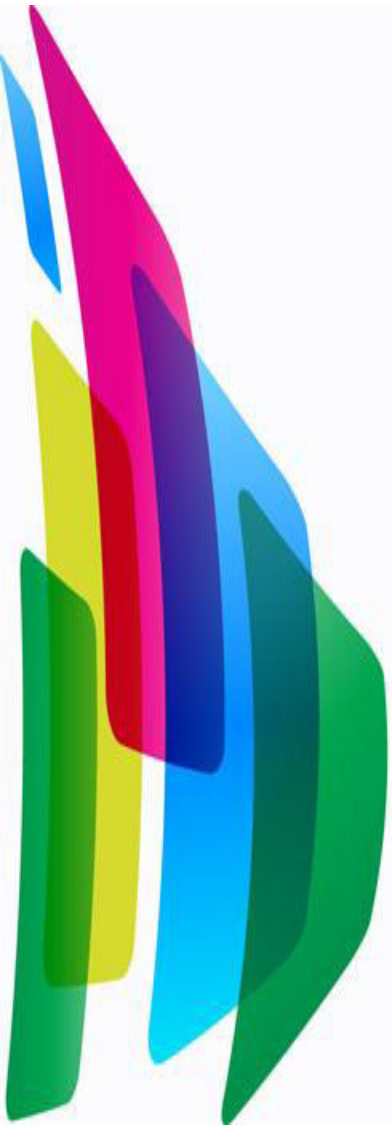




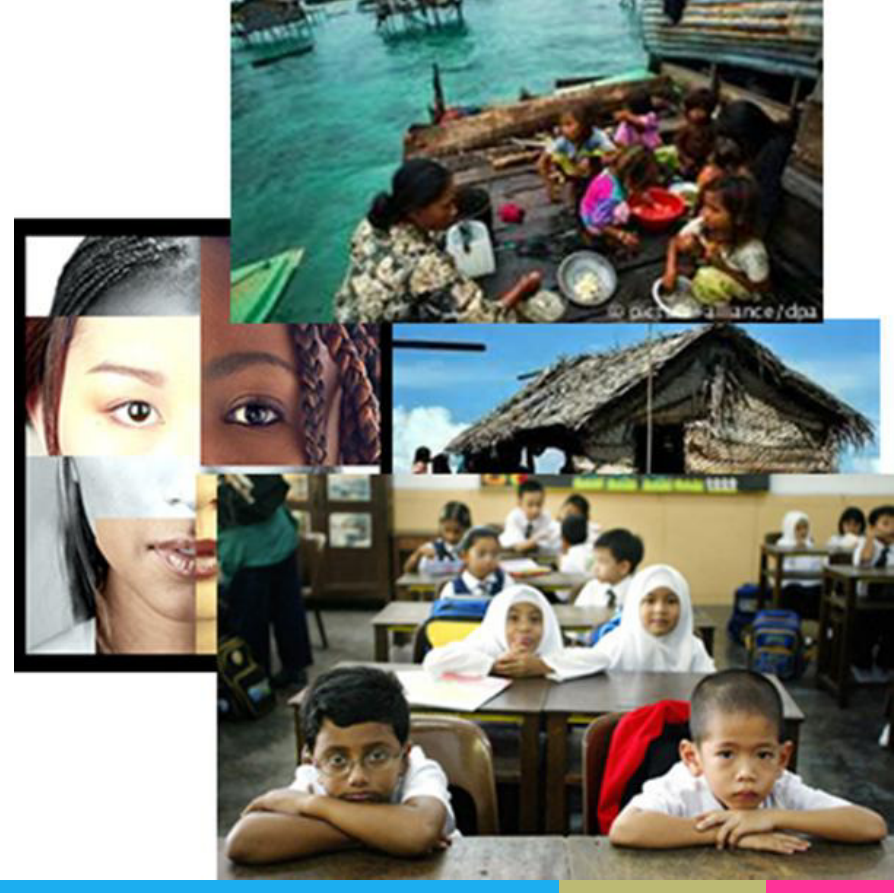
Entrepreneurship for Social Transformation: The Experience of SME Corporation Malaysia

29 October 2015



A large collection of business-related icons on a blue background. The icons include symbols for finance (dollar signs, coins, banknotes), technology (smartphones, laptops, tablets, Wi-Fi), communication (speech bubbles, mail, social media), management (charts, graphs, pie charts, bar charts), and general business (gears, lightbulbs, checkmarks, arrows, people icons). The icons are arranged in a dense, overlapping pattern.

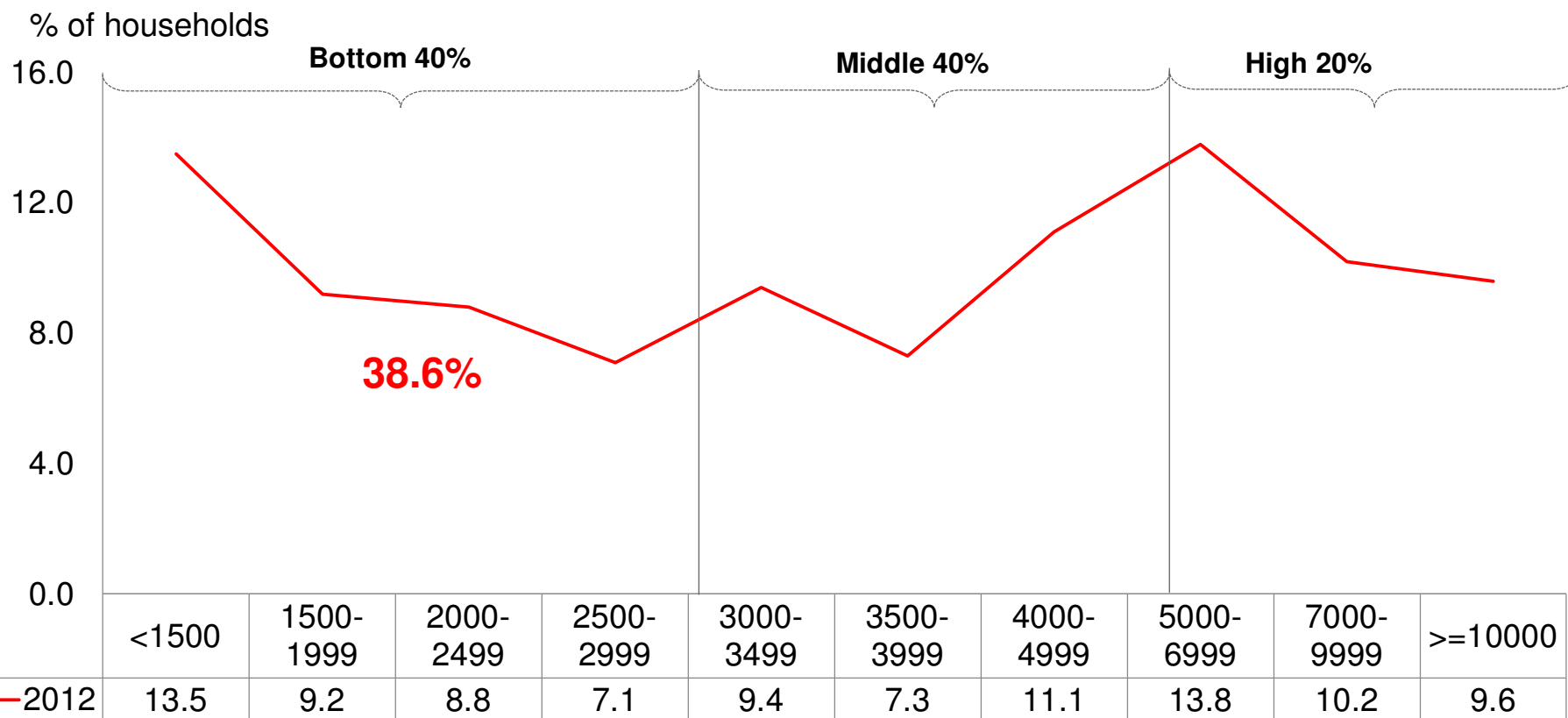
-



Background

About 40% of Malaysian households are in Bottom of Pyramid (BOP) earning less than RM3,050/month

