

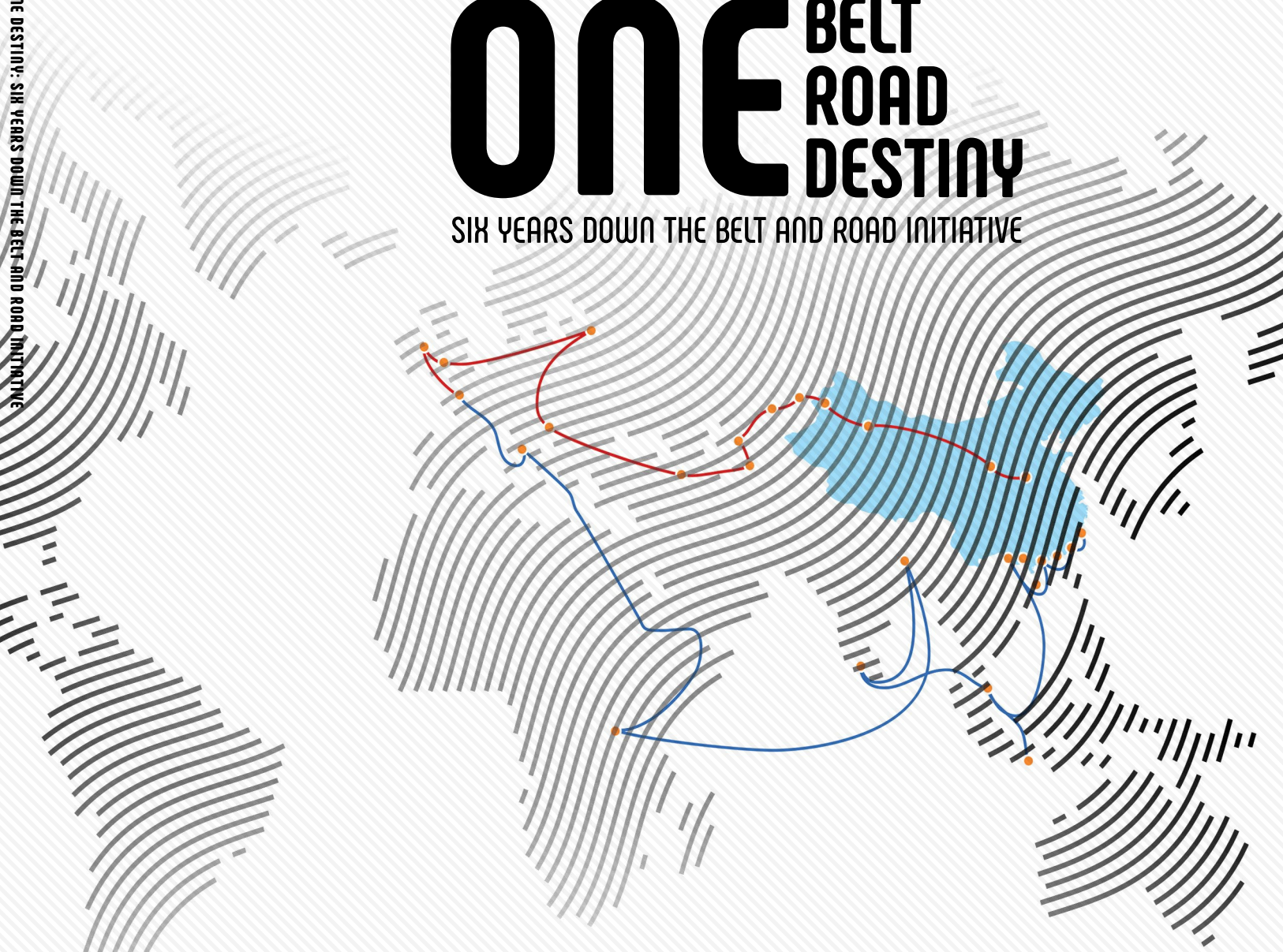
SME | APRIL 2019 | MALAYSIA EDITION | ONE BELT, ONE ROAD, ONE DESTINY: SIX YEARS DOWN THE BELT AND ROAD INITIATIVE

SME

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ONE BELT ROAD DESTINY

SIX YEARS DOWN THE BELT AND ROAD INITIATIVE



+
OUTWARD BOUND:
SHAPING THE FUTURE OF TRAVEL

+
CHAROEN
SIRIVADHANABHAKDI:
A FORTUNE IN BREWING

SMART TRENDS INTERNATIONAL GEARED UP FOR 2019

Chairman & Group CEO Dato Dr Emmanuel Benson accorded due recognition at SME 100 Awards 2018

Smart Trends International was recently accorded the SME100® Awards 2018 : Malaysia's Fast Moving Companies and the SME100® CTOS Credit Excellence Award presented to the Chairman & Group CEO, Dato Dr Emmanuel Benson by the Deputy Minister of Trade & Industry at the official gala dinner held on November 30th, 2018.

Dato' Dr. Emmanuel Benson, Chairman & Group CEO of Smart Trends International (a member of EB Holdings) has harnessed his expertise in education & training to technology to develop a diverse range of products & services, geared towards meeting the needs of a fully developed nation, with a focus on human capital development and the use of technology in the digital age of human resource optimization.



Smart Trends International has seen exponential growth in their business, a five-fold increase in revenue in less than three years and a human resource strength that has grown in pace with revenue generation, that includes an experienced leadership and management team with diverse professional backgrounds and expertise.

The company has re-invented, streamlined and further strengthened its core business to comprise capabilities in :

Organizational Solutions Consulting

Human Capital Solutions

Consultancy
Training & Development
International Certifications
Talent Acquisition & Workforce

Technological & Digital HR Solutions

Programme & Project Management



"I am deeply honoured by this outstanding recognition, which inspires us to strive towards greater heights."



national aspirations for the future generation. In other words, to build a national human capital asset base that is productive and contribute towards a high-income earning nation.

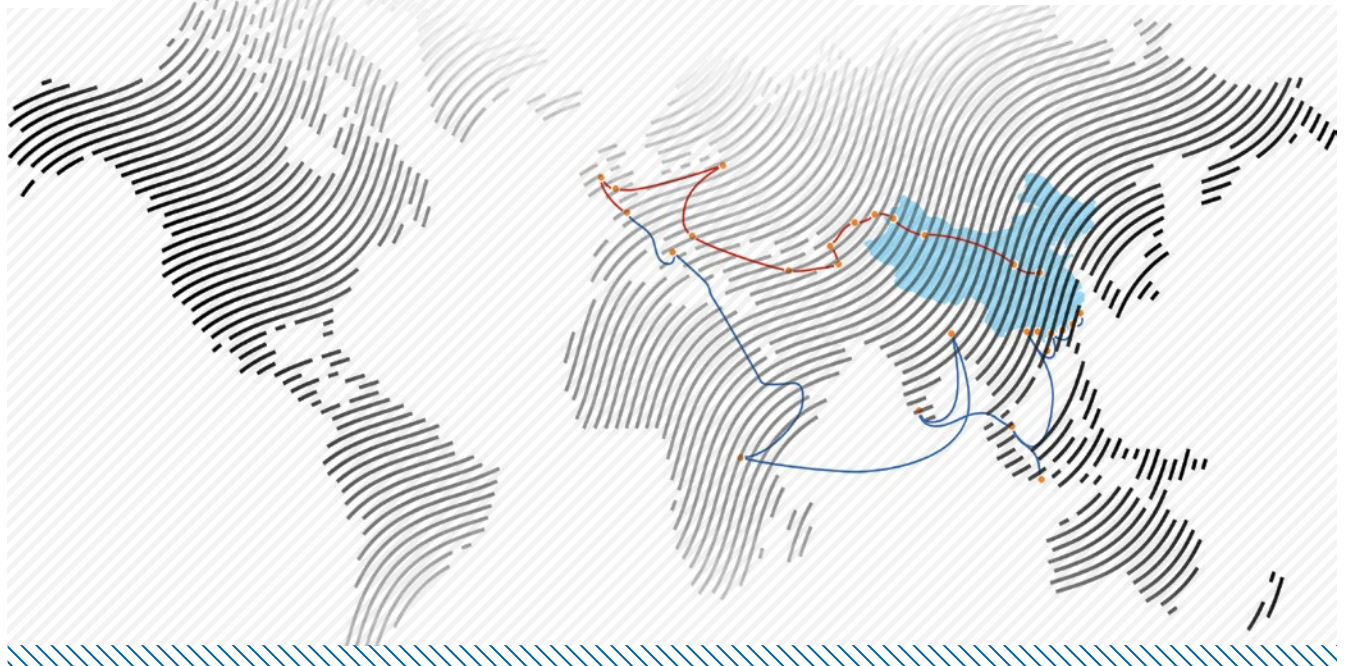
"I am confident, with my diverse leadership and management team, I will be able to realize these strategies and build assets that can further grow the business and the nation on a sustainable long term basis" said Dato Dr Benson.

Smart Trends International also totally believes in giving back to society and has sponsored schools in Negeri Sembilan for back-to-school necessities and for young adults in need of critical medical care.

Smart Trends International signed a strategic partnership with NCFE (UK) to develop specially tailored technical and vocational courses that are globally recognised, which has also seen the establishment of Smart Trends International in Sri Lanka and Vietnam. NCFE is an international awarding organization specializing in designing, developing and certifying high quality, internationally recognised qualifications. The core strategy for the International Certification division will consciously identify and develop strategic partnerships with similar organisations that will help to further strengthen our nation's human capital asset base.

Another key strategy is developing the Public Private Partnership (PPP) sector, where Smart Trends International would be able to provide independent assessments and well-defined solutions that align national objectives with





30



20
SUB-SECOND
LATENCY
STREAMING

IN SME MAGAZINE THIS MONTH

14 | ONE BELT, ONE ROAD, ONE DESTINY

Six years ago, the Belt and Road initiative was launched. What progress has been made, and how has its setbacks been overcome? *SME* finds out.

30 | CHAROEN SIRIVADHANABHAKDI: A FORTUNE IN BREWING

34 | SHAPING THE FUTURE OF TRAVEL

Travel is undergoing the largest revolution since airline deregulation. *SME* explores how the travel experience been shaped with the advent of technology.

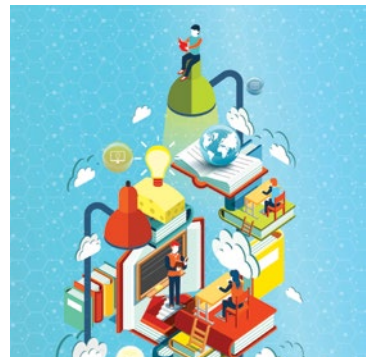
AND MORE...





REGULARS

- 04 | NEWS
- 10 | EVENTS
- 12 | IDEAS BAR
- 14 | COVER STORY
- 26 | WHAT'S NEXT
- 30 | PERSONALITY
- 42 | FRANCHISE
- 44 | TRADE
- 46 | BUSINESS TRAVEL
- 48 | TECHNOLOGY
- 52 | COLUMN
- 60 | LIFESTYLE
- 62 | SEEN AND HEARD
- 63 | SUBSCRIPTION
- 64 | PERSPECTIVE



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Our sincerest thanks to all our speakers and participants, we hope to see you again in our next round of discourse.



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ANALYSTS PREDICT POST-ELECTION STABILITY IN THAILAND UNLIKELY

Investors are hoping for political and economic stability after Thailand's upcoming general election. Analysts are less optimistic. Thailand is the second largest economy in Southeast Asia, however political uncertainty has been the main challenge to economic growth. In 2018, the Thai stock market suffered a record \$9

billion in foreign investment outflows as investors withdrew from emerging markets due to global economic problems and rising U.S. interest rates. With tensions rising between three distinct political parties, analysts predict that political unrest as a result of the elections could potentially derail the Thai economy further.

CHINA BECOMES WORLD'S LARGEST IMPORTER OF RARE EARTHS

China is the world's top rare earths importer in 2018, according to China Merchants Securities analyst Liu Wenping. Import volumes last year were also about 10 times higher than before 2015. For some time now, China has been the top producer and exporter of rare earth elements raising shipments overseas by 4 per cent year-on-year to more than 53,000 tonnes in 2018, and its emergence as the top importer as well is a sudden and surprising development. Rising Chinese imports is speculated by Adamas Intelligence managing director Ryan Castilloux to be a long-term trend.



TRIALS FOR AI CONTROLLED BUSES TO BEGIN IN JAPAN

Mitsubishi Corporation has set up a joint venture company with Nishi-Nippon Railroad Company that will use artificial intelligence (AI) to control on-demand bus services in Japan. The company, called Next Mobile, will begin a one-year trial in April at Island City, Fukuoka. Mitsubishi said that the AI would be used to automatically generate routes, in real time, based on passenger requests that are made through a smartphone app. Deep learning will be used to accumulate "operational data" on both traffic conditions and passenger destinations. This would help buses to run in a more efficient way the more they are used, added Mitsubishi.ase from 20,304 units in the previous corresponding period.

SINGAPORE AND VIETNAM TO EXPLORE COLLABORATIONS IN ENERGY AND IR4.0

Ministers from Singapore and Vietnam met to discuss collaborative possibilities at the 14th Singapore Vietnam Connectivity Ministerial Meeting in Singapore on March 13. In energy, both sides were keen to collaborate further on LNG (liquefied natural gas) and solar-related projects, as part of two Memoranda of Understanding signed in 2018. Also discussed was how private sector companies in both countries could be involved in implementing Vietnam's Industrial Revolution 4.0 development plans, as well as how to strengthen ties between both countries' start-up ecosystems.



SWINGVY CELEBRATES INTERNATIONAL WOMEN'S DAY WITH '21ST CENTURY WOMEN' PHOTO EXHIBITION

Supported by Firefly, Swingvy has launched "21st Century Women", a free photo exhibition in celebration of International Women's Day. Located at Common Ground KL33, the exhibit features 100 inspiring portraits of everyday Malaysian women, designed to provoke thought on diversity and equality through their stories. The event was attended by over 150 female founders, experts and emerging talents from all walks of life. Moderated by Melly Ling, Brand Manager of Swingvy, a panel of women leaders shared their personal stories, professional perspectives and insights on accelerating gender parity.



ASEAN-EU FTA IN PERIL AS PALM OIL BIOFUEL IS PHASED-OUT

The European Commission has concluded that the use of palm oil in transport fuel should be phased out due to the excessive deforestation as a result of its cultivation. This stems from the EU's push to boost the share of renewable energy to 32 percent by 2030. This decision puts the

ASEAN-EU Free Trade Agreement (FTA) negotiations in a precarious situation. Malaysia and Indonesia make up 85 percent of the global palm oil supply, thus leading them to lodge a complaint with the World Trade Organisation regarding the discrimination of palm oil by the EU.



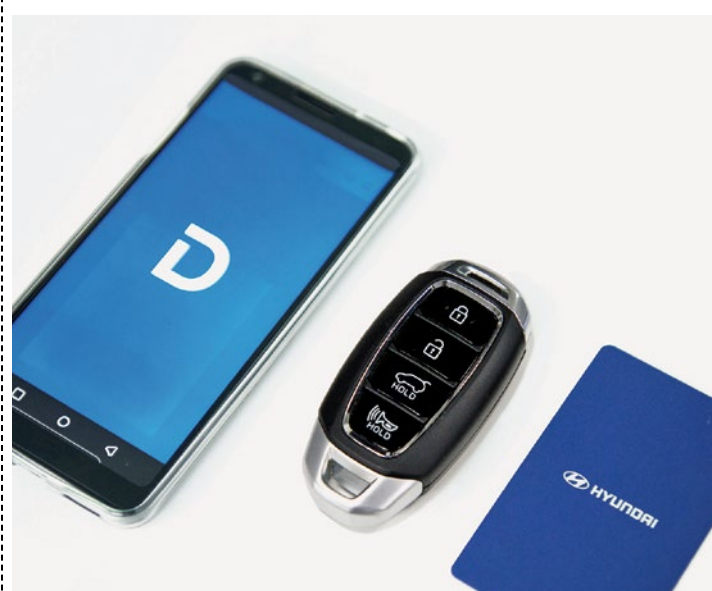
SINGAPORE EXPORTS UP 4.9 PER CENT YEAR-ON-YEAR

D Despite a steep drop in exports in January, Singapore's non-oil domestic exports (NODX) rose by 4.9 per cent year-on-year in February. Electronic exports fell by 8 per cent year-on-year while Non-electronic products grew by 9.4 per cent year-on-year in February. Overall,

exports to Singapore's top 10 markets, with the exception of Japan, South Korea, the European Union and Indonesia, saw an increase in February. The largest contributors to Singapore's NODX growth were China (34.4 per cent), Hong Kong (41.9 per cent) and the US (6.6 per cent).

ASIA'S BILLIONAIRE POPULATION PROJECTED TO TOP 1,000 WITHIN FIVE YEARS

A ccording to the 2019 Wealth Report by London-based real estate agency and consultancy Knight Frank, Asia has already surpassed both Europe and North America in terms of billionaires with 787 as of 2018. The firm predicts that wealth creation, especially in Asia, will remain constant despite bleaker economic outlook. India, the Philippines and China in particular were noted to see the biggest growth in "ultra-high-net-worth individuals" (UHNWI). Knight Frank also noted that India and the Philippines, both coming from a lower base developing markets will have huge possibilities for entrepreneurial growth.



HYUNDAI DEVELOPS TECH THAT COULD REPLACE PHYSICAL CAR KEYS

H yundai Motor Group has developed a digital key in the form of a smartphone app. enables drivers to unlock, start and drive their car without the need for a physical key. With the ability to authorise as many as four people, Hyundai believes that this app could replace physical keys. Near Field Communication (NFC) technology will detect the digital key when it is near, unlocking the vehicle door. Drivers then place their smartphones on a wireless charging pad, which allows them to start the car. The technology also allows for preferred settings to be saved to each individual digital key.



BATANG TORU HYDROPOWER PLANT PROJECT TO BE EVALUATED BY BANK OF CHINA

Bank of China has said it will evaluate its funding commitment to the Batang Toru hydropower plant project in North Sumatra after environmental concerns were raised. Bank of China has reassured environmentalists that they put great importance on corporate social responsibility, local regulations and environmental protection. Environmentalists have expressed their appreciation to the response and hopes that the bank will respond favourably to reconsider the project, which is set to be built on an orangutan habitat. The protested US\$1.6 million project will be developed by PT North Sumatera Hydro Energy (NSHE) in cooperation with China's Sinohydro.



HO CHI MINH CITY URGES SAMSUNG TO OPEN R&D CENTRE

Ho Chi Minh City wants Samsung Group to take advantage of the city's skilled human resources by opening a research and development centre there. Secretary of the Ho Chi Minh City Party Committee Nguyễn Thiện Nhân greatly appreciates Samsung's efforts to help improve the enterprises and quality of human resources in Vietnam, while General Director of Samsung Electronics Vietnam Choi Joo-ho also voiced his wish to continue receiving support from the city's leaders for further mutual benefit. Samsung has been working with the Ministry of Industry and Trade to support and help raise the capacity of Vietnamese enterprises.



LOTTE CHEMICAL TITAN PROVIDES ASSISTANCE OVER PASIR GUDANG POLLUTION INCIDENT

South Korean chemical company Lotte Chemical Titan Holding Bhd has provided assistance to help curb the chemical pollution incident at Pasir Gudang, Malaysia. Company president Lee Dong-woo has said that about 20 of its employees have been deployed to provide assistance. He added

that Lotte Chemical Titan has much experience in chemical incidents and is willing to help in the clean-up once the chemical that caused the pollution has been identified. The chemical incident has caused all 111 schools in the Pasir Gudang to close while 2,775 people in total have been affected as of 14 March.



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2. HP Sure Run is available on HP Elite PCs equipped with Intel® or AMD 8th generation processors.

3. HP Sure Recover with Embedded Reimaging is an optional feature that must be configured at purchase and is available on select HP Elite PCs. Not available on platforms with multiple internal storage drives or Intel® Optane™. You must back up important files, data, photos, videos, etc. before use to avoid loss of data.

