, Maybank, MDEC, Funding Societies and Productivity Nexus for Retail & F&B.

This initiative aims to help offline retailers in Malaysia adopt a digital approach when it comes to payments, marketing, data, and financial services. At its debut, the collaboration aims to help 100,000 restaurants across Malaysia grow digitally by the year 2020.

for this initiative. "The first thing to digitize in the market is communication. The key is to build the right product and let the customers get the word out."

Joel Neoh, Founder of Fave, have high hopes

Cyberjaya 5G

During the launching of the Cyberjaya Infra Conference and Exhibition, Communications and Multimedia Minister, Gobind Singh Deo, announced that an initial test of 5G technology will be conducted in Cyberjaya and Putrajaya beginning April this year.

It is said that the fifth generation of the mobile network will be 100 times faster than the current 4G technology implemented in Malaysia, which was introduced in 2009. With the help of the Malaysian Communications and Multimedia Services (MCMC), telecommunications companies and key stakeholders will carry out their rigorous 5G tests during this period of time.



BNM projects GDP growth at 4.8% in 2019

According to Bank Negara Malaysia's (BNM) Annual Report 2018, the local economy is expected to inflate from 4.3% to 4.8% in 2019, as compared to 4.7% in 2018. This expansion is attributed to the domestic demand despite the challenging global environment.

which is further supported by continued employment and income growth. However, the projection is subject to many negative risks, including but not limited to global trade disputes, political instability and sudden shifts in investor sentiment.

Fresh Graduates Earning Less in 2018 Compared To 2010

In the latest report released by Bank Negara Malaysia, it has stated that many of Malaysian workers are underpaid for the level of productivity. "A Malaysian worker will be paid only US\$340 for an output worth US\$1,000," stated the report. "This is worse than our regional peers, such as those in Singapore and South Korea."

The report also states that graduates with a basic degree earned a starting salary of RM1,993 in 2010, but it has dropped to RM1,983 in 2018. A research report by the Khazanah Research Institute also states that up to 95% of today's young graduates are overqualified for their current jobs while 50% work in low-skilled non-manual occupations.



MED Increases Financial Allocations For SMEs

Our Minister of Entrepreneurship Development, YB Datuk Seri Mohd Redzuan has urged Bank Rakyat to increase the financing allocations for SMEs from the current 10% to 30%. "To date, 90% of the financing by Bank Rakyat is in the form of personal loans, housing loans and vehicle loans," he said. He emphasized that Bank Rakyat, as an agency under the ministry, should focus more on assisting cooperatives and SMEs.

The minister further outlines that empowering entrepreneurship in the B40 group is part of the key objectives of the National Entrepreneurship Framework (NEF) which was launched in November 2018 by the ministry.

Malaysia Expects Tepid Economic Growth in 1Q2019

According to the latest research report by MIDF, it is stated that Malaysia is expecting a tepid economic growth in 1Q19 with a slight recovery in 2Q19. This is based on the leading index, which has inched up to a five-month high at 118.9 in February 2019.

The weak growth in the First Quarter of 2019 is attributed to the uncertainties over the trade negotiations between the US and China. "Moving forward, we foresee a steady recovery towards 2Q19 and also 2H19 amid a gradual pick-up in commodity prices, strong domestic demand and receding trade war effects," state the report.

Chart 5: GDP Growth vs Leading Index (YoY%)



Source: CEIC, MIDFR

Chart 6: KLCI vs Leading Index



Source: CEIC, MIDFR

UNIQUE FIRE: ARE YOU PROTECTED?

An Exclusive Interview With Marcus Liew

By: Jotham Lim

Did you know that more than 65% of all fire accidents in Malaysia actually occur in residential areas? Statistically speaking, children in residential daycare centres are 21 times more likely to get involved in a fire-related incident than their parents working in offices. The areas least prone to fire-related incidents are surprisingly, petrol stations, with only seven recorded case in the entirety of 2017 compared to approximately 3,700 cases in residential areas.

Statistics have shown that the residential market is severely underpenetrated, according to the Fire and Safety Department of Malaysia. There is a lack of awareness and education in regards to fire safety here in Malaysia, despite major efforts from both the public and private sector.

I am speaking to Marcus Liew, director of Unique Fire Industry, which happens to be the biggest fire protection equipment factory as recognized by the Malaysian Book of Records. The factory has been producing a wide array of fire safety products, from fire extinguishers, safety signs, all the way to the yellow fire hydrants.

Entrepreneur Insight has the pleasure of conducting an exclusive interview with Marcus, to better understand the problems in the industry, and how Unique Fire plays a "unique" role in solving said issues.>>

Why are residential areas more susceptible to fire-related incidents?

Electrical fires are the leading cause of fires in residential areas, taking up more than half of all incidents. Most extension cords and multi-plug adapters in the market are actually only meant for temporary use. Yet, it is common to see five or six plugs connected to a single power point in a typical household, especially near the television and cable set.

Compounded with the fact that they are plugged in and switched on permanently, this will severely heat up the electrical wiring hidden within the walls and ceiling. Most electrical wiring come with a limited lifespan and will deteriorate across time. When the wires lose its outer protective layer, the heated wire will start to produce smoke, catching nearby furniture and curtains on fire, which will eventually spread and engulf the entire home.

This is not a major issue for commercial buildings and vehicles, as they have to strictly adhere to the fire requirements under the Uniform Building By-Law [UBBL 1984]. Not to mention, designated buildings are also required to have an annual fire safety inspection under the Fire Services Act 1988.

Thankfully, our government has implemented guidelines to have mandatory smoke detectors pre-installed in newly developed residential housing, which is a step in the right direction. However, the properties most susceptible to fire incidents are old projects dating back to more than 20 years. There hasn't been any policy addressing this issue yet.

Fire safety is definitely not a joke. Many lives have been lost to these unfortunate fire-related mishaps, and a University of Malaya study estimates that fire causes an average of RM27,000 worth of property damages per incident in Selangor. You may not be as invulnerable and unsusceptible than you think you are.

Where does your company fit into the picture in addressing these problems?

Unique Fire manufactures products that can help save precious lives and



properties during a fire-related incident. For example, the smoke alarm serves as a first warning when a potential threat is detected, allowing occupants to escape before it is too late. Fire extinguishers act as the first response in the event of a fire before the local authorities arrive.

When a fire gets out of control, personal safety becomes the utmost priority. However, there is a chance that a blackout may occur, and escaping in the dark is fairly difficult and dangerous. This is where fire escape signs play an important role in directing people away from danger and towards safety.

Fire safety awareness and fire prevention have always been overlooked by the majority of the public in general. Hence, I have set up a brand new department in the company that primarily focuses on creating and building awareness amongst the public in regards to the basics of fire safety.

We will be conducting many seminars, talks, programmes to share our knowledge on fire safety with the public, hoping that they can take the appropriate action and preventive measures to safeguard their own lives and their life investments. All parties are responsible for the safety of the public, and that includes the people themselves. I hope that these efforts are able to minimise the occurrence of fire incidents, or at the

very least, reduce the fatalities incurred.

Are there any case studies you can share whereby your company product has helped saved lives?

Back in 2011, there was a gas explosion which took place at Empire Shopping Gallery Subang Jaya in the wee hours of the morning. The sprinkler system in which we supplied kicked in as intended during the catastrophe, minimising any potential losses. Only four people were injured, and there were no fatalities involved. The building is left standing and is still currently operational.

It is times like these where I get tremendous joy from my work. It is easy to get caught up in the manufacturing process, the logistics, running the business, and it is easy to forget where and how your product is being used. When you take a step back and realise that hundreds of lives and millions of dollars have been saved because of your efforts, it really becomes a key motivational booster for you.

What makes your company unique from any other fire safety manufacturer?

We do offer a broad, comprehensive range of products at competitive prices, without sacrificing product quality whatsoever, thanks to our streamlined manufacturing process. We are also the

authorised distributor for several well-known international brand names such as Kidde Fire Systems and The Viking Corporation.

Fire regulations and design specifications differ from country to country, but all of our products comply with even the most stringent international guidelines. We also practise constant in-house quality control and assurance. With

sufficient inventory level at all times, we have a relatively short lead time upon order placement, and customers can be rest assured that their products will be delivered on time.

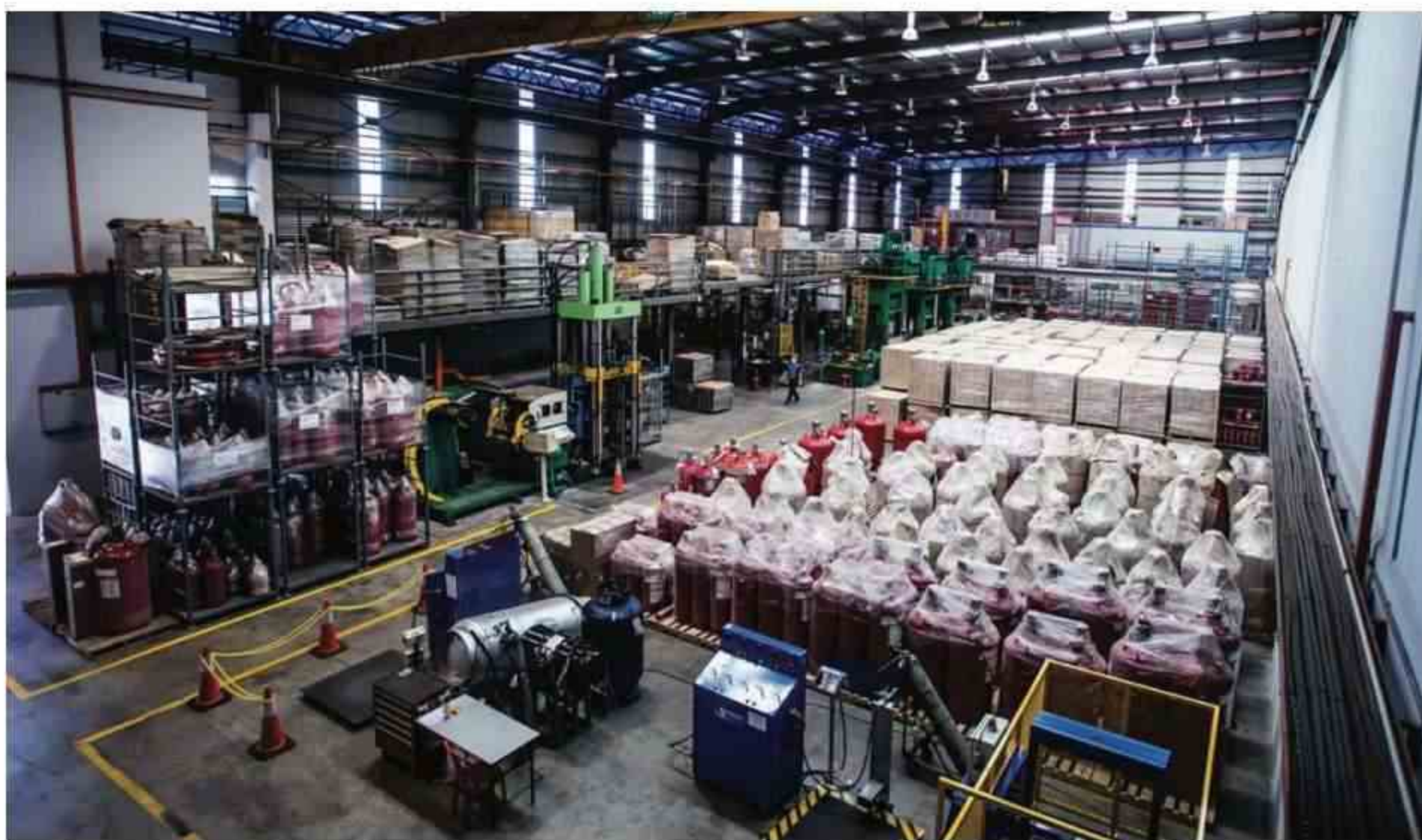
We were fortunate to start out as a trading company prior to dabbling into manufacturing. Doing so allows us to have the financial capability and resources to sustain the company's growth when