Distribution of households by income class in Malaysia, 2012

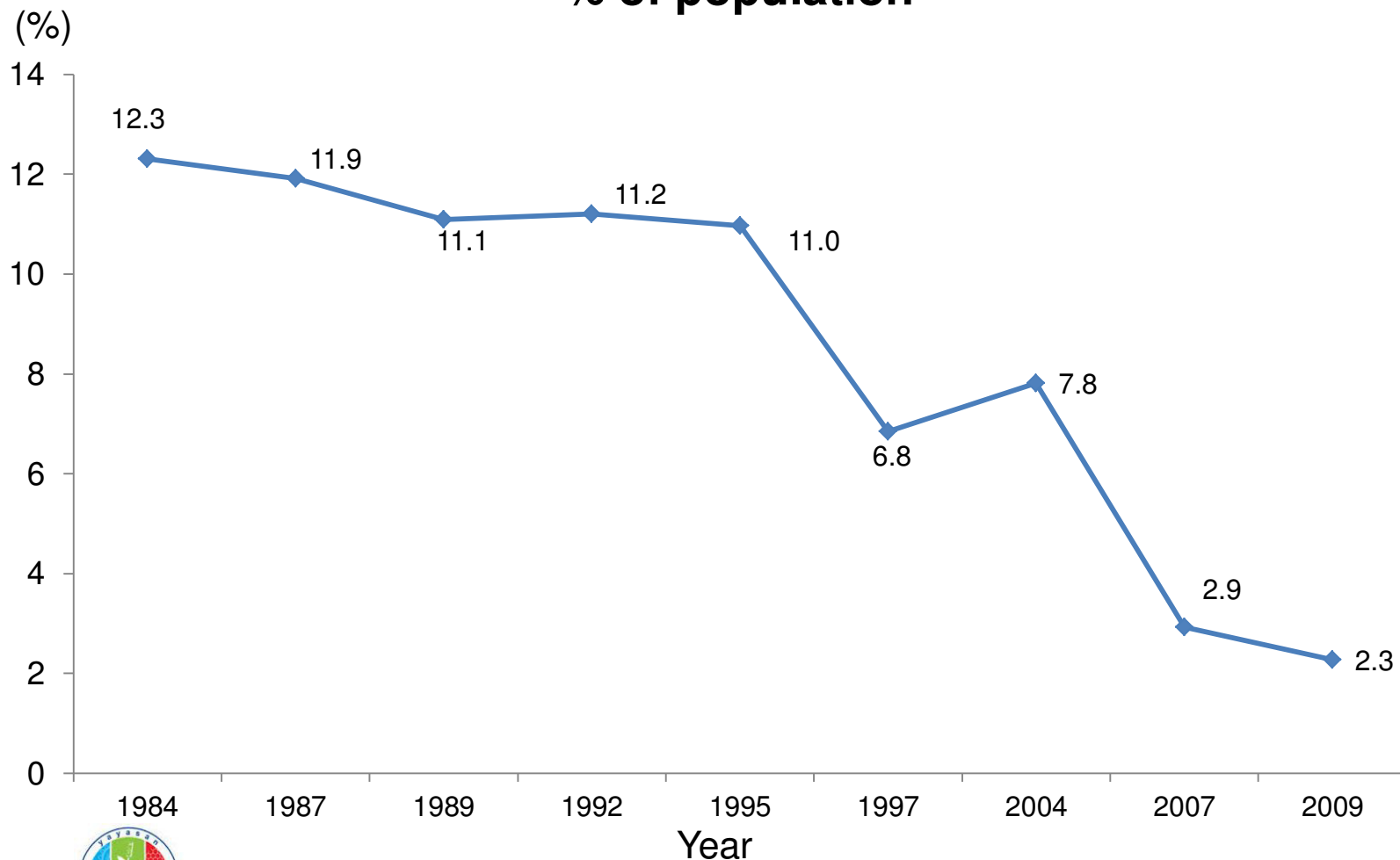


In 2012, the income class for bottom 40% households is less than RM3,050; middle 40% is between RM3,051 – RM6,947 and the top 20% is greater than or equal to RM6,948



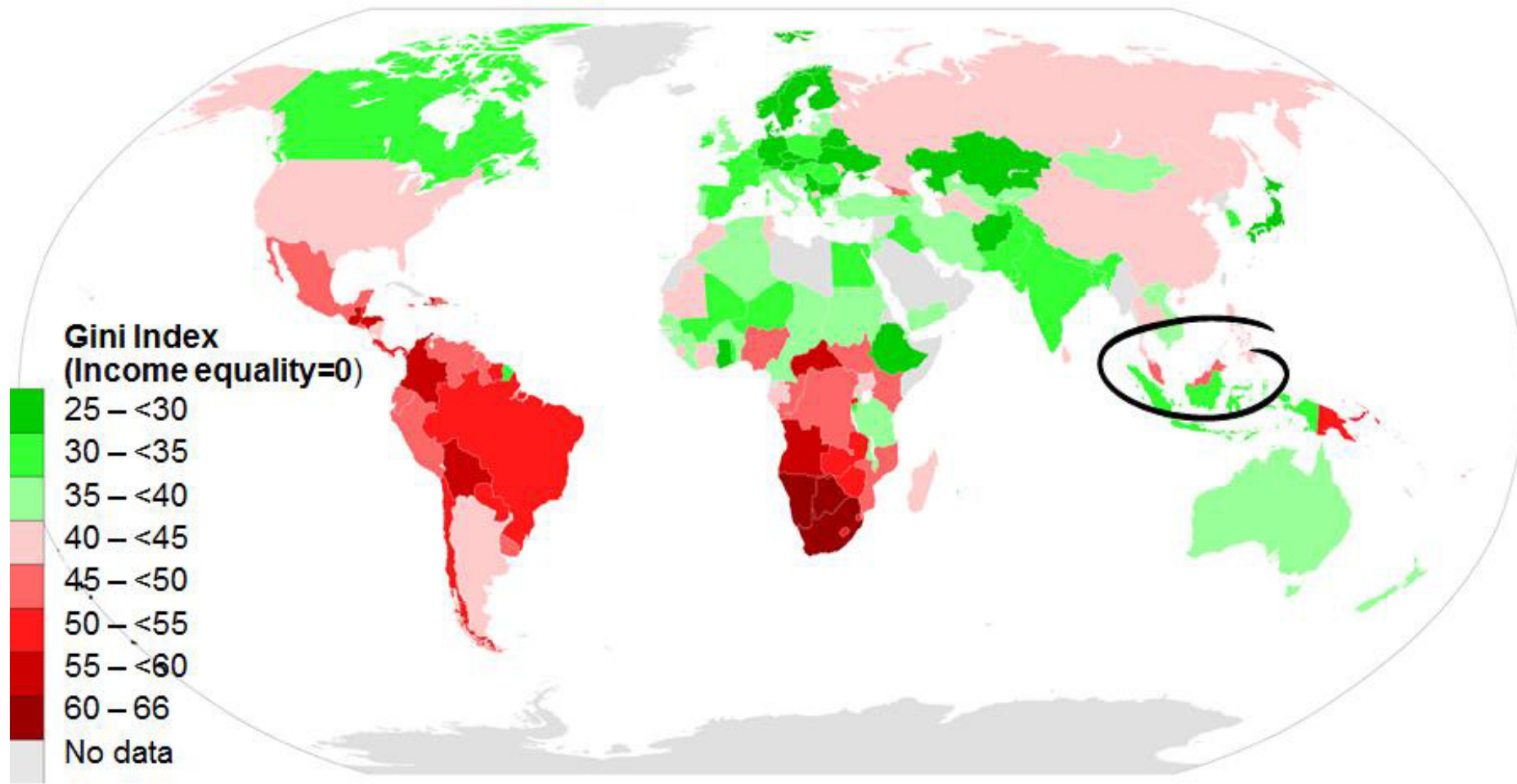
While Malaysia's poverty reduction has been remarkable...

Malaysia: Poverty headcount ratio at \$2/day (PPP) % of population



Source: World Development Indicators 2014

Income Gini Index Map



Malaysia has moved from agriculture-based country to industrialised country during the late 20th century



1960s



1990s



2000

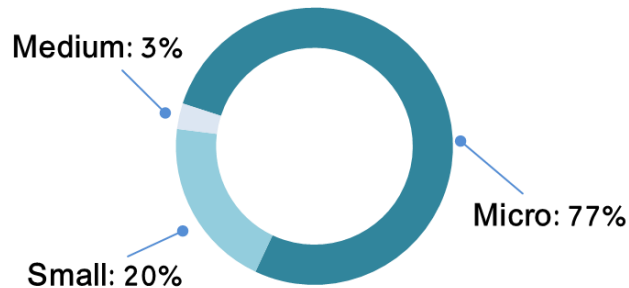
- Government promotes private enterprise and ownership in the economy
- Economic direction of the country is heavily influenced by the Government through five years development plan



