

SME WEEKLY NEWS

(10 June 2019 – 14 June 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>Bumiputera SMEs urged to join GEB programme</p>	<p>Bumiputera SMEs have been urged to join the Galakan Eksport Bumiputera (GEB) programme to enable them to expand into the global markets. CEO of SME Corp. Malaysia, Noor Azmi Mat Said said of the country's one million SME entrepreneurs, only 20% are Bumiputera, who are mostly focused on the local food and beverage market. Chairman of Agriculture, Entrepreneur Development, Co-operative and Agro-based Committee, Norhizam Hassan Baktee said under the export promotion scheme, eligible Bumiputera SME entrepreneurs may obtain financing of up to RM500,000 for rental of premises, advertising, marketing and foreign certification. SME Corp. Malaysia is also encouraging Bumiputera SMEs to explore new businesses such as in the digital sector in line with the rising popularity of e-sports games. A total of RM16.7 million has been allocated for the Program Peningkatan Perusahaan Bumiputera (BEEP) in Melaka involving 116 SMEs, with 165 projects approved since its implementation in 2013. This year alone, RM250,046 in BEEP grants has been approved for 18 SMEs in the state.</p> <p style="text-align: right;"><i>(Source: Bernama, 10 June 2019)</i></p>
<p>MALAYSIA</p> <p>Dropee introduces SME business financing</p>	<p>Malaysia-based B2B e-commerce marketplace, Dropee, introduced SME business financing to its merchants and retailers. The financing can be used by retailers to procure products directly from suppliers within the platform; with a financing tenure of up to 12 months. This new financing initiative by Dropee and Grab Financial would allow SMEs to more easily obtain financing as businesses only need to provide minimal business documents with no collateral required. With speedy processing time and interest rate as low as 0.8% per month, the financing also allows shorter repayment period where financing can be repaid within a period of six-12 months. Dropee's platform connects suppliers with SME business owners in real time to streamline the product fulfilment process and facilitate bulk purchases through a suite of enterprise solutions. Leveraging on Dropee's technology, companies are able to maximize fulfilment output and deliver greater customer experience, resulting in increased new customers and order volumes. Dropee currently specialises in the Food & Beverage, FMCG and retail market segments. It supports more than 1,400 brands, over 10,000 SKUs and serves more than 1,000 businesses to date.</p> <p style="text-align: right;"><i>(Source: Digital News Asia, 11 June 2019)</i></p>
<p>SINGAPORE</p> <p>Deskera, Funding Societies partner to help SMEs improve their cash flow</p>	<p>Singapore's cloud-based platform, Deskera partnered with P2P lender Funding Societies to support SMEs in Southeast Asia by providing an alternative financing solution. The partnership will enable SMEs to digitize their financing process and help them apply for funding seamlessly without the hassle of paperwork. The partnership will also provide SMEs in Singapore an alternative funding scheme to optimise their cash flow. Further, Funding Societies' 'Invoice Financing' service will help B2B SMEs process their invoices through an automated system and release funding in advance, that will help manage their cashflow constraints. The 'Invoice Financing' feature claims to provide SMEs fast and customized financing up to S\$1 million, with funds disbursed as early as 5 days. Deskera empowers firms to ease access to their accounting information, finances, projects, payrolls, customers and logistics. Meanwhile, Funding Societies has been empowering SMEs in the region by creating a crowdfunding scheme, in which high-net-worth individuals and companies can help finance SME businesses. In the past four years, the company has disbursed financing to at least 500,000 SMEs, with \$600 million in total funds.</p> <p style="text-align: right;"><i>(Source: Deal Street Asia, 11 June 2019)</i></p>

CAMBODIA

PPCBank and IFC team up to help SMEs

South Korea-based, PPCBank signed an agreement with International Finance Corporation (IFC) to foster the growth of small businesses in Cambodia, as part of the bank's strategy to enhance financial inclusion in Cambodia, facilitate growth and create jobs. Under the new partnership, PPCBank will use IFC's risk-sharing facility to help SMEs, thus be able to provide a more inclusive service to existing customers, particularly SMEs and women-owned enterprises. The facility will be used to cover loans extended to SMEs, reducing the risk while, at the same time, allowing PPCBank to serve more customers and support their business growth. In addition, IFC will provide advisory services designed to expand PPCBank's capacity to confidently extend more loans to more growing enterprises. There are about 50,000 SMEs in Cambodia, 97% of which have fewer than 10 employees and are thus classified as micro-enterprises. SMEs make a significant contribution to the country's development, generating about 70% of jobs.

(Source: Khmer Times, 10 June 2019)

A SOLID SPREAD

WHEN Joseph Goh and Debbie Ching of Jobbie made their first batch of peanut butter, they found that they weren't exactly big fans of their own produce. "It tasted bad," shares Goh. The couple went ahead anyway and tried to sell off their bottles at a flea market under the brand "Walao eh". They couldn't possibly finish the whole stock on their own and throwing it out was unthinkable.

But Goh says this foolhardiness helped them get feedback from passersby to improve on a recipe they had gotten from YouTube. That enabled them to tweak their peanut butter recipe into something that was more acceptable. A little wiser, they rebranded their peanut butter to Jobbie – a portmanteau of Joseph and Debbie – and started approaching cafes to retail their products.

"We were lucky that people were willing to give us a chance," says Goh, but business wasn't particularly brisk. They almost went bankrupt, he reveals. Shortly after, in 2017, Goh got into an accident. To sustain the business, they decided to explore online sales. That turned out to be a good move for Jobbie. They were able to reach out directly to more consumers around the country and sales grew. "The business grew faster and it was easier to scale. And we could use data analytics to serve consumers better," he says.

Today, direct sales make up about 70% of their turnover, with wholesale making up the remaining 30%. Jobbie supplies to niche grocers and organic food outlets on top of cafes. Goh notes that 39% of its orders are repeat customers. Last year, Jobbie raked in RM400,000 in sales and they are aiming for RM1mil in revenue for 2019.

But there is room to grow beyond that. Goh hopes to better understand his customers' preferences to tap into that potential growth. "That will be a key area for improvement this year. We are gathering feedback and looking at how to improve their experience," he says. The company is also putting in more effort into digital marketing to reach out to more consumers.



Currently, Goh and Ching are handling the whole operation, including manufacturing and business development, with the help of one employee. They are in the midst of expanding their capacity and putting in place proper systems to ensure that the firm can cater to increasing demand.

Goh says Jobbie currently delivers nationwide and is looking at opportunities to also export its peanut butter. "There has been quite a lot of interest from retailers in Singapore. But we need proper certifications to export there, so we are working on it," he says. He notes that Jobbie has

also been getting some attention in the UK. Going overseas will pose a new set of challenges. Customer behaviour and taste profiles will be different from what they are familiar with in the local market, which will require different marketing strategies.

"The market changes very fast," he adds. Even locally, Goh acknowledges that there is already a saturation of products in the market. Retailers and producers are always introducing new flavours to keep consumers interested.

Nonetheless, Goh believes Jobbie has some fighting chance. Arriving at where Jobbie is today hasn't been easy and yet, here they are, he says. "It is not easy to start a business. You need passion, otherwise, it won't last. We have put in a lot of work, put up with criticism and didn't get a salary. But passion reminds you of why you started this and to keep going," adds Ching.

(Source: The Star, 10 June 2019)

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