we decide to make the conversion, which many other factories seem to be struggling with. Understanding the market demands, delivering the right product to the right customers is something that we take great pride in.

Where is your product currently being used right now?

Our products are shipped, delivered and outfitted nationwide, including to several ASEAN countries as well. Here are some of our major clients in recent history:

- KVMRT Sungai Buloh-Kajang Line
- Genting Highlands
- Legoland Malaysia
- Midvalley Megamall
- Empire Shopping Gallery Subang
- Starling Mall
- KLIA 2
- TNB Substations
- Coca Cola Bottlers Malaysia
- Bahru Stainless Sdn Bhd
- Hilton KL
- Four Seasons Hotel Kuala Lumpur
- Help International School
- Taylor's International School





From left to right: Ryan Liew, Director of Product Engineering & Services; Marcus Liew, Director of Sales & Marketing; Liew Sen Hoi, Managing Director; Roy Liew, Director of Supply Chain Management; Ray Liew, Director of Corporate Communication.

As you can see, most governmental, commercial and industrial properties have been outfitted with the necessary fire safety equipment and are considered well-protected against fire incidents. The same cannot be said for residential properties, which is an issue that we are working towards addressing.

Are there any new and exciting products or services that your company will be releasing soon that we should look forward to?

We are actually in the midst of launching a new line of products, aptly dubbed "The Design Fire Extinguisher", to promote fire extinguisher usage and purchases in residential homes. Using our state of the art technology, customers are able to customise their own print designs instead of the standard, red design we are all accustomed to.

This is excellent news for homeowners that pay a lot of attention to interior designing. A custom designed fire extinguisher helps blend both aesthetics and practicality, adding a little spice to your home while also protecting your life. Having a fire extinguisher function as decoration also makes it easier to place it out in the open for easy access when in the time of need.

A custom-designed fire extinguisher does sound expensive at first, but we are in fact pricing it quite affordably to encourage

widespread adoption in residential areas, which is the core concept behind the product. We hope that with this product launch, homeowners are more incentivised to equip their homes with the necessary fire safety equipment properly. We have never done this before in the history of the company i.e. dabbling into B2C on top of our B2B business, but it is a risk worth taking.

We have also consulted with the fire and safety department to ensure that our product complies with the fire safety rules and regulations, but our custom print fire extinguishers are only for private use, so be wary of that.

In addition to the newly opened department focused on building awareness, we have also recently participated in an

initiative organised by Management and Science University and Universiti Teknologi MARA for the "Largest Simultaneous Participation by Children in Fire Drill Event" in their Malaysia Book of Records attempt back in 2017. There has been a rise in cases involving young children, especially in tahfiz schools and private residences. Children, in particular, are unable to protect themselves during emergencies, hence the need to educate them early at a young age on the proper protocols during a crisis.

What would you say are the core fundamentals of your company's success?

Without a doubt, I would say that the employees in this company are the backbone of the entire business. Without their support and commitment all these years, we wouldn't have accomplished what we have today.

When hiring employees, apart from body language, working attitude and passion, one of our crucial recruitment criteria is the candidates' ability to solve day-to-day problems. We present candidates with a challenge commonly faced in the industry, and we determine their employability by the way they handle and address the problem. It is a relatively simple recruitment trick that I believe more companies should adopt.

Running a company is never an easy task, and it is common to lose sight of your objectives during the process. When in doubt, we refer to our core business



values, which are as follows:

- Integrity
- Loyalty, Trust and Respect
- Team Work
- Passion for our Customers
- Striving for Excellence
- Innovation

Core values are essential in keeping the entire company on the same page, while also serving as a banner and a goal for the whole company to strive towards. Its importance is understated and generally overlooked by most companies.

What is the riskiest move you have ever made as an entrepreneur?

One of our most intense struggles in recent years, was when we managed to secure the order for supply of fire suppression systems to the underground stations under the MRT Line One. For context, Chemetron Fire Systems was the brand that was contracted for this project, and we were one of the distributors. Initially, we were ecstatic to be involved in one of Klang Valley's megaprojects, and if done correctly, it would be a major milestone in the history of our company.

However, we were informed at the very last minute that there was a brand unification between Chemetron Fire Systems and Kidde Fire Systems, and the Chemetron brand will no longer be in use. We were in a dilemma, as this classified piece of information will jeopardise our company profile, and there is a chance we would be denied the right to supply the fire suppression equipment if the people behind the MRT project were to find out.

Staying true to the company core values, we decided to come clean in our approach and notify the relevant parties accordingly. Thankfully, the decision paid off. We managed to come to an agreement, and we are allowed to supply the fire suppression system with the same terms and conditions intact, under the Kidde Fire Systems brand name. Being honest and trusting that all parties can come to an understanding was definitely the right call to make.



“

We only live once, so make every moment count. Protect your loved ones from the dangers of fire and never forget, Unique Fire Industry is here to be 'Your Guard Against Fire'

- Marcus Liew

What is your market outlook / future aspirations for the industry moving forward?

With the advancement of technology, I believe that the Internet-of-Things (IoT) will soon make huge waves in the industry, in terms of educating the public and integration with fire safety products.

We are fortunate to be living in a country free from most forms of natural disasters, but it has made us complacent in our approach towards disasters in general, especially towards fire hazards, prevention and awareness. I can see how technology and social media can help solve this issue, as we are now more intricately connected to one another more than ever. Reaching out to the public, organising talk shows and seminars have never been easier, and it will definitely help towards building

awareness regarding fire safety.

Our goal is to also be the pioneer in the advancement of fire safety technology. We are now in the midst of discussing with several business partners, and several R&D efforts are currently underway to further improve our products design and effectiveness while also focusing on further streamlining the manufacturing process.

Speaking with Marcus gives us an insight into the importance of fire safety and how we, the public, play a role in resolving this nationwide epidemic. As the interview is coming to an end, we ask Marcus for any last words he would like to envoy to the public. "We only live once, so make every moment count. Protect your loved ones from the dangers of fire and never forget, Unique Fire Industry is here to be 'Your Guard Against Fire'."



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FUNDING SOCIETIES & P2P CROWDFUNDING

By: Jotham Lim

Obtaining proper and sufficient financing has always been a significant obstacle for many small-medium enterprises (SME) here in Malaysia. Questions regarding alternate SME financing solutions has resurfaced in recent months, and businesses are in dire need of answers. Funding Societies is one of the many initiatives that have responded to the call to arms, and we are glad to have Mr Wong Kah Meng, CEO of Funding Societies Malaysia to be on board to answer some of the pressing questions many have in mind.

What is the inspiration behind the founding of Funding Societies?

Before Funding Societies, we have always known that securing financing options for SME has always been a big issue, not just in Malaysia, but across the entire Southeast Asian region as a whole. While fin-techs companies are booming in China, the industry is severely lagging behind in Southeast Asia.

We believe that we are able to address the serious financial issues that exist in the local economy and we see plenty of growth opportunities here. Hence, Funding Societies was founded in 2015, within the confines of a tiny room off one of the tunnels between buildings on Harvard Business School campus, by the founders Kelvin Teo and Reynold Wijaya.

Please do share with us the business financing landscape here in South East Asia, and how does Funding Societies fit into that picture.

SMEs are the backbone of the Southeast Asian economy, contributing about US\$ 1.1 Trillion or 49% to the whole GDP of all ASEAN countries. In fact, SMEs created three out of every four jobs in these countries. Here in Malaysia, SMEs form 98.5% of the total establishments in the country, and it does not stop there. According to the latest review of the 11th Malaysia Plan 2016-2020 report, SMEs are expected to contribute up to 41% of the country's GDP by 2020.

Yet, these competitive sectors are slapped with a financing gap of US\$ 120 billion yearly, and applications for business loans are mostly met with heavy resistance. Funding Societies aims to serve these under-served SMEs in Southeast Asia, to provide them with the financing they needed by gathering public support and funding with the help of technology.

Traditional financial institutions require businesses to have a three-year track record and sufficient collateral, which are significant hurdles for many SMEs on the market. We do not aim to compete with these institutions but to instead co-exist with them by serving a different market segment. We provide up to RM2mil worth of working capital financing for businesses



that are expanding rapidly, or to bridge short term credit gaps through a fast and straightforward online-based process.

What are the common misconceptions people have towards the industry and how would you address them?

P2P financing is new to the Malaysian market. Very often, we do come across SMEs who thought we were unlicensed money lenders and investors who thought we were a Ponzi scheme. There is a lack of education and awareness of P2P crowdfunding in the market, and initially, it is difficult to build trust and credibility amongst both local SMEs and investors.