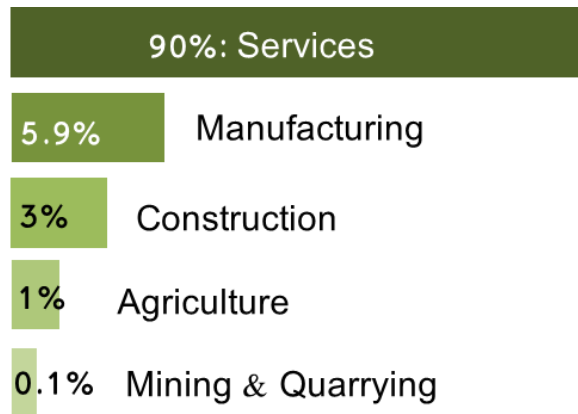
SME Development

SMEs are the **backbone** of the economy

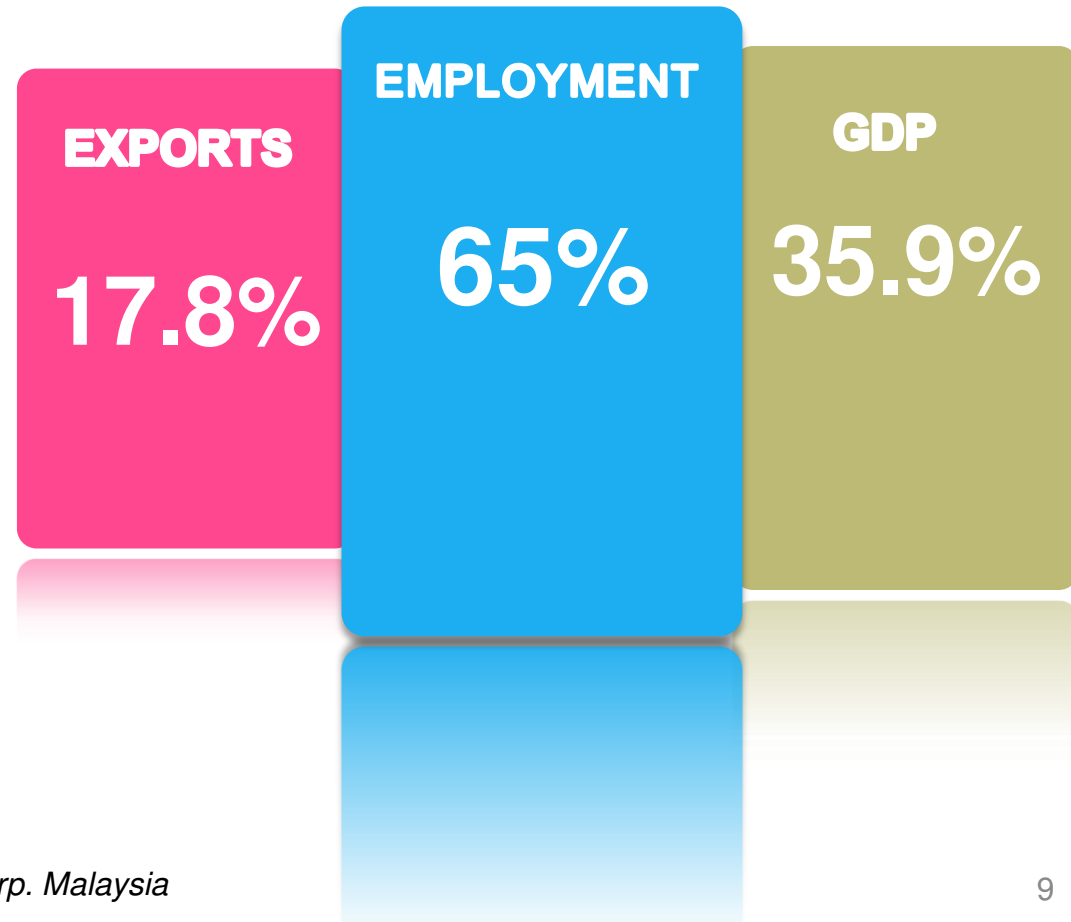
97.3% (645,136) business establishments
in the country are SMEs



SMEs cut across **all sectors** of the
economy



SME contribution to:



SME Corp. Malaysia established under Small Medium Enterprises Act 1995 (ACT 593) as the **single dedicated agency** to formulate overall **policies & strategies** for SMEs and to **coordinate programmes** across all related Ministries & Agencies

The background features two large, overlapping circles with a blue gradient. Behind these circles are several sets of concentric, wavy lines in shades of blue and green, creating a dynamic, layered effect.

VISION
PREMIER
organisation for
development of
progressive SMEs to
enhance wealth
creation and social
well-being of nation

MISSION
Promote development
of competitive,
innovative & resilient
SMEs through
effective coordination
& provision of
business support

SME development was accorded high policy attention 10 years back with the establishment of NSDC



Council established in 2004

Chaired by PM, members 14
Ministers & heads of key agencies

Progress

Roles and Responsibility

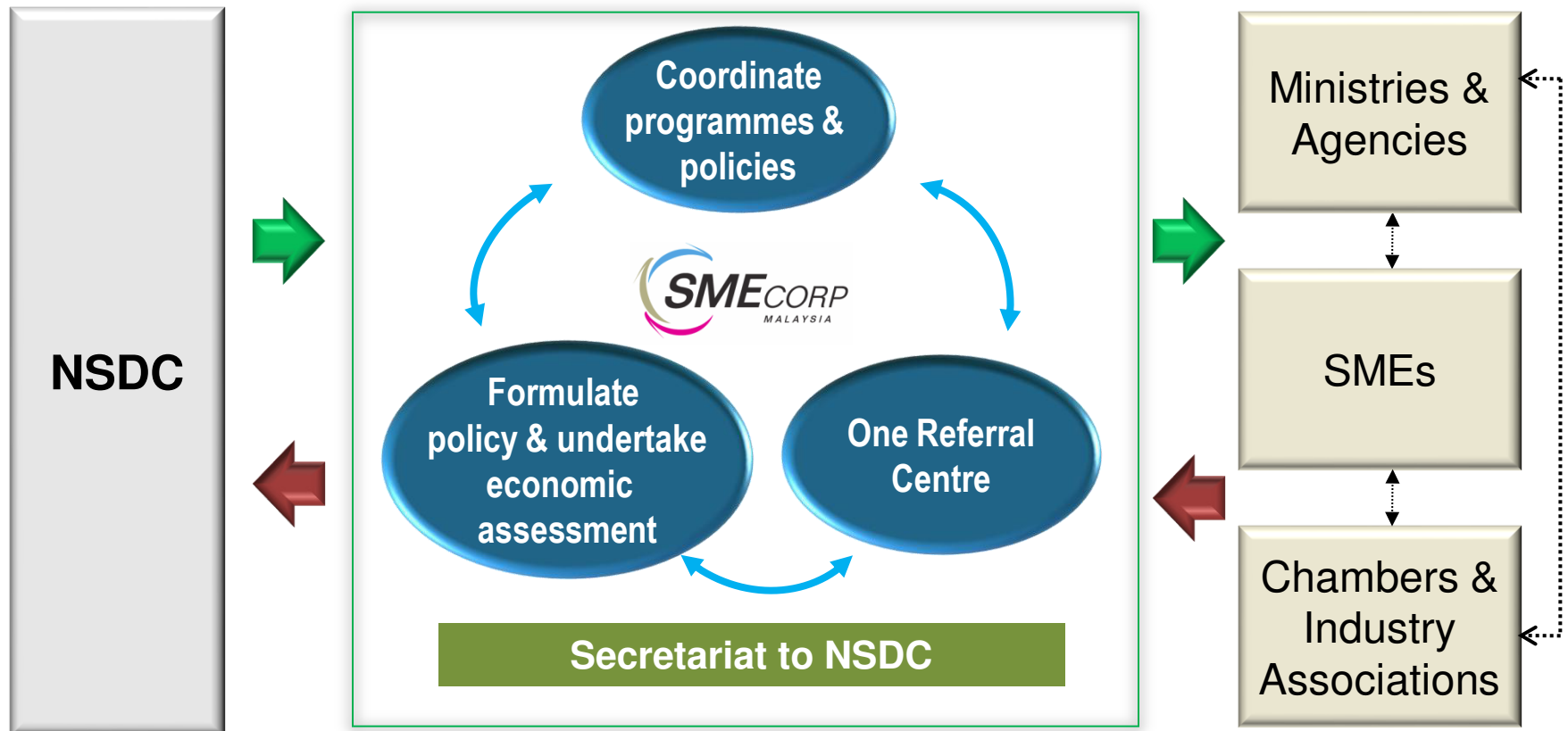
Provides direction for comprehensive development of SMEs across all sectors

Formulates broad policies and strategies

Oversees coordination and ensures effectiveness in policy implementation

- SME Definition & Statistics
- Central Coordinating Agency
- Centralise HR development
- Information dissemination
- New financial products (guarantees, microfinance)
- Financial infrastructure (transformation of DFIs, Credit Bureau, SDRS)
- Long-term policy – SME Dev Framework, SME Masterplan