4. HP Sure View integrated privacy screen is an optional feature that must be configured at purchase and is designed to function in landscape orientation.

5. HP Sure Click is available on most HP PCs and supports Microsoft® Internet Explorer and Chromium™. Supported attachments include Microsoft Office (Word, Excel, PowerPoint) and PDF files in read only mode, when Microsoft Office or Adobe Acrobat are installed.



KM EXCHANGE 2019 CONFERENCE 4 APRIL 2019 SECURITIES COMMISSION MALAYSIA, KUALA LUMPUR

mykmroundtable.org/2019-edition

The second edition of KM Exchange 2019 Conference will bring you in-depth explorations of innovative knowledge management practices and applications in a case study format followed by a peer assist around real KM challenges and issues. Taking place in an informal setting, this event is highly interactive to help you network and share among peers in KM.

EFFECTIVE COMMUNICATION IN A CRISIS SITUATION

4 APRIL 2019
NAWEM TRAINING CENTRE,
KUALA LUMPUR
nawem.org.my

A crisis can occur anywhere and anytime. Only planning, preparation, practice and training in managing a crisis, including how to effectively communicate with the various stakeholders can enable the organisation to deal with the situation effectively. Listen to M. Krishnamoorthy, a Media Relations Coach, HRDF Certified Professional Trainer and currently a full-time Professor with Xiamen University Malaysia share his insights and tips in an engaging and fun filled session.



SEACARE 2019
9-11 APRIL 2019
KUALA LUMPUR CONVENTION CENTRE
abcex.com

The 22nd edition of the Southeast Asian Health-

care and Pharma showcase is set to provide exhibitors and visitors with extensive and total coverage of the healthcare industry. Ranging from equipment and supplies to packaging machinery and clean room technology and more. It also provides full 3-day programs for end-users, trade visitors and others who are not afraid to get their hands dirty with practical workshops.

MALAYSIA SHARED SERVICES & OUTSOURCING WEEK

22-25 APRIL
PAVILION HOTEL, KUALA LUMPUR
ssomalaysia.iqpc.sg

Following 6 years of continuous success the 'Malaysian Shared Services & Outsourcing Week' is back for its 7th instalment. The event brings you the industry movers with practical case studies and solutions to the specific obstacles facing the industry today. Learn how to overcome the commercial, operational and HR challenges of the ever-growing and adaptive SSO industry.



SUPERFOOD ASIA 2019
24-26 APRIL 2019
MARINA BAY SANDS EXPO, SINGAPORE
superfood-asia.com

The inaugural Superfood Asia in Singapore will bring you the right profile of quality buyers and suppliers. Visitors to Superfood Asia represent the Healthy and Natural as well as Halal sectors of the Food & Beverage industries in the Asia Pacific region who come to source suppliers, to meet existing partners and gain knowledge about the industry.

BRAND MARKETING LEADERS SUMMIT SINGAPORE 2019

24-25 APRIL 2019
SUNTEC CONVENTION & EXHIBITION
CENTRE, SINGAPORE
forwardleading.co.uk

Asia's anticipated Brand Marketing conference is taking place, bringing along more than 100 senior brand marketers and digital strategists over 2 days of learning, networking and inspiration. The summit will gather together the most influential, knowledgeable and innovative brand strategists and marketers from the region and world to divulge the best content and insight to the attendees.

AWS SUMMIT SINGAPORE

11 APRIL 2019
SINGAPORE EXPO CONVENTION &
EXHIBITION CENTRE
aws.amazon.com/events

Amazon brings together the cloud computing community to connect, collaborate and learn about AWS in Singapore. Whether you are new to the cloud or an experienced user, you will learn something new at this immersive two-day event where art and technology converge. All topics will be delivered by subject matter experts from AWS, Partners or expert customers who can share their real-world experiences and lessons learned.



HKTDC INTERNATIONAL ICT EXPO
13-16 APRIL 2019
HONG KONG CONVENTION AND
EXHIBITION CENTRE
ictexpo.hktdc.com

With a gathering of over 600 exhibitors from

around the world, The HKTDC International ICT Expo serves to provide next-gen smart city and ICT solutions in one platform. Embodying the theme of "Smart City. Smart Living", this expo gathers various leading organisations to present Hong Kong Smart City Blueprint as well as advanced solutions and applications for smart cities.

CX FINANCIAL SERVICE INDONESIA

23-26 APRIL 2019
SHANGRI-LA HOTEL, JAKARTA
cxfinancialservicesindonesia.iqpc.sg

In a market that is growing more competitive, the consumer experience has become the foremost priority in differentiating one's product from the competition. The CX For Financial Services Indonesia Summit 2019 explores practical next steps towards accelerating digital maturity and how financial institutes can scale agility in their organisation through a series of impactful discussions to deliver excellent CX.



CHINA AUTOMOTIVE COCKPIT HMI SUMMIT 2019

15-16 APRIL 2019
SHANGHAI
clcc-sh.com

Automotive Human-Machine Interface technology is advancing rapidly to focus on safety, customization, and interaction without distraction. This summit will talk about HMI design & technology integrating driver distraction issues, strengthening business performance through excellent HMI solutions for different vehicle types and user groups. The summit adopts a variety of communication and learning methods and is committed to building an efficient communication platform for participants to jointly develop the automotive HMI industry.

Wiseyes Solutions

Sdn Bhd



Established since 2004

Wiseyes Solutions Sdn. Bhd. is a company that is rapidly growing in the Information and Communication Technology (ICT) Industry in Malaysia. The word "Wiseyes" is a combination of "Wise" and "Eyes". Thus, Wiseyes bring the meaning of having the insight knowledge and capabilities of foresight true knowledge.

Wiseyes Solutions ascension is driven by its young, dynamic and creative co-workers that collide together, forming over 10 years of experience in telecommunication and networking services. Following the trend of the industry, Wiseyes has ventured into application software (Apps) services. Equipped with Gen-Y mindset, we provide consulting services to our clients that are better suited for the current trend.

Dato' Sri

Vincent Gey Ka Hong

At Wiseyes Solutions, we stand to our motto which is "Keep It Simple". Our research and development (R&D) always focus on ease and friendly user experiences that provides productive & predictive functionalities customized to our client's requirements.

BY
JORDAN
LOW

GILLETTE HEATED RAZOR

G

illette debuted its brand new Heated Razor product via Indiegogo last year. When one asks how we can innovate shaving, adding heating was most likely not the first thing that came to mind. The Heated Razor has a metal, gold-coloured bar that heats up immediately, providing the user with what can be described as a hot-towel shave. Whereas competitors have gone with affordability and accessibility, Gillette has chosen to go in the complete opposite direction and provides a premium product for those looking for a luxurious shave.



ROYOLE FLEXIBLE QWERTY KEYBOARD

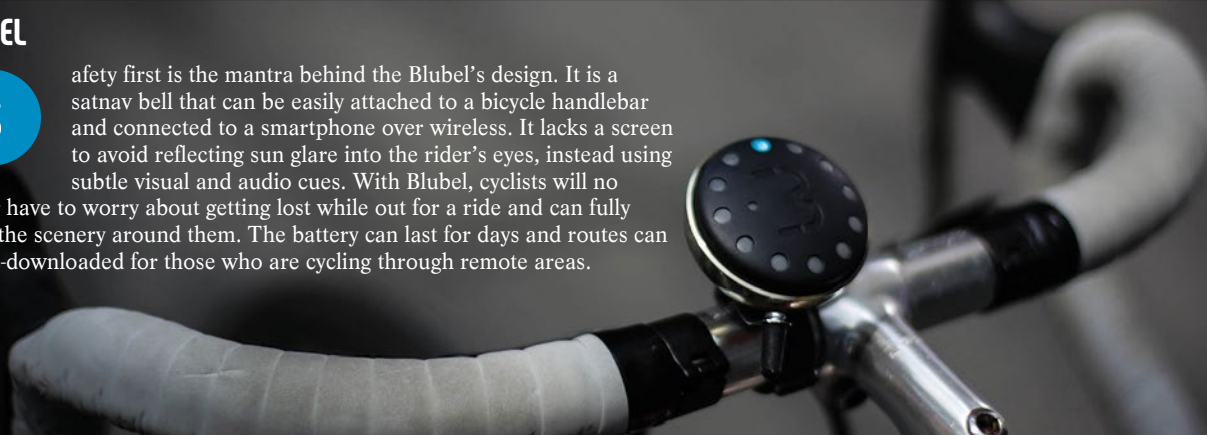
R

oyole is taking portable keyboards to the extreme with its new Flexible QWERTY Keyboard. Revealed at CES 2019, this keyboard is basically a transparent and thin layer of a sheet that features fully functioning QWERTY keys. Just place it on a flat surface and connect it to your devices via Bluetooth. Double-tapping a button on the keyboard will roll the sheet up into a neat and compact form. While it may not feel as good as a solid plastic keyboard, it will be hard to argue against its portability.

BLUBEL

S

afety first is the mantra behind the Blubel's design. It is a satnav bell that can be easily attached to a bicycle handlebar and connected to a smartphone over wireless. It lacks a screen to avoid reflecting sun glare into the rider's eyes, instead using subtle visual and audio cues. With Blubel, cyclists will no longer have to worry about getting lost while out for a ride and can fully enjoy the scenery around them. The battery can last for days and routes can be pre-downloaded for those who are cycling through remote areas.



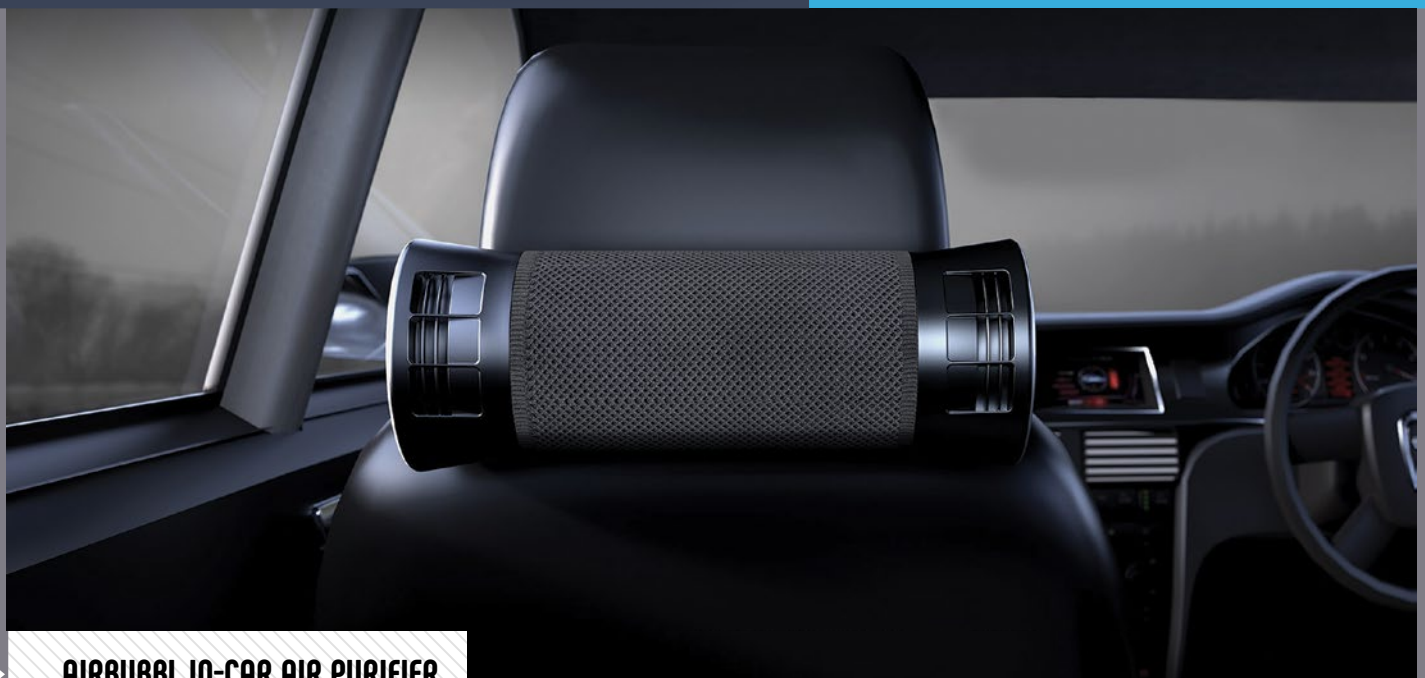
GOSUN FUSION SOLAR COOKER

Portable and Green is the name of the game when it comes to The Go Sun Fusion Solar Cooker. With its hybrid solar + electrical technology and vacuum tube oven, the Fusion is 5 times more efficient than the average oven, being able to thoroughly cook food using the same amount of energy to power a lightbulb. Additionally, the Fusion comes with an optional solar panel and power bank, granting users the ability to cook meals anywhere, from the backyard to lakeside camps in the wilderness.



ADOK

Several companies have been working on making a smart projector with varying degrees of success. The Adok smart projector on the other hand is working as intended. Adok can turn any flat surface into a touchscreen, projecting a 38 inch image, allowing for a wide variety of uses for office presentations and meetings. It has built in voice control to perform basic commands as well as a video camera for conference calls. The company claims that the battery can last for two hours. While currently only available in Europe, the company plans to expand to other markets in the near future.



AIRBUBBL IN-CAR AIR PURIFIER

According to Airbubbl, the amount of Nitrogen Dioxide inside our cars can be up to 21% higher inside compared to outside. At times, it can be even higher, the equivalent of passively smoking 180 cigarettes a year by just being stuck in traffic for an hour. The Airbubbl In-car Air Purifier is their solution. Despite its clunky look, this device can be easily attached to the rear of a headrest and linked to a smart device via an app. With its patented airflow design, it can efficiently filter out unwanted particulate matter such as dust, pollen, bacteria, PM2.5 and PM10.

ONE BELT ROAD DESTINY

SIX YEARS DOWN THE BELT AND ROAD INITIATIVE

BY
ONG HIANG
HONG





"THE BELT AND ROAD INITIATIVE IS NOT JUST ABOUT BUILDING INFRASTRUCTURE OR EVEN SOWING ECONOMIC COOPERATION. RATHER, AS PRESIDENT XI MADE CLEAR DURING THE 2017 FORUM, CHINA CONSIDERS THE PROJECT NOTHING LESS THAN A MEANS TO "IMPROVE THE GLOBAL GOVERNANCE SYSTEM" AND TO BRING FORTH A "COMMUNITY OF SHARED DESTINY."



In 2013, the Chinese government launched a development initiative the likes of which had never been seen. The Belt and Road initiative, launched by

President Xi Jinping, envisions a network of overland and maritime trade routes, echoing the ancient Silk Road.

The Belt and Road involves Chinese investment in transport infrastructure across more than 60 countries, including 65 per cent of the world's population and 40 per cent of global GDP. It addresses a gap in infrastructure, which are obstacles to trade and economic growth in these areas of the world.

Therefore, the Belt and Road promotes huge new investments in new roads, railways and ports while facilitating access to vital capital, goods and services, especially to emerging economies that have benefited little from post-Cold War globalisation.

However, six years on, the Belt and Road has run into several obstacles of its own. Experts note that several countries have become wary of China's designs on the Belt and Road, worrying about 'debt-trap diplomacy' and Chinese political pressure. Furthermore, the Belt and Road initiative so far seems to be scattered and opportunistic, rather than part of a well-implemented grand design.

But these fears have yet to materialise. The Belt and Road has already started in full swing, with more than 80 Chinese state-owned enterprises undertaking over 3,100 Belt and Road projects. The sheer scale of the Belt and Road even at this early stage already eclipses any other multilateral development initiative over the past decade.

TRADE FOR ALL AND WITH ALL

During the Han Dynasty, circa 100 BCE, Chinese goods were already traded with the Roman Empire. This lucrative trade was the target of bandit raids. The Han emperors subsequently dispatched generals to quell the bandit raids, across the Pamir Mountains to the shores of the Caspian Sea and the borders of Parthia (now north-eastern Iran). Thus, the Silk Road was inception.

In modern times, the concept of a new Silk Road was envisioned by President of China, Xi Jinping. A new economic land belt will link Europe with Asia, across countries located on the

ancient Silk Road through Central Asia, West Asia, the Middle East and eastern Europe. A maritime road will also link China's port facilities with the African coast, pushing up through the Straits of Malacca, through the Indian Ocean and the Suez Canal, into the Mediterranean.

Unlike the Silk Road of the emperors, the Belt and Road will not involve military power. Instead, there will be vast sums of investment in infrastructure to connect China to the rest of Eurasia and the world.

Chinese banks have already invested up to US\$250 billion in approximately 60 countries in infrastructure projects such as ports, pipelines, railways, highways and factories throughout Southeast, South, and Central Asia. The China Development Bank has announced plans to invest US\$900 billion in coming years. China has also dedicated the US\$40 billion Silk Road Fund to financing the initiative. In addition, the newly formed Asian

Infrastructure Investment Bank (AIIB) will also—but not exclusively—finance Belt and Road projects.

At the policy level, China hopes to facilitate better coordination of logistics and customs clearing processes, and reduce barriers to trade and the international use of the Renminbi. Ultimately, China hopes to reduce transit times, tariffs and costs associated with ground transportation across the whole of Eurasia, and diversify its options regarding seaborne trade.

The initiative also marks a transition for China toward a more proactive foreign policy that seeks to influence the character of its broader environment—something the US has been engaged in for decades, but which is a new development for China. Chinese policymakers and commentators have been using the Belt and Road initiative as an opportunity to articulate what a Chinese version of proactive foreign policy looks like.

This foreign policy also entails a new, Sino-centric view of world trade, which seeks not to supplant, but to complement the existing liberal trade order. While many of the principles associated with this initiative would look agreeable to American proponents of a liberal order—"open," "inclusive," "win-win"—there has been a rhetorical effort among both government officials and experts in China to differentiate the Belt and Road from US foreign policy approaches.

The principal differentiation put forward by the Chinese side is that the Belt and Road is not China's Marshall Plan. Unlike the assistance given by the US to Europe after the Second World War, the Belt and Road initiative is not a rebuilding project. Rather, the Belt and Road and its associated institutions look to satisfy infrastructure demands that are not being met by any existing initiatives or institutions.

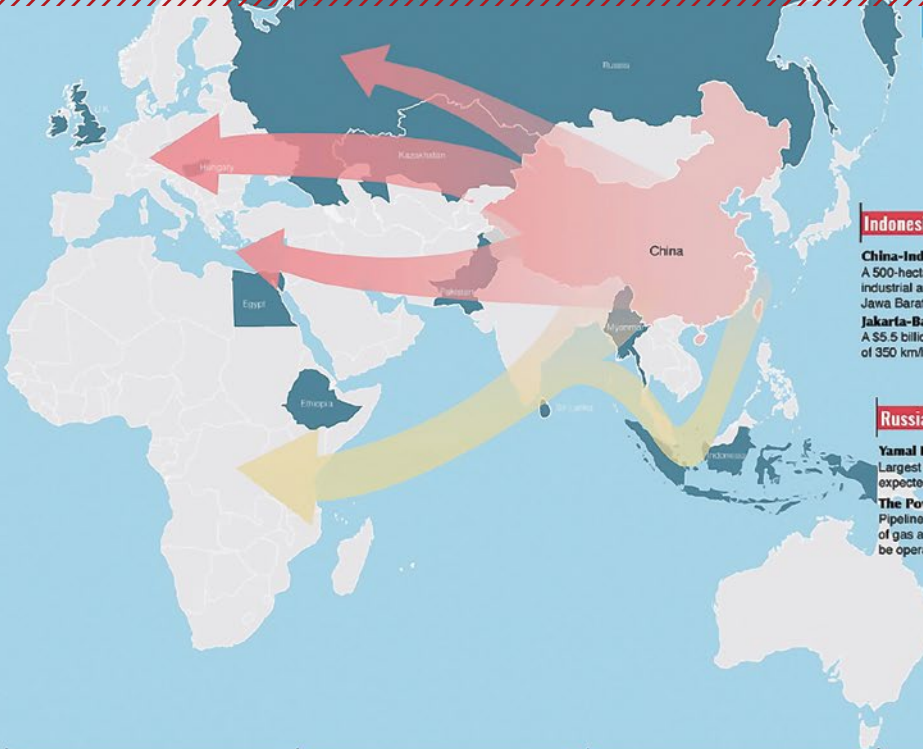
And unlike the Marshall Plan, the Belt and Road is not based on participation in military alliances. Beneficiaries of the Marshall Plan became members of the North Atlantic Treaty Organization (NATO), while China administers the Belt and Road initiative on Westphalian principles, meaning domestic affairs are off-limits and the





Belt and Road's Global Reach

The Belt and Road initiative involves the construction of roads, railroads, ports, oil and gas pipelines, power plants, telecom facilities and much more. Here is a sampling of recent projects in a few countries along the initiative's new trade routes involving Chinese companies working alongside local partners.



