

SME WEEKLY NEWS

(12 February 2018 – 16 February 2018)

Countries	Highlights
<p>MALAYSIA</p> <p>PIKOM signs five MoUs for SMEs to adopt e-Commerce</p>	<p>The National ICT Association of Malaysia (PIKOM) signed five MoUs with five associations in direct effort for more local SMEs to adopt e-Commerce. The five associations are Malaysia Retail Chain Association (MRCA), Malaysia Wholesalers Association (PPM), Malaysia Digital Chamber of Commerce (MDCC), Malaysian Association of Tour and Travel Agents (MATTA) and SME Association of Malaysia. The move is in line with the National E-Commerce Strategic Roadmap, with the goal to double the number of e-Commerce-enabled SMEs from the present 180,000 to 350,000 by 2020. Under the MoU, PIKOM will assist SMEs to utilise e-Commerce by partnering them with PIKOM's technology enabler members via PIKOM e-Commerce Fair, which include payment gateway providers, logistics providers and e-commerce platform providers. The signing of the five MoUs will also help generate greater consumer demand locally and from abroad, for the associations' e-Commerce merchant members via #MYCYBERSALE 2018.</p> <p style="text-align: right;"><i>(Source: The Borneo Post, 13 February 2018)</i></p>
<p>MALAYSIA</p> <p>ASEAN SMEs to invest more in tech to boost business</p>	<p>SMEs in the ASEAN region see the need to invest more in technology in order to succeed under increasingly challenging conditions. This is based on the ASEAN SME Transformation Study by United Overseas Bank (UOB), Ernst & Young, and Dun & Bradstreet, being participated by 1,235 SMEs across Malaysia, Singapore, Indonesia, Thailand, Philippines and Vietnam. The study found that 60% of ASEAN's SMEs will focus their investments on technology over other fixed assets in 2018 to help drive business performance. About 78% of ASEAN SMEs say they would invest specifically in software such as improving their websites and creating mobile apps, as such innovations would enable them to create better customer experience and to increase customer loyalty. According to Dun & Bradstreet, the optimism reflects the region's positive environment – nations experiencing muted growth are approaching the tail end of their economic slowdown and restructuring while those approaching a 'demographic sweet spot' will benefit from multiple factors to fuel SME growth. The growth outlook for ASEAN has remained robust as the region continues to achieve greater economic, trade, financial and social integration.</p> <p style="text-align: right;"><i>(Source: The Borneo Post, 13 February 2018)</i></p>
<p>SINGAPORE</p> <p>FinLab opens accelerator programme for SMEs</p>	<p>The FinLab, a joint venture between UOB and SGInnovate announced the launch of the third cycle of its acceleration programme for Singapore SMEs that have aspirations to grow and to digitalise. The four-month programme will guide participating SMEs to identify problem statements in their business, and equip them with the tools and know-how to self-innovate. SMEs will then be matched with curated technology solution providers and pilot the implementation of their products to address the problem statements. Throughout the process, they will be guided by experts at The FinLab and partners such as ESSEC Business School. The FinLab's SME accelerator programme will focus on helping SMEs to increase revenues, to raise productivity and to reach new markets by tapping the right technology solutions. Eight SMEs will be chosen from the food and beverage, retail, wholesale trade and logistics industries.</p> <p style="text-align: right;"><i>(Source: FinExtra, 13 February 2018)</i></p>

<p>SINGAPORE</p> <p>DBS sets up retail F&B coverage team for SMEs</p>	<p>To cater to the financial needs of Singapore-based retail F&B and food manufacturing companies expanding overseas, DBS Bank has established a dedicated F&B coverage team to better serve these customers. In the last 18 months, the bank has seen 4 in 10 of its F&B SME customers expand overseas, with top expansion markets being in China, Indonesia and Taiwan. This is a twofold increase over the last five years and a trend is in place. The bank's new SME Banking coverage team comprises 15 relationship managers and credit specialists who have close to 200 years of banking experience between them. Customers will be able to tap the bank's expertise in financial structures, cash management and foreign exchange solutions to better manage their cash flows. They can also get help in understanding rental, manpower and taxation matters in the markets they seek to expand into.</p> <p style="text-align: right;"><i>(Source: Straits Times, 14 February 2018)</i></p>
<p>PHILIPPINES</p> <p>PLDT, partners launch SME e-commerce enabler</p>	<p>PLDT, Inc. and its digital innovations arm, Voyager Innovations (Voyager) together with entrepreneurship advocate Go Negosyo partnered to help local MSMEs engage in e-commerce, through 3 M's – mentorship, marketplace and money. The partnership supports the Department of Trade and Industry (DTI) initiative to equip more than 100,000 MSMEs with digital solutions by 2020. Local businesses can participate in Go Negosyo's Mentor Me program which has been expanded to include training in setting up and managing online stores through Tackthis!, the online store builder of Voyager. This platform also provides small enterprises with the logistics capability to deliver goods to their online buyers. Once online, MSMEs can reach a wider market nationwide through Takatack, Voyager's virtual marketplace. Meanwhile, MSMEs can gain ready access to capital and financial support through Voyager's digital lending platform Lendr. The program will also equip merchants to accept mobile cashless transactions through PayMaya QR, which provides their customers a seamless payment experience via QR (quick response) code technology.</p> <p style="text-align: right;"><i>(Source: Manila Buletin, 12 February 2018)</i></p>

EXCELLING IN A STICKY BUSINESS

BUILDING a global F&B brand out of a non-halal Western concept restaurant chain in a Muslim majority country is certainly not an easy feat. Yet, for a pioneering restaurateur, Dr Jeffrey Goh is going big where many fear to tread. Grand Century Restaurant, the Malaysia-based operator of home-grown American-inspired ribs and barbecue restaurant chain Morganfield's, would like to do business where there is potential to thrive in a niche market.

Goh notes that the F&B industry is fiercely competitive and the market for Western casual dining restaurants in Malaysia is already reaching a saturation point. "There is already not much room for us to grow in a market where close to 70% of the population don't consume pork and most can't even work for us," says Goh.



Additionally, increasing cost of business and the depreciating ringgit are putting pressures on operating margins. To stay competitive, Grand Century has been focusing a great deal of its attention on marketing and research and development to stay ahead of the curve instead of slashing prices.

The good thing about being a fully owned brand, says Goh, is that Morganfield's has the liberty to devise and revise its menu and concepts to suit local taste, culture and demographics together with its master franchisee in each market. Grand Century currently has a total of 25 Morganfield's restaurants in operation, 16 of which are in Malaysia. "Going out is the way forward for the company, as our growth over the next five years will be driven by expansion into overseas markets and we are looking for at least 70% revenue contribution from overseas by then," he says.



Morganfield's restaurant chain has already grown to four outlets in Singapore, three in the Philippines, and the two surviving restaurants in China. The company also plans to establish franchise outlets in Australia, Indonesia, Taiwan, Vietnam and Thailand by next year. China will serve as Morganfield's springboard for growth, where it plans to open more stores with the new strategy.

In the longer term, Grand Century Restaurant may also look at potential listing or even a partial trade sale within three years once the brand reaches a sizable scale and profitability. Goh is determined that he will not cash out completely. Instead, he is sticking with the ribs for the long haul and will continue to drive the business forward as the controlling shareholder.

(Source: The Star, 12 February 2018)

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