We address these misconceptions by highlighting that we are heavily regulated by the Securities Commission (SC) of Malaysia. In fact, Malaysia's SC is the first regulator in Southeast Asia that took the bold move to regulate P2P financing industry in 2016, a commendable move on Malaysia's part.

What makes Funding Societies an attractive financial solution as opposed to traditional forms of business financing?

From a bank's point of view, SMEs are a relatively riskier avenue for investment, hence the need for sufficient collateral and years of operational records. However, not all SMEs are able to produce the requirements needed and thus, were not given the attention they deserve.

Our platform has no need for collateral to mitigate risk. Instead, we address risk directly by paying more attention to their repayment behaviours and repayment capabilities instead. To better control risk, our finances are also limited to very specific purposes, mostly to facilitate purchase orders and bridging for various projects.

We also provide shorter financial tenures, reducing interest cost and also minimising investment risks for the investors. By investing in SMEs, investors could earn risk-adjusted returns

higher than fixed deposits, bonds, and other traditional investment instruments. It's a win-win situation for all parties involved.

What makes Funding Societies stand out amongst the other P2P crowdfunding platforms?

As with all investment opportunities, most investors are concerned with these four criteria - Is it new, safe, easy and big?

The headquarters of Funding Societies is based in Singapore, the biggest economic hub in South East Asia, and it has grown significantly over the past couple of years and expanded to Indonesia and Malaysia when it started in 2016 and 2017 respectively. For Funding Societies, we have disbursed more than RM 1.5 billion in financing to SMEs regionally across more than 300,000 investment notes.

Kudos to our strong credit accessing team, as our platform has one of the lowest default rates in the region, hovering at less than 1%. Most of our notes also have relatively shorter investment tenure with an average of 8 months compared to other platforms with 2 to 3 years tenure.

We are still a Fintech company at heart, and we are proud to have a robust internal tech team that can answer to the fast-changing needs in the financial industry. We have just launched the Auto-bot 3.0 recently with new features, giving investors more control to invest based on their personal preference.

I believe that we have hit all four of the criteria needed as we are backed with strong business fundamentals, and we are here to stay for the long haul.

How do you qualify the companies you invest in?

Being a P2P Financing platform, we have an obligation to answer to the investors by taking risk management and control very seriously. We conduct rigorous due diligence to ensure that the borrower is credit trustworthy. We have access to the financial condition and credit rating of a company to determine if the company has a healthy financial background and the repayment capabilities before approving it. Here is a sneak peek of the internal guidelines when qualifying for companies to invest in:

FS Bolt (micro financing up to RM50,000): Turn-over of RM60,000 and above, and a minimum of 6 months operation.

SMEs Financing (financing amount up to RM2,000,000): Turn-over of RM1,000,000 per annum, and minimum 1-year operation

Your platform opens the door to new investors who are not well versed in financial literacy. Does this pose a problem?

Funding Societies is founded on the idea that P2P investing should be made easily accessible to the public.

We have a low barrier of entry, from as little as RM100. We also actively encourage diversification by investing in multiple different notes through educational articles and capping exposures. P2P investing is also not as research intensive as investing in the stock market per se.

I do not view our platform's easy access as a problem, but as a strong selling point instead.

Investing in this platform, what are the risks involved?

Investing in our platform, the most considerable risk involved would be having our borrowers default on their promised repayments. Hence, we actively and consistently stress the need for our investors to diversify their investment portfolio.

Despite that, Funding Societies in Malaysia currently only have a default rate of 0.5% throughout its two years of operation and have disbursed over RM100 million to more than 300 SMEs. We have not encountered any significant issues with repayment so far, but default cases are near impossible to avoid.

Your company is adopting a "skin-in-the-game" philosophy.

How widely is this philosophy been implemented?

My partner and I have personally invested in every note that has been made publicly available on the platform. We place ourselves in the shoes of the investors and share the same goals and objectives of the people that have vested interest in the platform.

With this, we are much more incentivised to screen our investment candidates much more carefully and be more diligent in chasing after repayments for our investor's sake. It would be quite hypocritical for us to push forward an investment note that we, ourselves have no confidence in.

Is there a possibility of Funding Societies expanding to a global level, allowing investors to invest in overseas countries as well?

Our focus and intention have always been serving the South East Asian market. In fact, we are in the midst of expanding our services to a fourth country, which we will soon officially announce.

I would say it is difficult to invest in notes situated in other countries from a single account, due to the different regulatory requirements needed to do so. However, if investors are interested in investing in overseas companies, they can open up multiple accounts on the official Funding Societies website of the respective countries.

Finally, what are your aspirations and expectations of this industry moving forward?

Despite the economic slowdown this year, we expect the P2P financing industry to continue its steady growth moving into 2019. I would like to thank and attribute it to the local government for their supportive initiatives, such as reducing income tax for targeted SMEs. Such efforts give SMEs room for expansion, which will indirectly help our industry as well.

As the industry is driven by an anticipated slowdown in emerging economies, SMEs may find it more difficult to obtain financing from banks moving forward. As such, we foresee that alternative debt financing platforms such as P2P financing will become an increasingly important avenue for SMEs to obtain funding to support their business growth as well as to help SMEs tide through these challenging times.

We at Funding Societies hope that we can play a more prominent role in supporting these SMEs in their quest for rapid growth, and to serve and answer the expectations of our investors who showed interest and faith in our platform.

After years of saving, you managed to pool together a hefty sum of cash, eager to start your own business. However, without any entrepreneurship experience whatsoever, you considered buying into a franchise thinking that most of the heavy lifting is handled for you by the master franchisor.

Or maybe you are an already established F&B (Food & Beverage) store owner, but sales have been stagnating for quite some time. You plan to start your own franchise, thinking that it is a great alternate source of revenue while leveraging existing assets that you already have.

Many people find themselves in the two situations stated above, but is running or buying your own franchise a logical next step to take? We have reached out to Mr Irwin Hoo, co-founder and partner of Kebab Bowl, a local kebab franchise, to pick his brain on franchising and bring perspective to both sides of the story.

Where are the common misconceptions people have regarding franchising?

Most "franchises" we see on the market right now are not exactly franchises, but the trading of licenses between a licensor and licensee. To establish a proper franchise requires many strict guidelines and requirements, i.e. having a central kitchen. However, for the sake of the article, we can continue to label these businesses as franchises as it is commonly accepted in layman terms.

Many entrepreneurs think that F&B is a lucrative business, especially with many local success stories such as Tealive and MyBurgerLab. They are not exactly wrong, but it is not easy to replicate those successes. From the outside, it looks like running an F&B business is easy, but it is true only when it is already established and successful. It will not be easy running an F&B business from scratch, even if you are buying into an already established franchise.

Is buying a franchise a good starting ground if I wish to start my own business?

To answer this question, we must first look at what are the advantages and disadvantages of buying into a franchise.

The most significant pull factor in buying into a franchise is that everything is taken care for you. The brand is already established, the equipment is standardised, and the SOP (Standard Operating Procedure) is already developed. The franchisor will generally walk you through the entire process, providing guidance, staff training and even location consultation.

In short, what makes franchising attractive is that they offer a worry-free business solution. The master franchisor is incentivised to help you grow your business because your success will directly translate to their success as well.

However, what makes franchising so great is also its greatest downfall. The lack of freedom and control over the products and services is a significant turnoff for many entrepreneurs who have the itch to improve and innovate. You are unable to change

DEEP LOOK: F&B FRANCHISING

A Deal Worth Considering?

By: Jotham Lim



the recipe, adjust the protocols, or even come up with your own marketing plan.

Let's say that your branch is underperforming, and you wholeheartedly believe that having a "buy1 free1" promotion will significantly boost customer footfall. However, the master franchisor will most likely reject your request, unless they plan on implementing the same concept to all branches. It is understandable because uniformity is the core of any franchise. Having inconsistencies in products, marketing and promotional materials will gravely hurt the brand image.

Let's say I am interested in buying a franchise. What are the factors that I should take into consideration?

The two biggest questions you should ask yourself before buying a franchise are:

- What is the business model?
- Is it profitable?

No two franchises are the same, and each has their own individualistic operational styles and functions. It is vital to understand the business model behind the franchise to determine if the business is right for you, and more importantly, to draw the line between the franchisor's and franchisee's responsibilities.

It does not hurt to do some prior research and determine if a franchise is profitable or not. More often than not, the salesperson will try to sell you on a dream of running your own business without much input. They will show you their best-performing branches and the profits generated from them, but it is even more important to take a look at the lesser performing branches not run by the master franchisor themselves.

Doing your own homework and research is imperative. Find out the common problems faced with this industry and brush



up on your managerial and hiring skills. Underperforming and unethical staff is a universal problem, not just for F&B franchises. You will find yourself dealing with staff members being late, stealing food, procrastinating, and you have to be both mentally and strategically planned for that.

Finally, you need to consider your initial capital and your ability to persevere. The average lifespan of a restaurant is generally between three to five years, and it takes a lot of effort to beat the norm and survive past that. Do you have enough capital to pay your staff and survive for three years? Are you able to withstand the emotional pressure of not earning any profit during the initial stages of running the restaurant?

How does the relationship dynamic look like between a franchisor and franchisee?

It is not that far of a stretch to say that the relationship is as if a parent and child. There will be a lot of handholding and guidance because many franchisees have no experience working in the F&B industry. They have no idea how to train the staff, follow SOP, and even how to make arrangements with the contractor or vendor. That is why most franchisors offer training programs to help prepare the franchisees on how to run the store, but on how to be an entrepreneur in general.

In most cases, the franchisee's responsibility is to supervise the store, monitor the staff and make sure the quality of the food is consistent. The most common complaint I have heard so far is underperforming and lazy staff. However, staff management is generally outside the scope of the franchisor. We provide a platform for aspiring business owners to get their feet off the ground, but the franchisees are responsible for the success of their stores as well.

In many cases, when the franchisee displays a lack of motivation to run the business, the franchisor might offer to

repurchase the franchise from them. It may not necessarily be a sad occasion, as the franchisee is able to recoup their losses and the franchisor has better control of the branch as well. However, it is important to read through the contract, as most of them include an exit strategy if any of such cases may arise.

What makes a franchise successful?