Hungary

Budapest-Belgrade High-Speed Railway
Expected to cost \$2.8 billion and take two years to complete.

Ethiopia

Ethiopian Transmission Project
A \$1.46 billion power project completed in December 2015.
Addis Ababa-Djibouti Railway
A \$4 billion, 753 km line that cuts intercity travel time to 10 hours from seven days.

U.K.

Clover Wind Project
China General Nuclear Power purchased an 80% stake in three onshore wind farms with installed capacity of 72 MW in 2014.
Hinkley Point C Nuclear Power Station
An £18 billion (\$23 billion) plant with investment from China General Nuclear Power and France's EDF due for operation in 2025.

Egypt

Egypt Transmission Project
A \$758 million transmission line covering most of the Nile River Delta, due to be finished in 2018.
Suez Trade Zone
Home to 58 enterprises and 2,000 employees, with total investment of \$510 million.

Sri Lanka

Colombo Port City
Sri Lanka's largest foreign-investment project with first phase attracting \$1.4 billion.
Hambantota Port
Completed in 2011 with a total construction cost of \$1.5 billion, the port has eight 100,000-ton container terminals.

Indonesia

China-Indonesia Trade Zone
A 500-hectare economic zone and 120-hectare industrial area launched in 2013 in Bekasi, Jawa Barat.
Jakarta-Bandung High-Speed Railway
A \$5.5 billion, 150 km rail line with a top speed of 350 km/hour started in 2016.

Pakistan

Haier-Ruba Economic Zone
The flagship project of the China-Pakistan Economic Corridor.
Karot Hydropower Project
A \$1.65 billion project with a 720 MW capacity expected to be operational in 2020.
Peshawar-Karachi Highway
A 1,152 km highway with first 400 km expected to be finished in 2019.

Russia

Yamal LNG
Largest Sino-Russia project with first phase expected to be operational in 2017.
The Power of Siberia
Pipeline that will provide 38 billion cubic meters of gas a year to China for 30 years, expected to be operational in 2018 or 2019.

Myanmar

China-Myanmar Oil and Gas Pipelines
A 2,000 km network linking Myanmar's southwest coast with southwest China.
Mylsone Hydropower Station
Being reassessed after 2011 suspension.
China-Myanmar Railway
A 10 billion yuan (\$1.45 billion), 1,920 km line, started in August 2016, linking Kunming and Yangon.

Kazakhstan

Southern Natural Gas Pipeline
A 1,452 km pipeline, finished in April 2017, which provides gas to southern Kazakhstan and will provide 5 billion cubic meters of gas a year to China.
Mangstau Photovoltaic Power Station
A 5-MW photovoltaic power station under construction.

Source: Compiled by Caixin based on public documents and media reports

nominal equality of all nations is the organizing principle.

While the programs clearly aim to raise China's standing as an international actor, the main drivers for these initiatives are very concrete economic considerations. At the same time, the Belt and Road initiative is also a public product of international cooperation. Through joint development of an integrated international market among the regions, relevant countries can create business opportunities, integrate international resources, stimulate the vitality of international markets, and maintain global trade liberalization in a more effective way.

NOT ALL ROADS ARE PAVED WITH ROSES

Six years on from President Xi's announcement, the Belt and Road project has made good progress.

First, a consensus has been reached at the governmental level with a large number of countries. President Xi and Prime Minister Li Keqiang introduced the idea, framework, and approaches during their official visits to many countries along the Belt and Road. By the end of 2016, more than 100 countries had expressed their support for and willingness to participate in the building of the BRI project, and 39 countries and international organizations have signed 46 agreements with China for this.

Second, on the practical level, major progress has been made on improving infrastructure connectivity in that many projects on the construction of railways, energy pipelines, and electricity have been initiated or implemented.

Third, multiple frameworks of financing mechanisms have formed to provide support for the BRI. The aforementioned AIIB and the Silk Road Fund are operational. The RMB was successfully integrated into the Special Drawing Right (SDR) basket.

Despite this, the Belt and Road initiative has not escaped criticism. Domestic and international opposition to the initiative has mounted in the years since President Xi announced the initiative.

Commentators within China have expressed concerns about wasteful spending and overstretch. Several governments that were initially enthusiastic about Chinese investment have faced popular backlash to the terms of the loans and the potential for corruption.

Resistance to the Belt and Road first became apparent in 2015. That year, Indonesia and Thailand both discontinued high-speed railway projects that China had underwritten because of differences with Beijing over financing and land acquisition. In 2017, Bangladesh decided to work with Japan—rather than China, as it had initially agreed—to build its first deep-water port.

Then Sri Lanka's Hambantota port ran into trouble. The government of Sri Lanka had borrowed heavily from China to build its port, and by the end of 2017, the port had failed to pull in traffic. Sri Lanka could not pay its debts. Consequently, the Sri Lankan government decided to cede the port to China for 99 years. The transfer sparked worldwide alarm about Beijing's strategic intentions, along with allegations that China was setting a 'debt trap' for smaller countries, which would fall increasingly under its control. The Maldives, Myanmar, Pakistan, and Sierra Leone soon raised concerns about their own Belt and Road projects and began to reconsider the scale and scope of their cooperation with China.

THE REAL LONG-TERM PLAN

However, China's leaders appear undaunted, not least because the change in international perceptions did not come as a surprise to them. To the contrary: Beijing anticipated a backlash from the start. Chinese experts already envisaged many potential stumbling blocks, including the Belt and Road countries' complex socio-political environments, with which China was not always familiar; the possibility of local conflicts or terrorist attacks stemming from the project or targeting its investments; and the criticism that would likely emanate from both jealous great powers and reluctant recipient countries.

The stalled projects that have drawn attention recently are only part of the story. According to official Chinese sources, during the past five years more than 80 Chinese state-owned enterprises have undertaken over 3,100 Belt and Road projects. Even accounting for some inflation of those figures, the sheer scale of the Belt and Road dwarfs the number of failures that have come to public attention.

And some of the countries that put projects on hold in 2017 have already come back to the negotiating table: Nepal did so after a new government came to power in early 2018; Malaysia has confirmed that its Belt and Road projects will go on; and Myanmar intends to allow the Chinese to develop its Kyaukpyu port project, even if on a more modest scale than initially imagined.

The Belt and Road's current political difficulties shouldn't necessarily be looked at as an indicator of its future potential. The Chinese leadership is taking a long-term view of these investments, and are willing to exercise patience in seeing the full potential of the Belt and Road realised. By 'long-term', the Chinese government means a timescale spanning 30, 40, or even 50 years—as opposed to the five or 10 years that Western governments work with.

WHAT CAN WE EXPECT IN 2019?

Following the inaugural Belt and Road Forum for International Cooperation held in 2017, a second Belt and Road Forum will be held in late April 2019. The Forum will be the next touchstone for the initiative, and will likely see the next stage of implementation for the Belt and Road.

The Forum will provide an opportunity to take stock of the Belt and Road initiative six years on and lay out a new roadmap for the coming years. While President Xi waxed lyrical in his speech about the old Silk Road, the ultimate aim of the Forum was to garner the world's attention and goodwill for the nascent Belt and Road project. As a result, it was short on details and long on high level, ambitious statements.

Now that the Belt and Road initiative has matured somewhat, the second Forum should focus more on implementation of the initiative, and to include more of 'we have done this' and 'we will do this'. At the same time, the Belt and Road initiative has been increasing its geographical scope by shifting its focus from the historic Silk Road region

to the entire globe. Chinese policy makers have also been setting increasingly ambitious goals for the initiative: from economic development to constructing a community of “shared destiny for all mankind”.

Furthermore, there has been a growing appetite from business, both domestic and international, to tap into the commercial opportunities offered by the Belt and Road. The sheer scale of the Belt and Road initiative mean that there is plenty of scope for Western organisations to get a slice of the pie. For example, Western banks have also been betting big on the Belt and Road initiative. HSBC, Citigroup, and Standard Chartered have each announced senior appointments for Belt and Road Initiative-related banking and origination businesses.

With this, greater transparency measures should also be announced at the next Forum. This is in response to the high-profile criticism and cancellations/postponements of Belt and Road projects in host countries. This will not only align the Belt and Road initiative with current international standards, but also burnish its PR credentials with countries and organisations eager to participate. The Forum should also promote thorough risk assessments for Belt and Road programs, including financial, social, and environmental risks.

Ultimately, the Belt and Road initiative is not just about building infrastructure or even sowing economic cooperation. Rather, as President Xi made clear during the 2017 Forum, China considers the project nothing less than a means to “improve the global governance system” and to bring forth a “community of shared destiny.” Ultimately, the Belt and Road initiative is not just about building infrastructure or even sowing economic cooperation. Rather, as President Xi made clear during the 2017 Forum, China considers the project nothing less than a means to “improve the global governance system” and to bring forth a “community of shared destiny.”

But the Belt and Road is also a laboratory for China’s newfound clout in foreign affairs. China’s paramount leader, Deng Xiaoping once said that such a grand undertaking would be “crossing the river by feeling the stones”, i.e. one step at a time. Because this is the first initiative Beijing has undertaken on such a grand scale, the Chinese government understands that time and effort may be required for both the party and the outside world to adapt.

The post-World War II international order has been predicated on following the norms and values promulgated by the West, which—fairly or not—have excluded much of the developing world from meaningfully participating in the international community. China’s vision of the future takes a more inclusive view, predicated on participation in shared economic development. This is what the Belt and Road project is about—China projecting its vision of a fair and equitable world order. SME







BY
ONG HIANG
HONG

SUB-SECOND LATENCY STREAMING: CHANGING THE VIDEO LANDSCAPE



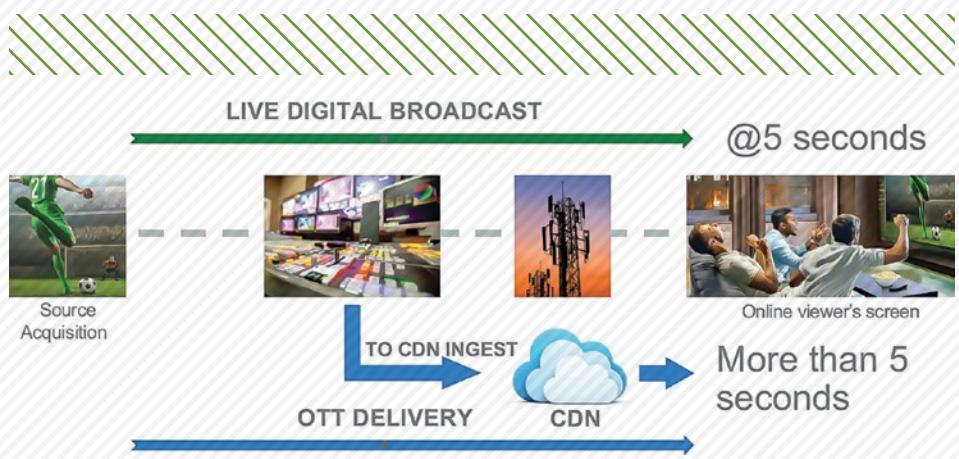
ive streaming is attracting viewers online to watch major sports events, play games, participate remotely in educational opportunities, and bid at live auctions. But today, the latency of online video stream delivery is typically too long to provide the viewing experience users expect, resulting in unhappy viewers and lost revenue.

Fortunately, new live streaming technology makes it possible to deliver live streams in less than a second, enabling exciting new experiences that engage viewers in multiple ways. For organizations that need to distribute live streams, it's about

increasing audience size and revenue. For viewers, watching streams in real time with interactive data integrated with the live video enables new possibilities for how they can interact with you and each other.

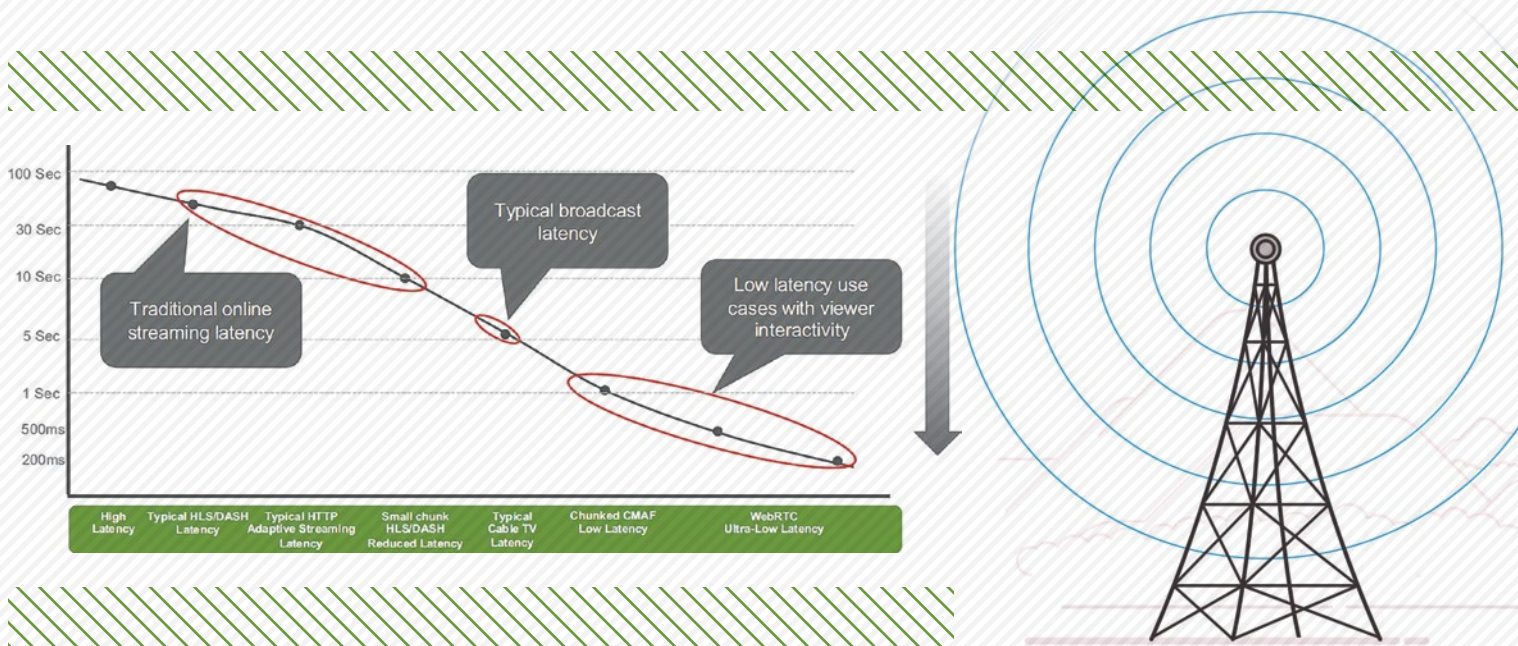
DEFINING LATENCY

Before talking about sub-second latency streaming, it's important to define how latency is measured. Due to the complexity of live streaming workflows, a definition that comprises all the workflow elements will allow fair comparisons between different technologies. For the purposes of this brief, streaming latency is defined as the amount of time it takes for video to travel from the live source acquisition to an online viewer's screen. The below diagram shows a complete live streaming workflow. Although the elements of a traditional television broadcast workflow differ from online streaming, latency is still measured as the time delay between live source acquisition and delivery to the viewer's screen.



THE STREAMING LATENCY CONTINUUM

There are many different live online streaming use cases, each with its own requirements for delivery latency. For reference, the below graph shows the typical latency of traditional chunked HTTP streaming formats and broadcast TV via cable along with the low latency delivered by other streaming technologies.



CHALLENGES DELIVERING SUB-SECOND LATENCY LIVE VIDEO

The internet wasn't originally designed for streaming live video. To address this limitation, HTTP-based live streaming formats such as HLS and MPEG-DASH were developed to allow live internet streaming using the TCP/IP protocol. Video streams are encoded in segments (or chunks) that are delivered to the receiving application and then buffered before being played.

This allows the playback application to accommodate the inherent potential delay in the transmission of live video over the internet by buffering (or storing) the video before it is played. The typical stream latency of 30 seconds to over one minute is due to the amount of video that is typically buffered. While it's possible to reduce the size of the buffer chunks to minimize the delay, making them too small increases the chance viewers will experience video rebuffering and other playback issues. To deliver live streams at the latencies required for the use cases discussed above, several new technologies are being tested and deployed by Content Delivery Networks (CDNs).

SOLVING LOW LATENCY DELIVERY CHALLENGES

One approach for delivering lower latency live HLS and DASH video streaming is to reduce the chunk sizes to minimize the amount of video that is buffered before playback. If chunk sizes are reduced to one or two seconds, the total resulting latency will be in the 6-10 second range, which is

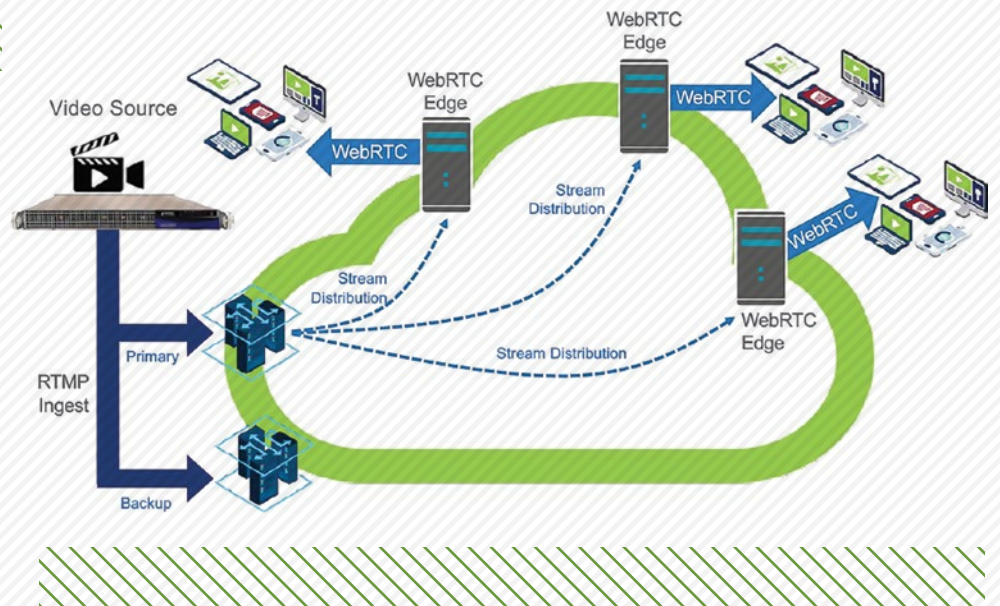
close to the latency of broadcast cable delivery. Deploying this solution for a major sports event with a large traditional TV broadcast and online viewing audience would mitigate the potential spoiler issue where a viewer watching online receives a text from a friend viewing the TV broadcast about an amazing play they haven't seen yet due to online latency.

Another current industry approach for reducing latency with chunked streaming is the use of the Common Media Application Format (CMAF). The original goal for the development of CMAF was the ability to create a single encoding that could be used to deliver both HLS and DASH video. However, CMAF also provides a low latency mode where media segments can be divided into small chunks which can be streamed, downloaded, and played even though the entire segment has not been delivered yet. This can reduce live streaming latency to as low as 1 to 2 seconds.



