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info@sharefer.me
info@wisecommerce.my



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EDITORIAL

Publisher/Editor-In-Chief
Dato' KK Chua
kkchua@propertyinsight.com.my

Deputy Editor
Hafidz Baharom

Writer
Jotham Lim

CREATIVE

Senior Graphic Designer
Megat Khuzamir Rizal

BUSINESS DEVELOPMENT

Sales & marketing enquiries
support@propertyinsight.com.my
+6012 3788 683



Armani Media Sdn Bhd
(1032085-H)
No. 32-3, Jalan Pekaka 8/4
Seksyen 8, Kota Damansara
47810 Petaling Jaya, Selangor
Tel: +603 6156 3366
Fax: +603 6156 3399

PRINTER

Percetakan Osacar Sdn Bhd
Lot 37659, No. 11, Jalan 4/37A
Taman Bukit Maluri Industrial Area
Kepong, 52100 Kuala Lumpur, Malaysia

On The Cover



KY LIM
Founder and Chief Executive
Officer of KYY Empire

I'll start this by wishing all my Muslim brothers and sisters Selamat Hari Raya, and Maaf Zahir Batin if I have transgressed in any way.

The world is moving rapidly these days. Having started out working for a GLC as a literal salaryman, it seems that there is now a generation moving towards developing applications for mobile devices whilst working in a co-working space and collaborating with micro companies to recognised acclaim.

To cater to such a crowd, we have done a feature on the co-working spaces, as well as talking to entrepreneurs from all sorts - this time we even include a tailor.

This issue, we also put focus on a company that started off from an idea generated by three friends who develop an app to the benefit of all those involved in buying a property, which is now moving to greater heights.

MHub, has teamed up with China property giant Juwai.com in order to bring in new property buyers to Malaysia. It has also partnered with Tongdun to use facial recognition technology, in order to streamline the approval process.

Having met two of MHub's co-founders, Quek and Jason, they are passionate in their ability to develop a phone app that cuts through the red tape in buying property, both for developers and property buyers, as well as banks.

Behind every successful entrepreneur who has achieved such heights, there will always be a group of people who have worked with them through thick and thin. MHub is not just individual entrepreneurs, but a gelled up team effort.

Of course, it is the same case with our magazine as well. It is a Herculean effort by a small team of individuals who come together to achieve something worthwhile.

DATO' KK CHUA
EDITOR IN CHIEF
ENTREPRENEUR INSIGHT



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WeWork targets MidValley next

WeWork will be expanding to upcoming locations in Mid Valley next year as part of their continued expansion in the ASEAN region.

The co-working platform company out of the United States announced this during the formal launching of their 100,000 sq ft flagship space in Equatorial Plaza, Kuala Lumpur.

"With Kuala Lumpur increasingly becoming a hotbed for innovation and modern development, we see huge potential coupled by Malaysia's steady economic growth and unique position as a high-value market for foreign investment in Southeast Asia," said WeWork Southeast Asia CEO Turochas "T" Fuad.



Kenanga CEO wins WIFAA award

Kenanga Futures Sdn Bhd Chief Executive Officer/Executive Director & Head of Listed Derivatives, Azila bt Abdul Aziz, won the title of 'CEO of The Year' at the inaugural Women in Finance Asia Awards 2019 (WIFAA) event organised by US-based Markets Media.

The Awards event also acknowledged the achievements of women across multiple financial institutions namely DTCC, Citi, Morgan Stanley, BNP Paribas, BAML, T Rowe Price, Virtu Financial, SWIFT and BlackRock, amongst others. The event was greatly supported by sponsors including Citi, BlackRock, BNP Paribas, DTCC, SWIFT, HKEX, Bank of America Merrill Lynch, Nomura/Instinet, Virtu Financial, Refinitiv, Pathfinder and Morgan Stanley.

Study shows Grab Malaysia has worst crisis comms score

Citrine One Sdn Bhd has identified Grab Malaysia as the lowest scorer in deploying effective communication strategies during a crisis, in a study released on May 30.

According to the 18-year old home grown communications agency, the local ride sharing company scored only two points out of a maximum of 36, and is embroiled in multiple issues regarding passengers and drivers safety, following robberies and sexual assaults during Grab rides.

"It is quite surprising that a people centric company like Grab can score so low on crisis communications. It is a vulnerable industry and the global market of ride sharing has given enough case studies for Grab to have a crisis handbook," said Citrine One managing partner Sharves Bala in a press release.

Sharves added the delayed response time and lack of solution is deemed unacceptable in issues management especially when it involves safety of its drivers or passengers.

Global Markets Complexity Index: Malaysia in the same group as South Korea

Wilson Perumal and Company has put Malaysia in "Group 2" of their Global Markets Complexity Index (GMCI) - putting the country in the same group along with South Korea, Belgium, Spain and Ireland.

In their recent report, the strategic consulting company said that Malaysia, like other "Utility Players" had low complexities in three measures - market, operational and regulatory

"The GMCI Utility Players are wealthy countries with generally low complexity across the board, but have aspects of market, operational and regulatory complexity that make them slightly more challenging than the MVPs," it said, referring to countries in Group 1 which were considered "Most Valuable Players".

Nations in Asia grouped in the MVP list include Japan, Singapore, the United Arab Emirates and Hong Kong which was separately ranked from China.

Mhub partners with China's Juwai.com

MHub, Malaysia's leading digital real estate marketplace, has signed a partnership agreement with Juwai.com, China's largest international property online website, to attract overseas Chinese buyers looking to purchase properties in Malaysia today.

The agreement will provide local property sellers access to Juwai.com's more than 3.1 million monthly active users. According to Juwai.com, buyers from mainland China had purchased RM 9.5 billion worth of Malaysian residential and commercial properties last year, with more than 80% of the investment allocated towards the residential sector.

"Enquiries towards Malaysian properties has increased six-fold for the last two years. This is partially due to Malaysia's good infrastructure, legal system for foreign home purchases, reputable developers and affordability by international standards," said Georg Chmiel, Chairman of the Board of Juwai.com.

Following the trend, Chinese investment in the Malaysian residential market is expected to double by the year 2025.

Entrepreneur Insight becomes sponsor for Malaysia Tech Week

Entrepreneur Insight became one of the sponsors for the Malaysia Tech Week which was held from June 17 to 21.

The event organised by Knowledge Group of Companies is supported by Malaysia Digital Economy Corp (MDEC), Bank Negara Malaysia, Cradle Fund Sdn Bhd and the Malaysian Global Innovation and Creativity Centre (MaGIC).

This event will have more than 1,000 delegates from all over the world together with some of the biggest tech and innovation companies including IBM and Maxis who are the tech leader sponsors, with U Mobile as platinum sponsor, Razorpay as Official ePayment partner and Axiata Digital represented by Apigate and Boost, HLX, YES Communication, Facebook, Merchantrade, TechNode, UOB, UEM Sunrise Fusionex and Futurelabs as the signature sponsors.

The schedule is packed with pitching sessions, meetup with investors, workshops, launching events, satellite shows, developer's lab, talks, end with night crawl and networking session every night. Malaysia Tech Week covers a vast collection of topics including, proptech, e-commerce, Blockchain, Islamic Digital Economy, fashiontech, fintech and many more in multiple locations such as Wework, Common Ground, Dojo KL, WORKQ, Wotso, Orbit and Co-labs.

Regus Malaysia teams up with Low Yat to launch 34th branch

Co-working space company Regus Malaysia launched its 34th office space today at Tribeca, in the Bukit Bintang area of Kuala Lumpur.

The new space measuring 24,000 sq ft spans two floors, and includes amenities such as a business lounge, 371 workstations, 102 offices and three meeting rooms and has been operational since April.

"We are excited to launch our 34th co-working space to reinforce our commitment to offer a dynamic space for networkers and inspire them to be more productive and inspired," said Vijayakumar Tangarasan, Country Head for IWG Malaysia, Indonesia and Brunei.

He added that the collaborating with Tribeca - part of the Low Yat Group - was a sign that the multinational co-working space company was going the extra mile to positively influence the way people work.

Luno gets SC green light as market operator

The Securities Commission (SC) of Malaysia has conditionally approved Luno's application as a Recognized Market Operator (Digital Asset Exchange).

Upon the SC's confirmation that Luno has satisfied the SC's conditions, Luno will become one of only three digital asset exchanges to be regulated in Malaysia, allowing investors to buy, sell and store cryptocurrencies.

"We are extremely grateful to the Securities Commission for granting us conditional approval. It has been a long journey for Luno, from our entry into the Malaysian market in 2015, which led to us becoming, in just two years, the largest digital asset exchange in the country. We are committed to working with financial authorities so it is very important to us that we are now going to be regulated by the Securities Commission. We look forward to relaunching the Luno services so they are again available to all Malaysians." said David Low, Luno General Manager of Southeast Asia.

Luno allows the trading of the two most established cryptocurrencies – Bitcoin and Ethereum – on its platform. Headquartered in London with regional hubs in Singapore and Cape Town. Luno currently has over 250 employees with close to 3 million opened wallets across over 40 countries.

KY LIM: LEADING THE CHARGE FOR KYY EMPIRE

By: Jotham Lim

Mingling around the property investors' community, several names of property educators or "gurus" have been brought up multiple times. Some malicious ones have brought investors down a rabbit hole, spreading misinformation and deceit within the community. However, some have genuinely helped turn people's lives around for the better, triggering true rags to riches stories.

Several community members have recommended *Entrepreneur Insight* the "Property Knight" who goes by the name KY Lim. KY is the founder and Chief Executive Officer of KYY Empire, a property investment consultancy that specializes in market-leading solutions that focus on maximizing returns and offer high capital growth.

KY goes beyond just the property market and is actively involved in the entrepreneurship community, conducting multiple workshops and sharing sessions on the subject matter.

We decided to reach out to KY Lim, to learn more about his company, his thoughts and his vision. It was no easy feat trying to schedule an interview with KY, as he was travelling all over the country and around the world in an attempt to help as many

people as possible.

But fortunately, we managed to have a conversation with KY. Speaking with KY Lim has certainly taught us many things about what it means to become an entrepreneur. One thing is for certain, the amount of energy radiating from his personality is none like the other entrepreneurs we have interviewed before.

You were popularly known as the "Property Knight". Why is that?

People called me the "Property Knight" because I always love to provide step-by-step guidance for both first-time homebuyers and new investors on how to purchase a property without forking out a hefty downpayment.

At KYY Empire, we believe that property investment is for everyone, which is why we are dedicated to building one of the most influential property investment platforms in Malaysia, in order to empower and sustain the buyers' community.

How does the current property market climate affect your business?

Undoubtedly, the current property market condition presents many challenges for property investors and buyers. However, we



“
I absolutely do
not condone
overleveraging.”

- KY Lim



view all these challenges as an opportunity for both developers and house buyers, to compromise and come to a win-win solution.

For instance, if developers could adjust their pricing and implement cooling measures to cushion the property market, it will certainly capture the attention and interest of potential home buyers and investors who are facing issues with cash flow management.

That is why we are here to extend further assistance in bridging the gap between property developers and home buyers, to help our clients navigate the difficult and murky property landscape we have here today.

