

SME WEEKLY NEWS

(9 September 2019 – 13 September 2019)

Countries	Highlights
<p>MALAYSIA</p> <p>Bosch Malaysia offers digital technologies solutions to local companies</p>	<p>Bosch Malaysia Sdn Bhd is pushing IR4.0, Internet of Things (IoT) and mobility products and solutions to local companies in adopting and leveraging on digital technologies. In line with Malaysia's digital economy aspirations, the company will also focus on upskilling the Malaysian workforce, with comprehensive hands-on training to further strengthen IR4.0 infrastructure in Malaysia. While there are an ever-increasing demand for IoT and IR4 adoption in the region, Malaysia can be the forefront in future digital technologies if local manufacturers, particularly SME, deploy IoT and IR4.0 solutions. In Malaysia, Bosch has supported various clientele in consulting and strategic planning for IR 4.0 deployment programmes. Bosch has three manufacturing plants in Malaysia, producing car multimedia, automotive steering systems, and power tools, all located in Penang. These plants accelerate IR4.0 via key in-house solutions such as Nexeed Manufacturing Execution System (MES) Platform for its production lines that are more flexible and efficient control.</p> <p style="text-align: right;"><i>(Source: New Straits Times, 12 September 2019)</i></p>
<p>SINGAPORE</p> <p>DBS rolls out lending initiative, rebates for Singapore SMEs facing headwinds</p>	<p>Singapore's largest lender DBS is extending support to SMEs, as they brace against economic headwinds. More local businesses are expecting a drop in their revenue and profit margin as the economy slows, with trade tensions being a top concern among them, as seen from a survey by the Singapore Chinese Chamber of Commerce and Industry in August. In anticipation of SMEs' need for more cash flow, DBS thus introduced a predictive lending programme where data around SMEs' banking and business activities is analysed to predict when they might need more cash flow. The bank can then extend additional working capital loans and standby loan facilities to identified clients even before they apply for it. For businesses potentially facing trade challenges, DBS will also offer trade financing rebates on handling fees for trade transactions, particularly to support clients who have the biggest uplift in business turnover during the year-end period. The rebates will vary based on each customer's business.</p> <p style="text-align: right;"><i>(Source: Business Times, 12 September 2019)</i></p>
<p>THAILAND</p> <p>Thai entrepreneurs get digital business training</p>	<p>The Digital Economy Promotion Agency (DEPA), the National Innovation Agency of Thailand (NIA) and a venture capital firm jointly organised the Netpreneur Training Thailand Program. This intensive training session is aimed at enhancing Thai businesses competitiveness in the digital era, by learning to seize the opportunities that the digital economy presents. The training will inspire participants in the way they conduct business in Thailand. The move comes as a response to the growing number of Thai businesses that are becoming aware of the need to go digital in order to stay relevant in today's fast-changing world. The Internet would level the playing field by enabling small enterprises. Leveraging innovation and technology will enable Thailand to grow and compete more effectively in domestic and global economies. DEPA is committed to support tech firms and SMEs in the digital era. The agency plans to offer a 200% tax deduction for the purchase of smart devices, digital services, robotics & Internet of Things (IoT) devices by SMEs, in addition to software, starting in 2020.</p> <p style="text-align: right;"><i>(Source: OpenGov Asia, 9 September 2019)</i></p>

YOUNG AND BOLD

Entrepreneurship among those in early 20s is nothing unusual. But opting to start a business in the mattress line may come across as rather odd for a couple of 23-year-olds, particularly so when they knew nothing about mattresses. Winson Chong and Joey Tan, founders of Joey Mattress, thought they couldn't step away from a problem they encountered while shopping for a mattress.

"Basically, mattress shopping experience sucked, with high prices and pushy salesmen. We wanted to improve that," says Chong. "I feel like there should be some innovation in this industry but no one is actually doing it. That's why we see an opportunity," says Tan. The duo set out to introduce the e-commerce model to the sector and change the shopping experience for consumers. They allowed customers to try the mattress at home for 99 days and offered an easy return and refund policy. Apart from just changing the business model, they also decided to develop their own product.

Chong laments that there was no suitable mattress in the market. The one he used gave him back pains that led to visits to the chiropractor. "We wanted to develop our own mattress (instead of sell other people's mattress online) so that we have more control over the product," shares Tan. In early 2018, they came up with a business proposal and started knocking on manufacturers' doors to see if there were any takers willing to back their ideas.

Through a stroke of luck, they found an established manufacturer who was open to the idea of trying something new. The manufacturer invested in their start-up and gave them access to their network of expertise, enabling them to carry out R&D work to produce their own proprietary mattress. Naturally, R&D work involved a lot of sleeping. They tried out different mattresses and studied various materials used in making these mattresses. They also followed friends and family on mattress shopping trips to get behind what it is that people are really looking for in their mattress.



They finally came up with J-foam and leveraged on their investor's operations to produce the new mattress for them. The fact that they have direct access to a manufacturer is an advantage for Joey Mattress as they are able to keep costs low. Once the mattresses are produced, Chong and Tan manage the online sales and delivery. "I expected the market to take longer to accept this idea. But turns out, quite a lot of them are receptive of the idea (buying mattresses online)," says Tan.

From March to July 2019, they sold over 30 mattresses, exceeding their targets and customer feedback has been positive so far. Currently, Joey Mattress caters to Klang Valley region but they hope to expand to other states by year-end. They are also looking into improving their product and to expand their range. For example, removable covers for their mattress, pillows and other sleep-related items. They have also received requests to develop baby-sized mattresses.

Tan notes that the local mattress industry is competitive and many are trying to innovate. However, she believes Joey Mattress has a first-mover advantage. "It's hard for others to imitate our business model because branding online is hard as you need to be transparent in your pricing, which many established players do not want to do," she says. Although new to the market, they are aware that selling mattresses is a long-term game. "We are here to stay. We are excited about what's ahead. Hopefully, after being Malaysia's favourite mattress brand, we can look at the region," mulls Chong.

(Source: The Star, 9 September 2019)

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