TECHNOLOGIES FOR SUB-SECOND LATENCY STREAMING DELIVERY

One technology that is gaining significant traction for sub-second streaming is Web Real-



Time Communication (WebRTC), originally released as open-source by Google in 2011 to enable sub-second latency communications between browsers. Many of the initial implementations of WebRTC were peer to peer video chat applications, such as the Google Hangout capability. There are WebRTC-based solutions being developed for distribution of low latency live video. Some use Peer to Peer connections between clusters of viewers to enhance content delivery. Content is automatically accessed from other end-user devices using the WebRTC protocol.

The idea is to offload bandwidth and the associated cost of content delivery by shifting some of the content distribution to end-user devices. Potential challenges with this solution are its critical dependency on having the right mix of peers who are viewing the same video across regions and ISPs, and the fact that no guarantees can be offered about performance and video quality. Other WebRTC streaming solutions are based on a cloud model where live source video streams are converted to WebRTC at the edge of the network.

To leverage WebRTC's sub-second latency to support large global audiences, Limelight Realtime Streaming deploys an edge compute model that distributes ingest streams to edge servers in CDN Points of Presence (PoPs) around the world where they are duplicated and scaled to support large numbers of viewers. By leveraging the CDN's global capacity, this architecture easily scales to provide sub-second real time streaming to

viewers everywhere in the world.

Another significant capability available in Limelight Realtime Streaming is the ability to share bidirectional data. This sharing of integrated data along with video allows content distributors to develop their own creative ways to use data as part of live video workflows. For example, viewers watching live sporting events could receive statistics about their favorite players and even vote on their favorite plays or choose which camera angle they would like to view. Gamers can have an integrated chat channel with their video, and online auctions can be streamed along with the ability for viewers to bid on items in real time by hitting a button. These interactive capabilities open many new business opportunities.

IT'S NOT JUST ABOUT LOW LATENCY

Viewers have come to expect high-quality online viewing experiences. This means a sub-second latency solution must be as robust as today's global HLS and DASH chunked delivery infrastructure, providing the same levels of resiliency, redundancy, security, and global scale. Audiences expect a broadcast quality experience from online video. Adaptive Bitrate Streaming (ABS) enables delivery of the highest possible picture quality to each viewer, even over changing

network conditions, ensuring the best possible online experience.

With adaptive streaming, the source video is encoded in multiple bitrates and resolutions. When a viewer plays the video, the highest possible picture quality that is supported by the viewer's network connection will be streamed. If conditions change and video is streamed at a slower rate, the adaptive player will request a lower bitrate encoding to avoid rebuffering. Similarly, if network conditions improve, a higher quality encoding will be requested. Adaptive bitrate streaming ensures viewers receive the highest picture quality and the lowest rebuffer rates by adapting to the speed of the user's internet connection.

Consumer demand for low-latency live video streaming is growing. With multiple solutions being developed to deliver low latency streams, it's important to understand the characteristics of the different technologies and how they can support your specific use case. In addition to reducing the delay in live video streams, new capabilities are being developed that change the live viewing experience. Probably the most significant, based on potential new revenue opportunities, is the ability to integrate real time data with live video to create interactive experiences. As with every commercial streaming video service, monetization is critically important, and the new business models enabled by interactivity will provide additional revenue opportunities. 

SERIOUS BUSINESS FOR PRIVATE TUTORING

BY
ONG HIANG
HONG



E

ducation is the great equaliser, opening doors of opportunity for all. An educated society is also wealthier, healthier, and more caring.

So the formula for modern education involves educating all, regardless of background. While it is a laudable goal, the result is overcrowded classrooms as a result of lack of teachers.

This phenomenon also happens in international schools, even though parents spend a fortune sending their children to such schools, in hope of a better education.

It frequently results in the student getting less attention from teachers, which may be detrimental to their academic development.

To address this issue, Steven Shorthose – an educator of more than 20 years’ experience – started INTuition Tuition Centre in Mont Kiara, Kuala Lumpur in 2018. It is designed as a one-stop education centre with the goal of providing holistic education to students. Shorthose saw a niche in the market, which inspired him and his partners to start INTuition.

He says: “We found there’s a gap in the tuition market. There are lots and lots of very small tuition centres everywhere. There is no market leader, no standard setter for

tuition centres. We spent quite a lot to make our facilities bespoke, to bring it up to an international standard.”

In neighbouring Singapore, tuition centres are exploiting the concerns of exam-obsessed parents that want their children to excel academically. Gavin Ng started Gavin’s Tuition in 2015 after a career as a private tutor, which strives to help students excel in school as well as enjoy the learning journey in a conducive environment, without fear of failure.

However, when the Singaporean Ministry of Education announced last month that it would be reducing the number of examinations for students in primary and

secondary schools, Gavin's Tuition quickly surveyed some of its students' parents to find out what they thought of the move.

Over 130 parents responded. While they appreciated the ministry's move to reduce stress on students, an overwhelming majority (90 per cent) said they were concerned this would make it harder for them to assess how their child was doing in school.

The reduction of mid-year examinations would not provide them with a true gauge of the child's academic performance in the earlier part of the school year, and they feared that it would lead to a 'nasty surprise' at the year-end examinations, said Ng. He adds that: "Parents whom I have spoken to are largely in favour of keeping the centre's in-house mid-year and end-of-year examinations, which are set by its tutors, even though the schools are removing such examinations for certain levels."

But assessments aside, some tuition centres said they have long embraced different teaching approaches in response to changes in the education landscape over the years.

INtuition's Shorthose feels that as international schools become more corporatised, the relationship between teacher and student is becoming less engaged. Teachers have to deal with larger groups of students every year, thereby reducing the individual engagement that students need to develop. Shorthose wants to remedy this by giving back to students the community and grassroots element missing from corporate teaching.

"What we want to do is also marry that with people who are really good at teaching. We want to make sure that they are up to the standards that we set," continues Shorthose.

Nevertheless, the demand for examination tuition is there. To capitalise on the lucrative industry, tuition centres have mushroomed in urban centres. Franchising is a common strategy for tuition centres to open new branches and attract new students. For example, Gavin's Tuition has seven centres around Singapore, located near MRT stations for easy access.

But as concerns over examination pressure on children are beginning to worry parents, tuition centres have responded by altering their lesson plans. Ng said Gavin's Tuition is piloting a series of classes, known as "stress-free learning programmes" which focus less on drilling and more on experiential lessons, such as learning about robotics and coding.

Besides that, tuition centres are also starting to offer courses which ordinary schools do not teach. For example, INtuition is the first private tuition centre in Malaysia



mandated to offer Chinese Proficiency Test (HSK). Through a partnership with the Chinese government and its sponsorship, teachers from China will assist students at INtuition to prepare for the test.

Shorthose says: "With the HSK, people can come in from all ages, from four to forty, and learn Mandarin, take the exam, and improve their CV. And improve their social skills as well. I think everyone's quite proud to show somebody that we know a little bit of their language," Shorthose continues. "We will be an examination centre for the HSK as well, so that is something to look forward to. To just say that we are affiliated and working with the Chinese government is absolutely amazing," he says.

However, with the sheer amount of tuition centres out there, competition is fierce.

But Shorthose believes that word of mouth is still the best way of marketing. He says: "You can advertise on Facebook, you can be in the newspaper, but when people have positive experiences of you, and they tell somebody else of that personal experience, that is the most powerful thing out of everything."

"Parents today are very happy to pay for their kids, but if they don't get what they want, they'll walk away. They don't mess about, they're not gonna be pushed around. If you don't cater to exactly what parents want, you're gonna be left behind," Shorthose further elaborates.

Gavin Ng further adds: "We have to make a difference. One parent has said that his son's attitude towards learning has changed for the better since he started attending tuition here. Our teaching techniques not only helped his son academically, but made him realise the importance of time management and one's willingness to learn."

With parents' focus on academic excellence a never-ending event, tuition centres are here to stay. But simply coaching students to score As is not enough. As shown, it takes more than knowledge to be a good teacher - it also takes empathy and business sense to run a private tuition centre. SME



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*CHAROEN
SIRIVADHANABHAKDI*

A FORTUNE IN BREWING

"IN 1988, CHAROEN, WHO WAS FORMERLY KNOWN AS KHUN CHAROEN, WOULD BE GIVEN THE GREAT HONOUR OF RECEIVING THE FAMILY NAME OF SIRIVADHANABHAKDI, WHICH WAS GRANTED TO HIM BY THE KING OF THAILAND."

A

Alcoholic beverages have been a part of human history for as long as we have recorded it. Nearly every civilization has independently discovered the processes of brewing beer, fermenting wine and distilling spirits. The consumption of alcohol is so widespread, an entire culture of drinking was developed, almost uniquely to each individual civilization.

The culture of "social drinking" refers to the casual drinking of alcoholic beverages in a social setting without the intent of becoming intoxicated. Today, social drinking has become commonplace for celebrations, no matter how big or small, to involve alcoholic beverages. Anything ranging from popping open a bottle of wine to celebrate an important holiday to cracking open a beer with friends when your favourite football team scores a goal, people have always found ways to make alcoholic beverages a part of our lives.

We know what it is like to enjoy a refreshing drink of liquor. However, what would it be like to be the founder of one of the largest beverage companies in Southeast Asia? You would probably think you were living every man's dream no doubt. Enter Charoen Sirivadhanabhakdi, the founder of Thai Beverage and the chairman of conglomerate TCC Group and Fraser and Neave, Ltd (F&N). In this issue of SME, we are covering the life of the Thai billionaire and how he went from being a humble son of a street vendor to one of the world's wealthiest beverage magnates.

PICKING THE INGREDIENTS

Charoen Sirivadhanabhakdi was born on 2 May 1944, being the sixth of eleven children born to a poor street vendor. Like most of Thailand's tycoons, Charoen is ethnically Chinese, his father having migrated from Shantau in the south of China to Bangkok, Thailand. He left school early, at the age of nine, to find work and help support himself and his family.

After years of building connections and gaining experience, Charoen's hard work eventually paid off. Eventually, he would then start a trading business, and began supplying products to a distillery producing Thai whiskey, whose production was a government-run monopoly at the time. Through his business, Charoen was able to further develop his connections and understanding of the beverage industry.

This would result in the most significant move he would make in his entire career, acquiring a license to create his own alcoholic drinks, thus becoming a distiller in his own right. Despite only being allowed to produce 15 per cent of the market, in actuality, this was a massive achievement considering that the state owned all production of liquor at the time. It would not be until 1985 that the remaining 85 per cent of the market would be open for bids.

*"AS A CHILD,
I SAW MY
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(CRISPY PAN-FRIED
MUSSELS IN EGG
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EVERY DAY, YET
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TO THOSE WHO
HAD HELPED AND
CARED FOR US."*

Charoen would not let such a lucrative opportunity slip by him. When the remaining licenses were open for bidding, Charoen put forth his massive stocks of alcohol as collateral to borrow a loan of US\$200 million, which allowed him to win all the concessions. Like a verse straight out of Sun Tzu's 'Art of War', in a single decisive stroke, Charoen had a complete monopoly over liquor production in Thailand. In two years, his companies returned US\$550 million as royalties to the Thai excise department, which consisted 5 per cent of the national budget.

In 1988, Charoen, who was formerly known as Khun Charoen, would be given the great honour of receiving the family name of Sirivadhanabhakdi, which was granted to him by the King of Thailand. He was decorated several times after this receiving the Knight Grand Cordon special class, first class, The Knight Commander Second Class Lower Grade and The Knight Grand Cross First Class royal honours.

BREWING GREATNESS

Charoen continued his liquor production business under his business vehicle, Thai

Charoen Corp (TCC). Charoen's beer story would start later in the 1990s, when the Thai government liberalised the beer market. With a growing beer market in Thailand, foreign interest began to rise, seeking to penetrate the new market with their own products.

Danish brewer heavyweight Carlsberg sought out Charoen for a collaboration in 1991. Carlsberg's intent was to bring in a competing product to the Singha beer produced by Boon Rawd Brewery, which at the time had a solid grip on the Thai market. Charoen would agree to the collaboration under the terms that Charoen's brewery would make Carlsberg and the sales as well as marketing networks would be used for his Thai whiskey.

Sensing a new opportunity, Charoen utilised the knowledge gained from his dealings with Carlsberg and within three years, he began producing his own brand of beer, benefitting him and his company greatly. The new product was named Chang, which translates to 'elephant' from Thai. Compared to Singha, Chang beer was a cheaper yet stronger alternative that was heavily marketed, especially towards working-class Thais which resulted in strong sales within rural areas.

Charoen's effective marketing strategies allowed Chang to take advantage of Singha's complacency, especially during the Asian financial crisis of 1997 which affected Thailand particularly hard. Within five years, Charoen was able to cover 60 per cent of the local market. By 1999, Chang with its 'cheap and good' marketing, was able to overthrow Singha within the beer market and maintained its position for several years.

Not everything was smooth sailing however. Due to Chang's dominance in the market, Carlsberg would eventually withdraw from the joint venture in 2003. Charoen sued the Danish company after a dispute with a brewer he controlled that was finally settled in 2005 and led to him gaining US\$120 million.

Charoen would end up in several more prominent controversies in the early 2000s. One such scandal involved the former military general and prime minister of Thailand, Prem Tinsulanonda, who helped the company gain the monopoly it had over the liquor industry through the restructuring of contracts in order to reduce the "burdens" Charoen had to pay.

During the 1997 Asian financial crisis, Charoen was also accused of utilising political connections as a means of expanding the liberalisation of the alcohol market by rescuing hundreds of struggling companies that were affected by the financial downturn. These companies that he assisted had political ties, thus exploiting the crisis by purchasing land and



property at low prices while increasing his own political ties and influence.

TO NEW HORIZONS

With his new capital, Charoen would eventually branch out into property with the establishment of TCC Land Co Ltd., a company involved in property development that became one of the largest in Thailand. This new venture invested heavily into retail, hospitality and residential areas. Over time, even more markets would be added to the company's purview, including property management, logistics and agro-business.

His property project has caused Charoen to become the largest landlord in the country, having three times more than the second largest landowner in Thailand. Aside from the properties owned in the country, Charoen's land arm also controls property funds in Singapore and has interests in investing in the US, UK, Australia, Japan and other countries in Southeast Asia.

His next major business move would be to acquire Singapore-based Fraser & Neave Ltd in 2013. After winning the bid, Charoen was granted access to vast lots of properties throughout Singapore as well as operations within the soft-drinks market. He had finally expanded his business into every beverage. With the patience and tenacity he acquired over his 50 years in the industry, Charoen's stubborn determination and acute business acumen won him a place as a significant player within the region. With an estimated net worth of US\$14 billion at 74 years of age, Charoen is still on the rise despite becoming increasingly hands-off over the last decade.

KEEPING A LOW PROFILE


Charoen has made an effort to keep the media away from his personal affairs. Though he has credited much of his success to his wife, Khunying Wanna who helps him run the empire. Charoen is still top dog at TCC group, but day-to-day operations of the various business segments are now in the hands of his five children and their spouses.

Thapana, Charoen's third child and elder son, handles the food and beverage business as chief executive of Thai Beverage. The property business TCC Land is headed by Charoen's second daughter and her husband, while development projects such as the multibillion-dollar One Bangkok complex is being overseen by his younger son, Panote.

The Southeast Insurance and Finance Group, TCC's financial arm, is under Charoen's eldest daughter and her husband.

Trading house Berli Jucker, which acquired the Big C supermarket chain, is headed by Aswin Techajareonvikul, the husband of Charoen's third daughter.

During a rare interaction with the media, Charoen told Forbes the following: "As a child, I saw my parents making preparations for their hoi tod (crispy pan-fried mussels in egg batter) store from before dawn until midnight every day, yet still made time to teach their 11 children to be diligent, responsible and grateful to those who had

helped and cared for us. If I could turn back time, I would like to create a right balance in life. I think I have done better than in the past by dedicating some time to looking after my health and my quality of life. My wife always reminds me of the following truths in life: Health is your own; money belongs to others; power is temporary; and reputation is eternal. That is why I teach my children to find the right balance between working to build up business and maintaining good health". 



OUTWARD BOUND

SHAPING THE FUTURE OF TRAVEL

BY
ONG HIANG
HONG





W e are travelling more than ever. Once the exclusive privilege of the well-heeled, the growth of cheap air travel and holiday packages mean that more

and more people are travelling for business as well as leisure.

According to research by Euromonitor, global inbound arrivals are expected to grow by 5 per cent to 1.4 billion trips in 2018. On the back of an upgraded economic outlook for major economies such as the US, Japan and the Eurozone, inbound receipts are expected to see an even stronger rise of 11 per cent.

Domestic trips are booming in Asia Pacific, where trips are expected to grow by 10 per cent in 2018. Average spend per trip is increasing, again driven by Asia Pacific. Global expenditure is expected to rise by 9 per cent.

This trend is driven by, among other factors, low-cost carriers. They are outperforming scheduled airlines in terms of passenger growth - 7 per cent versus 5 per cent - and value sales growth - 9 per cent versus 8 per cent - albeit from a lower base. Absolute incremental growth is stronger for

scheduled players as they are more innovative in their product offering and pricing.

On the other hand, the global lodging category is expected to grow by 6.1 per cent in 2018, with short-term rentals outperforming all other lodging categories and registering 12.7 per cent growth. Hotels account for 73 per cent of total lodging sales, with luxury hotels registering the strongest growth within the hotel category.

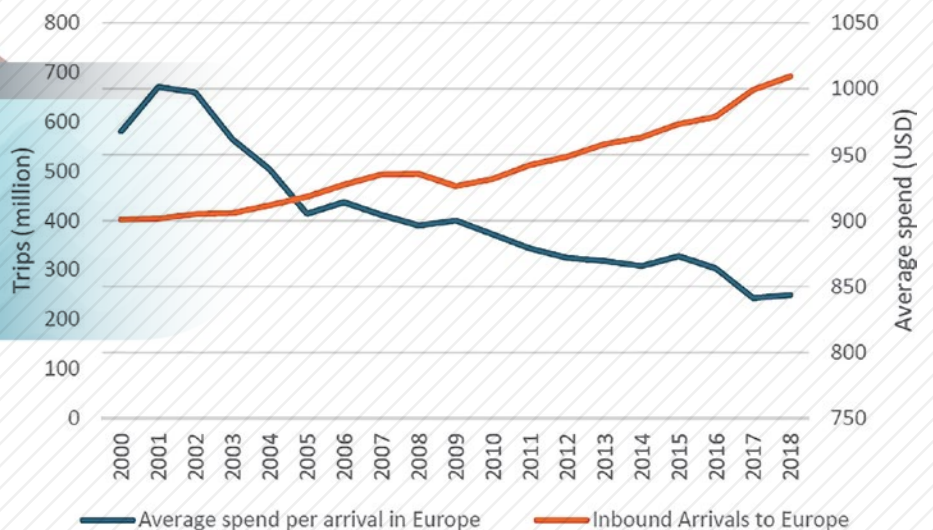
Total travel sales are expected to fall just short of USD2.5 trillion in 2018. Offline sales still account for over 50 per cent of global travel sales, but with a 2018-2023 compounded annual growth rate (CAGR) of 12 per cent, mobile sales are expected to considerably outperform offline and other online bookings, with CAGRs of 1 per cent and 2 per cent respectively.

Here, we will describe four trends shaping the travel industry, in the context of global regions.

EUROPE ATTRACTING THE RIGHT TRAVELLER

“Resilience” is a popular buzzword used when describing the European tourism industry. Despite economic and political turmoil, the migrant crisis and terrorist

INTERNATIONAL ARRIVALS TO EUROPE 2000-2018



attacks over the past years, the tourism industry continues to register strong growth.

While the media have jumped on the topic and popularised the term “overtourism”, city tourism boards are coming to grips with a future in which they will be looking to attract the “right” traveller. There is a growing realisation that focusing on volume on its own is not the correct approach. Instead, the incremental value that different types of tourists bring is becoming more important. By looking beyond the mass market to niches such as arts, culture, sports, adventure and wellness, the quality/price ratio tends to increase. Niche visitors are less price sensitive, which in turn improves the overall quality of supply.