There are many property investment consultancy firms in the market. How does KYY Empire stand out amongst the crowd?
We are nothing but unique amongst the circle of property investment consultancy firms. We adopt a one-of-its-kind “green ocean strategy” in today’s saturated property market, by strategically creating shared value among all stakeholders on our property investment platform.

By green ocean strategy, I meant that we are taking advantage of the environmental pressure in the market. Through innovative solutions such as property “bulk purchases”, we are able to help our clients or business partners such that they do not have to pay any or hefty initial deposit, legal fees,

renovation costs and other miscellaneous costs when buying properties.

We are unique in such a way because we are a one-stop service hub. We provide services ranging from bank loan applications, property management and

to monthly bank loan instalment servicing. Through that, we will sell off the properties at higher prices and share the profits yielded amongst our investors.

By leveraging facilities provided by financial institutions and utilizing the advantages through bulk purchasing, we take pride in helping our clients to invest through our strategies, which include No-Money-Down, Three-Year-Zero-Instalment, Zero-Legal-Fees and Zero-Renovation-Cost.

Please share a successful case study of your company.

We have a proven track record of helping our clients to build a property portfolio from scratch, even for those who are knee deep in debt, to owning three properties on average.

Nowadays, getting a bank loan approved is no easy process. The most frequent problem faced by people first tapping into property investment, is that they always get turned down by banks when it comes to loan applications.



These people need to pay more attention to the small details that could negatively impact their credit score. For instance, delaying or skipping their monthly utility bills and mobile phone bills will severely affect their credit score.

That is why we are here to help them restructure their debt and build a better financial portfolio, so that they could get the loan approved with fewer obstacles and resistance.

We have grown rapidly in these four years. We started out with only one project in 2017, and now we are working with various renowned property developers and property agencies on 21 projects, with an investment portfolio value of RM235 million this year alone. We are aiming to reach RM1 billion by the year 2020.

Being an entrepreneur, what are the main contributing factors to your current success?

When KYE Empire first started out, we strived to build a sustainable property

ecosystem to better meet the discerning needs of our people today and beyond. But how were we able to achieve that? The answer, of course, lies in our attitudes and talents.

We foster an environment of continuous improvement and learning, not merely limiting ourselves to just absorbing the knowledge from reading books. We travel around the world to learn from the experts in their respective fields, gain global insights, recognize their unique standards and best practices, all of which are key factors to our success.

We are being certified for the ISO9001 and ISO14001, adhering to industrial quality standards. In other words, our hundreds of millions of investment portfolio are recognised as highly reliable and trustworthy.

Of course, I would like to thank my awesome team as well. We recruit more than just a team with high performance. We also grow and nurture each and every one of them with, developing their entrepreneurial mindset.

This is, in fact, our golden secret. By embodying this mindset, they would better position themselves to meet different challenges and experience growth every day. To date, we have reaped multiple awards and recognition for our unprecedented growth and creative branding strategies.

We have earned the Young Emerging Business Excellence Award by Sin Chew, Grandeur International Business Award 2017/2018 by Elegante International, as

well as The 100 Most Influential Young Entrepreneurs Award 2017 by your publication.

Do you, at one point in your career, have to make an important business decision?

First, some context of the situation. When I first started the KYE Empire business, I was a lone ranger. The downside of working alone is that you are not able to accomplish as much as you wish, and it is harder to get involved with projects on a larger scale with renowned developers.

The hardest decision I've made is to trust others, delegating several tasks to my team members, evolving from an investor mindset to an entrepreneur. I have slowly cultivated and build a super-efficient team that excels at providing excellent services to our clients.

Being an investor is self-serving, all about helping myself or the people that helped me grow wealth. The entrepreneurship mindset, however, holds a greater vision and promise, aimed at building a better and much more sustainable global society. Such a grand vision speaks directly to my heart.

Speaking of your talent, how do you qualify and select your team members?

I believe in the importance of human capital. At KYE Empire, we value talents with the following traits and qualities:

- Professional competency
- Dedication
- Persistence
- Innovative thinking,



- Commitment to the team's goals and stakeholders
- Last but not least, A genuine love for contributing to society

Talent is our greatest asset. For those who are lacking, we educate and coach our team members in terms of soft skills and knowledge in their area of expertise. We ensure a fun, healthy and joyful working environment to inject positive attitude, energy and allure amongst the team members. Satisfied and happy employees will eventually breed a successful company.

“

Satisfied and happy employees will eventually breed a successful company.”

- KY Lim

The term “overleveraging” has been thrown around often in the property community. What are your thoughts on the topic?

Overleveraging is associated with carrying too much debt or the inability to afford the monthly instalment payments. I absolutely do not condone such practices.

It all boils down to what I said earlier about mindset, and how to be creative and think outside the box in how you manage your investments in order to skyrocket the return on investment (ROI). Just to give an example, by providing short term rental options to both leisure and business travellers, it will potentially help increase your rental yield.

If you are not careful and start to overleverage, you might run the risk of becoming bankrupt which will result in a whole new set of problems.

Being an entrepreneurship speaker, do you find it difficult teaching both property investment and entrepreneurship at the same time?

Not at all! I have always had a



burning passion towards educating people, both in property investment and entrepreneurship as well. I believe that educating others is the right thing to do, to help as many people as possible to build their wealth, even if they were once impoverished.

Challenges in handling both sides are unavoidable, and it comes together with the job. But the burning passion inside me provides me with such motivation and energy, I have no option but to keep moving forward and never stop.

You have been flying all around the world. Are there plans on taking KYY Empire global?



Since 2018, we have been welcoming investors from neighbouring countries, such as Singapore and China, to invest in the Malaysian property market. Our concrete and solid relationship with established property developers in various ASEAN countries also open the door to

global investment opportunities for clients from all ASEAN countries.

Thus far, we have been offering property sources in emerging markets such as Cambodia, Thailand, Philippines, Indonesia, Singapore, and of course, Malaysia as well.

What advice would you give to budding property investors?

The first thing you should ask yourself is “why do I want to become a property investor in the first place?”

Once you have the vision and drive in you, you must then be mentally prepared for the exciting investment journey that awaits you. It will be tough, but always have that vision and goal in mind.

Remember! Never, ever stop learning. The thirst for knowledge will fuel your drive to keep up with the recent updates about property investments. Diversify your channels by attending courses, reading books, getting a mentor, just to name a few. From there, identify the factors within the property that will add to its value, because why would someone want to invest in a property that provides no ROI?

Finally, what advice would you give to budding entrepreneurs?

Being an entrepreneur, you should be very passionate about what you do and must have a strong sense of purpose in the business that you’re building. You want passion to wake you up every morning, not the alarm clock.

Passion creates energy, but energy alone can only bring you so far. You must build a team that shares the same vision and goals as you, so that you could grow in scale, doubling and tripling your output and eventually cause such a significant ripple effect, that leaves a positive difference and impact all over the world.

KY Lim left immediately right after the interview for an event, probably to help as many people in their investments journey as much as he can. How far will KY go in the coming future? How much of a legacy is he going to leave behind?



“

You want passion to wake you up every morning, not the alarm clock.”

- KY Lim



"The suit makes the man," as many tailors would like to say.

Many factors come into play when placing a price tag on a product. You need to consider the material costs, quality of workmanship, company upkeep, marketing and advertising, and so much more. In simple terms, intrinsic value plays a key role in determining the price of a product.

But that might not be the case or tailoring.

In any formal event, you will be greeted with a sea of jet black suits, coats and jackets. But very so often, you will spot one or two spectacularly dressed gentlemen, in stark white, or striking red or blue. They stand out amongst the crowd. With a single glance, you will remember them for the rest of the evening, and sometimes, for future events as well.

To feel confident, to look at your best at the best of times, to command attention and respect amongst your peers and industry leaders, how do you put a price tag on that?

"Your first impression is your last impression," said our guest. "So make it count."

This month, *Entrepreneur Insight* speaks with the director of Pinky Tailor's Malaysia, simply known as Mr Guru, to talk about his passion, and his interesting entrepreneurial journey transitioning from an IT desk job, into the world of tailoring and textile.

Your tailoring skills. Are they self-taught?

I always have an interest in wearing smart, attractive clothes. But the skills in making them and tailoring them is actually identified by my uncle, Mr. Pinky, the man behind the Pinky Tailor's brand.

Tailoring is actually a multi-generational business for us. My uncle opened his first tailoring store in 1980 in Bangkok, and the business has grown strong and lasted until today.

THE "GURU" THAT TAILORS YOUR IMAGE

By: Jotham Lim

I used to travel all the way to Bangkok to get my suits done. One day, Pinky pulled me aside and asked me, "Why don't you try and join the business? It seems that you have the skills." I have been considering joining the business for quite some time, so I agreed, and picked up the skills quickly. I think it's because of the genes that run through the family.

So now, here we are with the dream of Pinky Tailor's Malaysia. I would have never thought that I would get into this business, but we have been operating for about three and a half years now.

What was the inspiration behind starting your own tailoring business?

I am actually an IT graduate and have about 20 years of IT experience under my belt. Working in the office, I see my colleagues, superiors and clients wearing similar clothes from the same handful of branded retail stores. It gets boring to look at sometimes.

When you have done the same thing for almost two decades, it loses its charm. At that point, I want to try something different, to find a passion that I truly enjoyed. My mind and soul are telling me that I should venture into tailoring, not by force, but by choice. I like dressing up, and I like dressing others as well.

The transition into running my own business is fairly funny I would say. Being an IT consultant and account manager, my work made me travel to many countries and work

globally with clients. The experience of dealing and managing these clients actually translated very well in dealing with clients from my tailoring business. Tailoring is, after all, a service industry.

How has fast fashion impacted the tailoring industry?

The fashion industry is a very broad one where the sky is the limit. In a broad industry, the customer is king. A strongly built young man would want a slim fit for a suit, but it may not look good on a sixty-year-old man. The fast fashion industry is built towards satisfying the broadest audience possible, meaning that each clothing does not exactly fit you properly.

We look at age, height, body structure, demographic, physical, personality...There are many things to consider when tailoring a suit for a customer. Each suit is well customised and built for them and them only, something that fast fashion can't provide. I believe that tailoring will still have a place and an audience in the industry.

Is Pinky Tailors Malaysia independent from the original Bangkok branch?

If I were to describe our relationship, the Bangkok branch is the heart of the business, and it is pumping blood into us here in Malaysia. Pinky is like a father to me, a valuable mentor. He made me who I am today, and whenever I need help, he is just a phone call away.

That is why I chose to take the Pinky Tailor brand name instead of my own. There are many clients who venture to Bangkok to get their suits done by my uncle, he is one of the best recommended tailors in Bangkok.

Now, his Malaysian clients come here to my shop to get their suits done, without needing to fly further to Bangkok. The standards and expectations of the pinky tailor brand are already there, and I must not lower these standards down. Social media is a very strong marketing

tool nowadays, and an angry customer's complaint could tarnish everything.

My uncle has established his brand for 45 years to where it is today. Upholding the Pinky brand name is the hardest challenge in running the business. The clients that we get are extremely sensitive to the quality of work.