Note: NSDC refers to National SME Development Council



**Formulation of Policies
and Coordination of
SME Programmes**



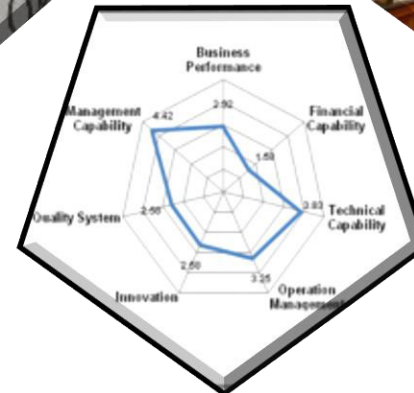
**Business Advisory
& Support**



**One Referral Centre
for SME Related
Information**



**Management of SME
Related Data and
Information**



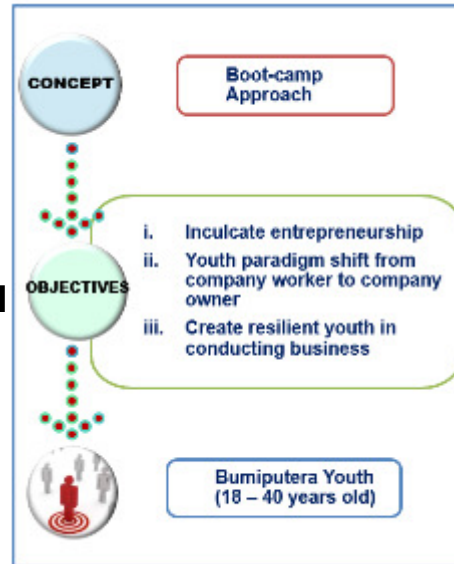
**Secretariat to
National SME
Development
Council (NSDC)**



Entrepreneurship was promoted through Tunas Usahawan Belia Bumiputera (TUBE)



IMPLEMENTATION MODEL



Strategic Partners: Collaboration with Ministries and Agencies



PHASES & COMPONENTS

PHASE 1 **Test the Mind Perseverance & Physical Durability**
(7 days)

PHASE 2 **Increase Knowledge: Effective Business Operations**
(7 days)

PHASE 3 **Guidance on Effective Business - Buddy System : 12 months**

Incentives



RM15,000 Grant to Start a Business

Buddy System (Ratio 1 : 7)

- Business / Financial Counsellor
- SEAP Expert

①



Online Registration

1 – 31 JULY 2015

<https://tube2.smecorp.gov.my>

②



10 locations

(PLKN camps across the nation)

③



7,442

Snapshots of TUBE 1.0 Achievements



448 participants



**443 business registered
(99.0%)**



**Accumulated Sales
Value
(Jan – June 2015)**



**RM8.25 million
(~RM18,623 average per co.)**



**Total Job
Opportunities**



623 jobs created

BIDAI SOLUTION SDN BHD (Bangi)



BIDAI



- Rafidah Baharin, accounting graduate
- Supplying interior design materials
- Employ 4 workers
- Monthly income : RM4,000 – RM5,000
- Contract value ranging from RM100 to RM16,000

AWANG GONENG ENTERPRISE (Batu Caves)



Mohd Syafiq menunjukkan **keropok lekor warisan keluarga** di geraiinya di Taman Bolton, Batu Caves.

Graduan IT teruskan legasi perniagaan keropok lekor

» Minat berniaga membawa Syafiq sertai program TUBE

Oleh Haryani Ngah
aryani@bh.com.my

Minat mendalam untuk meneruskan bidang perniagaan membuka jalan buat Mohd Syafiq Yusof meneruskan warisan yang pernah diusahakan oleh arwah neneknya suatu ketika dulu.

Graduan Ijazah Sarjana Muda Teknologi Maklumat dari Universiti Teknologi Mara (UTM), ini memulakan perniagaan keropok selepas mengikuti program Tunas Usahawan Bella Bumiputera (TUBE) di bawah SME Corp. Malaysia.

"Saya memang minat meneruskan bidang perniagaan dan keluarga saya pun berniaga kuih. Masa belajar peringkat Matrik di Kolej Mara Kuala Nerang saya sudah berniaga sambil di pasar malam menjual *chicken chop* dan air minuman pada setiap Jumaat."

"Bila sudah bekerja, kalau balik dari kampung saya akan bawa keropok lekor untuk dijual kepada rakan pejabat. Jadi bila dapat tahu mengenai TUBE saya terus pohon kerana saya memang minat berniaga," katanya yang pernah bekerja dalam bidang Teknologi Maklumat selama dua tahun lebih dengan status kontrak.

Ketika memikirkan jenis perniagaan yang ingin diceburi, Syafiq terfikir untuk meneruskan perniagaan pembuatan keropok lekor

yang pernah diusahakan oleh arwah neneknya.

Legasi perniagaan keropok lekor tinggalan arwah nenek diteruskan oleh dua orang emak saudaranya dan kini Syafiq menjadi generasi kedua yang menyambung perniagaan warisan keluarga itu.

Sehubungan itu, sebaik tamat kursus TUBE, Syafiq pulang ke kampungnya, Seberang Takir di Terengganu iaitu sebuah kawasan perkampungan yang terkenal dengan pembuatan keropok lekor yang enak.

Guna bantuan TUBE beli peralatan

Tidak terhenit di situ, Syafiq kemudiannya mengikuti kursus 'Keropok Sangkut' anjuran Mardi Terengganu pada April lalu.

Melalui kursus itu, dia mempelajari teknologi dan teknik dalam pembuatan beberapa jenis keropok seperti keropok lekor, keropok *crispy* dan keropok segera.

Syafiq kemudiannya mencari premis perniagaan dan hasil tinjauannya dia berjaya menyewakan gerai daripada Majlis Perbandaran Selayang yang terletak di Taman Bolton, Batu Caves.

"Saya menggunakan bantuan yang diperoleh menerusi program TUBE untuk membeli peralatan seperti mesin penguli ikan, mesin penggetel keropok, peti sejuk beku dan peti sejuk. Saya juga melakukan pengubahsuaian kedai."

Selain menggunakan bantuan kewangan daripada TUBE, Syafiq juga mengeluarkan wang simpanan untuk memulakan operasi perni-

"Saya menggunakan bantuan yang diperoleh menerusi program TUBE untuk membeli peralatan seperti mesin penguli ikan, mesin penggetel keropok, peti sejuk beku dan peti sejuk"

Mohd Syafiq Yusof,
Penguasa Keropok
Lekor Awang Goneng

agaan ini," katanya.

Untuk membuat keropok lekor yang enak, Syafiq mendapat bekalan ikan segar dari pasar Selayang, manakala sagu dibeli khas dari Terengganu memandangkan sagu yang dijual di sekitar Lembah Kelang tidak sesuai untuk menghasilkan keropok lekor.

Menjalankan operasi perniagaan sejak Jun lalu, Syafiq ketika ini menghasilkan 10 kilogram keropok sehari. Keropok yang dibuat oleh Syafiq boleh bertahan sehingga dua bulan sekiranya disimpan dalam peti sejuk beku.

Cadang jual pelbagai jenis keropok

Menggunakan jenama Keropok Lekor Awang Goneng, menggambarkannya sebagai anak kelahiran Terengganu kerana nama Awang Goneng sangat sinonim untuk panggilan kepada anak lelaki di negeri itu.

Malah ibunya turut menganggotakannya dengan panggilan itu membolehkan dia memulakan nama Awang Goneng Enterprise untuk perni-

agaan keropoknya.

"Buat masa sekarang, selain menjual keropok lekor di kedai, saya turut melakukan penghantaran di sekitar Gombak, Selayang dan Kuala Lumpur. Untuk penghantaran saya akan menggunakan motosikal, komuter atau LRT bagi memastikan keropok dapat sampai terus ke tangan pelanggan."

"Saya lakukan pemasaran menerusi facebook, instagram dan twitter. Saya menggunakan aplikasi WhatsApp untuk mengambil tempahan dan berhubung dengan pelanggan."

"Setakat ini pelanggan yang membeli keropok memberi maklum balas yang cukup baik. Ada yang membuat tempahan ulangan dan ada yang datang untuk menjadi agen jualan," katanya.

Bagi yang pernah menikmati keropok lekor yang dihasilkan oleh Syafiq pasti akan mengakui bahawa rasanya memang sangat asli sama seperti yang dibeli di Terengganu.

Keropok lekor Awang Goneng sangat enak rasanya kerana mempunyai isi ikan yang banyak dan apabila digoreng keropok ini akan rangup di luar dan lembut di dalam. Selain membuat keropok lekor, Syafiq juga menghasilkan sendiri sos pencicah.

Sebagai seorang usahawan muda yang berprestasi, Syafiq bercadang membuka pusat sehati untuk menjual pelbagai jenis keropok serta produk yang berkaitan.

➤ Mohd Syafiq Yusof, IT graduate

➤ Monthly income : RM4,000 – RM5,000

➤ Produce 10kg of keropok lekor per day

➤ Marketing through on-line platforms

KEROPOK LEKOR Awang goneng

(002410328-T)

Kedai kami menyediakan

- ✓ Keropok Lekor Rebus
- ✓ Keropok Lekor Segera
- ✓ Keropok Crispy
- ✓ Keropok Keping pelbagai jenis & Sos Pencicah

"Kekoh Saje Sedap Doh" 016-632.5994

No.6 (Blok A), Gera! MPS Taman Bolton, 68100 Batu Caves, SELANGOR. @KpokAwangGoneng @kepokawanggoneng

BT PEST TERMINATE (Kota Kinabalu)

Leg up for new entrepreneurs

The Tunas Usahawan Belia Bumiputera programme is a government initiative that reaches out to those in need

there are still untapped opportunities in Sabah. My husband, who is also company manager, is well-versed in the trade. This gives me the confidence to take such a risk," she explains.