It is not all about spending, however. Being respectful of local cultures and residents is key to the harmonious sharing of city spaces. In the case of Amsterdam, this means getting rid of the party destination reputation. Through its ‘Stad in Balans’ (A Balanced City) policy, the city is piloting various initiatives to ensure the impact of tourism and events on local residents is minimised. A recent ‘Enjoy & Respect’ campaign sought to inform tourists of expected behaviour.

Tourism boards and local politicians can be at loggerheads over priorities and how to achieve a sustainable future. As a result, the future will likely have no shortage of demand, but instead a growing understanding that there is a maximum number of tourists that destinations can and want to accommodate.

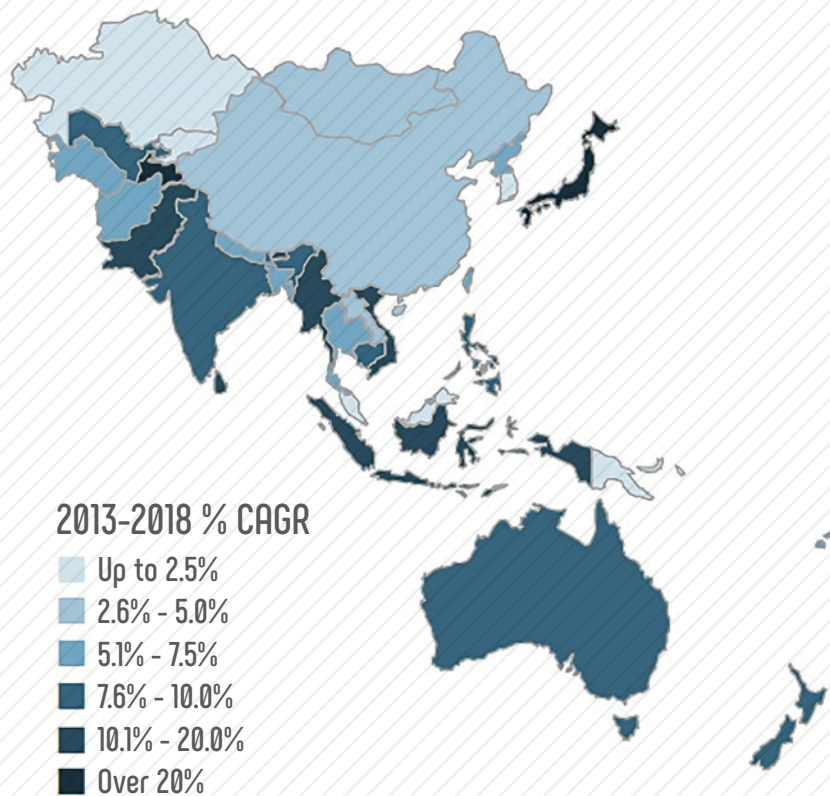
ASIA-PACIFIC DIGITAL FRONTRUNNER

Travel in Asia is booming. The region continues to enjoy strong performances in both inbound and outbound travel, supported by rapidly growing economies, and an expanding middle class seeking to spend its increasing disposable income on travel.

Technology is a major enabler of travel growth, and nowhere more so than in Asia. Countries such as South Korea, Australia and China are global frontrunners in digital connectivity, but other countries such as Thailand, Malaysia and Indonesia are also gathering pace, developing user-friendly online booking platforms and convenient online payment systems.

Online travel intermediaries such as Ctrip and Fliggy are today’s travel enablers in

HISTORIC % GROWTH OF INBOUND ARRIVALS TO ASIA

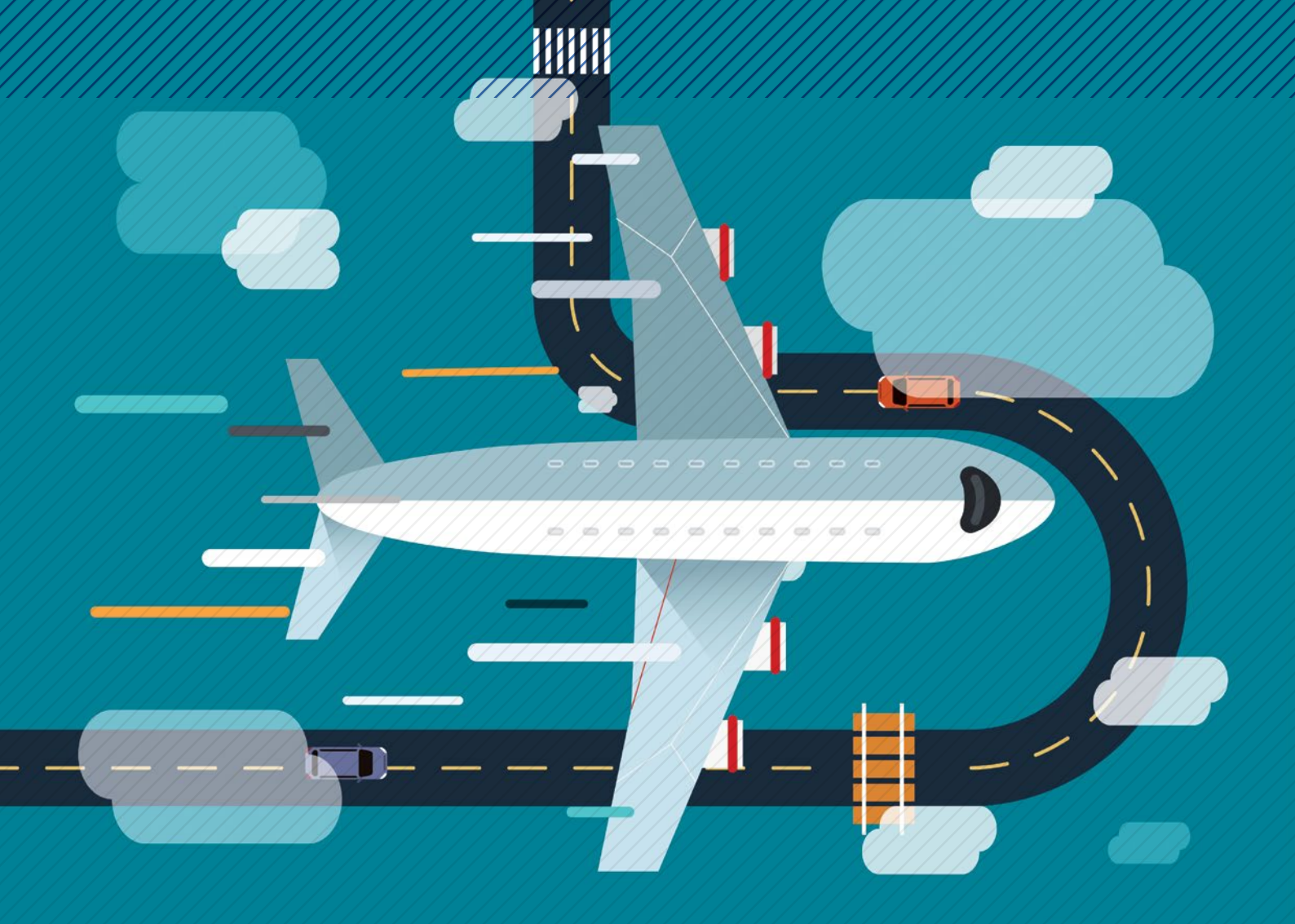


Source: Euromonitor International

China, while traditional travel intermediaries in Japan and South Korea such as JTB and Hanatour are actively investing in their online channels to meet demand from their constantly-connected consumers.

While connected consumers are seen running towards technology and connectivity, there is also a palpable countertrend, whereby consumers are resisting this always-on mentality. Especially in Asia’s highly connected culture, this will become increasingly important. Counter to FOMO (Fear of Missing Out), the Joy of Missing Out (JOMO) corresponds to concerns regarding the impact of constant connectivity on consumers’ lives and highlights the enjoyment of being mindful of the moment.

Concerns of over-connectivity also often relate to government or brand abuse. China, for example, is introducing a social credit system to rate its citizens based on their online activity. Meanwhile, the case of Facebook’s Cambridge Analytica scandal is still fresh in the minds of many consumers. Rather than completely cutting off, tech companies are trying to persuade users to simply limit their online time. Google Wellbeing, for example, summarises daily habits and helps users break them.



AMERICAS BLURRING INDUSTRY LINES

Consumers are travellers for a limited period each year, but are consumers all year round.

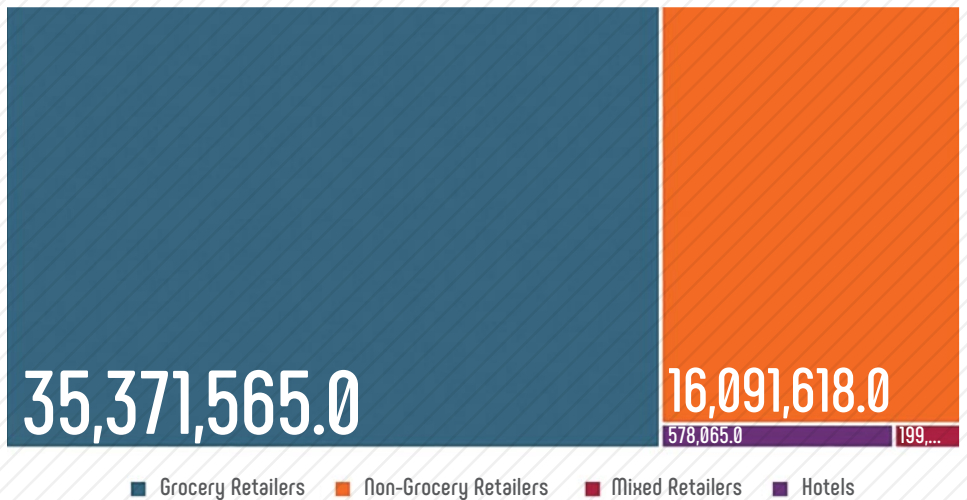
Many travel brands know a thing or two about great products and services, which consumers would want to access beyond their travels. This offers opportunities to open retail outlets or restaurants. This blurring of travel and retail works both ways. There is a growing number of retail brands which are looking at the travel industry to increase touchpoints with their customers.

Hotels and restaurants are great places to let consumers experience products before buying them, and to show products “in-situ”, making the brand engagement more experiential and premium.

There are many examples: West Elm and Muji have opened hotels, Equinox Gyms will be opening one in New York and IKEA has promoted its food and tableware products through pop-up restaurants.

A case in point is West Elm, a furniture brand which has opened a hotel and is planning more openings in the US. West Elm not only blurs the boundaries between

GLOBAL RETAIL AND HOTEL OUTLETS 2018



■ Grocery Retailers ■ Non-Grocery Retailers ■ Mixed Retailers ■ Hotels

Source: Euromonitor International

retail and hospitality, but also between the home and the hotel, with all products in the hotel available for guests to take home. The company has a strong focus on sustainability, artisans and independent designers, which fits extremely well with the changing demands of travellers, increasingly looking for authentic, boutique and lifestyle hotels.

Cathay Pacific is another example. Disappointing results in 2017 forced the company to reinvent its services, with the company deciding to have a renewed focus on food.

Flights are highly commoditised, so airlines must differentiate themselves through in-flight experiences. The company has taken inspiration from its own noodle bar at its hub airport lounge in Hong Kong to stand out.

Acknowledging that Cathay Pacific may not be well known in the US, the Hong Kong-based airline launched a series of food pop-ups in New York featuring dishes from around Asia. This event had consumers taste what they could experience by taking a trip serviced by Cathay. The initiative received considerable attention, with the pop-ups gathering over 800 million social media impressions.

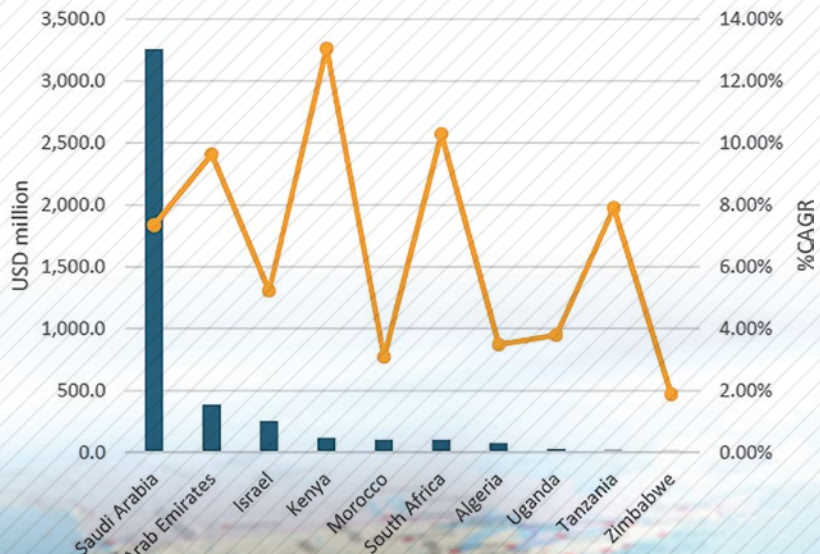
MIDDLE EAST AND AFRICA SEAMLESS EXPERIENCES

Reviving destinations outpace mainstream destinations in the Middle East and North Africa, largely on account of visa changes, increased tourist safety and the popularity of low-cost carriers leading to redeemed confidence from key source markets. With economies heavily based on the oil industry, countries such as the United Arab Emirates and Saudi Arabia are increasingly looking to diversify their economic activities, with the latter now opening up to international tourists.

Family and group travellers seeking experiential travel and solo travellers seeking health and wellness or adventure are key target groups. This translates into investment in theme parks, mid-market lodging, low-cost air travel and package holidays.

In addition, the rise of experiential travel has favoured growth of companies such as Airbnb in Africa. Strong travel

TOP 10 COUNTRIES FOR SHORT-TERM RENTAL BOOKINGS IN MEA



Source: Euromonitor International



demand, lacking hotel stock and a general absence of regulation benefit short-term rental platforms.

Increasingly, Africa is not just seen as a destination, but also as a plethora of source markets. Local companies such as Travelstart and Hotels.ng, as well as Tajawal.com in the Middle East, are able to benefit from this growth by offering services in local languages, having greater understanding of local consumer preferences and behaviour.

The region, and United Arab Emirates in particular, has also been at the centre of innovation in an effort to make the travel journey completely frictionless. Seamlessness

in the destination is also of utmost importance, whether it is facial recognition cameras in hotels, online check-in and keyless entry, holistic mobility solutions and other smart city initiatives, or frictionless payment facilities.

Near-ubiquitous mobile connectivity has contributed to expectations of seamlessness through technology. Travellers will increasingly expect to find such solutions in the destinations they visit. A concept being developed by Emirates envisions a future in which robots take care of all luggage handling, from check-in to plane,

and plane to belt. Travellers can walk through security without the need to take off items of clothing or empty bags. All phases, from check-in to immigration to boarding, should become easier.

To facilitate that, building works on the new Al Maktoum International Airport, which will become one of the largest airports in the world and Emirates' main hub, have been halted, as a redesign is needed to introduce more cutting-edge technology, including robotics and IoT, all to make the customer experience increasingly seamless. **SME**





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As one of mother nature's healthiest grains, oats are nutrient-rich and packed with an abundance of dietary fibre that aids the digestive system. It also contains soluble fibre known as Beta-glucan which can beat the bad cholesterol (LDL) and reduce the risk of heart diseases. With a low Glycemic Index (GI), no sugar added and no trans fat, Captain Oats is your superfood for a healthy balanced diet!



Balance Up Your Diet!
Sugar Fat
Cholesterol





CAPTAIN OATS

Since 1965

POWERING HEARTS WITH NATURE'S SUPER GRAIN.

Federal Oats Mills Sdn Bhd is a third-generation oats milling company based in Penang, Malaysia. It was established in 1965 by its late founder, Mr. Chew Choo Han, who had built a successful business empire from biscuit manufacturing to flour milling across Malaysia and Singapore.

Armed with a vision of producing healthy and nutritious breakfast cereal, he embarked on building South East Asia's first and only oats mill. The going was tough in the early days as oats was consumed mainly by the elderly through British influence, as oats was a traditional English breakfast porridge. Nonetheless, Mr. Chew persevered and through the 70s-80s, built Captain Oats® brand overseas in parts of the Middle East and Asia. We are proud to be one of Malaysia's first consumer brands to venture into the Middle East during its developing period.

Through the decades, we continue to produce healthy oatmeal for consumers around the world. We remain as South East Asia's only oats milling company, and one with its roots firmly established in Malaysia. Today, we manufacture various types of oats products such as oat flakes, oat bran and oat flour to consumers across Asia, South Asia, the Middle East and Africa. Packaged under our brand, Captain Oats®, and in collaboration with our extensive distribution partners worldwide, we are available in leading supermarkets and retail outlets.

We celebrate our 53rd anniversary this year as one of the oldest, leading oat brands in the world. The company continues to belong to our founding family with many of our loyal staff with us for over 30 years. We believe in a holistic, family oriented work place that focuses on career development and creating new opportunities for our team members. We hold firmly to our roots yet staying flexible in catering to the changing needs of the future.

Accredited ISO 22000, HACCP and Halal certified, we are the one-stop solution for all oats products from plain oats to flavoured oatmeal. Our facility is designed to cater to all varieties of oats products packaged in different types of packaging such as pouches, bottles and tins in different pack sizes ranging from 40gm to 1.5kg. We also have an in-house R&D team to assist our customers on product customization.



Since 2015, we have upgraded our oats milling line to address the growing demand for oats-based products. Increasing our milling capacity by over 50% over the past 3 years has enabled us to extend our reach into new markets across China, the Philippines, Indonesia, and other parts of South East Asia and the Middle East. We are currently constructing a new oats milling plant at the Halal Food Zone at North Penang Science Park to double our current capacity to reach new growth markets.

We are excited about our plans for the coming 3 years as we make inroads into the burgeoning mainland Chinese market whilst growing our South East Asian markets through more effective distribution and channel management. We expect to increase our sales revenue from RM87.7 million to RM150 million by 2021. This will be enabled by the increased capacity at our new plant when we relocate in 2019. We are truly grateful to all our passionate 'Oatiholics' who have come onboard to help us realize our dream of bringing a truly Malaysian grown oats brand to the global stage!

Recent accolades:

- 2014: National Mark of Malaysia Brand Awards
- 2017: The Star Outstanding Business Awards
 - Best in Marketing (Silver Award)
 - Best in Global Market (Platinum Award)
- 2018: Platinum Business Awards 2018 (SME Export Excellence)



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BY
ONG HIANG
HONG

COFFEE CULTURE FRANCHISES

Once upon a time, there was a goat herder from Arabia. He noticed that when his goats ate the bright red berries of a certain bush, they become more energetic. He then tried some himself and found the effects to be exhilarating. Excited, he brought the berries to a monk in a local monastery. But the monk disapproved of its bitter taste, and threw the strange berries into the fire.

Miraculously, an enticing aroma billowed from the fire. A new idea struck them at once. The roasted beans were quickly raked from the embers. Then, the monks ground up the beans, and dissolved them in hot water, yielding the world's first cup of coffee.

Subsequently, coffee culture and its associated rituals have grown alongside the consumption of this caffeinated beverage. As coffee spread to Europe, coffeehouses, or cafés were opened, which quickly became a hub for artists, writers, and socialites. They could have a cup in tastefully decorated environments, while enjoying a classy, contemporary ambience.

These traits have carried on to today's coffee chains - with some modern touches. With Wi-Fi, upright seating, and readily available caffeine, modern coffeehouses are a refuge for road warriors that need to do work on the go. In addition, as coffee consumption today is still considered a minor miracle for many office workers craving for their morning cuppa, quick service is also available for those rushing off to work.

In this issue, *SME* explores the franchises that provide us with our caffeine needs. We will focus on regional franchises, with unique selling points that established international chains do not yet have.