Hence, both these branches use similar fabrics, have similar styles, and we do our best to make out customers happy.

You sing praises of the Pinky Tailor brand. What defines that brand?

First off, I would like to stress on our selection of fabric. We do not allow any cheap fabric to enter our store, both in Bangkok and here. We hand pick our fabrics carefully, and we turn away suppliers that offer us cheap products. Meaning, the quality of our fabric is assured, even at the lowest price, starting range.

All of our fabrics are of pure wool or wool blend. I am proud to display our pure Italian fabrics - Lanificio Cerruti, Zinnia, Holland and Sherry and many more at my shop. These fabrics are essentially the Mercedes of the textile industry, and they produce really great suits.

Our attention to detail is also what defines the Pinky brand. We bring in a certain air of uniqueness to our products, even if it's a simple shirt. Some details are not obvious until you have personally worn them. Something as simple as changing the colours of the buttons will add a lot of value if done extremely well.

What are the general misconceptions

towards tailoring that you normally encounter?

I do not understand, but almost everyone asks for the same colour - Black. In fact, most of my clients just want to buy a black coat, either from a store or from a tailor.

I am not a fan of black. If the client's company does not have a strict dress code for colours, I would almost always recommend going for something more vibrant. Why not try something different?

Something that you could not get elsewhere from any other generic store?

You have the option to pick from hundreds of different fabrics, all with its unique patterns and colours. I am not asking you to wear an bright green coat, which can be an eyesore. But do try on something nicer for your office

and business wear, not something that every Tom, Dick and Harry is wearing in town.

I do not wish for my clients to wear a well-tailored suit but feel like they have wasted money on an investment they have made, just because it makes them look like everybody else.

What advice would you give to aspiring tailors?

Having "The Eye" is important in becoming a tailor. When a client comes to you, they have zero knowledge of how a proper suit would look and feel like. You are responsible for educating them, and guiding them through the process. It is your responsibility to envision how he would look like in the end, and what looks best on him. Hence, "The Eye". Not in your head, but in your mind.

These clients are totally dependant on you. You have the power to turn him either into a joker, or a hero. If you make him a hero, he will bring in more business for you. Learn from your mistakes, and keep doing your best. That is what I am doing now anyway.

Not just to aspiring tailors, but to myself as well. All I know is that I need to work hard and establish the Pinky brand in Malaysia so that everyone who is interested in buying a suit should come and inquire Pinky Tailor's Malaysia beforehand.

INDUSTRY 4.0: EMBRACING THE TECH

Will Malaysian SMEs, please tech up

By Hafidz Baharom



Atending the launch of the GENIE Smart Factory system, the buzzword around town is the Fourth Industrial Revolution, or some might call it IR 4.0, or even Industry 4.0.

The target from the Ministry of International Trade and Industry (MITI) is to approach and bring in 300 small and medium enterprises (SMEs) to tech up their assembly lines, increase productivity, encourage cost savings and also generate long term competitiveness.

This is part of the Industry4WRD campaign. But in the scale of things, it's small number of SMEs embracing a chance at Industry 4.0 is microscopic compared to 50,000 registered SME companies.

Speaking at a separate event, Malaysia Digital Economy Corporation Sdn Bhd (MDEC) CEO Surina Shukri mentions that SMEs are late at adopting digital transformation due to a "wait and see mentality".

The same is said by her MDEC Director of Data Economy, Ir Dr Karl Ng Kah Hou, although he elaborates with a no holds barred approach.

"Malaysians have a "Kiasu" mentality, unlike entrepreneurs from the US, which are more than willing to fail. For a Venture Capitalist, it is better justified to fund in a

company who have tried and failed 10 times, than those who have never tried at all," Ng says, adding Malaysians are very good at giving out ideas, but severely lacking in the execution process.

SMEs wanting to adopt digital transformation are lagging due to concerns over costs, as well as a belief that there is no need to further optimise their operations.

In fact, according to the Altimeter Digital Strategist Survey in 2017:

31.4% believe it's the lack of literacy and expertise amongst talents and leadership in the company

30.9% believe that digital transformation is just a cost centre

30.5% believe that it's due to company culture

CASH COW OR SINKHOLE?

When addressing concerns of SMEs regarding the initial costs for implementing the system - it might not be as expensive as we think. In fact, if we were to take the words of CEO of Galactic Advance



Engineering CEO Sakthivel Narayanasamy, it is actually very cheap in comparison.

"The initial installation costing could cost from basic thousands to hundreds of thousands, depending on the number of sensors and how complicated the monitoring process becomes," he said.

Sakthivel mentions that the installation costs would be handled by a different company called Quantum Computing, which was not in attendance at the press conference to answer the questions about costing.

Delving further and asked for the total cost for installing the GENIE system, and

There are 3 packages for the GENiE Smart Factory System - Basic, Advanced and Premium;

Basic	Advance	Premium
<ul style="list-style-type: none"> Costs approximately RM30,000 for Gateway installation and configuration can handle up to 200 (max) measuring points (i.e. Temperature, Pressure, Level, etc.) and each point costs RM22/month Software renewal fee is RM 1,000/annum A typical example of 100 measuring point will cost; $RM\ 30,000 + ((RM22 \times 100 \text{ points}) \times 12 \text{ months}) = RM\ 56,400.00$ for first year and RM 27,400.00 from the second year onwards 	<ul style="list-style-type: none"> Costs approximately RM60,000 for Gateway installation and configuration can handle up to 2,000 (max) measuring points, each point is RM22/month; Analytics is RM38/month (i.e. typically 20% count of the total measuring points are used to generate analytics). Software renewal fee of RM 2,500/ annum Hence a typical example of 100 measuring point will cost; $RM\ 60,000 + (((22 \times 100) + (38 \times 20)) \times 12) = RM\ 95,520.00$ for first year and RM 38,020.00 from the second year onwards 	<ul style="list-style-type: none"> Costs approximately RM180,000 for Gateway installation and configuration can handle up to 5,000 (max) measuring points, each point is RM22/month; Analytics is RM38/month (i.e. typically 20% count of the total measuring points are used to generate analytics). Advance Analytics is RM48/month (i.e. typically 10% count of the total measuring points are advanced analytic). Software renewal fee of RM 5,000/ annum Hence a typical example of 100 measuring point will cost; $RM\ 180,000 + (((22 \times 100) + (38 \times 20)) + (48 \times 10) \times 12) = RM\ 221,280.00$ for first year and RM 46,280.00 for remaining years.

this is what we were told via e-mail by Quantum Computing Sdn Bhd's Alan S, Director of Regional Business Development.

Reading the table, would Malaysian SMEs want to afford implementing such a system? In fact, isn't this also a problem SMEs have with installation of smart systems?

Perhaps the likes of Galactic and other implementers of smart factory systems and so-called contractors marketing "digital transformation" should in fact start by having an all inclusive price to implement the system altogether.

RETURNING THE INVESTMENT

One of the major concerns among SMEs is simple - is the cost worth the returns, and how long do they have to wait to finally see returns on this investment? In GENiE's case studies - between six, seven months.

"Because what we found out was, in the first case, losses were huge. The second one, they were wasting 28 percent of their electricity usage," Sakthivel said during the press conference.

Concerns regarding data privacy and security was also highlighted by Ong as one of the pillars of the ministry's push for Industry 4.0.

"After our Readiness Assessment has been launched, when we do the business intervention portion of our programme, definitely cyber security will be one of the pillars that we will feature from a service provision standpoint," Ong explained.

While GENiE is being marketed as an IR 4.0 leap, it is actually an Industrial Internet of Things (IIoT) tool - it takes in data from sensors measuring the efficiency of the factory, highlights when things break down.

"SMEs are looking for practical and proven solutions that will improve efficiency, increase revenue, fast payback, in addition to reducing waste, reducing breakdowns, and optimising utilization of production assets," he said.

Alan believes MITI's first step of conducting readiness assessment is a good move to identify SMEs with the most potential and then move with the intervention solutions to ensure results are reported and published.

"[This] will lead to an avalanche effect as the rest of the SMEs will see the direct benefits of digitalisation.

The issue of cheap access to business and resources was also raised by Dr Karl Ng of MDEC.

"...because it is so easy to start and operate

a company, especially with our cheaper electricity and water bills, Malaysians are not pressured to innovate, hence we are lax in adapting to the changing digital landscape."

Similarly, MDEC CEO Surina believes that there was a lack of awareness of what, how, and why we should get SMEs to move to Industry 4.0.

"Let's adopt technology to be better, faster and cheaper to deliver great customer experience. When people appreciate that, that is what transformation is all about," she said, adding the digitalisation will make businesses more competitive.

FULL FLEDGED AI FACTORIES?

It is always a major concern when we talk about the future of Industry 4.0 - will we ever get to a fully automated factory, for those fearing to lose their jobs?

"A fully automated factory operating with artificial intelligence would be ideal. But until then, we believe in keeping the human element in place for factories. To include robotics and humans, half and half, is still rather dangerous," Sakthivel says.

Looks like the days of Skynet and the Terminator fiction are still far away then, for now.-HB

To better understand MHub as a business model, it is important to understand what problem MHub is attempting to solve in the first place.

For the better part of the century, property transactions have been made through pen and paper. From the booking process to the loan disbursement, physical documents have to be reviewed, signed, archived and delivered physically to and from all parties, which is a time consuming and costly process.

There are also several other issues plaguing the market at its current state. CCRIS can only provide outdated data dating back 30 days prior, which has opened up a sub-industry of loan compressing, where investors are able to overleverage and acquire multiple loans from multiple banks for multiple properties in one go.

Coupled with the practice of overvaluing the Sales and Purchase Agreement (SPA) price of properties in order to get the cashback rebates, there are many loopholes in the current property transaction system that is subjected to abuse.

There is a need to skip past one generation and jump right into the fourth industrial revolution, to automate the transaction process, making it faster, safer, efficient, and more importantly, transparent for all stakeholders to see.

MHub is a local Malaysian PropTech company that aims to solve this complex issue in a very simple way, to build an all-in-one platform for all stakeholders to use. "We have different partners in different countries, but MHub's solution is unique and actually valuable to the marketplace," said Georg Chmiel, Chairman of international property listing website, Juwai.com

MHUB: PROPERTY TRANSACTIONS MADE EASY

By: Jotham Lim



THE SOLUTION

MHub is people-powered property platform, giving the stakeholders the necessary tools enabling them to do their jobs much more effectively. For developers

and real estate agents, they are given the MHub Lead & MHub Showroom app, where they are able to keep track of leads, process paperwork digitally and make bookings in real-time.

There is also the MHub Banker and MHub Lawyer app that tailors to the parties' respective needs. All stakeholders have access to the loan tracker tool, to monitor the loan application process in

real time, enabling all parties to make quick and data-driven decisions on the fly, supposedly reducing the process from six months down to a single month. Loan approvals can even potentially be done instantly after the successful integration with Tongdun Technology Co Ltd's facial recognition system.

With a special blend of property, technology and entrepreneurship driven ideals, *Entrepreneur Insight* is excited to conduct an exclusive interview with the creators behind MHub, which is Jason Ding, Chief Experience Officer, and Quek Wee Siong, Chief Executive Officer behind MHub.