There are actually two types of F&B franchises. The first is a business that is built with franchising in mind from the get-go, and the second is an F&B business that performs well and got converted into a franchise halfway through. The former is much more streamlined because the necessary infrastructure and workflow pipeline has already been established. The latter would face much resistance when converting from an individual store, and it requires more time and effort to establish a functioning franchise properly.

However, both are equally likely to be successful as long as three criteria are met:

- A brand that is well established
- An SOP that is uniform, efficient and automated
- A Business model that is easy to replicate

A well-established brand is actually all-encompassing, which includes proper food quality, excellent customer service, a clean environment etc. Anything that is visible from a customer's perspective all contribute to the brand image of the franchise itself. A business that can run by its own frees up the owner to pursue other businesses or goals in life. An easily replicable business will determine the rate of growth and expansion of the franchise within a particular region.

What makes franchises so appealing to consumers is the consistency and familiarity that goes along with the brand. Before stepping into a newly opened Starbucks, you can already picture the decor, the items on the menu and the atmosphere you will be immersing yourself into. This is especially true for tourists, who have no idea what the local independent cafes can offer.

I'm interested in buying a franchise. Sign me up!

I appreciate the enthusiasm, but for newcomers who have no experience working in the F&B industry, I highly recommend them first to consult an F&B consultant. Many people have fallen for the honey trap laid by master franchisors and got themselves tied up in a deal that they are not adequately prepared for.

Having a consultant is a great way to get a second opinion and determine if the business is right for you. A well-informed, well-prepared franchisee is a great partner to work with and an invaluable asset in helping expand a franchise further.

Finally, before you fully commit to the idea of buying a franchise, be prepared for an intense first year. There will be signs of struggle through the early stages of the business, but with enough commitment and capital, I am confident that you are able to pull through.

TOM ROELENS: LEADING IN TERMS OF HOSPITALITY

*Bringing The Four Seasons to Malaysia's
Ever Summer*

By: Jotham Lim

Four Seasons Kuala Lumpur had taken centre stage when it opened its doors to the public last November. The 65-storey Four Seasons Hotel is the latest luxury hotel to dot the cosmopolitan skyline here in Kuala Lumpur, located at Jalan Ampang just adjacent to Petronas Twin Towers.

Ever since its launch, customers have been singing nothing but praises of their stay in the world-famous hotel. The Four Seasons brand has always been associated with quality service, elegant designs and comfortable stay, and the Kuala Lumpur branch certainly did not disappoint.

Running a business is never easy, but here at *Entrepreneur Insight*, we are not just about all work and no fun. We decided to forego the strict business formalities for once and take a much light-hearted approach with Tom Roelens, the General Manager of Four Seasons Kuala Lumpur, and ask him about his stay in Malaysia and his management style. Tom hails from Belgium, and we were curious to see Malaysia from his perspective and how much it differs from our own perception.

Tell us a little about your previous postings with Four Seasons, and which posting left the most significant impression on you and why.

Each of the postings has been varied and in wonderful destinations. I thoroughly enjoyed Jakarta and lived in Indonesia for six years between Bali and Jakarta. Newport Beach, Southern California, is an excellent part of the world, and diving in the Maldives is unequalled. After opening the Four Seasons Maldives, I moved to the private island of Lana'i in Hawaii, which truly is Hawaii as it was intended to be. I am grateful to have the opportunity to live and work in places



where many dream of visiting once in their lifetime.

Is this your first time in Malaysia? How has the Malaysian experience differed from your other postings?

This is my first time actually working in Malaysia, but I had been here a few times before, albeit a number of years ago. I am quite familiar with working in South East Asia as I have lived and worked in Jakarta and Bali for a few years. Working in Asia, particularly Malaysia, has been exceptional; I love the different cultures we have here in Malaysia.

What do you personally enjoy the most about Malaysia so far?

There is a reason why Malaysians love their food – it is truly amazing! I enjoy and appreciate the different cultures of Malaysia as well as the fantastic festivals and the wide variety of food options.

Any thoughts you would like to share on the Grand Opening of Four Seasons Kuala Lumpur?

Four Seasons Hotel Kuala Lumpur launched in July 2018, and our Grand Opening was celebrated in November 2018. It was

indeed a night to remember as the opening was officiated by His Royal Highness Sultan of Selangor, Sultan Sharafuddin Idris Shah Al-Haj and the guest of honour, the Acting King His Royal Highness Sultan Nazrin Muizzuddin Shah. Raja Muda of Selangor, Tengku Amir Shah, Minister of Economic Affairs, YB Dato' Seri Azmin Ali, Minister of Federal Territories were also present to witness the Grand Opening.

The Four Seasons brand is internationally known and acclaimed, but what would you say to someone to sell them on staying at this particular Four Seasons?

I believe the team and the exceptional service the team provides at Four Seasons is what makes our brand exceptional. Our company is a people-oriented company and the people who drive our product and service to be the best.

Tell us a little more about the F&B offerings at Four Seasons Hotel Kuala Lumpur. What would you say we absolutely must try?

At Four Seasons Hotel Kuala Lumpur, we have four restaurants and two bars. Each of our outlets have their own strong identity and concept, with a team of talented chefs offering exceptional cuisines. Yun House, one of the most appreciated restaurants in town, introduces a modern approach to timeless dining. It serves the finest Chinese delicacies with a strong influence from Cantonese cuisine, with its signature spread of sumptuous dim sum. Curate, our phenomenal buffet restaurant serves breakfast, lunch and dinner and The Lounge at Four Seasons serves an excellent afternoon tea as well as a la carte Western and local dishes throughout the day.

Tell us a little bit about your hiring process and what, in your opinion, are the most important traits an employee in the hospitality line must have?

For our industry, being passionate and hospitable is key. As we are a people-oriented company, we believe in developing our employees and will hire people with the right attitude and a willingness to learn and grow.

What qualities do you look for in your hotel staff that you would say sets them apart from the staff of other hotels here?

Our team members are always delivering above and beyond service and are willing to go the extra mile to make each guest happy and leave with fond memories.

How would you describe your management style, and what traits have you learnt across your 18-year career that you deem most important to your success?

I believe in our team and trust them to provide exceptional service to our guests every day. I am here to support the team and to provide them with the tools to be the best they can be in their respective roles.

You've talked about your ambitions to make the Four Seasons Hotel KL the standard of the hospitality industry. What challenges do you face in achieving that goal, and what plans have you laid out to achieve it?

Kuala Lumpur's skyline is changing rapidly with newly opened hotels and many more in the pipeline. With our unique offerings, the largest guest rooms in town, great suites, luxury serviced apartments, beautiful restaurants and bars, as well as exceptional service, we are confident in our future of establishing a foothold in the industry.

The hospitality industry has been through a bit of a tight spot with the rise of short term rentals like Airbnb. Do you see this as a continuing trend, and do hotels now need to offer more of a value proposition in order to compete with the relatively lower prices short term rentals offer?

Other means of accommodation will always be there to attract in terms of price point. We offer ultra-luxurious hospitality that not any place can. Our Four Seasons guests know and trust our hospitality, and that's what they are looking for in every city they visit and also come back for.

What does the perfect hotel look like to you?

The perfect hotel should be buzzing and have an abundant supply of happy, smiling guests. We are in the business of making memories and create exceptional experiences for our guests.

Tell us a little bit about yourself. What do you do in your free time, and what, if any, hobbies have you picked up since arriving here?

I very much enjoy my regular early morning runs in KL. During my free time, I like exploring ethnic restaurants in Kuala Lumpur and catching up with what is new in town. I love travelling and have visited Kota Kinabalu, Kuching, Penang and Malacca.

Do you have a favourite local dish yet?

I am on the eternal search for the best banana leaf in town!

A little known piece of trivia is that you first started in hospitality as a chef! What's a simple Belgian speciality we can cook up to give us a little taste of Belgian cuisine?

Belgian mussels are always a favourite, but Belgian Fries are a must.

With that, we have discovered so much yet peeled away so little from the mysterious veil that has covered the man behind the famous hotel chain. We have high expectations what Four Seasons have in store for the people of Kuala Lumpur, and we look forward to the changes they will incite onto the industry in the near future.

VIRTUAL REALITY: MORE THAN JUST GAMING

By: Jotham Lim

Virtual Reality (VR) was once a hot topic that took the world by storm, with many major corporations competing to take the lead in the advancement of said technology. Sony, HTC and Samsung are few of the many brands that are investing heavily in this space, and giants like Facebook and Youtube are looking to integrate its content into their system.

The VR craze started with the emergence of the Oculus Rift which crowdfunded their way into mainstream success and was bought off by Facebook in 2014 for US\$3 billion. It is one of the most successful start-up stories of the century, and the device was initially used in the gaming space. However, due to its origin, VR has been heavily associated with the gaming and entertainment industry, but is that the limit of its potential?

Many entrepreneurs have seen the potential that lies within Virtual Reality outside the realms of gaming, and new industries have propped up in its place. This article hopes to serve as a case study for entrepreneurs, to see how a single device can have many uses and how different businesses can evolve alongside the development of new technologies.

VR FOR PROPERTY

VR is steadily gaining traction as a marketing tool for property developers to market their newly launched projects. It allows customers

to experience what the finished property will look like in extreme detail, down to the view outside your window at any given floor. It offers customers a layer of understanding beyond a simple floor plan and artist impression videos.

VR also serves as an alternative to show units, being a viable marketing tool for when the show unit is still under construction, or for new developers with a tight budget. One advantage to having VR as a marketing tool is that it is a 24-hour service, where customers can access the service online at anytime, anywhere. VR goes beyond physical constraints, giving customers the ability to view multiple properties in one-go without ever needing to leave the comfort of their own home.

A property sales agent shared online, "My agency has managed to sell a few units while the show unit is still under renovation. It definitely gives us something to do while waiting for the renovations to be completed, and it helps reduces our downtime."

An investor has also shared, "Experiencing VR is definitely a wow factor for me, but I wouldn't base my purchasing decisions off of it. It is just like any other tool that provides you with the information you need to make an informed decision. Your investment fundamentals should trump any marketing attempts, and given the option, I would rather prefer to visit the physical show unit instead."

While it is indeed a rare sight here in Malaysia, it is quite common to find VR services for secondary property market overseas. In fact, the company 3DCapsLock was founded with the sub-sale market in mind. Co-owner, Oyvind Romundset, explained that VR technology is widely adopted in his native country of Norway, and he is looking forward to bring that concept over here into Malaysia.