The start-up period had been tough, owing to a small working capital. However, the two got through their financial troubles with customer support.

The economic slowdown has taken a toll on her business, says Richard, as some of her clients – especially in the food and beverage (F&B) business – are seeing fewer patrons.

"We notice spending power at local eateries is low. However our business is a need, not a want – they (F&B operators) must ensure their operation is clean and pest-free."

Being a small business with some five people on its operations team, the RM15,000 from SME Corp has helped BT Pest Terminate with operational issues such as staff salaries, machinery, chemical stock and other necessities.



In tandem with the wave of opportunities and challenges, Richard and his wife, Melia, are...
Richard and his wife, Melia, are...

Richard reveals the company plans to increase sales by 50% by the third quarter of next year. That can be achieved, she says, when they stabilise business cash-flow by signing larger clients.

Scaling up

Not all Tube participants are new to entrepreneurship. Bidat Solutions Sdn Bhd founder Rafidah Baharin managed her own interior-furnishing business in Rawang for six years before starting a retail outfit.

She created her own line of blinds under the brand name Bidat. "There is a proliferation of curtain shops. I believe it is best to venture into something different. Blinds suit an office better than curtains." Bidat opened in January and Rafidah says sales have been encouraging. Her shop

participants "While in the first year, I spoke to several female and spouses."

"It is not a man's thing, it is a woman's thing, and it is a woman's thing."

Other in-clude Siba from Terengganu opens an oyo

GRO

The former job to start in mushroom Bunk. Meantime Syarif Yusof



Charlonitta (dari kiri) dan Richard (di tengah) bersama Melia (di kanan) dan Syarif Yusof (di belakang) berdiri di depan banner 'PEST TERMINATE'.

Bantuan TUBE tingkatkan perniagaan

» Kembangkan usaha dalam perkhidmatan kawalan serangga perosak di Kota Kinabalu serta daerah sekitarnya

Kota, restoran, kompleks beli-belah dan Pazaraya Corp Malaysia serta rumah individu memerlukan perkhidmatan kawalan serangga perosak.

"Selain secara langsung, kami turut menerima pelanggan yang mahu menghidupkan perniagaan mereka dengan membuka perkhidmatan kawalan serangga perosak di Kota Kinabalu serta daerah sekitarnya."

Katanya, dalam tempoh bulan pertama perniagaan, banyak perniagaan yang membuka perkhidmatan kawalan serangga perosak di Kota Kinabalu serta daerah sekitarnya.

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➤ Charlonitta Richard, a former private company worker

➤ Pest control business in Sabah

➤ Now has 72 contracts from Government departments, schools, restaurants, shopping complex

➤ Monthly income : RM10,000 – RM12,000

BT PEST TERMINATE
COMMERCIAL & RESIDENTIAL

Sign up for our 1 year package and start protecting your investments!

- ✓ Free Inspection
- ✓ No hidden charges
- ✓ Registered with MOA & PMS

Authorized Sabah Agent For: **ExTerminex**

Our Services Are Suitable For:

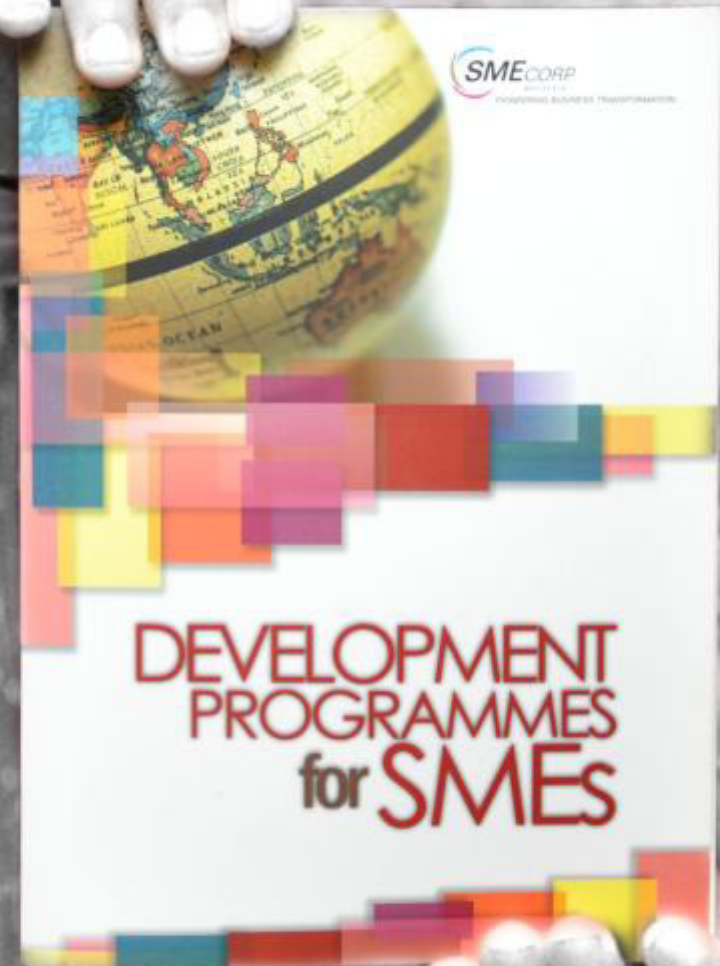
- Residential Home Owner
- Government Agencies
- Schools/ Pre-School
- Restaurants/ Coffee Shops
- All Commercial Businesses

Fax: 03-2037 2779
016-8117936/ 016-7160058/ 016-5820898
BTPEST.Terminate@Gmail.com
www.Fb.com/BTPest.Terminate
www.BtPest.com

HO office: Block F6-0, Beverly Hills PH.5, Bundusan, 88300 Penampang.
Branch office: Lot 3-A26, Level 3, Central Shopping Plaza, Kepyuan Ridge, 88200 Kota Kinabalu.

Dua pekerja BT Pest Terminate melakukan kerja penyemburan racun serangga di Pazaraya Corp (Mall), Putatan.

Other Initiatives



Holistic capacity dev programme through BAP & E²...

Programme-based

Diagnose and identify strengths & weaknesses of SMEs

Business advisory and recommend action plan

Capacity Building

Enhance capabilities of SMEs through improvement activities which partly funded under the grant scheme

Financial Assistance

Soft Loan Scheme

Monitor & Evaluate

Create critical mass of dynamic, competitive & resilient SMEs

BAP

SMEs 2-star (SCORE) and above

E²

Micro Enterprises of level 3 & below (M-CORE)

In collaboration with



BANK RAKYAT
بيڠك رعية

In collaboration with



SME Bank

BAP: Business Accelerator Programme

E²: Enhancement & Enrichment Programme

- Diagnostic tool to assess performance and capabilities which is used to rate and enhance competitiveness of SMEs.
- Developed in August 2007.

What is SCORE?

- Identify strengths and weaknesses for improvements.
- Selection criteria for potential business linkages.

Functions

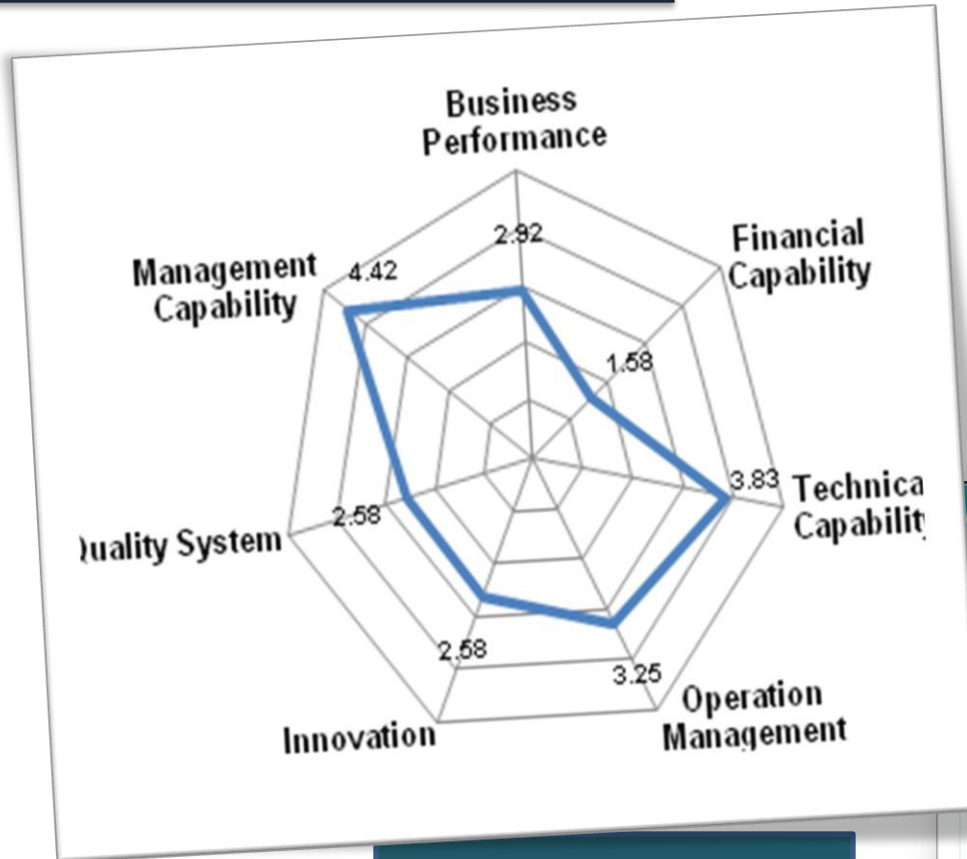
- 0 – 2 : Very basic business operation
- 3 – 5 : Competitive and export-ready

Characteristics



How does it look like?