How did both of you know each other?

Quek: There were only three of us during the early days of the company, including Joshua Ong, the chief strategic officer, which is not here today. Joshua and I are both classmates and have known each other for about 20 years now.

We knew about the problems in the property market, and in our minds, we have thought of a few solutions that could potentially solve some of the problems. So Joshua, like The Avengers Movie, started assembling the whole team together.

Jason: When starting out as a tech startup, there are three key components that are important for the business. You have the hacker, someone who does all the coding, the designer, someone that builds up the company brand, and finally, the hustler.

So Quek is the hustler amongst us. He would stand in front of the audience, make phone calls in and out of the office. We started with a lean, ragtag team, but now we are proud to say that we are currently 25 people strong.

What is the inspiration behind MHub?

Jason: Tracking and obtaining loans have always been a problem in the industry, and it is in fact, the slowest process in the transaction cycle. The process of linking the customer to the right banker, qualifying

platform complies with the requirements listed in the Personal Data Protection Act 2010.

We are also working towards ISO certification, which we are already currently practising anyway.

Quek: We are constantly improving the security features on our platform. Hence, we work with companies such as Tongdun, which is already used by the Chinese market. With China, being one of the growing leaders in the tech space, if it is good enough for them, it is good enough for Malaysia.

How many banks are on board on your platform right now?

Quek: Right now, we have four banks that have already signed

agreements with us. We have just signed with RHB bank, and are currently in contact with a few other local major banks.

Banks are in fact, actively engaging fintech companies like us to digitise their backend processes. Their two main goals are to either reduce their operational costs or increase their revenue.

By digitising the loan application process, we have already reduced their operational and transactional cost. By pre-qualifying leads through our credit check system, it will further accelerate the approval process.

By using CCRIS and CTOS data, or any future alternative data scores, we are able to give immediate loan approvals on the spot on the app itself. In the Buyer's App which we will be launching this year, homebuyers are able to pull up their CCRIS and CTOS Data via facial recognition, and you will immediately know how much loan you are qualified for, from each respective bank, before you even start searching for a property.

Jason: Currently, we have the largest



buyers, conducting interviews, processing applications and still stand a chance of having your loan rejected, is both time consuming and damaging to the economy.

Once the loan has been rejected, the developer has to release the unit back to the marketplace. Time is money for developers, and every loan rejected unit take up marketing costs, maintenance costs, and more importantly, opportunity cost. A much more creditworthy buyer may have come and gone, just because a unit is stuck in limbo.

Quek: Hence, we have developed a Loan Tracker app as part of our first module. In the early days, we have gotten the PlatCOM Ventures Grant from the government. That is when I quit my previous job and focus solely on building up MHub. We did a beta launch with a few developers and released the Loan Tracker into the market.

Does MHub store transactional data? And how do you ensure that it is secure?

Jason: Yes, we do store the data, and we understand the concerns and worries the public might have. Rest assured that our

bankers' community in Malaysia right now, with more than 1,000 mortgage officers using our banker app. They are able to update the status of the loan applications via the app for all the other stakeholders to see.

I believe that it just makes sense for banks to be using our platform. We have a rapidly growing user base, and we hope that eventually, these banks will have no choice but to sign up onto our platform because here is where the users and their target market are.

With mortgage officers pre-selected and effective interest rates openly displayed, will there even be a competition amongst banks?

Quek: There will always be competition amongst banks in terms of securing a home buyer's loan application and getting it approved. Once a buyer places a booking, his or her full information will be passed on to banker A, B and C. They will have to pick up the leads and contact the customers themselves, so it is business as usual for them.

We develop tools for bankers be better at their job and help them get recognised for it. Slow and lax bankers will be left out of the loop, but there are bankers who are hungry and efficient. We would love to work with these people.

Jason: If you were to look at the banking industry as a whole, you can't just look at interest rates alone. If that's the case, it makes sense for every buyer to seek out the lowest possible interest rates.

Each customer has a different profile, and banks have different risk appetites. Some banks would be much more lenient on salary workers with a certain income. Some banks may be targeting small families. Speed is also another issue. Buyers are generally given a short two week period to secure their loan approval or else they will miss out on incentives, or lose the booking fee. Banks who are too slow, despite offering the best interest, will lose their opportunity as well.

What MHub does is intelligent and smart matchmaking, to bring together the right customer to the right bank at the end of the day.



Any chances of integrating with non-traditional financing schemes, such as Rent-To-Own or P2P Crowdfunding properties?

Quek: We do not restrict ourselves to just working with the conventional financial institutions. We are also looking into working with neobanks, which is exciting because according to Bank Negara Malaysia, they will be

issuing more neobank licenses by the end of this year.

Jason: If you notice, we specifically say lenders and not banks. Our framework is already in place, and the role of the financial provider is fixed. It is just a simple matter of adding an "alternative lenders" option on our app.

As the conversation moved on, both Quek and Jason expresses the importance of having the right people on the team, especially in the case of a startup.

Quek quickly notes, "Talented and

driven coders nowadays aren't cheap. You have to pay them international rates, or else our neighbouring countries will poach them with a salary three times higher than our local rate. In addition to rewarding the employees appropriately, we need to share with them the bigger picture of what MHub can offer to the marketplace in order to retain them."

Jason also added to the conversation, "I'm proud to say that our very first employee is still working with us since his graduation. He has been with us for more than three years, and we promoted him to a senior position this month. We are happy to groom more talents to be part of this team."

Entrepreneur Insight has actually reached out to Eeren Wong, the employee mentioned by Jason, to get his thoughts on MHub, and this is what he has to say:

"What I value most working for MHub is actually the teammates around me. They are very friendly and helpful, which created a nice working atmosphere here

in the company. I am happy working here. We're using some exciting, cutting edge technology to stay ahead of the game right now."

We also got in touch with Steven Ooi, Chief Operations Officer from DK Property Group, to get his thoughts on his experience using the services MHub has provided.

"MHub has definitely helped grow the business. The software is easy to use and is an effective tool to improve overall sales delivery, just by saving time and cost. With more existing resources at our disposal, we have been able to take on more projects than we otherwise normally wouldn't," said Steven.

After sharing the received comments with Quek, it has put a smile on his face. "I am happy to be able to meet people who believe in the MHub vision, people who can actually share the dream with us and reap the rewards together. We will be rolling out new apps in the coming future, and I hope that we can receive the same support then." - JL





WHERE SCALE-UP ENTREPRENEURS GOT IT WRONG

Jonathan Quek and Raymond Chou know a thing or two about helping scale-up entrepreneurs achieve their next step up. After all, they've been teaching it through the Owners Circle Masterclass programme for the past year.

"We teach people who already have five branches how to increase it to 50 branches," Jonathan says. Owners Circle has now completed seven such sessions in Malaysia, and two more in Cambodia.

Their goal is to equip business owners with the tools necessary to scale up. Their endgame – a rather lofty one – is to build up an entire community of business owners with the proper tools equipped.

"We want them to have the right insights, ideas and concepts for them to grow. Not just ideas, but also systems and processes that allow them to scale up the business," Jonathan says.

While it might not be feasible to Owners Circle for us to ask them what is being taught, Entrepreneur Insight decided to flip the question – where do scale-up entrepreneurs get it wrong?

1. BEING REPETITIVELY ABOUT MEDIOCRITY

For Raymond, it's what he calls an "Asian mindset" mentality – this is relatable, particularly when the reply to any questions on how a business is doing is answered with a simple "okay" or "it's surviving" or even a simple "it's not bad".

"We're not really the kind to believe enough to say, 'my business is good'," he says.

But is this simply a case of being polite, humble and underselling? After all, we see Asians from all sides of the continent carry out such a spiel when being asked how they are.

"We all start from such a mindset – but when you continually repeat it, you're programming yourself so that it becomes the truth," he answers.

This is also a lesson from famed guru Tony Robbins, actually.

2. LACKING TRUST IN A GROWING TEAM

Raymond also says there is a lack of trust in entrepreneurs when bringing in new people in the process of scaling up. He recounts that entrepreneurs have this issue since they started off with an idea which they brought to life on their own. However, Raymond does feel that some entrepreneurs have a problem with delegating duties and trusting the results from others.

"They have to start thinking of systems, processes, structure, expansion and trust – a lot of them are still struggling to do all these," he says, adding that this is one of the barriers in scaling up.

For Jonathan, he believes that beginner entrepreneurs are optimistic – believing that striking out will make them a lot more money. And while the times remain good while the team is small, Jonathan believes that doubt begins to set in when the team begins to grow.

3. UNABLE TO ADAPT TO THE NEW RULES OF THE GAME

According to Jonathan, there is a need for scale-up entrepreneurs to understand that the rules change when you start upscaling.

"Because the rules have changed, and they are unable to play with the new rules," Jonathan sums up.

"When you're a business, you'll love what you do and you'll do it well, but it won't mean the company's doing well. You have a team. And so, you being good alone is not enough, your entire team doing good is what matters," Jonathan says.

"Most entrepreneurs are good when they're themselves, but they are not good at managing people, and that's where they get lost," he adds.



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For Raymond, the problem tends to worsen as the company exponentially grows.

"A ten-person company is different from a 100-person company, and that is different from a 1,000-person company. So, we can't manage 100 people with lessons learned from managing ten," he says, adding it's an issue of scale.

4. BUILD TOWARDS YOUR PITCH

Jonathan and Raymond both agree that while a pitch is important, it is the build-up to such an event that is more important. For Jonathan, the biggest problem for entrepreneurs before pitching their ideas is the lack of a campaign strategy.

"Before you pitch, you should have a marketing campaign – which will attract the people that you want and repel those you don't want first," he says, adding the Marvel Avengers franchise as an example.

"It was a 10-year campaign and it didn't attract everyone. It attracted a certain group of people and also repelled a certain group of people. So, when it was launched, it was a big hit among the people it attracted," he adds.

He adds that there is also a need for entrepreneurs to create an avatar, or visualise who it is they will be pitching to.

"What are their common problems, and what are the desires that they truly want," Jonathan adds.

For Raymond, Owners Circle trains for the pitch only after training on the business fundamentals and the campaign.

"Then only you pitch. If these fundamentals are not there, whatever you pitch is not going to work. When you go through all these, and then go through the pitch, the chances of rejection are a lot less," he says.

5. PREPARE MULTIPLE TIME PERIOD PITCHES

This is where Jonathan drops an item from the Owners Circle Masterclass – all his trained scale-up entrepreneurs are equipped with three separate pitches.

"Nine out of ten times I hear entrepreneurs tell me what they do, and by the end of it I still don't know what they're doing," Jonathan says.

And this is why Owners Circle teaches businesses to pitch their idea, but more importantly, to prepare multiple timed pitches.

"We teach them to have 10-second, 3-minute and 10-minute pitches – so we have three different formats," Jonathan says.

With Sebastian, he believes scale-up entrepreneurs lose the essence of the pitch because they spend too long trying to tell people everything about their business.

"And we train them to deal with objections within those time periods," Jonathan quips – and this is taught through his classes to convert customers into community members and subsequently co-owners.