"I believe that in a few years, there will be a boom in the sub-sale market. Currently, there is a glut in the Malaysian properties, and developers would be holding back announcing new launches. Soon, the secondary market will take centre stage and investors will be competing to sell off their existing units.



VR can be a great tool to help these investors market their property," said Oyvind. "But right now, our focus is on newly launched projects, and to provide customers with a wonderful experience."

VR FOR EDUCATION

The evolvment and advancement of the educational sector have been stagnant for the longest time, not just in Malaysia, but across the entire world. To try and catch up with evolving trends, we have installed LCD projectors in our classrooms, and children now bring iPads and laptops to school instead of books. It is still a remarkable feat, but adopting tech devices in our schooling system does little to improve our quality of education.

The key issue is, we have been using the same teaching methods we have been using for centuries. The traditional model involves a teacher lecturing up front, with students reading text through textbooks or through an iPad screen. This is a form of passive learning works to a certain extent but is slowly phasing out of favour to other newer and more innovative ways of learning.

VR technology has slowly changed how education works in a classroom setting. ClassVR is a standalone VR and augmented reality [AR] headgear, completed with an entire learning ecosystem and full-fledged courses. Students are able to interact with their surroundings digitally, research queries through hand gestures, and conduct

simulations and experiments in a safe and monitored environment without needing additional tools.

This form of active learning is a welcome addition to our current education system. Having students participate actively in the learning process helps the students learn new concepts better and faster. There is a difference between learning a lesson and experiencing it first hand. Traditionally, active learning can be primarily found in the early childhood and primary educational programs, through games, experiments and playtime.

However, ClassVR can be used across all age groups at different levels of education. This technology has been proven effective for vocational studies, helping students develop highly technical skills through simulations and hands-on practice. VR for education is definitely a sector that is worth exploring further in the future.

VR AS A CYBERCAFE

It is now common for an average household to have multiple laptops and desktop computers, and yet, cyber cafes have never truly fallen out of favor. On the contrary, they have been making a comeback and have gained rapid momentum instead as 'esport arenas'. Cyber cafes are still an attractive pastime for many teenagers and young adults, and this can be attributed to many factors. Cyber cafes are a great place for gamers to socialise, and cyber cafes are regularly

endorsed by PC hardware companies and competitive gaming events.

Now, apply the same concept to Virtual Reality, and you have a workable and exciting business model. VR Arena is a virtual reality cyber cafe located at e-Curve, aimed at providing an immersive gaming experience beyond what traditional cybercafes can offer.

VR equipment is not easily accessible to the general public due to price and the extensive technical knowledge needed to operate the equipment. However, renting out the equipment that is managed by the store attendants can make the technology accessible to the general consumer, just like the early days of cyber cafes.

On paper, it sounds like a solid idea that can be easily replicated and expanded upon. However, we have yet to see VR cybercafes popping up left and right across the country, and this can be attributed to many different reasons.

VR technology is still relatively new, and equipment is prone to breaking down at random intervals. Coupled with the general lack of proper care when using these public devices, these equipments can go out of service really quickly, and it can be expensive trying to maintain and repair said equipments.

To remain profitable, cyber cafe owners are forced to increase sale prices, which is a significant deal breaker for the intended audience. On average, it costs more than RM10 to have a 20-minute play session in a VR cyber cafe, while it only costs RM3 to have a 1-hour session in a traditional cyber cafe. With traditional cyber cafes costing only a fraction of what VR can offer, it is hard to build a loyal and committed customer base for the concept.

Yet, there is still a massive demand for VR games and services. Provided that the owner can come up with the solutions for these said problems, there is a possibility of VR cyber cafes hitting the mainstream anytime soon.

VR AS A THEME PARK

What if we take the cyber cafe concept further and turn it into a full-fledged



theme park instead? The Rift is Malaysia's first VR and AR theme park, located in Mid Valley Megamall, and Genting Highlands recently launched The VOID hyperreality theme park. This may be the first concrete sign that a VR theme park can be a viable business strategy and here are a few reasons why that may be so.

On paper, opening and operating a VR theme park is cheaper and much more practical than traditional theme parks. The rides we see in a regular theme park require an extensive team of technicians, engineers and architects to design and maintain properly. Not to mention the millions spent on infrastructure, stalls and stands, decorations and so on.

VR, on the other hand, generally takes place in a dark environment, where lighting plays a much more critical role than props and set design, severely cutting down costs. With most of the fun and entertainment confined inside the headgear and the technological devices, the majority of attention is

placed in maintaining and repairing said equipment.

Old theme park rides fall out of favour after a while, and it is not cheap nor easy to upgrade existing rides. This is apparent at roadside carnivals, where old rides fall into disarray as the number of visitors dwindles steadily. VR, however, is relatively simple and easy to upgrade. The software and content used gets updated regularly, and old devices are easily replaceable with new ones, not considering the cost of doing so.

VR/AR theme parks are much more viable than cybercafes due to their intended audiences. The Rift is excellent for a family vacation, corporate events and team-building activities, which is reflected in their booking system and pricing, offering larger discounts for larger groups.

The locations of said theme parks are also strategic, taking place near or inside shopping complexes, with plenty of food and beverages in the vicinity, and a place for visitors to shop before and after



enjoying themselves inside the theme park.

It is interesting to compare and contrast two business models with similar intentions (fun & entertainment) yet have drastically different outcomes. This goes to show the many various factors that come into play when drafting up a proper and profitable business plan.

VR AS A BUSINESS TOOL

VR shouldn't be treated as a standalone industry, but instead, as another tool used in business and marketing.

A VR booth is always a crowd pleaser at any roadshow campaign, even if VR has nothing to do with the product it is trying to sell. A VR booth in an insurance roadshow may seem out of place, but the novelty factors attract plenty of children, which in turn, draws in the parents as well. Requiring visitors to queue at the VR booth also artificially inflates the number of visitors at any given time, giving the impression that something interesting is going on, which draws in

an even larger crowd.

VR can also be used as an effective demonstration device. In 2014, Volvo announced their release of their new car model, the XC90. As part of its marketing campaign, Volvo has also launched an app that, once paired the Google Cardboard, simulated the interior of the XC90, giving users a "first-hand experience" of how it is like driving the brand new car.

Another unlikely candidate for using VR as a marketing tool is TOPSHOP, a fashion retailer brand. In 2014, TOPSHOP provided a 360-degree virtual experience of the London Fashion Week, giving users a front row experience of the catwalk aisle without physically being there. In 2017, they also launched a VR water slide exhibit in their flagship store in London as a way to kick start the summer.

TOPSHOP has used VR as a way to showcase their brand, but VR can also be used to make a point as well. In 2016, the New York Times released a documentary titled "Displaced", where it comments

on the lives of 60 million people losing their homes due to war. The film offers a 360-degree virtual experience of the life of three displaced children, and their daily struggle to survive in a war-torn environment.

Simply put, VR is an effective tool in furthering a company's agenda, rallying people under the same cause and a powerful corporate communication tool for public relation stunts.

CONCLUSION

This technology, at its current state, still faces multiple challenges before it can be considered as a surefire investment. From the lack of content, decentralised platforms, to the expensive price tag associated with such a device, it is hard to see VR gaining widespread use as of right now. However, there lies plenty of business opportunities and potential that has yet to be tapped into. As entrepreneurs, we should seek out and unlock such potential, and use it to leave a lasting and significant impact in society.

5 KEY LESSONS WE CAN LEARN FROM THE FYRE FESTIVAL FIASCO

By: Jotham Lim

The infamous Fyre Festival incident has been heavily scrutinised since the exposé in late 2017. With two Netflix and Hulu documentaries released earlier this year, this topic has once again stirred up quite a buzz. Outside the obvious fraudulent and unethical undertones, what can we, as entrepreneurs, learn from this entire ordeal?

BRIEF INTRODUCTION

The Fyre Festival was a joint initiative by 27-year-old entrepreneur Billy McFarland, CEO of Fyre Media Inc, and celebrity rapper, Ja Rule. The music festival was supposed to be held on a private island in the Bahamas once owned by Pablo Escobar. There was a strong artist line-up including industry bigwigs such as Blink-182, Migos and Major Lazer.

The festival garnered heaps of social and mainstream media attention with the help of a strong marketing campaign involving a plethora of top-tier social media influencers. Tickets were even sold as high as \$250,000 for the VIP packages.

However, on the day of the festival itself, attendees were left stranded on a different island, without proper food, water,

accommodation, with limited access to the outside world. The infrastructures were half built, and most stakeholders have yet to receive payment, even today. A crowd of unpaid local contractors and unhappy festival goers gathered in front of the festival command centre, demanding answers. Riots were about to break out, and the organisers cancelled the festival the very next day. Billy, Ja Rule and several others abandoned the island, leaving behind their responsibilities towards the attendees, employees and other stakeholders.

"Fyre Fraud" went down in history as arguably, one of the worst music festivals in the 21st Century.

It is easy to dismiss this incident as

just another fraudulent case. However, the festival was initially intended to help promote the Fyre App, an artist booking platform run by Fyre Media. What started out as an ambitious marketing campaign turned into a malicious mess through a series of bad decisions and corporate directives.

The problems faced by the organisers will seem familiar to some of us. If we are not careful, we might fall into the same traps as well.

A MARKETING PLAN IS NOT A BUSINESS MODEL

Sales and marketing are undeniably vital to a company's success. A great product without a marketing strategy will eventually fade into irrelevance, but a marketing plan without a product is fundamentally unsustainable.

Billy McFarland was not selling tickets to a music festival. He was selling a





vision of what could possibly be the next Tomorrowland and Burning Man. Both the investors and customers bought that dream and ate it all up.

McFarland had built a strong marketing campaign but without a readily available product. The sales packages were made up on the spot, and he included anything that would sell the festival without first assessing its viability. Problems started cropping up when he couldn't deliver on his promises.

For us, diverting all of our attention into sales and marketing is very tempting because it's what brings in the money and drives up the company profit. Big numbers can attract wealthy investors that are willing to invest even more money into your company.

However, without a great product to back the sales figure up, consumers and stakeholders will eventually figure out that the product is not worth their time, nor the premium price. Sales figures will taper off eventually, and we will be knee-deep in trouble.