85°C BAKERY CAFÉ

8 5°C Bakery Café is a Taiwanese café chain. Its name refers to founder Wu Cheng-hsueh's belief that 85°C is the optimal temperature to brew coffee.

The chain is known for their sea salt coffee, made by sweetening their iced Americano and adding a sea salt whipped cream on the top. The concept of this drink was inspired by the Taiwanese habit of sprinkling salt on fruit to bring out the sweetness.

85°C now has over 800 stores worldwide, with a presence in China, Australia, and the US. Its parent company, Gourmet Master Co Ltd, is publicly listed on the Taiwan Stock Exchange.

Aside from coffee, 85°C sells pastries, as well as desserts, smoothies, fruit juices, souvenirs, and bakery products. The chain is currently seeking qualified companies to partner with for international expansion. Once a partnership is established, applications for individual franchises will be accepted in said countries.



COFFEE WORLD

Coffee World is a Thai coffee chain, which markets itself as a ‘friendly neighbourhood coffeehouse’, house serving a variety of hot and iced coffees with fresh foods.

Coffee World is a brand of Global Franchise Architects (GFA), a Swiss-based company that builds, operates, and franchises a select portfolio of specialty food service brands. GFA is part of the Synergia One Group of Companies; a diversified group that consists of companies founded by serial entrepreneur Fred Mouawad and includes the 122-year-old family jewelry business Mouawad.

Fred Mouawad launched the first Coffee World store in Bangkok, Thailand in 1997. By 2004, Mouawad bought out the shares held by his equity partners and formed GFA. Today, Coffee World has expanded to over 100 stores in Bangladesh, China, Indonesia, India, and Thailand.

For franchisees, GFA has developed a detailed and comprehensive support structure, from conducting detailed market studies and integrated supply chains to product research and development and technical and managerial training at GFA’s Global Service Center.

Coffee World offers franchisees the option to open at a shoplot, standalone outlet, or mall kiosk. No prior F&B experience is needed, but prospective franchisees need to be assessed by GFA before paying the franchising fees.



SAN FRANCISCO COFFEE

Contrary to its name, San Francisco Coffee was actually founded in Malaysia. American expatriate Robert Boxwell noticed that the coffee culture was non-existent in Malaysia, so he decided to start a business with friends in 1997. He was from San Francisco, hence the name.

San Francisco Coffee was the first gourmet coffee franchise in Malaysia, even before Coffee Bean and Starbucks came to Malaysia. San Francisco Coffee now has over 40 outlets in Malaysia, with plans for more.

The chain has the ‘1’ rule to preserve the freshness of its coffee: never use beans more than 1 month from roasting; 1 week from the bag being opened; and 1 day from being ground. Focusing on opening in malls and office buildings, San Francisco Coffee targets office workers looking for the morning jolt, as well as those on the go that need a quick pick-me-up.

San Francisco Coffee can provide franchisees with retail operations support, merchandising assistance, as well as enterprise resource planning. Staff training will also be provided. **SME**

BY
ONG HANG
HONG

GERMANY ENGINE OF EUROPE



Official Name: Federal Republic of Germany **Population:** 80,457,737 (July 2018 est.) **Capital:** Berlin **Major Languages:** German (official), English and other European languages widely spoken
Currency: Euro (EUR) **Major Industries:** among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, automobiles, food and beverages, shipbuilding, textiles **Major Export Commodities:** motor vehicles, machinery, chemicals, computer and electronic products, electrical equipment, pharmaceuticals, metals, transport equipment, foodstuffs, textiles, rubber and plastic products **Major Export Partners:** United States, France, China, Netherlands, United Kingdom, Italy, Austria, Poland, Switzerland
Major Import Commodities: machinery, data processing equipment, vehicles, chemicals, oil and gas, metals, electric equipment, pharmaceuticals, foodstuffs, agricultural products **Major Import Partners:** Netherlands, China, France, Belgium, Italy, Poland, Czech Republic, United States, Austria, Switzerland **GDP:** US\$4,199 trillion (2017 est.) **GDP Per Capita:** US\$50,800 (2017 est.)



In 1869, the Germanic states of the former Holy Roman Empire were squabbling, loosely confederated entities. Two years later, in 1871, a unified Germany was proclaimed, after France's defeat in the Franco-Prussian War.

This was precisely what European leaders at the time feared, as a unified Germany meant a bigger military, bigger population, and bigger economy.

While modern Germany has shed its militaristic tendencies, its economy is very much the strongest in Europe. Rising from the ashes of two world wars, Germany's economy is built on its engineering expertise and a highly skilled labour force. As a result, it is a leading exporter of precision machinery, pharmaceuticals, and heavy industry. Germany is also the third largest exporter in the world, with exports accounting for almost half of its economic output.

But like many developed nations, Germany faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing

pressure on the country's social welfare system and necessitate structural reforms.

Reforms launched by Chancellor Gerhard Schroeder and his successor, Angela Merkel have contributed to strong economic growth, resulting in a budget surplus of 0.7 per cent of GDP in 2017. However, the German economy suffers from low levels of investment, and a government plan to invest 15 billion euros during 2016-18, largely in infrastructure, is intended to spur needed private investment.

Nevertheless, Germany is firmly in the driving seat of the economy of the European Union. With the rest of the EU suffering either from low growth or high public debt, Germany's industrial base has kept it out of significant economic trouble. Furthermore, with the United Kingdom on the verge of leaving the EU, the rest of the member states are increasingly looking to Germany for guidance.

GERMANY-ASEAN RELATIONS

Much like the EU, ASEAN is also a regional bloc of nations. But



while the EU is an economic and political union, ASEAN is not – it promotes intergovernmental relations and facilitates economic cooperation among its members.

As a bloc, the EU is the largest contributor of FDI into ASEAN, with Germany contributing US\$2.7 billion, or 8 per cent of the EU's contribution.

Given that many citizens of ASEAN rely on German goods and services, Germany-ASEAN ties are nevertheless underrated. But a quick glance at traffic in the vast financial districts in downtown Singapore, Kuala Lumpur, Bangkok and Jakarta and one cannot but notice a few German automobiles cruising down the road. German exports to this region are not only limited to cars but also engineering technology, energy, chemicals and machinery which play a crucial role in developing this fast-growing region.

German companies like BASF, Henkel and Osram Opto Semiconductor either expanded their operations or established new business functions since 2015 to meet growing demand in the region which has led to the creation of new jobs for locals.

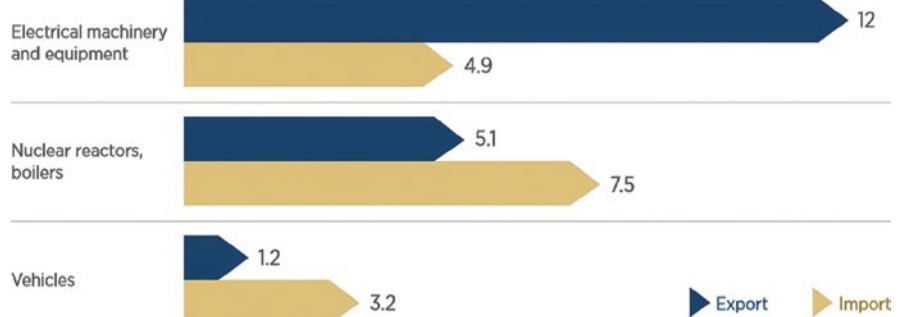
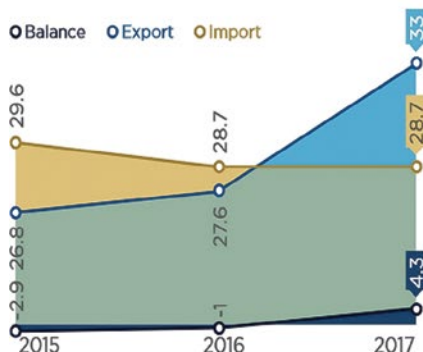
Germany is also one of the largest contributors to the efforts to form a cohesive ASEAN community. Of the 28 members within the EU, Germany has and is still playing a crucial role in this

region to region partnership. It has channelled assistance via its state-funded programs. These include the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Physikalisch-Technische Bundesanstalt (PTB) and the Kreditanstalt für Wiederaufbau (KfW) are aimed at intensifying cooperation in various areas including energy efficiency, forestry, port development and agriculture.

Recently, leaders of both sides adopted a framework for future cooperation called the Practical Cooperation Areas (PCA) for ASEAN-Germany Development Partnership which will be implemented for five-years from 2018 to 2022. This document will lay the foundation for the further development of ties between the two, as well as provide a useful starting point to explore new areas of cooperation, in line with the existing three pillars of the ASEAN Community.

The future holds great promise for Germany-ASEAN ties. Since Germany was conferred status as ASEAN's Development Partner in 2016, there will only be more opportunities for cooperation to come. **SME**

GERMAN TRADE WITH ASEAN (US\$ TRILLION)



BY
ONG KIANG
HONG

THE DYNAMIC CITY OF FRANKFURT



T

he centre of Germany's economic engine, Frankfurt is the business and financial centre of Germany and the largest city in the German state of Hesse.

Once the site of imperial

coronation, Frankfurt is now one of Europe's global cities and a hub for commerce, culture, education, tourism and transportation. Frankfurt's roots in finance started in the Middle Ages, when traders established a system of exchange rates for the various currencies that were circulating to prevent cheating and extortion. Therein lay the

early roots for the Frankfurt Stock Exchange.

Though Frankfurt was heavily bombed in World War II, it rose out of the ashes to regain its position as Germany's leading financial centre, displacing Berlin which was divided between West and East Germany. Frankfurt also re-emerged as Germany's

transportation centre and Frankfurt Airport became Europe's second-busiest airport behind London Heathrow Airport in 1961.

Today, Frankfurt is the site of many global and European corporate headquarters. As a major financial centre, Frankfurt is also home to several

commercial and central banks, including the European Central Bank, German Federal Bank, Frankfurt Stock Exchange, Deutsche Bank, DZ Bank, KfW, and Commerzbank.

The many nicknames for Frankfurt speak to its focus on business. Locals call it Mainhattan because of the skyline, Bankfurt because it has so many banks.

Frankfurt is also one of Europe's major sites for events. Messe Frankfurt, dating back to the 10th century A.D., is one of the world's largest trade fairs. Other major fairs include the Frankfurt Motor Show, the world's largest motor show, the Music Fair, and the Frankfurt Book Fair, the world's largest book fair.

GETTING AROUND Frankfurt is the heart of central Germany and as such, it is the national transportation hub. It has excellent connections by rail, road and air. It is also easily reachable from other destinations in Europe and further abroad.

Frankfurt Airport is among the busiest in Europe – third in passenger traffic after London Heathrow and Paris Charles de Gaulle Airport – and the ninth busiest airport in the world. It is the busiest airport in Europe by cargo traffic. As Frankfurt is a major banking centre and events hub, all major airlines and all airline alliances fly frequently to Frankfurt, connecting it to every continent and major city in the world. The German flag carrier, Lufthansa has its hub in Frankfurt.

The airport is connected to Frankfurt city centre by taxi and bus. However, the easiest and fastest way is via the S-Bahn fast commuter train. The ride to Frankfurt Hauptbahnhof (Frankfurt Central Station) takes only 11 minutes. Other stations in the city centre like Frankfurt Taunusanlage, Frankfurt Hauptwache or Frankfurt Konstablerwache are also easily accessible via the S-Bahn. Intercity express trains also run from Frankfurt Airport to

other major German cities like Dortmund, Cologne, Munich, and Essen.

Like many other major European cities, Frankfurt has a well-developed public transport system. Within the city centre, the best way to travel around is the U-Bahn (underground and overground), tram and bus. Most trains run from 5am to 1am, with night buses (Nachtbus) covering all stations between 1am to 4am. And like most European cities, the central Frankfurt is very bike-friendly, with bike rentals available from the German railway company, Deutsche Bahn.



SIGHTS OF FRANKFURT

RÖMERBERG

Römerberg is the old centre of Frankfurt, with a number of historic buildings dating to the 14th and 15th century, though it must be said that many of these buildings were destroyed during World War II and subsequently rebuilt. The Römer itself is the town hall of Frankfurt. At the Römer, you can also visit the Alte Nikolaikirche (built in 1290, taking its current form in the 15th century).



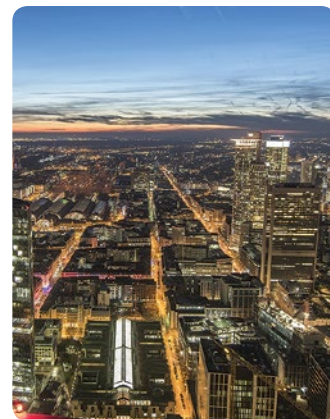
HAUPTWACHE

A public area that is often considered the central hub of Frankfurt's modern city centre area due to its importance as a public transportation station as well as its central location, right between the main shopping street (Zeil), the Rossmarkt (another public square), and the Eschenheimer Tor. The place is named after a Baroque building (the 'Hauptwache') located more or less in its centre.



MUSEUMSUFER

The museums of Frankfurt are clustered in this area, along the banks of the river Main. If you have a short layover in Frankfurt, this can be a suitable sightseeing option. Some of the more interesting museums include the Architektur Museum (German Architecture Museum), Städelches Kunstinstitut, Jüdisches Museum (Jewish Museum), and Goethe Haus und Museum (birthplace of German polymath Johann Wolfgang von Goethe). **ESME**



BY
WONG JOON
HOONG

FUTUREPROOF IN A DIGITAL AGE: CYBERSECURITY MATTERS

Recent study reveals that the probable economic damage in Malaysia due to cybersecurity attacks could reach up to four per cent of the nation's total GDP growth of US\$ 296 billion, that is approximately a staggering US\$ 12.3 billion (RM 49.15 billion). As the fear for conspicuous cyberattacks, such as ransomware, continues to trigger alarms of precaution in both organisations and consumers alike, this has caused a digital transformation delay in not just Malaysia, but across companies in Asia Pacific as well.

Despite threats, attacks and risks continue to increase, conclusively the organisation challenges which may arise in 2019 aren't insuperable. Understanding the mind of cybercriminals and how they play in the cyberspace is crucial, as it allows organisations to win an upper hand in the game. Sophos, a global leader in network and endpoint security, urges companies to secure themselves with knowledge of the probable future threats and pacing back to comprehend big-picture trends that are driving each attack.

HAND-CRAFTED, TARGETED ATTACKS ARE ON THE RISE

Asia has seen its fair share of ransomware attacks, and well-known ones like WannaCry and CryptoLocker have the tendency to be opportunistic by sending out boobytrapped attachments sent to a large number of potential victims via email.

Despite so, as of three months ago, none of Malaysia's top 30 listed companies, including banks and telcos, have yet to fully set up defense mechanism to prevent fraudsters from hacking through their domains. Representing just a fraction of Malaysia's 261,000 businesses, this left about 15.3 million online users vulnerable to fraudulent emails in its name.

2018, however, has seen the advancement of hand-delivered, targeted ransomware attacks that are different from the mass email dissemination method. What this attack

methodology means is that even though fewer attacks may take place, the results will be far more devastating, and the cybercriminal could demand a higher ransom. Subsequent malware also has the potential to evolve to become more destructive and effective. This attack style, where these criminals manually maneuver through a network in a step-by-step manner, is now increasing in popularity and the financial success of malware like SamSam is bound to inspire copycats to strike in 2019.

While these forms of manual attacks are more challenging to prevent using conventional methods, it also signifies that there are far less competent hackers who are capable of conducting them.

MOBILE MALWARE IS A GROWING AND PERSISTENT THREAT

In 2018, we saw a decline in ransomware attacks after its guerilla performance, notably with Media Prima demanding RM26 million in bitcoin. However, latest cyberattacks have moved from desktop and laptop computers, to mobile and Internet of Things (IoT) platforms. Today, we saw a short but taxing rise in a cryptominers dominated malware

landscape, impacting about 37 per cent of organisations worldwide.

Cryptojacking, the act of using one's device to mine cryptocurrency saw an astronomical rise in cryptocurrency value last year, attracting numerous attempts from cybercriminals to cash in on this profitable market. Masked as an innocent-looking app, the cryptominer could strain one's device processor under the load by transferring the costs of mining (performance, and wear and tear) to the victims and reap the benefits off their victims at no benefit to anyone but the cryptojacker. To reduce future threats, Gobind Singh Deo, Communications and Multimedia Minister of Malaysia is expected to launch a national cyber security policy in the first quarter of 2019.

Mobile cybercriminals also tend to take the route of advertising click fraud, embedded through yet another innocuous app that simulate users clicking ads to generate revenue. According to Geh Thuan Hooi, Malaysian Institute of Human Resource Management human resource adviser, there is an exponential increase in demand for digital marketers in 2019. This means businesses





are moving their marketing strategy online, including investment in pay-per-click (PPC) advertising. Thanks to the simplicity of click fraud and the amount of investments in today's pay-per-click advertising, almost no one is safe.

CYBERCRIMINALS ARE TURNING TO WHAT'S ALREADY AVAILABLE FOR THEIR CYBERCRIME SPREES

Moreover, Sophos' 2019 Threat Report uncovers a shift in threat execution, as more mainstream attackers now employ Advanced Persistent Threat (APT) techniques to use readily available IT tools as their route to advance through a system and complete their mission – whether it is to steal sensitive information off the server or drop ransomware.

By utilising essential or built-in Windows IT admin tools, including Powershell files and Windows Scripting executables, cybercriminals are able to deploy malware attacks on users undetected. This pivotal finding traces how this technique has become a common feature in an increasing number of cyberattacks today.

Known as 'living off the Land' as it avoids the need to download dedicated tools,

cybercriminals have stopped emailing malware to victims via actual malicious executable programmes, but instead switched to using a series of interlinked, nonexecutable scripts, exploitable Microsoft Office document vulnerabilities, and Office document macros that makes detection a puzzle. Because it involves a wide range of file types that include several "plain text" scripts chained in no particular order, it becomes incredibly challenging to separate the normal operations of a computer from the irregular behaviour of a machine in the midst of a malware infection.

USING DEEP MACHINE LEARNING AND AI TO AVOID PDF BASED MALWARE ATTACKS

The portable document format (PDF) is one of the most commonly used file formats and it is believed to be less suspicious than executable files. Hence, it is rare for IT administrators to block incoming PDF documents. However, because of the huge popularity and flexibility of PDF file format, it also opens up many ways for attackers to propagate malware via PDF documents. As a result businesses need to turn to solutions that are capable of a multi-layered arsenal of protection in modern cybersecurity,

to detect malicious malware in PDF files. This will escalate the detection process – saving businesses time and money.

STAYING AHEAD OF THE GAME

For companies, of all scales, to stay protected, education on cybersecurity threats are vital to organisational success. Monash University Malaysia, for example, has outdone itself by setting up a strict sender authentication framework, making it difficult for anyone to impersonate the university and send you a fake email from a spoofed @monash.edu.my address. Simple protection steps matter.

As Malaysia better adopts the digital economy, operating businesses becomes more vulnerable to cyberattacks as well. To avoid unfavourable financial losses, Sophos urges both public and private sectors to look into better protection plan against malware risks and plan ahead to not take cybersecurity for granted. **SME**

WONG JOON HOONG
IS COUNTRY MANAGER FOR SOPHOS MALAYSIA.

BY
SCOTT BRINKER
AND LAURA
MCLELLAN

THE RISE OF THE CHIEF MARKETING TECHNOLOGIST



Marketing is rapidly becoming one of the most technology-dependent functions in business. In 2012 the research and consulting firm Gartner predicted that by 2017, a company's chief marketing officer would be spending more on technology than its chief information officer was. That oft-quoted claim seems more credible every day.

A new type of executive is emerging at the center of the transformation: the chief marketing technologist. CMTs are part strategist, part creative director, part technology leader, and part teacher. Although they have an array of titles—Kimberly-Clark has a “global head of marketing technology,” while SAP has a “business information officer for global marketing,” for example—they have a common job: aligning marketing technology with business goals, serving as a liaison to IT, and evaluating and choosing technology providers. About half are charged with helping craft new digital business models as well.