Granted, there is a need for any entrepreneur to pitch and endure questions, objections and rejections throughout their sessions. In this sense, Jonathan's advice is sound. After all, Entrepreneur Insight was on site to watch pitching sessions live during the recent Malaysia Tech Week 2019 in June.

With these points in mind from Jonathan and Raymond, it would be good to know that there are people out there willing to provide insightful advice to educate Malaysian SME and scale-up entrepreneurs towards growing larger into the market.

And if that's not enough, well, you could always look up the Owners Circle Masterclass.

WHEN INFLUENCE INVESTING LEADS TO A SUCCESSFUL "BARN"

Meeting up with Owners Circle's Jonathan Quek and Raymond Chou at The Barn, highlights a few things – most of all, it is the flagship of how his idea has become a success. This wine bar in 1 Mont Kiara is somewhat the proof of concept for Jonathan.

"A year later, the entire business was doing pretty well. had a group of people, similar interests and similar passion, who love to drink co owning a wine bar – it's like Central Perk from Friends," Jonathan points out, alluding to the 90's sitcom.

From there, the idea of co-ownership of those who share the same passion, having businesses invest in other businesses, worked out really well – or what he terms "influence investing".

"It's a mix of angel investors and influencer marketing. We wanted to expand, so we opened it up to our customers to become co-owners, and people took up the offer, wanting to be in – and I thought hey, this model works," he adds.

There's no denying that the "influence investing" concept has worked wonders for The Barn, now with branches in Penang, Pavilion Bukit Bintang, Sunway Pyramid and CITTA Mall.

"We will also be opening in Mid Valley this month," Jonathan says. But does influence investing work for other businesses as well?

"We have done it for an online-based social enterprise, and with a hotel in Sunway. These are running right now, but The Barn is still the most successful right now," he says.



KEY TAKEAWAYS FROM THE **THERANOS** SCANDAL

By: Jotham Lim

There are many unethical business practices, or scams, in the market that prey on the ignorance, greed, fear and hope of the people. However, few of them actually involve human lives, or more precisely, their deaths.

Theranos is one of these said companies. Spearheaded by a founder heavily driven by a strong vision and aspirations of disrupting the medical industry, she instead created a product that gave off inaccurate medical results, misled many top-level governmental officials, and created such a toxic work environment, that even the award-winning scientist, Ian Gibbons, was compelled to commit suicide while working for the company.

The founder in question is Elizabeth Holmes, and together with her former lover and president of Theranos, Ramesh "Sunny" Balwani, managed to raise about USD 1.4 billion and achieved a company valuation of almost USD 10 billion at its peak. With Holmes holding more than half of the shares in the company, her net worth was well over the USD 5 billion mark at one point.

She became the youngest self-made female billionaire in the world and was knighted as "the next Steve Jobs" by industry professionals and publications, including Fortune magazine. In an interview, she even cited that she started wearing black turtlenecks ever since she was seven, as

homage to the founder of tech company Apple Inc.

Theranos' business model, concept and product are centred around delivering cheap blood tests that could be carried out with just a tiny drop of blood, which heavily contrasts with the multiple vials of blood needed to conduct multiple tests using large, immobile equipment, such as the ones provided by Siemens which was and remains the industry standard.

Down the road, Holmes has managed to get endorsements from high-profile investors, such as Larry Ellison, David Boies, and former secretary of state, Henry Kissinger through story telling alone.

With such heavy hitters vouching for the project, it was easy to gain the trust and support from other stakeholders, which landed them a partnership contract with Walgreens, the second-largest pharmacy store chain in the United States.

If the product actually worked as intended, it would have been so revolutionary and the implications so limitless, that it can be used by the military, as well as for humanitarian purposes and during cases of emergencies.

But there is a catch: The technology didn't work, and Holmes did everything in her power to prevent that from being revealed to the public.

The engineers working on the project all agreed that it was impossible to create such a product as per Holmes' ideals. Doing so would have required them to literally break the laws of physics., they said.

When this matter was brought up to the upper management, their concerns were dismissed, and many of them were laid off. Staff turnovers were high, and eventually, seasoned industry professionals were kicked out for not "embodying the vision" enough leaving behind greenhorns lacking in both expertise and experience.

In 2015, Wall Street Journal reporter John Carreyrou received a tip-off and started unravelling the veil of deceit surrounding this fraud, and later published his findings in his book titled "Bad Blood". On June 2018, The United States Department of Justice charged Holmes and Balwani with nine counts of wire fraud and two counts of conspiracy to commit wire fraud.

In September 2018, the shareholders were formally notified that Theranos will officially be dissolved, and Holmes was no more.

VISION DOES NOT REPLACE EXECUTION

Despite Theranos' initial good intentions, it begs the question, is it possible for a vision to be so high above in the clouds that it is just plain crazy talk?

This is where having the ability to think accurately comes into play. Instead of looking at the glass as half full or half empty, it would serve everyone justice to just say that "this glass has this much water in it" instead. Because at the end of the day, what purpose does it serve to deem the glass half full or half empty in the first place? Does looking at the glass from a different angle increase or decrease the amount of water it holds?

A vision only serves as a guide, a marker on a map, a direction, a goal for people to strive towards. But having vision alone does not put food on the table nor pay employees. When your business model is built around selling a vision instead of a service or product, it is very highly unsustainable.

ENDORSEMENT CAN BE A POWERFUL TOOL

Getting the right endorsement from the right candidate is an integral part of branding, and Holmes was very disingenuous yet careful in selecting the right people to approach. In that sense, approaching former secretary of state Henry Kissinger for his endorsement was a brilliant move on her part.

Theranos, by its nature, was leaning towards selling hopes and dreams rather than a working medical products. So instead of approaching medical experts, she specifically targeted a niche group of end-users, a group that lacks the medical and engineering knowledge to evaluate a medical product, and more importantly, lacks the tendency to question the functionality and effectiveness of it.

Despite Theranos' questionable business practices, getting the right endorsement is essential in building up credibility and confidence amongst your target audience. If Holmes can build an entire brand and company above a seemingly non-existent product based on credibility and stories alone, it is a testament to the importance

of endorsements and the role it plays in the business world.

"SHARK TANK" YOURSELVES

A good way to test our your idea, it to simply present the product to experts who are well versed in the field, to get their thoughts on it.

Imagine if Holmes actually brought out her latest product, the miniLab, to be presented in a forum to be condemned by the general public. Imagine how different the medical industry could have been if she were to take these constructive feedback and produced a device that is both realistic and functional at the same time.

But more often than not, the entrepreneurs are defined by the products or services that they have made.

When running a business, it is essential to place the products and services at top priority. If your local neighbourhood kedai runcit can make it in 2019 without spending a single sen on marketing, I'm pretty sure your company, with a solid product, service and business model, can tough it out in the end as well.

STOP, SEE, LISTEN.

Every now and then, take a step back and review your actions, your goals, your missions and practices. Within the entrepreneurship circle, people always talk about the "grind". Even Holmes herself admits that she sleeps an average of four hours a day, and she is essentially married to her job.

For someone who lacks sleep and is so caught up in revolutionizing the world, how often and how long does she spend a day reflecting on the situation she is in, and the situation the company is in. How can someone suffering from a lack of sleep, perhaps to the point of delusion, be able to make sound and wise judgement on behalf of the company?

When the limiting factor to a company's growth lies within the head of the company, it pays off to take some time off and see things more objectively from a third person's point of view. Be vulnerable, be wise, and be wary of what matters the most, and hopefully with a clearer head, entrepreneurs are able to make, not the right decision, but the best decision he or she can make at that point in time. —JL

IMPORTANCE OF DESIGN THINKING IN LEADERSHIP

Every day comes with its distinct challenges, especially in the aspect of sales and customer relationship management in marketing. These challenges hinder many companies from meeting the changing needs of their customers. This necessitates the need to identify those critical problems, articulate them, as well as proffer solutions to them – hence, the need for design thinking. Since its application in business, it has helped overcome a lot of challenges and resulted in improved customer satisfaction. The reason is not farfetched from its focus on creativity and collaboration.

Just like marketing, leadership is also characterized by serious challenges which may be as a result of constant changes, huge expectations and an unpredictable future. Over the years, the application of design thinking has transcended business and marketing. A lot of top organizations such as Google, Pepsi, and Apple now apply it in leadership matters, irrespective of the nature of the organization. It is a human-centered approach of solving problems through extensive collaboration, using processes like empathizing, defining, ideating, prototyping and testing.

When applied in leadership, design thinking helps to achieve the following:

IT HELPS TO HARNESS THE COLLECTIVE BRAINPOWER OF THE TEAM

When a problem arises in an organization, it poses a serious challenge for the leader in effective performance. They find it difficult to synchronize the different departments and their different goals. Since design thinking is about collaboration, it will assist the leader in mining the collective brainpower of the team to extract the optimal solutions. In other words, design thinking helps leaders to harmonize the perspectives of their team members on the organizational problem. They can see problems through others' eyes via observation and research. For an optimal result, leaders can delegate tasks such that the strengths of team members and their innate creativity are utilized effectively. Consequently, team members feel among and, therefore, put in their best and work as a team to come up with various prototypes for testing as well as present innovative ideas and opportunities that will proffer solutions to the problems at hand.

IT HELPS TO MAKE A BETTER LEADER

A design mindset is action-oriented and solution-focused. When properly adopted, it helps a leader to become effective, innovative, and transformative. For instance,



Apple's Steve Jobs is one of the most renowned design thinking business leaders. He successfully transformed the company from personal computers to include iPhone and iPad. Thus, design thinking equips the leader with:

1. Empathy. Leadership starts with empathy. When a leader understands experiences, they will understand the needs of people around them better, including their team members or junior ones. The result of this is trust, motivation, and the leader's greater ability to convince the team members of their (the leader's) point of view. The subjects (team members) will follow such a leader irrespective of the uneasiness associated with the desired change and innovation.

2. Listening with mutual respect. Rather than being dictatorial, design thinkers



are explorers. They ask questions and listen fearlessly to answers. They ensure dialogue and contributions from participants to find a lasting solution, without the interference of undue emotion. Thus, the application of design thinking helps to increase a leader's ability to listen as well as develop inquiry, and resolve conflicts. They are able

to delimit questions in such a way that helps the team to better understand and identify root cause challenges and subsequently effect more powerful solutions.

3. Open-mindedness. Open-minded leaders continuously seek ways of improving things. They, therefore, welcome different ideas – through feedback or other means – with an open mind. Though feedback is necessary to make improvements, it isn't easy to give and receive it. People tend to resort to defensive

modes of behavior easily. As a design thinking leader, they easily critique ideas while also keeping a focus on the work and process, rather than personal opinions.

4. Coaching skills. The concept of coaching is not about highlighting and critiquing a person's weaknesses. Rather, it entails assisting them in increasing self-awareness while also adjusting their role to utilize their greatest strengths. As a leader, this promotes constructive input of design ideas from members, instead of defensive debate or unhealthy competition. This helps

to create an environment characterized by learning and experimentation.

5. Decisiveness. Leadership and decision-making are inseparable as a leader makes decisions all the time. A majority of these decisions help to shape the lives of individuals and organizations. When leaders adopt design thinking, it helps them improve their decision making by providing alternatives as well as a complete picturing of information. They easily overcome biases while also taking informed decisions amid alternatives.