That is essentially the business model of serial entrepreneurs. Heavily market your product during the initial stages, and sell off

the company before it starts going downhill. Rinse and repeat. This is, by all means, a viable strategy to build up your wealth, but is it a reliable long-term strategy?

If we have our customer's best interests at heart and actually want to make an impact in society, we must realise that a marketing plan can never replace a reliable, quality product, nor substitute a business model.

DIGITAL MARKETING FOR MILLENNIALS

Touching on marketing, this is by far the only thing that the Fyre Festival did exceptionally well. Billy McFarland has a deep understanding of what clicks with millennials and what doesn't, and he is a genius at leveraging it to his own advantage.

The organisers behind Fyre Festival brought in the giants of the social media influencer industry, with actresses and models that have millions of followers under their name. They appeared on the marketing materials for the festival and helped spread the word to their followers. They had even paid Kardashian family socialite, Kendall Jenner, \$250,000 for just a single Instagram post promoting the festival.

The cost of this marketing strategy may seem outlandish, but it is definitely cheaper



than traditional marketing strategies while being much more effective at the same time. What's more, the insinuation of having so many influencers in one place piqued the interest of celebrity lifestyle news agencies, prompting a second wave of free promotion without Billy having to lift a finger.

For entrepreneurs looking to tap into the millennial market, it is worth taking a look at the methods used behind Fyre Festival's successful marketing campaign, and how you can get more value from marketing through proper targeting.

UNDERSTANDING YOUR REVENUE MODEL

Organising and planning for a music festival is a massive undertaking that requires a lot

of funding. Hosting a festival in a big city is hard enough, but on a private beach without infrastructure in the middle of the Bahamas is a whole new level of challenge.

Fyre Media relied heavily on ticket sales and investor funding to finance the entire festival. Despite the initial listed price of \$250,000, tickets were actually sold at a low-low price of between \$500 to \$1,500, while the VIP tickets sold at only \$12,000. Halfway through the planning process, they soon realised that not many millennials are able to afford the high price tag of the tickets. They had no choice but to severely cut down their ticket prices, taking away much of their revenue stream.

With abysmal ticket sales, Billy McFarland was unable to leverage the figures to attract the much-needed investor funding during the later stages of preparation, which prompted further problems. With a shoestring budget and a tight deadline, it was no wonder that the festival didn't take off the way it promised.

We shouldn't put the cart ahead of the horse. It is vital to have the know how and know how much money is going in and out of the company at all times. To ensure that our company can limit whatever damages necessary, there should be a sizeable sum of extra cash-on-hand that we have easy access to at all times to weather the storm.

Taking huge unnecessary risks in the name of the "entrepreneurial spirit" only reflects our responsibility towards our employees, customers and investors. An informed decision will always hold more weight than an uninformed one.



YOUR IDENTITY IS NOT TIED TO YOUR BUSINESS

When you dedicate your life to a particular goal, it is easy to project our identity onto said goals. As entrepreneurs, we spend a lot of our time cultivating and growing our business as you would raise a child. Eventually, there will be people who will criticise how the company is operated, and most of them have our best interests at heart. If we are not careful, we may interpret it as a personal attack against ourselves.

According to Billy, the festival was a great idea that will take the entire world by storm. The idea genuinely holds water at first, but when hyperbole begins to stack up, things get blown out of proportion. Consultants and employees have voiced out against many of the choices made by Billy, and he decided to shut out all incoming feedback that didn't align with his vision. He went as far as asking some "troublemaking" employees to leave the company.

We shouldn't be defined by the business we run. It is easy to get caught up in the "hustle" of being an entrepreneur and forget that there is more to life than just running a business. If we take ourselves

less seriously and have a higher purpose in mind, we wouldn't flinch at any form of criticism, and instead, take that feedback and make the company better. The person behind the company is just as important as the company itself, and being a well-rounded person can actually help grow your company in many ways than one.

FINAL KEY POINT

There is nothing glamorous about the actual day to day work of an entrepreneur. Many of us will romanticise the idea of being your own boss, taking reliable people under your wing and building immense wealth, but the truth is nothing of the sort.

Being an entrepreneur, your day job is basically solving problems and putting out fires that randomly pop up out of nowhere. Ask any seasoned entrepreneur, and they will tell you that every day is a forest fire. There is nothing sexy nor fancy about being an entrepreneur and what is portrayed on social and mainstream media is rare to straight up being a myth.

Entrepreneurship is tough work, long hours of planning and coordinating, dealing with problematic and annoying stakeholders, boots-on-the-ground, and we have to do all of that with a smile on our faces. These forest fires that creep up will burn the business down if not taken care of properly, and those who fight these fires every day deserve much-needed respect and admiration.

We recommend our readers to independently analyse similar case studies, to draw up your own conclusions and interpretations that will help in your respective businesses. It is always good to learn from other people's mistakes, and god forbid the day we make the same mistakes as well.



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ONE YEAR LATER: THE PA

The single biggest event in Malaysian politics has come and gone. There will never be another 9th May 2018 - the day that the world's longest ruling democratic government lost the mandate to guide and lead the country, and Malaysians awoke to a new dawn ushered in by a familiar hand in the 4th and 7th Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad.

The ensuing months that followed were as fraught and challenging as any in Malaysia's history. Pakatan Harapan, now the first ruling coalition in Malaysia that is not Barisan Nasional, would have to wrestle with the struggle of governance. With a decidedly unexperienced cadre of leaders notwithstanding Dr. Mahathir himself and several key personnel in the coalition, the transition of power may have been peaceful, but not always smooth.

A TRANSITIONAL PERIOD

Malaysia held its breath as the fears that the ruling government would not go quietly into that good night began to dissipate, and life took on its usual humdrum routine. While it was clear that for the immediate future, daily life would not change, in the highest corridors of power a tectonic shift was occurring that had the potential to reshape the direction of the country. Tommy Thomas became the first practicing barrister to be named AG. Lim Guan Eng rose to the position of Finance Minister, the first ethnic Chinese to be named to the position since Tun Tan Siew Sin stepped down in 1974. Dato' Seri Wan Azizah, wife of Anwar Ibrahim, became the first female Deputy Prime Minister in Malaysian history.

Unfortunately, the more things change, the more they stay the same. As the wheels of progress chugged along, it became evidently clear that the new government was still very much finding

its feet after having spent so long chasing after the elusive seat of power. As change in either extreme is bound to provoke a response from the opposing side, the more liberal tendencies of Pakatan Harapan incensed hyper-conservatives all over the country, culminating in protests that were originally held to oppose the ratification of a United Nations anti-racial discrimination treaty, ICERD.

Today, on the political front, the second Mahathir administration seems to have found its ground, but is wary of losing support amongst the indigenous majority. Having recently lost the Semenyih by-election by less than 2000 votes, Pakatan must make its moves forward wisely if it intends to retain power in 2024-2025. If it got elected thanks to a broad majority across all the major demographics in Malaysia, it must retain that appeal to the more moderate and liberal sectors of society while assuring the conservatives that their power and privilege is not being challenged or taken away. One must put into consideration, after all, that had Barisan Nasional and PAS officially agreed to form a coalition early, their command of 50% of all votes tallied might have been enough to stop PH in its tracks.

It is a fine balancing act to pull off, but if anybody can it is the good doctor. That said, Dr. Mahathir pledged that his time in office would be short. While a concrete timeline for Anwar's ascension to the highest public elected office in the land has not been established, it is expected that the question will become more of an issue as we draw closer to the two year mark. What happens then will be anybody's guess.

OPENING UP THE ECONOMY

As for the real impact of Pakatan's ascension on the Rakyat's wallet, some positive signs of stewardship were seen in a 1% inflation rate for the year of 2018, lower than the 3.7% inflation rate recorded in 2017. As a further credit to Pakatan, their moves to tame the pressures of inflation did not unduly affect the economy, which grew 4.7% in the last quarter of 2018. We cannot hold the government accountable for winds from outside that buffeted its attempts to steady the ship, however - the long-reaching side effects from the US-China trade war has impacted economies all over the world and forced a rethink of the former world order where the United States was the preferred and privileged



PAKATAN HARAPAN EXPERIMENT

trade partner of choice for almost any country.

The Malaysian Institute of Economic Research (MIER) reported that the Consumer Confidence Index had fallen below the 100-point confidence level, mostly due to stagnant working wage conditions and nervousness over rising prices. This is despite the reportings of the Ministry of International Trade and Industry, which reported an increased level of exports, which grew year-on-year by 7% in 2017-2018 and total trade volume by the end of December 2018 was recorded as RM1.88 trillion. The discrepancy between the two reports, however, can be attributed to strong performance in late 2017 and early 2018, and the performance of the economy at the end of 2019 will give us a clearer idea of PH's economic performance and impact.

Perhaps the single biggest economic move visible to the public was the abolishment of the Goods & Services Tax (GST). Pakatan had campaigned on a platform decrying the value-added tax, proclaiming it single-handedly responsible for the rising cost of living, but the truth is rather more complex than that simple characterisation. That being said, for a short time the new

government's strategy worked, with the Consumer Price Index dropping steadily only to rebound as the Sales & Services Tax was implemented, which undid the narrative of the GST being the reason for the rising cost of living in Kuala Lumpur.

While it is still too soon to say whether Malaysia will ever be referred to as an 'Asian Tiger' ever again, PH's focus on good governance must now be trained on the economy, as the taxpayer's wallet can be an important bellwether in determining how an election will swing. On the bright side, good governance means less corruption, which will hopefully see lower costs on the public coffer, and more benefits for the Rakyat themselves.

REFRAMING 2020

'Wawasan 2020' was a concept mooted by Dr. Mahathir in his first term as Prime Minister, calling for Malaysia to become a fully self-sufficient industrialised nation by 2020. 28 years later, however, it has become clear that we aren't getting our flying cars and contact lens HUDs, but instead are on a slow drudge towards a future that may be grimmer than any of us would like should scientists' predictions about climate change and the lack of political willpower around the globe see us through the next 12 years. 2020, however, is just two years away, and in light of our failure to live up to this vision, a bit of reflection would do wonders before we square away 2020 and set a new goal to work towards as a people.

The previous Prime Minister, Najib Razak, had it right in his 2009 observation that Wawasan 2020 needed to be calibrated to consider the national and global economy. He would go on to launch the idea of National Transformation 2050 or TN50, vaguely calling for Malaysia to be "country of calibre, with a new mindset", and though it might be less than a clear and succinct statement of intent, credit where credit is due. We are in dire need of a new lodestar for the direction of the

country, and political willpower to see it through.