Regardless of what they're called, the best CMTs set a technology vision for marketing. They champion greater experimentation and more-agile management of that function's capabilities. And they are change agents, working within the function and across the company to create competitive advantage.

Before we describe the role in detail, let's consider the forces that gave rise to it.

In a digital world, software is the chief means of engaging prospects and customers. A marketing team's choice of software and how to configure and operate it, along with how creatively the team applies it, materially affects how the firm perceives and influences its audience and how the audience sees the firm.

As digital marketing and e-commerce increasingly augment or replace traditional touchpoints, the importance of mastering those capabilities grows. Digital marketing budgets are expanding annually at double-digit

rates, and CEOs say that digital marketing is now the most important technology-powered investment their firms can make.

This rise in digital budgets is not merely a migration of spending from traditional to digital media. A growing portion of marketing's budget is now allocated to technology itself. A recent Gartner study found that 67% of marketing departments plan to increase their spending on technology-related activities over the next two years. In addition, 61% are increasing capital expenditures on technology, and 65% are increasing budgets for service providers that have technology-related offerings.

The challenge of effectively managing all this technology is daunting. There are now well over 1,000 marketing software providers worldwide, with offerings ranging from major platforms for CRM, content management, and marketing automation to specialized solutions for social media management, content marketing, and customer-facing apps. Relationships with agencies and service providers now include technical interfaces for the exchange and integration of code and data. And bespoke software projects to develop unique customer experiences and new sources of advantage are proliferating under marketing's umbrella.

BRIDGING MARKETING AND IT

In this new environment, the CMO and the CIO must collaborate closely. But executive-level cooperation isn't enough; a supporting organizational structure is also needed. A company can't simply split marketing technology down the middle, King Solomon style, and declare that the CMO gets the marketing half and the CIO gets the technology half. Such a neat division might look good on paper, but it leaves yawning knowledge gaps in practice. Marketing might not understand how to fully leverage what IT can offer, and IT might not understand how to accurately translate marketing requirements into technical capabilities.

Instead, marketing technology must be managed holistically. In a virtuous cycle, what's possible with technology should inspire what's desirable for marketing, and vice versa. The right structure will help marketing become proficient with the array of software it must use to attract, acquire, and retain customers. It will help marketing leadership recognize how new technologies can open up new opportunities. And it will allow marketing to deftly handle the technical facets of agency and service provider relationships in both contract negotiations and day-to-day operations.

The CMT's job, broadly, is to enable this





holistic approach. He or she is the equivalent of a business unit-level CIO or CTO. People in this role need technical depth—many have backgrounds in IT management or software development—but they must also be passionate about marketing. A common profile is an executive with an undergraduate degree in computer science and a graduate degree in business. Many CMTs have experience in digital agencies or with building customer-facing web products.

Most CMTs report primarily to marketing, either to the CMO or to another senior marketing executive, such as the VP of marketing operations or the VP of digital marketing. Many also have dotted-line reporting relationships with IT.

Acting as the connective tissue between different constituencies, these executives engage with four key stakeholders: the CMO and other senior marketing executives, the CIO and the IT organization, the broader marketing team, and outside software and service providers. We will describe their interactions with these stakeholders in turn.

THE CMO AND OTHER SENIOR MARKETING EXECUTIVES The chief marketing technologist supports these executives' strategy by ensuring technical capabilities and advocating for

approaches enabled by new technologies. For example, Joseph Kurian, Aetna's head of marketing technology and innovation for enterprise marketing, championed the use of "voice of the customer" software to collect user feedback across the company's mobile and web interfaces. The software has improved customers' digital interactions with Aetna—a key strategic priority.

THE CIO AND THE IT ORGANIZATION

CMTs facilitate and prioritize technology requests from marketing, translating between technical and marketing requirements and making sure that marketing's systems adhere to IT policies. Andreas Starke, the business information officer for global marketing at SAP, is the principal point of contact between the two functions and streamlines the planning and execution of marketing technology projects. For example, he led the rollout of a shared automation platform to replace the disjointed systems used by previously siloed marketing groups.

THE BROADER MARKETING TEAM

The CMT ensures that the marketing staff has the right software and training. Brian Makas, the director of marketing technology and business intelligence at ThomasNet,

saw that field sales reps and support staff were inefficiently coordinating their activities through weekly Excel spreadsheets. He jettisoned that time-consuming process in favor of real-time views obtained through the company's CRM system—and implemented the new protocol in just a week.

OUTSIDE SOFTWARE AND SERVICE PROVIDERS Here, the CMT assesses how well providers' technical capabilities meet marketing's needs, helps integrate the systems, and monitors their performance. Shawn Goodin, the director of marketing technology at the Clorox Company, led the evaluation of six vendors for a platform that would optimize customers' experiences across channels and devices and integrate consumer data across marketing, sales, and R&D.

The work of these CMTs shows just how open-ended this new role is—and why an executive fully at home in both marketing and IT is essential for the job. **SME**

SCOTT BRINKER IS THE CHIEF TECHNOLOGY OFFICER AT
ION INTERACTIVE. LAURA MCLELLAN IS A RESEARCH
VICE PRESIDENT AT GARTNER.



Sue Barrett is a sales expert, writer, business speaker and adviser, facilitator, sales coach, training provider and entrepreneur. Sue founded Barrett in 1995 to positively transform the culture, capability and continuous learning of leaders, teams and businesses by developing sales driven organisations that are equipped for the 21st Century.



CHECK THE 'SALES FITNESS' OF YOUR SALES SYSTEM

For those people who have been reading my work for some time know that in order to achieve peak sales fitness, now and in the long term, I advocate that business and sales leaders and their sales teams need to adopt a Systems approach to sales operational excellence in order to sell better, deliver competitive sales strategies that work, find new uncontested markets and at the same time minimising execution risk on the ground.

My persistence in promoting and advocating for a Systems approach to sales excellence is deliberate on every level because if we want to stay in business and stay relevant adopting systems thinking pays, on every level, and shifts our thinking away from seeing training as the ONLY solution to selling better.

Systems thinking recognises there's a lot more to selling better than just training. However, most leaders' default setting to improve 'Sales Fitness' is to select training as the option of choice.

Sales operations are complex variable systems with many moving parts—they do not follow a straight line; smart companies get this. They recognise that oversimplification is their enemy when it comes to developing and deploying effective sales strategies and functioning sales operations and teams.

However, in a world of sound-bites, instant information, and the

constant pressure to come up with solutions to someone's problems, easy answers have the greatest appeal even though these are usually far removed from the best answers – hence sales training and the default choice.

Easy answers lead to the proliferation of the oversimplification of complex issues especially when it comes to running an effective and sales fit team and operation.

Opting for the simple answer, like a 2-day sales training course, to fix a systemic sales issue usually makes matters far worse.

Which is why I thought you might like to do a preliminary assessment of your own sales system by answer the following questions:

SALES STRATEGY

1. Has your business or sales strategy stopped delivering the returns it once did?
2. Is your sales team reacting to market challenges and changes by discounting prices?
3. Are your sales people reactive or lacking focus, and missing new market opportunities?
4. Is your brand equity and value proposition losing currency with clients and markets?
5. Do your sales people and leaders struggle to articulate the value their clients can get?

If you answer 'Yes' to any of these 5 questions you will likely need to review and assess your:

- ♦ Sales Strategy and its effectiveness
- ♦ Sales Market Segmentation Plan
- ♦ Sales Operations Framework
- ♦ Sales Messaging
- ♦ Value Propositions
- ♦ Go-to-market Action Plans

SALES PROCESS

1. Do your sales people have an ad hoc/reactive sales approach with no consistent sales process?
2. Are other internal teams unaware of what your sales team is trying to achieve with customers?
3. Do your new sales recruits take too long to get up to speed and earn?
4. Are you missing the picture of what good sales performance looks like and how to recruit for it?
5. Are your sales managers managing from behind a desk rather than leading in the field?

If you answer 'Yes' to any of these 5 questions you will likely need to:

- ♦ Look at your Sales Processes and Sales Leadership Framework
- ♦ Check your sales team structure
- ♦ Review your job descriptions and ideal candidate profiles
- ♦ Review your minimum standards of sales excellence and KPIs

SALES PEOPLE

1. Is your sales productivity stagnating and sales results dropping despite training initiatives?
2. Are your sales people finding selling harder and, instead making more excuses than sales?
3. Are your sales people talking product features & benefits instead of business issues & solutions?
4. Are your sales managers behaving as 'super sales people' instead of leading and coaching?
5. Is your sales team struggling to meet sales targets despite KPIs and lots of 'sales effort'?

If you answer 'Yes' to any of these 5 questions you will likely need to:

- ♦ Review and assess your sales training and content approach and its relevance
- ♦ Think about creating a perpetual learning environment
- ♦ Step up your sales coaching activities
- ♦ Look at your current sales culture

These are just some of the many questions that can reveal where in your sales system you need to take action to be able to sell better now and in the long term.

Understand, accounting for and continually working on the interconnectedness of your sales system is key to future success.

Word of advice: Don't be fooled by short term fixes that promise amazing results over night, they are, unfortunately likely to be all 'smoke and mirrors'.

Remember everybody lives by selling something. **SME**

Most of us think, “I’m paying the bill, I’m the customer, they should take care of me.” My good friend Dr. Steven Berglas, one of the foremost authorities on career guidance, brings up a fascinating point that I absolutely agree with: treat the waiter like the customer and you’ll be amazed at the results!

You see, Steve used to be a bartender. He points out that the thing he would hate most is when someone would come in and tell him exactly how they wanted a drink made. Johnnie Walker black scotch sour. The bar staff would laugh. You can’t taste Johnnie Walker black or old ... you can’t taste anything under sour mix!

If you want a Bloody Mary, don’t ask for a particular vodka, say, “Do me a favour. I want a Bloody Mary. What’s the best way to make it?” The bartender knows what to do. If you go to a restaurant, the waiter knows what’s in the kitchen, what’s fresh. You’ve got to respect that individual’s intelligence and expertise.

On my part, I’ve had the privilege of eating at every Michelin 3-star restaurant in New York, and

I think this is even more true when you eat at higher end restaurants.

Let me give you a story from my own life, it really made an impact on me as a young man. I was brought up very poor and I’d never been to a fancy restaurant in my life. I go to New York and I look at the top 10 restaurants. At that time number seven was a French restaurant. I went there, totally intimidated. I’d never been to such a place. I looked at the waiter and said, “Sir, I’ve never been to such a place. I have no idea what I’m doing here. I made a lot of money today and I want to spend a hundred dollars,” which back then was a lot of money. “I have a hundred dollars to have a nice meal including the tip. If you don’t mind sir, could you bring me a hundred-dollar meal and then explain to me what everything is, so I can learn something?”

You know what he said? “Don’t worry young man. I’ll be more than happy to.” I kept track of what he brought me. He brought me a \$150 meal! He was so nice and kind to me and right then I realized something. When you go to place like that, don’t show off. Don’t act pompous and pretentious. As you said, “They know far more about the food than you do.” And as ironic as it seems, treat the waiter like a customer.

And, there’s a second reason to do this. As a human being, it’s a better way to live. It’s a better way to live. The only negative experience I’ve ever had at a high-end restaurant is when I went with a person once who acted snobby and critiqued everything. I was embarrassed. We had terrible service. I don’t blame the waiter. No one likes to be talked down to. I remember Henry Kissinger was sitting right across from us and I felt like telling my friend, “You know if Henry Kissinger wants to act like a snob, he’s kind of earned it; you haven’t, just shut up, you’re embarrassing all of us here.”

If you go into a restaurant, treat that waiter like a customer. It’s a good way to look at life! Treat everybody like a customer and 1) you’ll probably get a lot better service; 2) they probably know more than you do in most cases, anyway, and 3) you’re going to have a happier life. **SME**



Dr. Marshall Goldsmith was selected as one of the 10 most Influential Management Thinkers in the World by Thinkers50 in both 2011 and 2013. Marshall’s exciting new research on engagement will be published in his upcoming book – ‘Triggers’

WHEN THE WAITER IS THE CUSTOMER





Brad Feld has been an early stage investor and entrepreneur for over 20 years. Prior to co-founding Foundry Group, he co-founded Mobius Venture Capital, and prior to that, founded Intensity Ventures, a company "that helped launch and operate software companies. He is also the co-founder of TechStars.

ANTI-VR



A central theme of science fiction over the past 20 years has been the dystopian future of humans, laying on couches, connected to machines that feed them and process their waste, while they interact with a virtual world. Advanced versions of this technology let you move around or relax in a comfortable creche.

Today we call it VR. I wish the abbreviation, which seems so harmless, had never taken hold as the phrase "virtual reality" helps remind us, just a tiny bit, of what we are talking about.

Ever since Jaron Lanier popularized the phrase virtual reality when I was in college, I've struggled with it. When my friend Warren Katz introduced me to the idea of a head mounted display in the late 1980s, I was simultaneously thrilled and disturbed. When Lenny Nero figured out what happened to Iris, I simply was disturbed. Yet, when John Underkoffler created the Minority Report user interface to the precogs in the early 2000s, I was enthralled. When Amazon decided to pull out of NYC in 2019, I wasn't surprised.

Wait, that last sentence was for a different blog post. Just checking to make sure you are still here and paying attention.

I don't believe humans want to strap a headset on, block out all the stimuli they are getting, lay down in a creche, attach themselves to biosensors that handle their meat puppet, and immerse themselves in a virtual reality, without being able to simultaneously interact with the world around them. Just imagine what that's going to be like when News Corp gets control of the programming.

There's no question that VR has an enormous potential market in online gaming. This isn't anything new – the online gaming industry and the porn industry are two of the most aggressive adopters of new technologies. It's not difficult to imagine going from your couch to your creche. It would be easier to play esports if you didn't have to eat or go to the bathroom.

But, beyond that, I don't buy it. Outside of video games and esports, my bet is on holograms and augmented reality. See you in the future. SME

Service measures and metrics are a valuable building block for good customer service improvement. But to build a service culture, the methodology of these metrics must be uplifting for those you query and for the members of your team. Don't just collect data, create value.

CLARIFY WHAT YOU ARE MEASURING AND WHY?

Just because you can measure many things doesn't mean that it makes good sense to track them all. What do you really want to know, and what action will you take with what you learn? Review this list and then decide which insights will be most helpful to improve your service now.

- ♦ **CUSTOMER SATISFACTION:** What are your customers' perceptions and expectations of your service? How satisfied are they with what you have delivered?
- ♦ **CUSTOMER LOYALTY:** How often do your customers buy from you? How often do they refer or recommend you? What is your share of their wallet? How connected do they feel to your service and your brand?
- ♦ **EXTERNAL SERVICE PERFORMANCE:** Is the service you provide sliding, stable, or stepping up? Are you hitting your performance indicators and meeting service-level agreements?
- ♦ **INTERNAL SERVICE PERFORMANCE:** Is the service level inside your company going up or going down? Are your colleagues providing service to each other that accelerates or impedes the performance of your organization?
- ♦ **EMPLOYEE ENGAGEMENT:** How strong are the attraction, retention, and motivation of your employees? Are they connected to your vision, to your customers, and to each other? Are they just employees on the payroll, or active evangelists working with a vision?

♦ STAFF DEVELOPMENT:

Are your team members progressing as professional service providers? Is your service education making any difference? Are your employees getting bored or getting better? Are they seizing every opportunity to develop their service skills and mindsets?

The purpose of this building block is to drive new actions that create and deliver greater service value. This purpose is perfectly aligned with our definition of service as taking action to create value for someone else.

Your actions can generate positive results in many different areas: performance, profitability, market share, reputation, customer loyalty, employee engagement, and more. Understanding the data can help you track progress, identify trends, and provide a baseline for future improvement. The right measures will also help you catch problems early and avoid pitfalls before they happen.

Service measures and metrics are most effective when they help you prioritize what's most important. What new commitments should you make? What new actions should you take? What can you do next, or do right now, to increase satisfaction, secure future business, or generate greater loyalty for your organization? If your current measures and methods of reporting do not achieve these goals, then it is time to review and revise.

Don't let your service measures and metrics become disconnected from the practical levers of power. Collecting data and crunching numbers can easily become a separate function or a department,



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fueled by the urge to gather even more data and encouraged by the suppliers of surveys, facilitators of focus groups, and purveyors of mystery shopping. I am not against any of these practices; they all have their time, place, and function—so long as they lead you to new action.

Make sure the people on your team know what you are measuring and why. Be sure they understand which numbers you are tracking, and which needle you want them to move every day. **ESME**



DON'T JUST COLLECT DATA, CREATE VALUE



Gary is a Belarusian entrepreneur, author, speaker and internet personality. First known as a wine critic who grew his family's wine business from US\$3 million to US\$60 million, Vaynerchuk is best known for his work in digital marketing and social media, leading New York-based companies VaynerMedia and VaynerX.



HOW HAVING LESS CAN MAKE YOU HAPPIER

Being happy with “less” is a topic I’m really passionate about.

So many people measure success based on money or materialistic things. I measure success based on happiness.

Recently, I received an email from a guy named Derek – he’s been following my content for a while, and he sent me a very moving email about how he found happiness by selling his house, car, garage sailing, and following some of the advice I’ve been talking about for the past few years.

I get so many of these moving, emotional emails in my inbox every single day, and I want to share more of them with you guys.

Here’s Derek’s:

Hey Gary, I know you probably get a 100 of these emails a day and may never even read this, but I just wanted to share my story and what your advice had done for my life.

I live in western Canada where my life basically consisted of life on the road in the middle of nowhere in the Alberta oilfield working as an electrician being the most miserable piece of shit ever. In October 2016 I started into affiliate marketing or basically online sales as it should be called for a company. It’s in doing that I realized how much I hated my life,

how badly I needed a change and I was on the path put forth for me on the opinions of others, which as someone who has dealt with anxiety and depression his whole life spent many days wondering if life was worth living.

I did alright with the company making a decent chunk of money in the first little bit and learning a bit about the online world, but I had no passion for it, felt like it was more of a world of fake people and fake it until you make it, which I’ve learned is the worst fucking advice ever.

I had never felt more lost and the depression I deal with started to creep back in, the idea of going back to my old life, with my old job, I felt I would rather die than go back to that. I had followed so many in trying to change my mindset, but everyone spoke about the same shit with a super pricey upsell after to learn more about their methods. Just buy my program, for \$10,000 and change your life, blah blah and their advice never stuck, go to a hyped-up convention, get pumped, 2 weeks later be back being lost in life.

Now to state for the record I had created a life that was extremely overleveraged still trying to live like a Rockstar with fancy unnecessary shit because I was making upwards of \$125,000 CAD a year as an electrician thinking that money and trinkets would buy me happiness, which it obviously didn’t and combined with a lack of work here my monthly bills were insane. And that’s where you come in as I had heard of you but had no fucking clue at all what you were about or had ever watched one of your videos until June 2018. Someone I knew posted of one your videos and the swearing and keeping it real without wanting anything in return attitude had me hooked. I found your YouTube page and from that moment on every morning while working on trying to find my direction and gain the strength to push forward in life your videos and advice would be playing in the background.

It was in August 2018 that I shutout everyone else’s opinions, was on the brink of being broke and realized my true passion was inspiration and motivation and that I would try to spread that message via starting a small clothing brand focused around those topics. I know a hard market to bust into and I was scared shitless, but my gut was telling me to go for it. My gut feeling combined with my new mindset and work ethic from your advice completely transformed me from a scared depressed mess who considered suicide at least once a day to someone determined not to fail. With your advice I created the first 10 designs, really learned the value of social media platforms for marketing, taught myself how to build and create my own Shopify site and basically took over all aspects of the business to gain the knowledge and cut costs wherever possible.

I officially launched online in late November 2018 with high hopes and in the first 2.5 months fell hard on my face with virtually no sales, except instead of letting the depression sneak back in and having a pity party, I dug down deep, watched you and put forth new methods and ideas to increase reach and potential customers, improvements to the site and whatever else I could find.