Radar Diagram with 7 Parameters



Comprehensive
systemised
evaluation

Analysis:

Weak in financial capability

Assistance:

Requires training in financial management & improvement in quality management



Assessment for **microenterprises** using M-CORE

A comprehensive diagnostic tool to enhance competitiveness of Micro Enterprises developed in February 2010

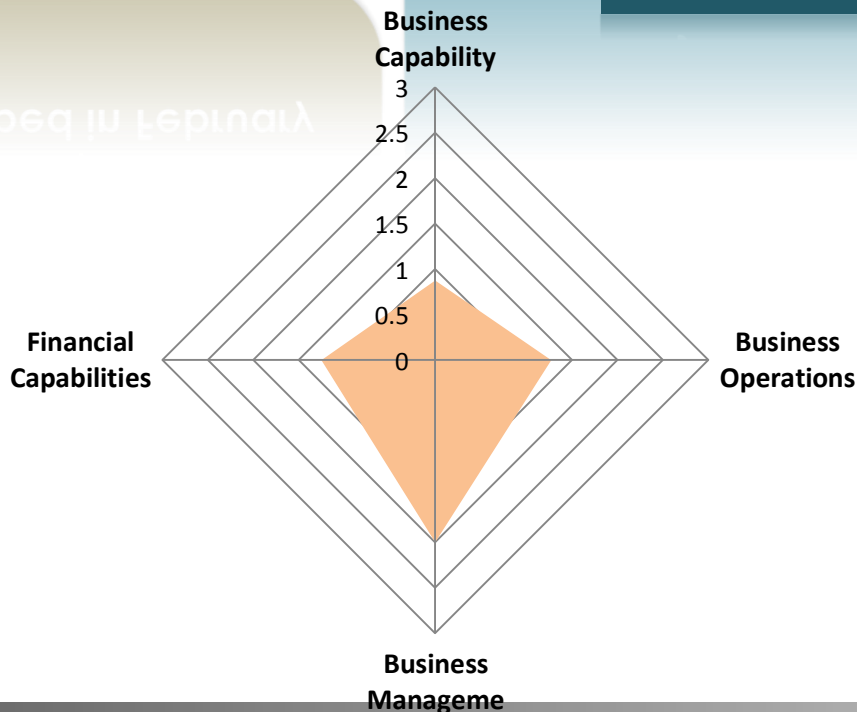
M-CORE

Identify strengths and weaknesses for improvements

Objective

Level 1:
Basic business operations
Level 2:
Average & has a potential
Level 3:
Complete the criteria

Characteristics



Radar Diagram with 4 Parameters

Analysis:

Low in business capability.

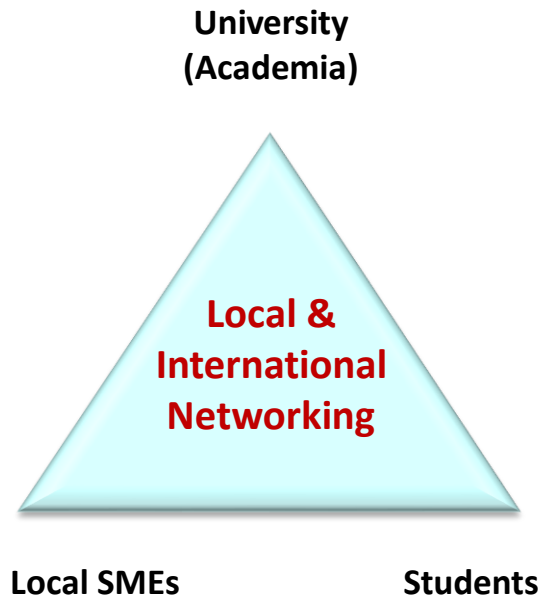
Assistance:

To provide hand holding assistance, enhance productivity and capacity

SME- University Internship

- The SME – University Internship Programme is an initiative to link SMEs (Start-Ups and Rural) to universities to upgrade the SMEs capacity and capability.
- The synergy between the Industry and University is also meant to give opportunities for students to apply their knowledge in the real business environment and learn best business practices.

**BASED ON CONSULTING BASED LEARNING
FOR ASEAN SMEs (COBLAS)**



BEFORE

A Focus Group will evaluate and recommend improvements.



AFTER



In this case study, the group recommended a laundry shop to improve and diversify its storage system and enhance productivity

Enhancing business acumen of SME owners

OBJECTIVE	MECHANISM	DESIRED IMPACT
To improve entrepreneur-ship skills among the entrepreneurs through specific Training Programmes based on the Training Model of Japan SME University.	Specific Training programme modules which includes case study assignment & sharing of experience of success entrepreneurs.	Develop capable entrepreneurs that will drive diverse management innovation and creativity in developing business acumen.

Structured learning opportunity in universities - aims at developing capable CEOs of SMEs to experience and gain knowledge on entrepreneurship and business tools from theory and methodology to applied skills.

Training duration

•1 mini semester (3 months)

Module 1: World-Class SMEs Leadership & Managing Performance

Module 2: Right & Responsibilities of Employers

Module 3: Creative Marketing and Business Success

Module 4: Accounting & Financial Management

Module 5: Entrepreneurship and Business Networking

Module 6: Business Opportunities, Growth and Modeling

Module 7: Law & Ethics

Module 8 : Operation & Quality Management

B
E
N
E
F
I
T
S

Understand what it takes to be a national, regional and global enterprises;

Develop and cultivate a positive culture within the company;

Explore various diagnostic business tools to cope with a dynamic business environment;

Refine the business plan of the company.

TRAINING APPROACH :

Interactive

Semi-Coaching

Semi -Consulting

SMEs Case Study

Encouraging Cashless Transactions

HOW IT WORKS

- SME can purchase a piece of hardware, essentially a tiny **card reader**, that fits into the bottom of a **smartphone or tablet device** equipped with software for processing financial transaction.
- Entrepreneurs can accept **credit card & debit card** for their goods sold and services offered.
- Device cost between **RM300 – RM700**