A few economic and social agenda must be put forward by the government, whose grace period with the general public has expired. People want to see vision, and more importantly, they must see action backing up that vision because change and leadership starts from the top. Wawasan 2020 outlined 9 problems, which are as follows:

- Challenge 1:** Establishing a united Malaysian nation made up of one Bangsa Malaysia (Malaysian Race).
- Challenge 2:** Creating a psychologically liberated, secure and developed Malaysian society.
- Challenge 3:** Fostering and developing a mature democratic society.
- Challenge 4:** Establishing a fully moral and ethical society.
- Challenge 5:** Establishing a matured liberal and tolerant society.
- Challenge 6:** Establishing a scientific and progressive society.
- Challenge 7:** Establishing a fully caring society.
- Challenge 8:** Ensuring an economically just society, in which there is a fair and equitable distribution of the wealth of the nation.
- Challenge 9:** Establishing a prosperous society with an economy that is fully competitive, dynamic, robust and resilient.

There is nothing wrong or wanting with the 9 challenges outlined above. But this time, there must be a roadmap, a plan to get us to the destination that people can understand and believe in. Pakatan must know that the training wheels are off, and they must take up the mantles of leaders in earnest to ensure the continued growth and prosperity of the country. They must listen to the Rakyat, who are uncertain and fearful for their livelihoods in an era of unprecedented global upheaval. Tall orders, but ones our leaders signed up for when they volunteered to lead.



ESSENCE OF A BUSINESS PLAN



Most businesses are familiar with the term - "business plan". However, not every business has proper understanding about the contents and purposes of a business plan as a concept. In fact, many businesses do not see the benefits of having such a business plan. That's why it is not unusual for businesses, particularly the SMEs to not having a formal business plan. Many businesses don't see the need for having one, while others simply do not know how to develop one that is of reasonable standard. Nevertheless, business plan is indeed critical for all businesses, whether they are newly set up, have on-going concerns or embarking into business growth. In short, all businesses need to have a formal business plans and these plans need to be reviewed and updated periodically.

Businesses that choose to draw up a business plan often find it challenging to develop one that is beneficial to their businesses. Many businesses do not know how to go about it. To begin with, what they need to first understand is the basis of business plan before attempting to develop one. They need to know the overall concept of a business plan, know what information is to be included in the

plan, and the criteria in developing an effective plan, among others.

Let's dwell on the important components of business plan in the following sections of this article.

PRIMARY ELEMENTS

The business plan is important because it conveys the overall business objectives, its business strategies and execution plan, and the availability of financial resources to bridge-finance the business until it becomes successful. In simple terms, a business plan is a report that tell the business owners or readers about the nature of business together with the set business goals, and how the business strives to achieve the goals.

An effective business plan should possess the following elements i.e. (1) be written in simple and straight forward language for easy understanding. (2) displaying clear objectives (3) be forward looking (4) target at the right and intended audiences, and (5) be realistic in its business sense. A properly defined business plan can be used for different purposes. It can be used as internal guides, for fund raising exercises, or attracting talents, among others.

KEY SECTIONS OF A BUSINESS PLAN

Broadly, a business plan consists of the following five primary sections:

Business Concept

What do you offer to your customers?

What is your customer value proposition?

What is the prospect of your business and its industry?

This section clearly describes the nature of business and the type of products and services offered to the customers. The value proposition must be prominently highlighted in attracting customers to deal with the businesses. Having described the product and services, it is equally critical that this section discusses the industry dynamic and the present outlook. More importantly, future possibilities and opportunities are also highlighted here. This is crucial to provide clear insight about the business and an industry wide perspective for the near future.

Business Strategies

Who is your target market?

How are your competitors performing?

How do you plan to excel in your business?

Understanding the targeted market is crucial in enhancing the business' performance. Businesses must be able to clearly define the target market that would accept their products and services. It is only by placing sufficient effort and resources in the right market that businesses will be able to remain focused and excel in their business operations.

Businesses must not ignore market competition in their analysis. No business operates without competition. Businesses need to carry out and reflect the findings of competitive analysis in this report. Knowing the competitor's strengths and weaknesses forms the basis of developing sound and effective business strategies.

Development Plan

How do you plan to develop your business?

How would this development lift up your business performance?

What kind of product and service enhancement do you plan to carry out in the near term?

Having determined the business strategy, businesses need to translate them into executable development plans. This exercise is important for the businesses to understand, evaluate and handle any resource constraints in setting clear business directions into the future. Businesses must identify dynamic measures that ensure business sustainability, allowing it to remain relevant and progressive in the future. In line with rapid changes of the business environment and customer's preferences, it is vital for businesses to enhance the value proposition of their products and services. Product and service offerings must be forward looking and continue to be acceptable to the customers.

Operations & Management Structures

Who are the key management team members?

What are their primary roles and responsibilities?

How is the business being organized for optimized performances?

This section refers mainly to allocation of right and dynamic people resources, which is crucial in ensuring the smooth operations of the business. Businesses must be selective and strict in identifying and appointing members of the key management team. Realistically, only the capable and experienced people are selected to lead the business. In some businesses, particularly the family owned SMEs, owners have the discretion to appoint certain family members who may not be ready for such positions to be part of the management team. This implementation, however, is acceptable if the aim of this appointment serves as part of the business succession plan. In this case, the appointed members are there to learn before taking the proper management roles in the future.

The management team must be professional and ethical in conducting business. All team members must be fully aware and acknowledge their respective roles and responsibilities. Last but not least, businesses must strive to assign the right and capable people to take charge of the right business units. It is by assigning the right people for the appropriate roles that the businesses will be able to progress according to the development plans.

Financial Factors

What was the past business trend?

What are the projected business performances in the near future?

What do you seek from the investors or bankers?

Financial resource is one key component that can dictate business continuity. Without proper financial resources, businesses will have to scale down various business activities, hence compromising on the quality of products and services, and the delivery process of the business. This will lead to inferior

business performance. Therefore, businesses must plan their financial requirements properly. This process starts by evaluating past business trends. With this, businesses can work on their business projections and identify the funding requirements in the near future.

Businesses must be able to raise the necessary financial needs to match business requirements in the future. The sources of financial requirements need to be identified early and businesses should start working on this matter the soonest possible. Besides bank financing, businesses can also raise funds through other means like cash injection from investors or offering of right issues, among others.

DEVELOPING A BUSINESS PLAN

Businesses that have not developed any formal business plans should start working on one. Businesses will not only gain from the eventual business plan, but also from the process as drawing up the plan that can be very beneficial to the participating team members. During the process of gathering the necessary information and subsequent discussion about it, the business would better understand their business operations. This would allow them to further strengthen their business and become more competitive in the market. It is advisable that businesses make effort in developing their own business plan, simply because they know their business better than anyone else. Where necessary, they may engage a professional in guiding them on the process.

For businesses that already have an existing business plan, they need to review the plan periodically. A business plan is only useful if it is updated with the current information.

EDDIE HU

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WORKPLACE SEXUAL HARASSMENT: POWER ABUSE AS A FISCAL INSTRUMENT

Recently, the number of reported cases of workplace sexual harassment has been alarming. In many organisations, employees are sexually harassed and oppressed by their employers or higher-ranked employees. This issue has to be addressed and curbed to reduce the psychological effect on the victims, give prospective employees a sense of sexual security, foster a good working environment and enhance the organisation's productivity.

SEXUAL HARASSMENT... WHAT IT ENTAILS?

Sexual harassment in the workplace is a form of discrimination that includes any unwelcome comments, conduct, behaviour regarding sex, gender, or sexual orientation. It consists of a range of actions from mild transgressions to sexual abuse or assault.

Sexual assault may include:

1. **Quid Pro Quo** – This is when submission to a sexual act or sexual advances is considered a condition

for either getting a job, a promotion, or any other benefit that one would generally be entitled to, and should be merit-based.

2. **Offensive Working Environment** - This arises from the receipt of unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature.

It includes, but is not limited to, such cases as:

- Lewd comments about appearance, body or clothes
- Indecent remarks
- Inappropriate questions or comments about your sex life
- Looking or staring at a person's body
- Display of sexually explicit material in shared workspaces, and
- Sending and sharing sexually explicit content via email

3. **Physical Abuse** – This is when there is direct physical contact including any unwarranted touching, indecent brushing of bodies, uninvited hugging, caressing, kissing, and rape.

It is a fact that both men and women suffer workplace sexual assault, with the predators mostly being men.

The UN reports that 40-50% of women in EU countries and 30-40% of women in Asia-Pacific countries experience some form of sexual harassment in the workplace. Harassment starts when the predator begins to lack a sense of responsibility in his work ethics, and this is discriminatory and illegal irrespective of frequency or severity, creating a hostile or offensive work environment (such as the victim's demotion, firing or quitting).

About 60% of the workplace sexual harassment cases that get reported were perpetrated by persons in higher positions (senior management). Similarly, this was reflected in the most recent

cases of the Texas Instrument's Crutcher, INTEL's Krazinach, and the BFM 89.9 (Malaysia) sexual assault cases.

However, as opposed to the predators' resignation in some of the cases named above, conditions such as the victim's demotion or firing were used to keep them quiet.

This claim makes it evident that power abuse in the workplace is a significant issue that is being used to successfully carry out sexual harassment, and by extension, also stems from their losing the sense of responsibility to their job and/or work ethics.

HOW SERIOUSLY SHOULD WORKPLACE SEXUAL HARASSMENT BE TREATED?

Workplace sexual harassment shouldn't be taken or handled lightly. That is not just because it is legally wrong, but majorly because of the effect it has on the victims and the organisation's productivity.

A good number of sexual harassment cases surface regularly, and a large percentage of the cases reported within the organisation get swept under the carpet. Again, this is evident from the BFM 89.9 Malaysian radio case which had a lid on it until an anonymous email exposed this act to various news agencies.

Once a hostile working environment is created, it is vital that the victim reports the harassment to the Human Resources Department. In addition to that, they should, as well, take detailed notes of the dates, times, and nature of the incidents.

If attempts to remediate the situation fail, the victim should file a harassment claim with a law enforcement agency.

THE EMPLOYER'S LEGAL LIABILITY OR RESPONSIBILITY?