6. Ability to align personal purpose with the organization's goal. Purpose-driven design is the propeller that helps to align the actions, character, and culture of an organization with its purpose. Design thinking leaders are able to articulate as well as align their vision and influence of choice with the goal of the organization for maximum impact and credibility.

It is of no doubt that design thinking in leadership has been present for long before it was codified. Leaders learn from the past, monitor the present, and advance with the changing demands of the future. Thus, design thinking can help to change the leadership method for the better. This serves the leader, team members, and the organization. Irrespective of the problems encountered, design thinking equips leaders with the necessary abilities and skills to solve them. Thus, the concept continues to gain broader awareness and adoption.

ASSOC PROF ROY PRASAD

is the CEO of i-HR Consulting Sdn. Bhd., the leading and award-winning HR Consulting and outsourcing firm in Malaysia.



CO-WORKING SPACES FINDING THEIR NICHE

Malaysians are opting for smaller companies, and so, smaller offices

By Hafidz Baharom



Co-working spaces, virtual offices, and even called freelance work hubs, seem to be popping up like mushrooms here in Malaysia. What is more surprising is that even established office management companies have come out to encourage developers to start designing their buildings with this in mind.

At a recent event in Kuala Lumpur, Deputy Executive Chairman of Savills Malaysia Allan Soo told a conference that developers should stop designing office space for one mega tenant to take it all, and get used to the co-working space model.

"Co-working space is going to play a larger role in the Malaysian economy, and developers should look into how to provide the necessary infrastructure or certification, like MSC

status, to cater to the right tenant, rather than just build bigger office spaces,"

Soo went on to tell the crowd this is the reason why KL Sentral is considered an "office hot spot".

From established players like Regus and Whitespace, to established local brands like Worq in Glo Damansara, Damansara Jaya, and Nest in The Curve, Damansara Perdana, is there a growing number of established and new entrepreneurs and startups with the need for these establishments to cater to?

Entrepreneur Insight takes a look at what these spaces are offering to the industry, and why they think more Malaysians are opting for them these days.

A NEST OF TRANQUIL IN MALLS

There is something unassuming when you walk into Nest, a co-working space located in The Curve, Damansara Perdana. Compared to others in the coworking space business, theirs is a small establishment that might cause many to wonder why they even bother.

But Nest has a very distinct advantage over any others in the same business - they literally go for the gut. The 3,000 sq ft office space with a mere three private office suites, is attached to Eat@Nest, which can be classified as a public food court that caters to the co-working space customers where everyone orders with iPads whilst being treated as what seems to be a social study for future fintech.

"We still have paper menus, but we will sooner or later be phasing that out," quips The Great Fundamentals' Nelson How, Marketing Manager.

This is part and parcel of Nest, which is a joint venture by Trade.io and The Great Fundamentals Sdn Bhd.

The former brings in the fintech, the latter - being the company that runs The Majapahit in Arcoris, Mont Kiara as well as the Wingstop franchise - brings in the food. Nelson believes while the location is ideal for their space, market research is showing that Nest might need to reconsider their offerings to the market.

"From our market survey, people are more keen to have their private suite for privacy and team collaborations - it makes more sense. We are in discussion into maybe expanding the private suites, maybe get another lot," he said.

Nelson is still keen to make it work, with the flexibility of the event space being converted into such office suites.

Meanwhile, the main selling point of Nest, is the silence of the space. This is a space right next to where everyone goes for lunch on weekdays, with restaurants ranging from Italiannies to TGI Friday's.

"We target people who are focus driven. Sure, other spaces offer more facilities and all that, but when you want to get the job done, you just need a small cubicle and a quiet environment like this," Nelson says.

A 'WORQ' SPACE FOR ALL

In an interview with Entrepreneur Insight, Worq's vice president of growth Kau Chun Keat believes that their spaces cater to those who now wish to work in a cool "Google office".

"This takes money, it takes time, and it takes expertise as well. When you don't have the expertise and you go out engaging



The Great Fundamentals
Marketing Manager, Nelson How

interior designers or contractors and so on to do these kind of things, you end up spending more," he says.

Kau points out that the perspective of startup entrepreneurs and even SMEs are migrating to such a lean structure due to it being simple for them.

"It takes out the hassle of having to do too many things, and from the cost perspective if you look at the longer term it is going to be cheaper than you having your own office, interior designing your own office," he says.

One item to point out, though, is that Worq has continued to try and optimise their usage of space. While having studied foreign co-working spaces, Kau believes that the Malaysian market has some differences.

"Probably going to be different from our foreign market, and based on our TTDI outlet, most of our spaces are not 100 percent occupied all the time. It's only about 50 to 60 percent occupied," he points out.

So, what is next for Worq?

According to Kau, the diversity and skills are now moving away from the city centre to work.

"I think we will see more startups and entrepreneurs popping up in different areas. If you look at our outlet placements, we don't normally target KL City Centre, we are trying to branch out more to urban areas," he says.

Kau recounts a company in Ipoh that sells their product to Apple and Google. Whilst starting out in KL, the founders decided they could move back and build their team back in Ipoh.

"You wouldn't see that happening before this, most of such stories would involve traditional business ideas involving manufacturing," he says.

Ironically, though, Worq's next branch will be in KL City Centre.

THE INCUBATING LAUNCHPAD

Walking into The Launchpad, Cyberjaya, it is rather underwhelming when compared to the rest of the co-working spaces you can find out there. That is, until you reconsider two points.

Point one, all its fixed table office space is fully taken up on an annual basis by the Malaysian Digital Economy Corporation (MDEC). And point two - theirs is the best offer you will find in Cyberjaya.

While the space and building is owned by Setia Haruman Sdn Bhd, it is managed and operated by Pixaworks CEO Inbaraj Suppiah and his team. MDEC uses their space for their Digital Content Fund (MAC3) incubator projects, particularly for animation projects.

"So what you see in this room are the products that were developed here at The Launchpad by Malaysian digital animators - Ajen Ali, Boboboi and Didi and Friends," says Arfah Jaafar, community manager for The Launchpad.

Arfah explains that MDEC has taken up two of their office suites for three years converted to studios, with each animation incubator lasting between six months and a year. As for now, there are only two to three companies using The Launchpad space, while still attractive for freelancers.

The biggest challenge that you can see for the space is that it tries to attract entrepreneurs, but it is in a location that does not exactly have a high population of startups or permanent residents to begin with.

"MDEC is now our anchor tenant, all our fixed tables are taken by them. So now our hot desk and open desks are still available," Inbaraj says.

While Pixaworks and Inbaraj do host at least two events a week, uptake and attendance has not been up to par for the last six months.

"We were getting 40 to 50 people in the afternoon or even for evening events after work. Eventually, that fizzled out because there are just too many co-working spaces hosting too many events," Inbaraj says.

While Cyberjaya does have other co-working spaces, Inbaraj believes that The Launchpad is the second busiest spot, with the first being the Malaysian Global Innovation and Creativity Centre (Magic).

"The idea of Launchpad was supposed to be the next space for those who graduate from Magic. You see,



Pixaworks CEO, Inbaraj Suppiah

you're only supposed to stay in Magic for a contract of six months plus three - a maximum of nine months. Some have stayed there longer than a year," Inbaraj says.

IT'S ABOUT THE BRAND

One of the major points made by two of those interviewed was that perhaps the co-working space sector was not so much a for profit business, but more to increase on the brand valuation.

"Just like Uber, AirBnB, like Netflix. Co-working spaces don't generate high profits or incomes. What it generates through marketing and branding, is high value," says Nelson.

Meanwhile, Inbaraj explains that the business model for co-working spaces is not to make a killing from hot desks or even fixed desks memberships.

"So the design of a coworking space - the open space is just to support the community. That is not our cash cow. Most of our revenue comes from the fixed SME tenants and event hall," he said.

The way it is sold, co-working spaces are just service offices, with certain facilities and events offered which members can participate as a value added feature. Places like Worq and The Launchpad, offer the ability for its members to collaborate and network by hosting internal events.

And this is the beauty of co-working spaces - it allows a new generation of companies to remain small, produce great product, before finally growing through collaborative effort to make a final decision on whether to remain small, or reach for the next step.-HB

DYNAMICS OF CASH MANAGEMENT



Cash management was first introduced and popularized by foreign banks that were operating in Malaysia in the 1990s. Started by providing simple banking transactions for the large corporations, the cash management system has since revolutionized and transformed into a dynamic application platform that handles wide range of services for the customers. Today, cash management system in Malaysia is no longer confined to the large corporations and foreign banks. The domestic banks are able to serve their customers, including the SMEs, through their respective cash management systems. The relevance and suitability of the system from different banks are subjected to different needs of the customers. There is no one system that fits for all customers.

WHAT EXACTLY IS CASH MANAGEMENT?

As the term denotes, cash management system is a platform that provides businesses with cost effective solutions for efficient management of their cash and liquidity position. The cash management solutions offered by banks would help businesses to enhance their working capital management, processes, information and risk management. This would enable the businesses to release part of their resources for other productive uses.

Broadly, banks can, through cash management platform, reduce transactional frictions of the businesses by taking over and processing some of the financial activities presently handled by the businesses. For instance, gone were the days when

companies employed a large number of staffs to reconcile payment and collection billings.

Instead of doing these tasks internally, these functions can now be out-sourced to banks for completion through cash management solutions.

KEY FUNCTIONS OF CASH MANAGEMENT SYSTEM

In general, cash management system offered by banks provides the following five key functions:

1. LIQUIDITY MANAGEMENT

Liquidity is utmost important component that enables the businesses to operate smoothly and remain sustainable in the long run. Despite its importance, many businesses did not capitalize on the opportunity of cash management system in strengthening their liquidity position. Many businesses still manage their liquidity position by the conventional way. Excess cash in accounts are often laid in idle without earning any returns. Businesses should explore on cash sweeping and cash pooling solutions offered by banks under their cash management systems.

Through cash sweeping solution, the excess cash from different accounts within the same business group, can automatically be moved into an account that allows investment option at the close of business day. The simplest instruction is to place the cumulated cash into money

market for interest income.

Businesses can also opt for cash pooling solution that would combine the credit and debit positions of different accounts within the business group into one account. The cash netting effect from excess cash in some of the accounts would allow the business group to save on interest expense for overdraft in the other accounts.

2. COLLECTION SERVICES

Collection of sales proceeds, particularly for businesses that sell to many different customers across the country, can be a challenging task. Reconciliation of accounts receivables by month-end can be another tricky chore that takes up much of the collection team's time and effort. The reconciliation of accounts become tougher when customers do not pay according to the billing sum. Some customers simply rounded-down the billing sum and paid the revised sum for convenience sake. When this happens, the businesses would not be able to reconcile their accounts. The businesses can't even identify the customers that made the payments. The situation become chaotic when there are many such payments at reduced billing sum.

This practical problem can be resolved through the collection solutions offered by banks. The banks will be able manage the collection activities through the creation



of virtual accounts for each customer. With this in place, the banks will be able to clearly identify the customers and amount paid, enabling the accounts receivable reconciled with proper reports to the businesses.