Buy Everywhere, Pay Anywhere



Pasar Tani



Roadside Stalls



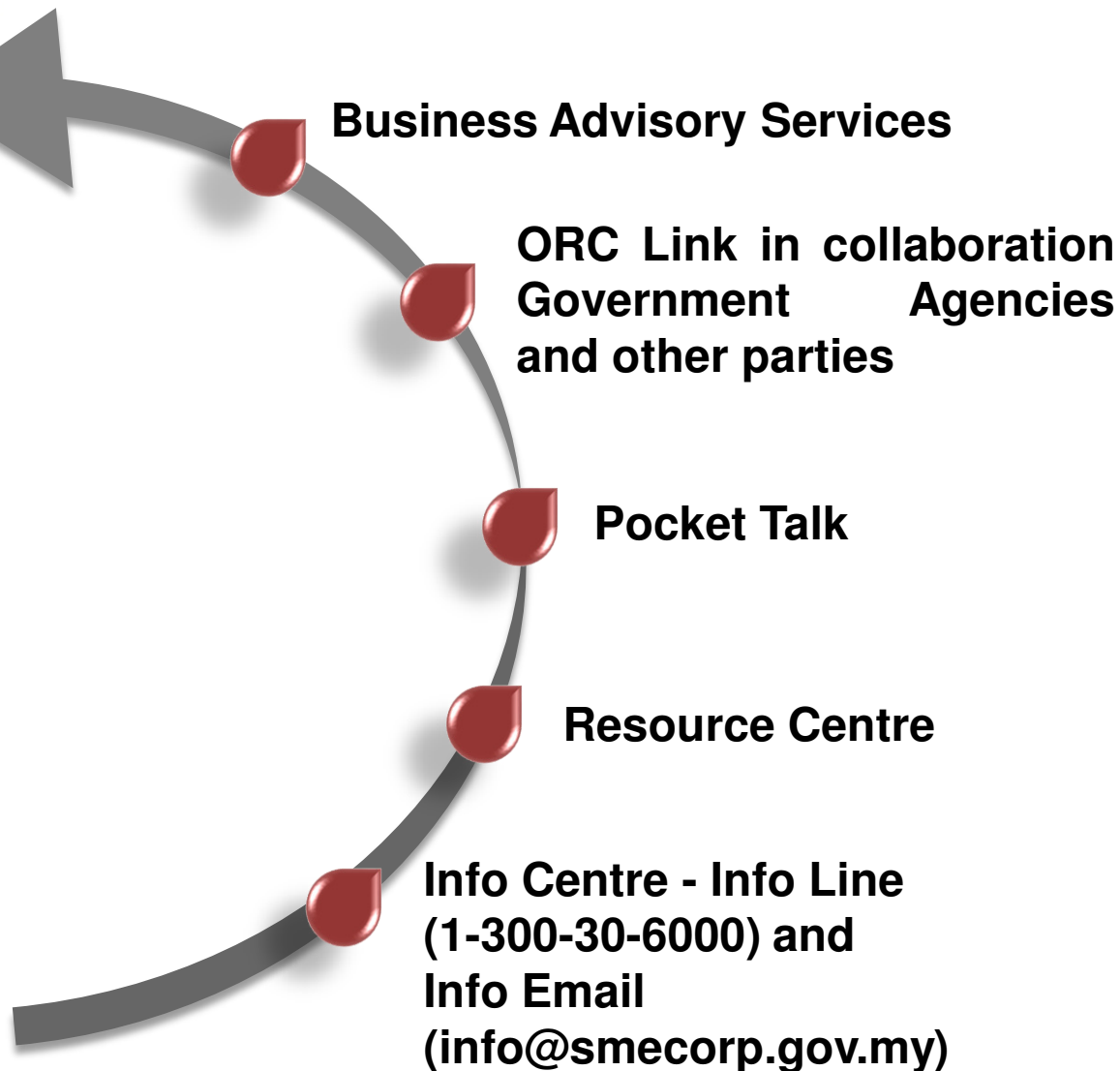
Taxi Fare



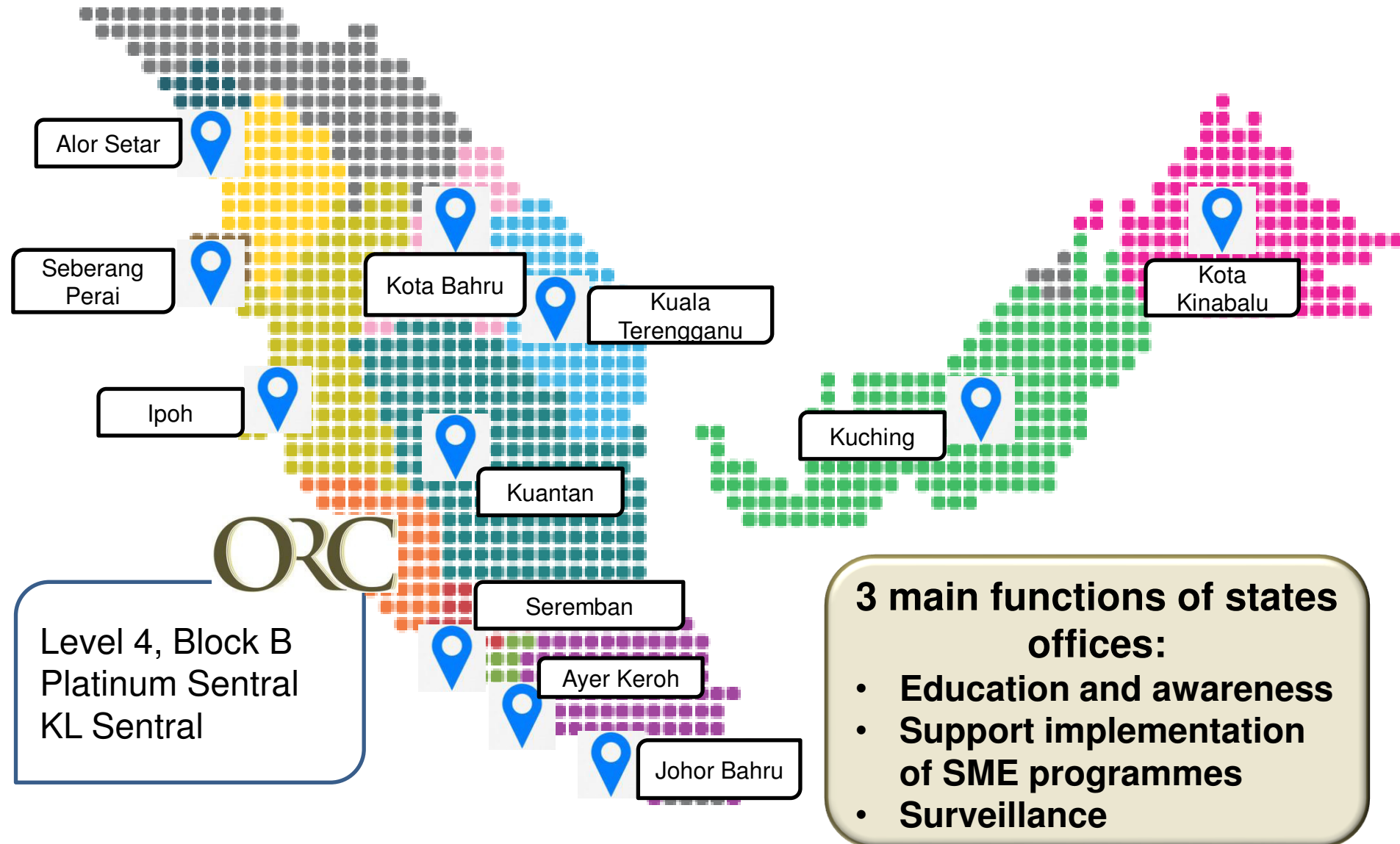
SMEs **premier referral centre** on programmes and initiatives



**Available
information
channels**



Outreach and hand holding at 11 states offices...



Professional and qualified **personnel** available ...



**Business
Counselors**

**Business
Coaches**

**Financial
Counselors**

SEAP

Advisory on

**Improvement
on Business
Operations**

**Corporate
Diagnosis using
SCORE**

**Application
guidelines for
SME
Development
Programmes**

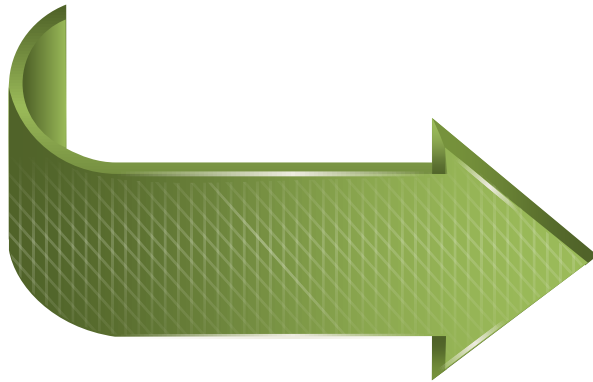
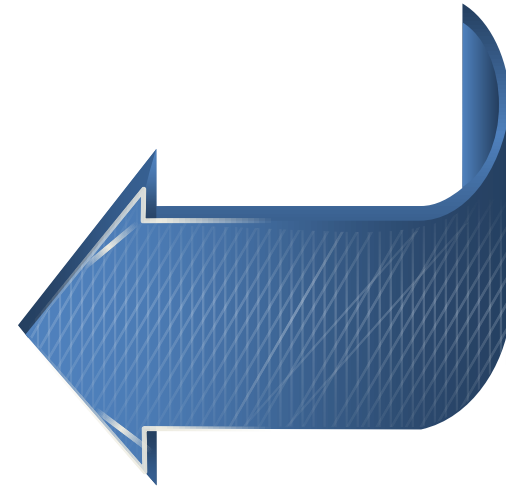


Long-term agenda

SMEs to contribute more significantly to economic development

Contribution of SMEs to GDP in Malaysia is much lower (33%) than:

- other middle-income nations (average of 39%); and
- high income-nations (average of 51%)



and to move up the value chain

SMEs currently concentrated in low value-added activities

New SME Development Framework for **innovation-led** and **productivity-driven growth**

Vision

Globally competitive SMEs across all sectors that enhance wealth creation and contribute to the social well-being