A person who sexually harasses another is primarily responsible for the harassment, but employers can also be held accountable for the actions of their employees – which, often, is the case.

Most lawsuits of sexual harassment, especially when it involves senior management staff, have seen the employer prosecuted alongside the employee. Therefore, the employer has

the responsibility of protecting their employees and fostering a non-hostile working environment.

In protecting the employees, employers can come up with a sexual harassment policy and a grievance lodgment process and counter. This could involve the setup of a team (members of the Human Resource personnel) who would be responsible for investigating the issues, protecting the victim, and effecting disciplinary actions for every harassment case.

The employer can put up signages of the code of conducts, work ethics and sexual harassment policy at strategic locations (staff canteen, main entrance, meeting rooms) in the company, send weekly reminders to employees via their emails and organise seminars for them.

By so doing, the employees become conversant with what is expected of them, and the consequences of their actions if they fail to do so. With the following (in line with other measures deemed appropriate) put in place, an employer's liability would be reduced in the advent of a sexual harassment case.

WHAT STEPS TO TAKE WHEN SUCH A CASE HAS HAPPENED?

In the advent of a sexual harassment issue, the victim should inform trusted colleagues, friends and resort to confrontation; have a matured conversation with the villain to sort out the problem. If the villain doesn't halt the harassment, the victim is advised to report directly to the Human Resource department or Grievance Counter.

There, they should lodge a sexual harassment complaint or grievance and wait for the due process of inquiry with the respective outcomes, remedy and corrective action plans on the matter.

Should the human resource team not help in resolving the issue and

the harassment lingers on, the victim should seek legal advice and report to law enforcement authorities within their locality.

From an employer's standpoint, critical investigation into the issue should be embarked on immediately as soon as the matter is reported.

The Human Resource team on sexual harassment is advised to be unbiased and act in the interest of the organisation, especially where senior management staff is involved. At the end of the investigation, disciplinary measures should be taken on the predator while the prey is given assurances of required safety and counselling.

The future of workplace sexual harassment

Without adequate measures in place to curb the level of sexual harassment, this unspoken nuisance may grow exponentially and become ingrained into the workplace environment. That is mainly in part due to the factors surrounding the workplace such as age range of the workers, the predominant profession, working hours, level of familiarity, level of authority of senior management staffs, poor job description, etc.

Hence, the onus lies on the employers to make sure the workplace is safe and doesn't, in any way, promote sexual harassment or lack of professionalism in the workplace. This can be achieved with appropriate and necessary education programs on harassment and power abuse plus visualised warning materials on such gross misconduct with the openness of allowing persons to speak up – especially from members of the senior management staff.

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GASLIGHTING: DISRUPTION IN THE WORKPLACE

By: Jotham Lim

The term “gaslighting” may seem familiar to some but foreign to many. Gaslighting is a form of psychological manipulation that has been used by cults and pyramid schemes, whereby an influencer will attempt to distort the victim’s perception of what’s right and wrong. I use the term “victim” exclusively because gaslighting is, by all means, an abusive and predatory behaviour that takes advantage of the uninformed.

Entrepreneur Insight has met with medical psychologist, Joel Low, to learn more about this subject, and to shed some light on this issue in the hopes that a well-informed public would be much more resilient towards the dangers of gaslighting. Here is what we have learnt so far.

ORIGIN OF GASLIGHTING

Gaslighting isn’t something that we are seeing happening in recent years. People have been gaslighting each other since the dawn of mankind, and it is only recently that we have come up with a proper term to describe the phenomena.

The term “gaslight” comes from a play in 1938 with the same title, whereby

an abusive husband leads his wife into believing that she has gone mad, that she has been stealing things subconsciously and been hearing voices that weren’t there.

Behind the scenes, was the husband that was up to mischief. He manages to convince his wife of her madness by simply altering the brightness of the lamp at random intervals. When asked “Did the brightness of the lamp changed?” the husband simply replied, “No, I think you are going mad.”

With that, the wife ceases to believe in her own judgement and sanity, leading her to put her own faith in the person whom she trusts the most other than herself - Her secretly manipulative husband.

The simple story illustrates the basics of how gaslighting works and operates. Instead of a lamp, we use words and subtle cues to misinform others. The reality you are living in is filtered through someone else’s point of view, and everything you say and do is being interpreted differently than you originally would. Your sense of right

and wrong is at the whim of the person manipulating you.

WHY IS GASLIGHTING DANGEROUS?

Some of our readers might start to question themselves if they have been subjected to gaslighting before in the workplace. But detecting it is extremely difficult, as the entire idea behind gaslighting is to remain concealed and undetectable for as long as possible.

Gaslighting is like an advanced form of lying, carefully worded in a way that is believable without any way of confirming it. Let’s say that you are late for a meeting with friends but you have overslept, and so





your excuse would be that you are stuck in a jam. Such a cliched answer would introduce plenty of doubt and raise a few eyebrows.

However, it would be much more believable if you have said that you were rushing right after a meeting with a client. First off, it paints you in a good light as someone that is hardworking with a tight schedule. Second, it is easy to draft a fake story by using the real experience you had in the past.

Compared to gaslighting, lying is more blatant and in your face. Gaslighting is subtle, grounded in reality and believable. The possibility of it being true is always

there, and that is why it is dangerous.

SIGNS OF BEING GASLIT

Despite being hard to detect, it is not entirely impossible to spot the symptoms of being gaslit. Influencers generally have the same traits and employ similar tactics. Here are some of the key characteristics that you should look out for:

- Conversate with you to collect information, but not authentically empathise with what you are saying.
- Compulsive liar. When called out, will shift the blame towards others.
- Have low to zero accountability, lack

responsibility for their actions.

- Use existing information and twist them to fit their narrative for their own benefit.
- Gossip, as a way to build communication against others.
- Appear confident up front, but immensely insecure deep down.
- Have a tough time self-regulating their own emotions and thoughts.

Your emotions are a vital indicator that something is wrong. If every decision you make feels uncomfortable, as if it is done not of your own will, then there is a possibility you are being gaslit.

These are by no means a sure-fire indicator to spot a gaslighter. But seeing these signs in real life should raise a few red flags, and you should proceed with more caution.

CASE STUDIES

The effectiveness of gaslighting can be compounded across an extended period of time, and for a wide array of reasons. At best, the influencer is seeking out validation for personal satisfaction, but at worst, people may be driven to commit actions with permanent consequences.

Take Kellie Sutton for example, a once fun and bubbly person who ended her own life after being in an abusive relationship with her boyfriend of just five months. Police have reported that Kellie was under coercive control during the relationship, where the boyfriend used gaslighting tactics to manipulate Kellie into relying on him emotionally.

Gaslighting is also quite common in a work environment. It has been used to undermine people of different genders and races, cloud an employer's sense of judgement, forcing staff members to see things from a singular perspective, etc. Gaslighting in the workplace is not as simple as saying "I am right and you are wrong", but to nudge the victim into doubting their own thought processes, taking away their ability for independent thoughts and agreeing with the influencers.

You do not need to be a cult leader to gaslight people. Speaking with Joel, we have learned that ordinary people like us employ similar techniques in our everyday lives, be it consciously or subconsciously. We probed further, and to our surprise, gaslighting might be more common than you may think.

How Does Gaslighting Affect My Business?

I have seen plenty of cases throughout my career, whether it's secondhand stories or with my very own eyes. I'm sorry to say, but many young and new entrepreneurs have not been in the industry for long, so

they are naive in the sense that they rely on the advice and expertise of others to run their business.

There is nothing wrong with obtaining a second opinion, but what you can see is that the company directives are slowly moulded to fit the advisor's narrative, and sooner or later, the entire company is run by a puppet of another. These entrepreneurs have no choice but to rely on that one person solely and are unable to seek help elsewhere. It is quite common to see an advisor or assistant wielding more power than the employer in the workplace.

Not to mention that gaslighting will introduce toxicity into the working environment. Work efficiency would drop, corporate visions muddled and clouded, and the company leadership would appear weak. Left unattended, this issue may be able to bring down small businesses in just a short period of time.

If used in a racial or gender context, this issue would spill over into becoming an even larger issue. Gender and racial rights activists are aware of gaslighting in the workplace and are fighting to restore the balance of power in the workplace. It is definitely an issue that the Human Resources department should be very much aware of.

Has Gaslighting Been Used For Good Before?

Asian parents are notorious for using gaslighting tactics on their children. "Don't go out at night unless you want to be kidnapped by a dirty foreigner" "Don't stare at the television, or else you'll go blind" "Grandmother is fine...she is just going to sleep for a very, very long time."

Such tactics may be used with good intentions, but deception is deception nonetheless, and I do not condone using such tactics at all if possible. Deception and gaslighting could be used to solve a temporary solution, but it may bite you back when you least expected it.

I do understand that total honesty may not be applicable in every given scenario, especially for business-related matters. However, gaslighting other people for selfish gains is just plain unethical and

shouldn't be used at all if all possible.

What Actions Can I Take?

When you suspect that you are being gaslit, find people that you can fully trust and confide in. Bounceboards are what we call them, and it can be your spouse, best friend, or family members that you know for a fact that they deeply care about you.

Gaslighting, like any other manipulative tactics, will generally involve isolating victims from groups of people, reducing their exposure towards other point of views. The more isolated a victim is, the easier it is to compel the victim to believe in a certain way. Thus, in order to break this cycle, it is essential to keep in touch with reality by reading, talking and connecting with other social groups in order to see the world as it is.

If making a decision feels off-putting, take a step back and view the situation from an outsider's perspective. Why am I doing this? Who is the one benefiting from this? Is this a smart move to make? Try to gather your own independent thoughts, and see things using your own lens instead.

Finally, if you find out that someone is trying to gaslight you, the simplest way to handle it is just to call them out on their unethical behaviours. Once the spell they have over you is broken, they will no longer have influence over you. When found out, they will try their best to justify their actions and attempt to appeal to your emotional and mental weakness. So, it is wise to bring a friend if you are afraid that you might fall into their honey trap again.

CONCLUSION

It is yet unclear how often such matters happen in the workplace, as it is not exactly a statistic that is easily measurable. However, having awareness and shedding light on this issue may help reduce the damage caused by gaslighting in both our personal and professional life. We should be vigilant in our approach and be careful with who we place our trust in, and not be tempted to employ such tactics for personal gains as well.