3. PAYMENT SOLUTIONS

Like collection services, banks can also assist businesses to facilitate payments to their suppliers. Depending on the agreed instructions, payments can be activated automatically based on the

accounts payable of the businesses that is linked to the banks. When this is properly in place, the businesses would indirectly automate their payments without any delay.

And importantly, proper and clear reports would be generated to customers for reference and records.

4. TREASURY FUNCTIONS

Treasury functions are particularly relevant and useful for businesses that deal with suppliers or customers in overseas. They are likely transacting with the foreign parties in foreign currencies. Through the cash management platform, these businesses can speed up and can obtain preferential foreign currency exchange rates. With specific arrangement with the banks, forward hedging of foreign currency rates can also be carried out through this platform.

When the businesses maintain excess cash flow, they can also capitalize on various treasury products in deriving returns from the cash.

5. INFORMATION MANAGEMENT

All cash management services provide various detailed reports for the businesses reference and records. Most banks can also generate customized reports according to customer's requirements. The businesses can make full use of these reports to better manage

and monitor their business risks and expenses, among others.

Cash management system offers a wide range of services that not only simplify processes and enhance returns on excess cash but also reduces the overall operational cost.

IMPLEMENTING CASH MANAGEMENT

Businesses that are new to cash management system are encouraged to first understand more about it from their bankers. Different banks offer different cash management solutions. It is only upon full understanding of the key functions and benefits of cash management that the businesses should start considering the option in signing up the system.

Following are the key considerations that businesses need to know before signing up cash management system with their banks:

1. SUITABILITY OF PRODUCTS AND SERVICES

Are the products and services applicable to their businesses? This is the basic question that businesses need to ask before considering cash management system offered by their banks. The cash management system must be able to fulfil the businesses' needs to better manage and monitor the overall liquidity activities and positions. This is critical because businesses do not want to sign-up a cash management system that could not provide value-added services and help to simplify and speed-up their financial processes.

2. EFFICIENCY OF PROCESSES AND SYSTEM

Cash management solutions must be simple and easy to transact. It would defeat the purpose of using cash management when the processes and systems to carry out such transactions are too sophisticated and troublesome. The channel and system must

be accessible at all time, globally. Technical support must be strong in ensuring prompt response in rectifying any system issues.

3. EASE OF IT INTEGRATION AND SUPPORT

The cash management system must be able to integrate and extract information for execution of transactions. The system must also be able to churn out reports to the businesses for reference and records. The businesses must also ascertain the level of support from the banks because technical issues can arise anytime, anywhere. The banks must have a team of dedicated in providing services expertise to the businesses.

4. PRICING

One best way is to compare with the pricing structure of other banks. Bear in mind, the lowest pricing may not be the best. Businesses need to weigh the cost and benefit of cash management system when reviewing the pricing structure of different banks. The acceptable pricing, nevertheless, needs to be competitive.

Businesses should only sign up cash management services when they see the real needs and benefits from it.

WAY FORWARD

Cash management should be the way forward for many businesses. With the changing business environment, escalating cost of doing business and demanding customer expectations, it is essential for businesses to stream line their business operations. This action will not only help to raise the productivity and efficiency of business operations, it can also enhance the response rate of various operations. By signing up cash management system with their respective bankers, most banking transactions with the customers can be handled by the system.

EDDIE HU

A Chartered Banker with over 26 years of direct dealings with the SMEs. He has authored a book entitled "SME Challenges and Solutions" and can be contacted at Eddie.Hu@outlook.com



Michael Tan, Founder of OTS Group Sdn Bhd, has ventured out into the world of insurance when he was at the young age of 19 years old. He has accumulated 23 years of selling experience right after his high school graduation. Since then, he has expanded his horizons by hosting team building sessions, public speaking sessions and seminars for organisations, both large and small.

Entrepreneur Insight is pleased to have a sit-down session with Michael, for him to share his wisdom and to understand his salesmanship thought process.

What are the rookie mistakes you often see in new recruits?

The young working adults entering the marketplace are full of drive, and passion. They take pride in their work, which will reflect in the way they sell their products. However, these young people need to understand, salesmanship is a tough career, and there will be plenty of sufferings and plenty more rejections, which will sap out every ounce of passion out of them.

There will come a time where you can't deal with rejection and can't overcome the obstacles in your career. Hence, the first thing you should do is to surround yourself with the right people. You need the support from your family, your colleagues and your spouse, and from the people who truly care about you.

How do you deal with rejections then?

If you qualify ten customers and get rejected ten times, does that mean you are a failure? Of course not!

With each rejection, you grow more as a person, and you understand more of what you are lacking. You need to do proper case studies and personal evaluation, to understand why you have been rejected in the first place. The next time you approach another ten customers but manage to close a single sale, it means you are improving and that you are on the right track.

Being rejected is normal and good for you, and many people understand that logically. But there is an emotional barrier that is hard to overcome. That is why it is important to build up your level of confidence.

THE ART OF SELLING

Wisdom from Michael Tan

By Jotham Lim

You do so by taking the time to research and truly understand your product, your service and your business model.

Interesting. Can you share more about your salesmanship philosophy?

Third-rate sales people rely on their personal connections to close a deal, people who know them and trust them. Second-rate salespeople rely on their product or service concepts to close a deal. But first-rate salespeople are selling a solution to a



“

If you surround yourself with the wrong people, it will be hard to succeed. But if you surround yourself with the right people, it will be hard to fail.”

- Michael Tan

problem, and that is what I am preaching.

You need to understand your customers' pain points, and you do so by asking questions instead of hard-selling your products or services right off the bat. It will come to a certain point where it is no longer about the money or price. It is all about the value you bring to your customers. The greater the problem they have, the greater the solution you provide, the more value you inject into their lives.

Please walk me through your selling thought process.

First thing's first, do not sell anything that you do not understand. If you look at your product as just specifications and numbers, you will never find out the true value of your products or services.

Here is what I mean by fully understanding

A property in the city outskirts is will see a drop in value due to the distance away from the customer's workplace. But what if your customer is someone who loves nature? What sort of nature-loving customers will value?

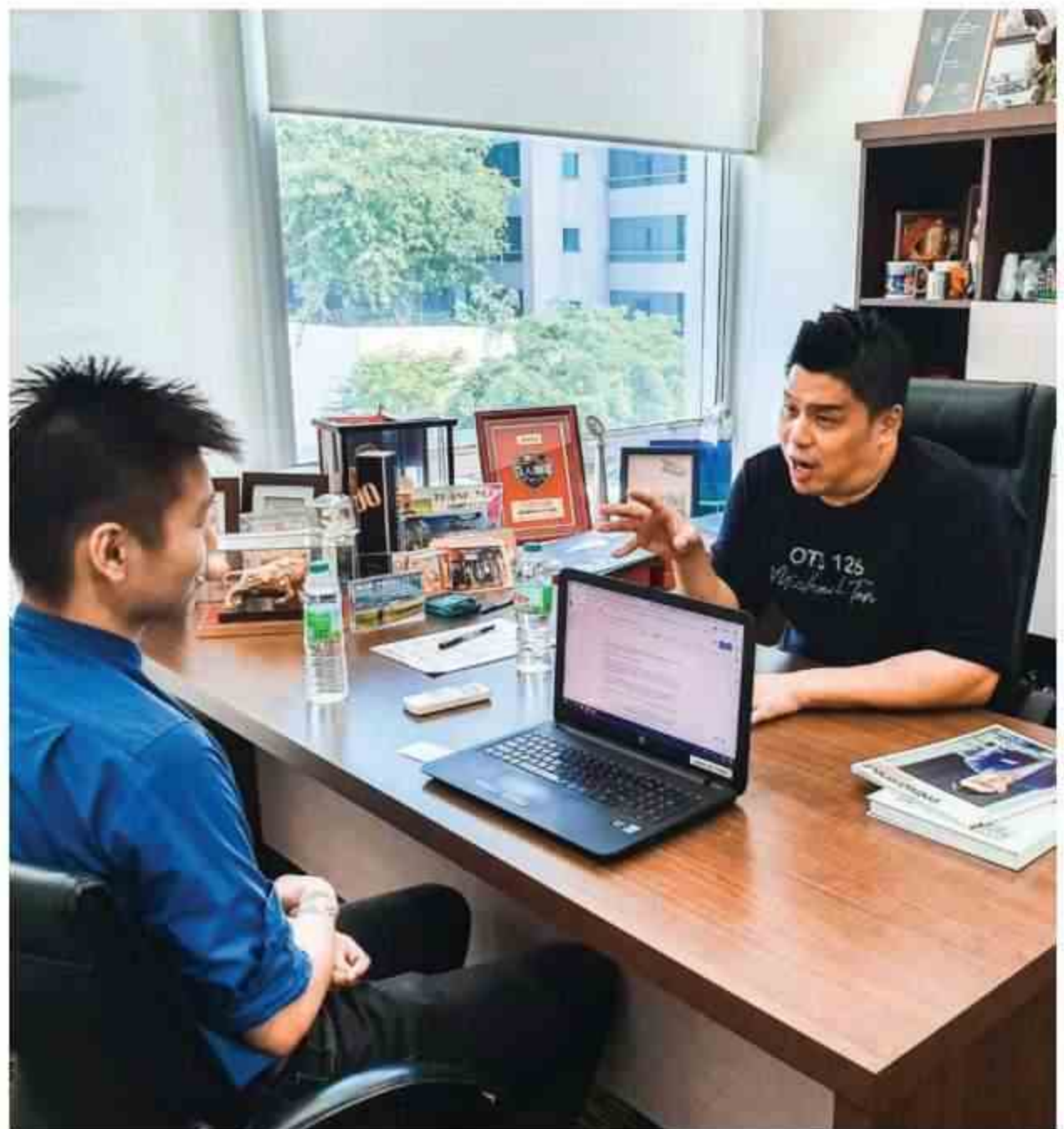
The 15-minutes walk to the nearest LRT station will no longer be a drag, but a form of exercise. If the workplace 15 stations away, it also means that you will have an empty carriage, with plenty of good seats. The 30-minutes ride to work can be spent reading news or magazines. By the time the customer reaches the office, they will be well-informed and energised.

Now, would the customer be more inclined to purchase the product?

CUSTOMERS VS CLIENTS

When it comes to dealing with businesses, you need to switch away from a selling mindset to forming partnerships and collaboration. Customers only buy from you once, but clients are repeating customers that you have established a strong relationship with.

During the early stages of a business partnership, we gauge each other's attitudes and test the waters. As we move along to a mid-term relationship, we start to talk about benefits that are formed via the partnership. But if you truly want to establish a long-term relationship, you have to gauge their character, to understand their business model and to figure out if we can gel well together or not.



your customers and products.

If you can turn back time, and meet yourself when you first started out, what would you say to yourself?

18-year-old Michael, you are great at what you do, but you need to help more people, not for your own personal benefits, not for expected returns but because that is who you are, that is what your identity is.

There is this Chinese proverb, “用生命影响生命” which when translated means using your own life to influence other people's lives. The more people you help, the more value you add to your own life. So you please be humble, and cherish every relationship you have, because it may be your last.