I have never been busier, sometimes stressed, yet happier than I am right now as sales have started happening in the last month. Now

not breaking any sales records and obviously only 3 months in, but it’s your constant reminder that shit doesn’t happen overnight, takes time and hard work to achieve success that keeps me pushing forward. I have completely cut down my expenses by not buying dumb unnecessary shit anymore, sold my snowmobile, my \$62,000 brand new truck I absolutely needed goes away next week to be replaced by a more cost effective, older and fuel efficient SUV I have purchased and yesterday placed my house on the market and will be going back to renting as of April 1st.

I will be using the \$30-40,000 equity from my over the top priced house to live and grow my business while living in a much smaller and cheaper place. I don’t think I would be where I am now, maybe not even alive if it wasn’t for finding you and all of the value you bring daily and for that I say thank you sooo much. I know the road ahead is a long one if I want to see success with my business, but my mindset shift has me fully prepared to deal with that thanks to you.

Oh and before I end this let me touch on trash talk as I started flipping shit on eBay, mostly just stuff I already owned, just recently started hitting thrift shops and stoked for garage sale season. I’ve made \$4069 CAD after fees and everything the last 3 months, it was from making that I realized how over leveraged I was from bills and decided to cut down on expenses.

On top of that my dad has also really gotten into it, mostly loves the shopping part, but we have never been closer thanks to the time we spend together out looking for stuff to sell. So thank you again and I hope someday to be able to hit an event where you’re speaking, hopefully meet you in person to shake your hand and be able to tell you in person thank you. Anyhow back to the grind.

*With Gratitude and Appreciation,
Derek Todd*

HPI Apparel 

Most salespeople do not know the difference between their prospects' decision-making process compared with their decision-making criteria.

What's worse is that even more salespeople don't even bother asking about it. According to data from Objective Management Group (OMG) who has evaluated/assessed 1,843,388 salespeople, only 27 per cent of all salespeople are strong qualifiers so it's likely that the majority are not asking.

If you do ask a prospect about their decision-making process, you might hear about the steps they will take. If you ask about criteria, you might hear about the topics they'll consider when they make their decision.

I'll take you through an example.

Let's say we were going to decide on the best car we have ever owned.

Our process would be to make a list of 5 cars we have owned and enjoyed. My personal best are my current car, a 2018 Lincoln Navigator, a 2001 Jaguar XJR, a 1999 BMW 7 series, a 2005 Lexus LS and a 2015 Lexus GX. So far, that's similar to short-listing the vendors a company will invite to make presentations. **PROCESS.**

Next, identify the criteria that's important to you. For my list, I chose look, comfort, features, handling, noise level, cargo space (my son's catcher's gear takes up a lot of space) and driving enjoyment. Note that the price I paid is not one of my criteria but I understand if it is one of yours. This is similar to identifying the questions that each vendor will be asked. **CRITERIA.**

Rate each car on a 1-5 scale for each of your criteria, with 5 being the best. **PROCESS.**

Next, calculate the average score for each of the 5 cars. **PROCESS.**

Finally, rank the cars by score. Your favorite car is the one with the highest overall score. Mine is my Lincoln Navigator. This represents how the decision will be made. **CRITERIA.**

Knowing a prospect's process and criteria for making a decision is only the first step. Why are they doing it that way? Do they need to do it that way? If they want to work with you, why are they complicating it so much? If there is urgency to get their

problem solved, why are they taking so long? Does it all come down to the fact that none of the salespeople stood out? Nobody differentiated themselves? There wasn't a single salesperson who was head and shoulders above the rest? Everyone seemed and sounded so much alike that your product or service appeared as a commodity?

Shame on you!

Whenever they commoditize you, your company, your product, your service or your price, you are receiving instant feedback as to how poorly you differentiated yourself. The only consistently effective way to differentiate is to take a consultative, value-based approach, featuring listening and questioning skills.

Unfortunately, most salespeople are unable to identify compelling reasons to buy, create urgency, and get their prospects to "must have." Most salespeople fail to uncover anything more than business issues, which are never enough to differentiate. **SME**



Dave Kurlan is a best-selling author, top-rated speaker and thought leader on sales development. He is the founder and CEO of Objective Management Group, Inc., the industry leader in sales assessments and sales force evaluations, and the CEO of David Kurlan & Associates, Inc., a consulting firm specialising in sales force development.

ONE QUESTION PROVIDES SALESPEOPLE WITH INSTANT FEEDBACK ON HOW WELL THEY DIFFERENTIATED





Roy Strauss, president of The Strauss Consulting Group, LLC www.scg4u.com has been helping companies increase their profitability and competitive edge by improving customer service while reducing costs since 1983. SCG has expertise in all aspects of supply chain including space/layout, software, automation, equipment, staffing as well as the complete design and implementation of distribution and manufacturing centers.

PURCHASING FROM A POOR POWER POSITION

A lthough in most buy/sell relationships the buyer has the upper hand, in some circumstances it is the seller not the buyer who has the advantage in a buy/sell relationship. Situations in which this occurs might involve:

1. The seller has a monopoly on the products and/or the raw materials or components needed to make finished product(s).
2. Materials or resources required to make the products are always in short supply.
3. Demand or availability fluctuates causing temporary over-supply short supply.
4. Certain products are only made by manufacturers during a single production run or a given time of year and the producer under-estimates the demand.
5. Unexpectedly, a product or products become extremely hot and supply cannot keep up with demand. Not only will your competitor who has the hot item in stock get orders for that item but the other products they carry as well, all at your expense.

Examples encountered by my clients over the past years have included:

- ◆ The Olympics were to be held in Greece and there was a



huge demand for steel and steel products to construct new arenas, stadiums, and other facilities. At the same time China was going through a major industrial expansion. My clients in the US could not get steel or steel-based products, especially steel pipe for months on end.

- ◆ Quite a while ago businesses in one country purchased the whole Hawaiian pineapple crop and no one else could get pineapple for a while. When it finally became available, only those who got it first prospered.
- ◆ Every so often there is a new hot diet item such as a diet drink or electronics item, etc. and the product or components such as chips cannot be made fast enough to keep up with demand.
- ◆ Weather catastrophes cause crop failures and not only can one not get the particular fruit or vegetable for resale, but also cannot prepare the products made using them as ingredients. This can also happen to any business when the area suffers an earthquake, tsunami, uncontrollable fires, etc.

When such events happen, the largest customers, the oldest customers, or those with personal relationships with the supplier usually get favorable treatment hurting your ability to compete.

When in a poor power position there are several things one can do to gain the favor of the supplier:

- ◆ Add value - you can recommend other customers to this vendor for their complete product line; feature the vendor's products in a newsletter to your customers and contacts; and/or give them credit for some of your successes.
- ◆ Make your company conceptually larger - create a buyers group, have your friendly larger customers contact the vendor directly giving praise to you and your service and letting the vendor know of your importance in the given supply chain and your importance to them.

- ◆ Make it as easy as possible to do business with your company - pay all bills on time, place stock orders, provide forecasts, participate in suppliers' promotions, praise your direct contacts at the supplier whenever possible.
- ◆ Find a common ground and new ways to develop a personal relationship with your suppliers - for example, my client was visiting a supplier and saw a picture on his desk of a hockey player (the supplier's son). He invited the supplier and his son to a NY Rangers hockey game (front row at Madison Square Garden). Not only is my client a favorite customer but he gets warning calls as supplies are about to become short although he is not a large customer.

If you are resourceful and creative, you might just strike a responsive chord and improve your competitive position when the possibility seems remote. **SME**

Other than a sporting event or structured competition, it is rarely productive to compare ourselves to other people. In our society, we spend so much time worrying about what other people think of us that we don't consider the fact that the only opinion that matters is the one we have of ourselves. Comparison is the thief of joy. We can think we're doing good but then become depressed when we compare ourselves to those around us.

The proliferation of social media has made this situation worse over the past several years. When you look at profiles of friends or family members online, you're not looking at their reality. You are looking at their highlight reel.

Football coaches grade players based on game films. Coaches watch the entire game and observe each player during


each play. Any player could take his best dozen plays from any game and make a highlight reel that makes him look like a superstar even though he may have fumbled twice and thrown an interception during the game.

We've all had the experience of watching a great movie trailer or preview then deciding to go to that movie. Unfortunately in many cases, all the great scenes from that film were contained in a three-minute preview, and the rest of the two-hour movie is mediocre or even worse. Those of us who live in America or the rest of the developed world can feel like deprived underachievers if we watch other people's highlight reels in the media. Glimpses of superstar and billionaire lifestyles can cause us to forget that, from a global perspective, we are all extremely blessed.

Over a billion people on earth today survive on less than \$2.00 a day. If you want to get this into perspective, you need to quit looking outside and begin looking inside. All of us have dreams, callings, or visions that tell us who we could be or should be. The only comparison that serves us is the one between who we are now and who we know we should be in the future. The only two things we can control are our effort and our attitude.

At the end of each day, you are the sole judge of whether you did your best. Life is not a sprint. It's a marathon, and all of us are in separate competitions. We run on our own track and are subject to that age-old measuring stick. It's not whether we won or lost. It's how we played the game.

As you go through your day today, don't let comparison steal your joy.

Today's the day! 



Jim Stovall has been a national champion Olympic weightlifter, president of an Emmy Award-winning television network, and a highly sought after author and platform speaker. He was chosen as an International Humanitarian of the Year, joining Jimmy Carter, Nancy Reagan, and Mother Teresa as recipients of this honour.

THE THIEF OF JOY



BY
JORDAN
LOW

FITTING IN EXERCISE INTO YOUR BUSY SCHEDULE

It goes without saying that a maintaining an active lifestyle should be a foremost priority. With all our daily obligations and responsibilities to work and family, it is understandable that one may find it difficult to squeeze in some exercise into our busy schedules. However, our bodies are temperamental creatures and will not hesitate to let us know when it is not feeling well. Maintaining a strict but efficient exercise routine is key to keeping our bodies operating at 100%. After all, if we can't even take care of ourselves, how are we going to take care of our family and career?

Unsurprisingly, work is among the most obvious of culprits as to why we don't seem to have enough time to work out. This creates the paradoxical Catch-22. We work hard to gain the success we strive for, but we can't find the time to exercise because of work despite needing to exercise to stay healthy enough to work.

With how busy we are, every little bit of exercise helps. Here are several tips that will help with scheduling a healthy exercise routine without impacting the work schedule too harshly.

01. DON'T DO NOTHING, DO SOMETHING.

Having to go to the gym and sweat it out for an hour to maintain health is a common misconception. You don't have to work out for an hour, or even 30 minutes. 10 minutes or so is more than enough to get in some effective exercise. With an efficient program and enough frequency, short and fast exercise routines can do wonders for the body.

02. BE EFFICIENT WITH YOUR WORKOUT.

Choose a form of exercise that can be easily done everywhere. These



should typically involve minimal preparation. Weight lifting and running are examples of easily accessible workouts for those who are busy with travel. Ideally, any sort of high-intensity exercises that provides significant physical gains over a short period of time is preferable. Try to avoid slow-paced and time-consuming sports.

03. DO WHAT YOU WANT AND LIKE WHAT YOU DO.

When it comes to exercise, we need to exert quite a bit of self-discipline. We are often not motivated to do things we do not like

doing. Choosing an exercise we like doing goes a long way in ensuring that we stick to the workout schedule we set for ourselves.

04. TRACK YOUR PROGRESS.

Every time you work out, mark it down on your calendar. Record how many calories you burned or how many steps you took. Keeping track of your exercise regime is a good way of monitoring the progress you are making. In addition, the visual aid can provide a sense of encouragement, motivating you to stay on course.

05. COMMIT TO A SCHEDULE

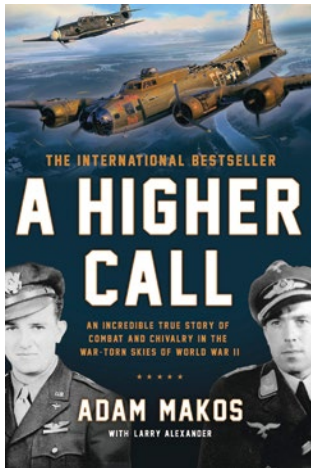
If you already have a work schedule, then squeeze in some light exercise! Whether if its during breaks or after work, there is enough time to fit in a few minutes of exercise. Allot some time every day to do a few stretches or go for a quick jog. Most importantly, if you schedule it, stick to it! Don't try to find an excuse to skip. SIME

BOOK

A HIGHER CALL

BY ADAM MAKOS WITH LARRY ALEXANDER

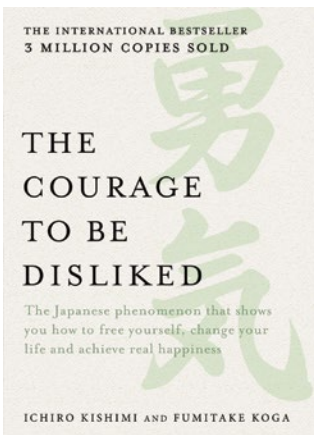
D ecember 1943: Second Lieutenant Charlie Brown struggles desperately to fly his badly damaged American bomber over wartime Germany. Half his crew lay wounded or dead on this, their first mission. Suddenly, a Messerschmitt fighter pulls up on the bomber's tail. The pilot is German ace Franz Stigler—and he can destroy the young American crew with the squeeze of a trigger...And yet, he did not. A Higher Call tells true a tale of great chivalry and sympathy, and that an understanding can come between even enemies on the battlefield.



THE COURAGE TO BE DISLIKED

BY ICHIRO KISHIMI AND FUMITAKE KOGA

T he Courage to be Disliked follows an illuminating conversation between a philosopher and a young man. The philosopher explains to his pupil how each of us is able to determine our own lives, free of the shackles of past experiences, doubts and the expectations of others. It provides us with a way of thinking that is greatly liberating, unshackling us from the limitations that we and others often put on ourselves. The book draws heavily from the theories of Alfred Adler, one of the greatest 19th century psychologists alongside Freud and Jung, and his ideas about inferiority.

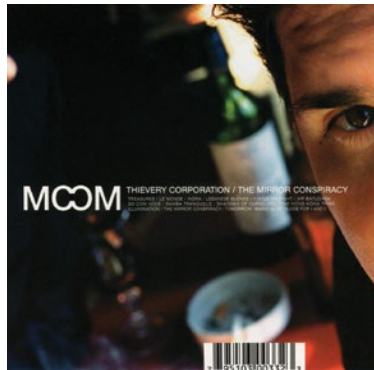


MUSIC

THE MIRROR CONSPIRACY

BY THIEVERY CORPORATION

T he Mirror Conspiracy (2000) is the second studio album by American electronic music duo Thievery Corporation. Rob Garza and Eric Hilton were drawn together over their mutual love of club life, as well as dub, bossa nova and jazz records. Thievery Corporation mix a multitude of musical elements into the Brazilian samba and jazz genre, resulting in a smooth and relaxing album that will help you grind away at that to-do list all day long.



WONDERWALL BY OASIS

W onderwall (1995) was quite the departure for English rock band Oasis. It is a memorable yet sombre tune that eventually became the song the band is known for. In 2002, Lead guitarist and main songwriter Noel Gallagher claims that the song is about an imaginary friend who is going to come and save you from yourself. However, many speculated that it was about his then girlfriend and later wife, Meg Matthews. This gives the song a rather bittersweet tone. Despite this, the song remains a catchy earworm that remains popular even today.

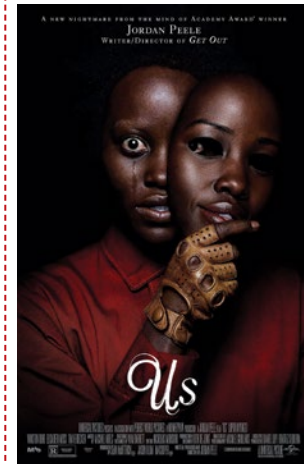


MOVIE

US

Cast: Lupita Nyong'o, Winston Duke, Evan Alex, Shahadi Wright

U s is director Jordan Peele's second go at tackling the psychological horror genre. The film shares a core theme about identity with Peele's previous movie, Get Out (2017). Husband and wife Gabe and Adelaide Wilson take their children to their beach house, hoping to spend time with friends.



However, tensions begin to rise with the arrival of a group of doppelgangers who look exactly like.

FIGHTING WITH MY FAMILY

Cast: Florence Pugh, Jack Lowden, Dwayne Johnson, Nick Frost, Lena Headey, Vince Vaughn

B ased on a true story, Fighting With my Family is a dramatization of World Wrestling Entertainment (WWE) superstar Paige (Saraya-Jade Bevis) and her journey from independent wrestler to a global phenomenon. Tension and animosity ensues when a rigorous selection process leaves Paige



as the only viable recruit for the brand while her brother is denied his dream and left to return home downtrodden.

AUTOMECHANIKA KUALA LUMPUR

Automechanika Kuala Lumpur was held from 21-23 March 2019 at the Kuala Lumpur Convention Centre. Organised by Messe Frankfurt (HK) Ltd, the event showcased the latest in automotive technology, as well as auto-lifestyle trends with the finals of the EMMA Malaysia Car Audio and Modification Competition.



LAUNCH OF ZOUK GENTING

Zouk Genting was officially unveiled on 4 March 2019 6,000 feet above sea level at Resorts World Genting. Comprising two clubs, a social gaming lounge, karaoke and a restaurant, Zouk Genting is the latest in nightlife at Genting Highlands. **SME**



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IS EDUCATION IMPORTANT FOR ENTREPRENEURSHIP?



here's a famous Chinese saying that 'learning is like rowing upstream, not to advance is to drop back (学如逆水行舟, 不进则退).

Yet we continue to see many examples of successful entrepreneurs who either don't have any formal education, or are college dropouts. Names like Bill Gates and Mark Zuckerberg

come to mind. Nearer home, Malaysia's Lee Shin Cheng, Singapore's Sam Goi and China's Zong Qinghou (of Wahaha fame) are all billionaire entrepreneurs—and none of them have a degree.

Indeed, we have seen time and again how formal education can be a disincentive to—or even counter to—entrepreneurship. How many entrepreneurs do you know that have actually earned a doctorate degree?

I would go as far as state that one of the

main reasons people become entrepreneurs is because they wouldn't be employable in our education-first employment market. People who spend many of their formative years in universities become more risk averse, and a healthy risk appetite is an important criterion for entrepreneurship.

The more opportunity one has for a good paying job, the less incentive there is for one to strike out on one's own. It is this artificial sense of security that has stopped many potential entrepreneurs from becoming one.

So is education important for entrepreneurship?

Of course it is! In fact, I cannot think of anything more important for a potential or current entrepreneur, than education. For one, we have moved from an industrial to a knowledge economy. Sheer hard work and perseverance might work when machines and processes dictated success. However, in today's innovation-led economy, that's not only not enough, it can be counter-productive as well. We must not benchmark ourselves against the successes of our forefathers. They lived in a very different world.

Secondly, as most successful entrepreneurs such as Tan Sri Lee Shin Cheng would tell you, education is not just a piece of paper. It's a lifelong quest for knowledge and self-improvement. Albert Einstein famously said: "Education is what remains after one has forgotten what one has learned in school".

Indeed, the problem could be our educational system itself. By and large, we inherited our education system from the British. It was designed to quickly produce a large number of workers to power the then-Industrial Revolution. It wasn't designed to produce thinking, or remotely entrepreneurial, young people. We have had many changes to our education system since then. But the built-in mentality will take decades to change.

As entrepreneurs, we come from different backgrounds. Some of us were born into entrepreneurial families and may have inherited the entrepreneurial spirit, if not the business itself. Some of us have a college degree, maybe more, and are running successful businesses even before founding the current one. And some of us came from a more humble background, and were deprived of education due to poverty or accessibility.

However, we must all agree that education is important. This need not be formal state-approved education, but a combination of formal education in the form of classes and courses and informal education in the form of reading, listening and understanding.

It is not difficult to start a business. But it is difficult to grow a business. And it is even more difficult to sustain a business for generations. Education may not be the solution to our needs, but when we continue to encounter bottlenecks to growth, we will be grateful for the choice that education gives us. **SME**

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