If you can embody that mindset, not only will you be a great salesperson, but you will overall be a decent human being. -JL



THE BUSINESS OF PROPERTY RENTALS

By: Jotham Lim & Hafidz Baharom

HOMES FOR RENT ON AN INTERNATIONAL SCALE

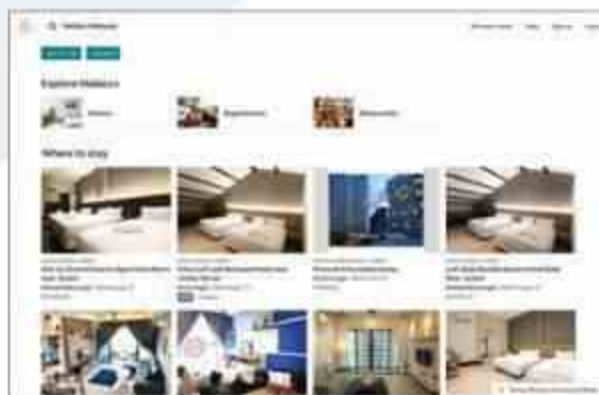
While Malaysian developers are still trying to find a niche in terms of developing apps for renting out properties, global players are currently in the midst of continued growth and consolidation as larger companies continue to buy out their competition in a very cutthroat market, especially for the holiday property rental side.

For those not in the know, there are actually three main companies in the holiday property rental app market who are globally competing to come out on top. They are travel community website TripAdvisor, Airbnb being the most recognised brand worldwide, and finally travel technology company Expedia.

On top of all these, you have aggregator websites and apps. These take all the properties and prices listed by the companies above, and compare them for

the cheapest price - akin to a Trivago for Airbnb.

Each of these companies actually own a bunch of others which they have acquired throughout the years, in order to gain market share and reap the benefits from multiple income streams. For vacation property rentals or short lease rentals, here is a list of those apps and websites that might entice you.



01. Airbnb Perhaps the most famous of the

bunch, Airbnb is famous for the story of starting up in 2007 by Brian Chesky and Joe Gebbia developing the app in order to take advantage of a conference in San Francisco by offering "airbeds and breakfast".

The company then relaunched itself in 2008, right before the Democratic National Convention based in Denver. The timing was ripe for the app to put to show in the city by having 600 Obama supporters use it due to overcrowded hotels.

Its meteoric rise from such beginnings are what makes it a unicorn in the entrepreneurship and startup world, particularly since it has now challenged the hotel industry and has led to government's reconsidering regulation of short term leasing of property.

AirBnB also challenged the mindset for multiple website companies which initially offered hotel rooms at discount rates such as Agoda, Trivago and Expedia, to rethink their models.



02. Expedia The Expedia Group is well known as the largest travel technology company, owning aggregator websites such as Trivago, Travelocity and even Hotels.com. However, the rising tide of Airbnb which allowed independent homeowners to lease out their made the company rethink their business model.

It was with this in mind, the company decided to buy HomeAway, which operates on the same model as Airbnb, for US\$3.9 billion in November, 2015. To bolster their ability to challenge their rival, Expedia also bought Pillow, a company which manages properties for rent.

03. HomeToGo HomeToGo GmbH is a Berlin

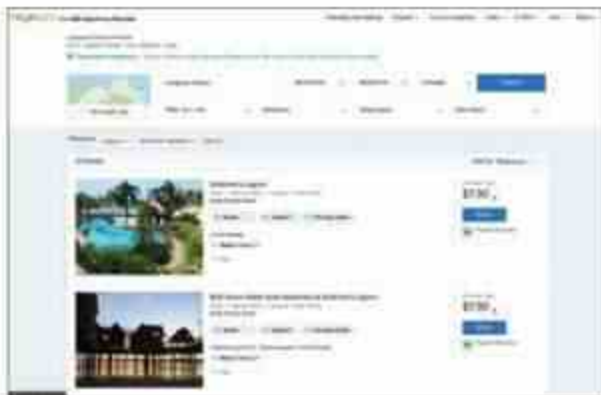


based company that acts as a vacation property search engine and aggregator - akin to what you find with Trivago and Kayak for hotel rooms or even Skyscanner for airline tickets.

Founded in 2014 by trio Wolfgang Heigl, Dr. Patrick Andrae, and Nils Regge, it currently employs 150 people and operates multiple websites based in European nations, the United States, Australia, Brazil, Mexico, Russia, Japan and Hong Kong.

Similar to Tripping.com, what the website does is list out properties available from other apps and web portals, and allowing users to then be transferred to whichever portal offers them the cheapest price to complete the transaction.

In December 2018, the company managed to raise \$150 million and bought out its main competition, San Francisco based Tripping.com, making it the world's largest vacation rental search engine and aggregator.



04. Flipkey

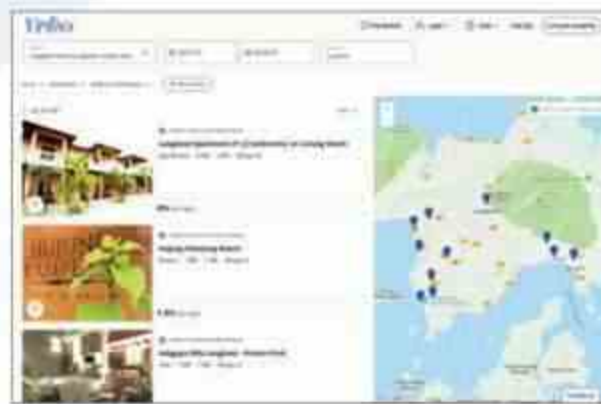
Initially launched in Boston in March 2008, Flipkey is currently controlled by travel community website TripAdvisor, which bought a controlling stake in the company in August of the same year.

Flipkey's advantage is that it straight out lists properties by districts, which makes it easier for those looking at specific areas to stay in without having to suddenly find an

interesting vacation pad for rent only to find that it is 6 kilometres away from where you want to be without a single public transport link.

That is personal experience speaking.

A browse of listed homes available on Flipkey around London allows us to literally see the nearest station to the property, most probably due to how the Tube is mapped out in line with the map of London itself.



05. Vrbo.com

The grandfather of all property rental apps on your phones, Vacation Rentals By Owner (Vrbo) has been around since 1992 and listed 65,000 properties in 2006. This was the same year it was bought over by Homeaway, Inc. for US\$160 million.

Unlike AirBnB in which everyone can list rooms as well as entire apartments, Vrbo only allows the renting of entire units.

Also unlike AirBnB which now has companies listing properties for rental, Vrbo truly sticks to the concept of renting out properties strictly by their owners. Although awkwardly, "owners" might also mean you will find hotels listed as well.

From studios to penthouses, Vrbo lists them all and yes, listings are available in our Malaysian Ringgit currency to avoid troubling ourselves being disappointed when the rates don't match our conversions on Google or XE Currency.

Word of warning though, the price listed is not the final price you pay - there is an added deposit payment due that will be reimbursed once your stay is over.

05. HouseTrip

HouseTrip was founded in 2009 by Arnaud Bertrand and Junjun Chen who met at the École Hôtelière de Lausanne,



or the Hotelier School of Lausanne. Both moved to London to start up HouseTrip and managed to catch the market boom by becoming the largest holiday rental website in the world in 2015.

At its peak, the company managed 7 million overnight stays, 20,000 destinations with a total of 300,000 properties listed on its site. However, the company was soon overtaken by the behemoth in the form of AirBnB, and lost their ability to compete.

A restructuring exercise in 2014 saw both Bertrand and Chen leave the company. Two years later, HouseTrip was bought over by vacation community website TripAdvisor, and added to their TripAdvisor Rental brand. The amount spent for the acquisition was not disclosed.

06. Luxury Retreats

Here is an amazing story for you - Joe Poulin becomes a website designing whiz kid, and then starts up a website listing luxury properties to let, acquires three competitors and raises US\$16 million from venture capitalists.

Before there was AirBnB Plus which lists luxury properties on their app, there was Luxury Retreats. This website lists the cream of the crop in terms of vacation properties, listing over 4,000 holiday villas curated with a checklist of over 240 requirements.

While others list by location, Luxury Retreats instead chooses to list properties as villas with four main choices - Beachfront, Honeymoon, Ski Cabins and Large. Another truly different feature is Luxury Retreats' blog, which reviews single villas recently put up on their website to entice their members.

Sadly, there are no Malaysian properties listed to match the villas on Luxury Retreats from Barbados, Hawaii, or even apartments



in Kensington, London. Or even Richard Branson's island resort, Necker Island, which is listed at US\$75,000 a night.

Luxury Retreats was bought over by AirBnB for an undisclosed price in February, 2017, with Poulin joining AirBnB and currently leads their luxury homes division.

OTHER RENTAL APPS

Whilst all of the above shows consolidation and competition among one another, there are those who are not in the same category. Case in point, there are apps and websites in the international marketplace that are specific towards long term leases, by months.

One shining example of this is Homelike, a monthly rental website which launched their IPO just recently in June. Founded in 2014 by Dustin Figge, he believes that Homelike does not compete directly with AirBnB - in fact, Figge is quoted saying "Homelike begins where AirBnB ends".

Another point of differentiation between this website and AirBnB is that it does not list out properties from single owners. Instead, Homelike acts on a B2B model, allowing companies to rent from serviced apartments or business apartments.

It currently lists 45,000 furnished

apartments and works with more than 15,000 corporate clients across 100 cities in Germany, Austria and Switzerland.

A similar corporate housing website is the Finnish company Forenom, launched in 2000 by entrepreneurs Markus Oksa and Mikko Leppänen. The company continued having a presence in Finland and Sweden before expanding to cover both Norway and Denmark as well, which completed their coverage of the Nordic states.

Opening their website, it is clear that they have created a branch of hotels (or aparthotels) as they call them, rather than having the rustic homes being rented out by homeowners to tourists.

This was mainly due to the investment by capital investor Capman in 2016. In January last year, Forenom managed to grow even further after purchasing HotelHomes from SATO.

Comparing all of the above to the Malaysian market of apps and short or medium lease rental home websites, we come to a few conclusions.

Firstly, Malaysian app and website developers of this sector need to consolidate and move towards global competition, or be eaten up by the Big Three - AirBnB, TripAdvisor, or Expedia.

Or, if your app or website is agile and has enough resources, there is a bucking of the trend by setting a regional niche, as we see with Grab. This, of course would be a war of attrition for later rewards.

Secondly, there is a need to look at how creating a niche would be beneficial. Luxury Homes, could work in a Malaysian setting particularly for resort bungalows and high end properties with city centres such as Kuala Lumpur or even beachside properties.

Or better yet, perhaps listing out Malaysian home stays supported by the Tourism Ministry in an app similar to AirBnB is yet another niche market to consider.

And finally, perhaps it is time to think beyond the market. Managing entire property blocks to be rented out to multinational companies bringing in international staff, similar to the target market of Forenom, could work in areas of Kuala Lumpur City Centre and even out to Mont Kiara or high end residential zones close to industrial areas.

Checking out these foreign examples, localising them here in Malaysia and subsequently expanding regionally to the ASEAN market, still remains a blue ocean for anyone to test. - JL & HB