SME Development Framework

Goals

**Increase
business
formation**

**Expand number
of high growth
and innovative
firms**

**Raise
productivity**

**Intensify
formalisation**

Focus Areas

**Innovation & Technology
Adoption**

**Human Capital
Development**

Access to Financing

Market Access

**Legal & Regulatory
Environment**

Infrastructure

Action Plan

Institutional Support

**Reliable
Database**

**Monitoring &
Evaluation**

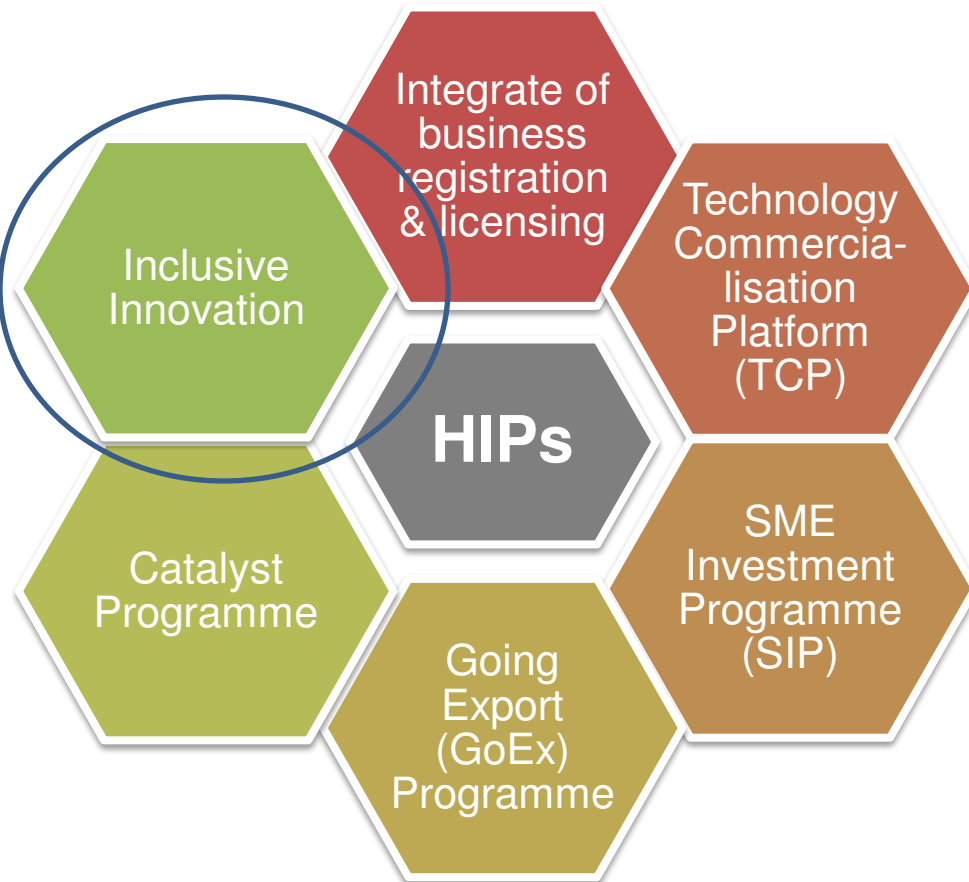
**Effective
Coordination**

**Effective Business
Services**

SME Masterplan as the “game changer”- outlines 6 High Impact Programmes & other initiatives

1

6 High Impact Programmes (HIPs)



2

4 Thematic Measures

Resource pooling & shared services

Create demand for SME products & service

Reduce information asymmetry

Building capacity & knowledge

3

East Malaysia

Improve connectivity & basic amenities

Review restrictive laws & policies

Ease market access

4

Other Measures

Completion of Integrated trade system (single window)

Bankruptcy Law to give entrepreneurs 2nd chance

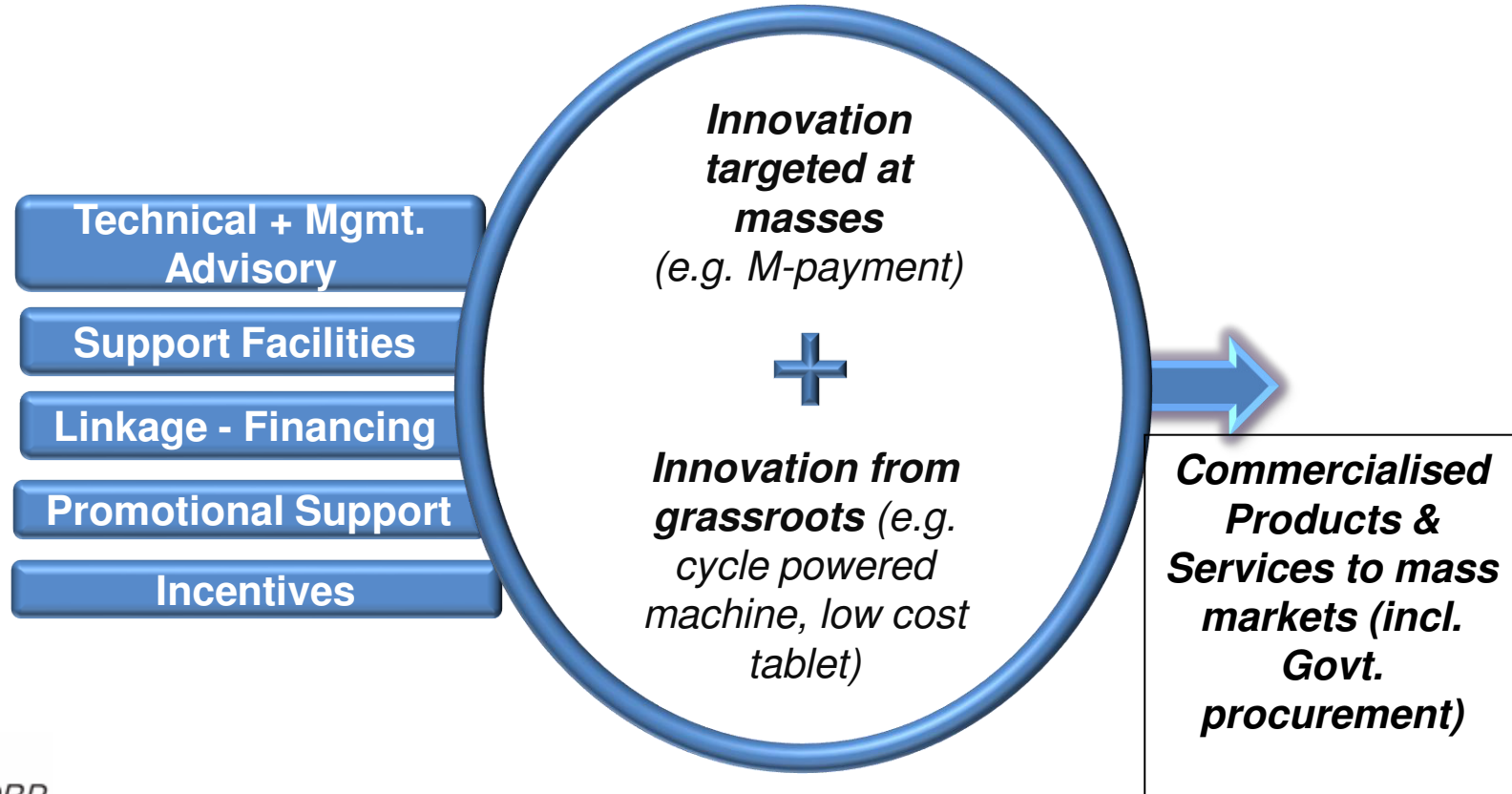
Review SME taxation policy

Synchronise measures on productivity enhancement

Context

- Promote **rural transformation**
- Improve **business environment** for SMEs especially in rural areas
- Increase the **innovation pool**

Inclusive Innovation Programme



The high impact programmes to contribute significantly towards achieving targets under each goals

Goals

Increase business formation

Expand no. of high growth & innovative firms

Raise productivity

Intensify formalisation

Targets

Avg. annual increase

Y2012 - 2020

6%

Y2005 - 2011

2.4%

Average annual increase of

10%

in high growth & innovative firms

RM/worker

Y2020

RM91,000

Y2010

RM47,000

% of GNI

31%

15%

2000

2020

SME Masterplan is the basis for the recently released RMKe-11

6 STRATEGIC THRUST IN RMKe-11



ST1

Enhancing **inclusiveness** towards an equitable society



ST2

Improving **wellbeing** for all



ST3

Accelerating **human capital development** for an advanced nation



ST4

Pursuing **green growth** for sustainability and resilience



ST5

Strengthening **infrastructure** to support economic expansion



ST6

Re-engineering **economic growth** for greater prosperity

MEASURES UNDER THE SME MASTERPLAN

- ① HIP 6: Inclusive Innovation
- ② Integrated entrepreneurship programme including ICT adoption & for B40
- ③ Provide integrated entrepreneurship support to enhance Bumiputera economic participation

- ④ Reskilling and upskilling workers
- ⑤ Strengthening curriculum for TVET
- ⑥ Ensure new entrants meet the industry requirements

- ⑦ Strengthening infrastructure in Sabah & Sarawak
- ⑧ Enhance trade facilitation & logistics

- ⑨ HIP 1: Integration of Biz Registration & Licensing
- ⑩ HIP 2: TCP
- ⑪ HIP 3: SIP
- ⑫ HIP 4: GoEx
- ⑬ Government procurement policy
- ⑭ Resource pooling, shared services & bulk purchases

SME Corp. entrusted to raise the incomes of B40 households... a socio-economic agenda

Enlarging middle-class society



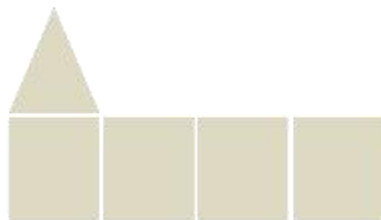
Coordinate development of B40 SMEs

Development of Bumiputera SMEs

Comprehensive entrepreneurship programme



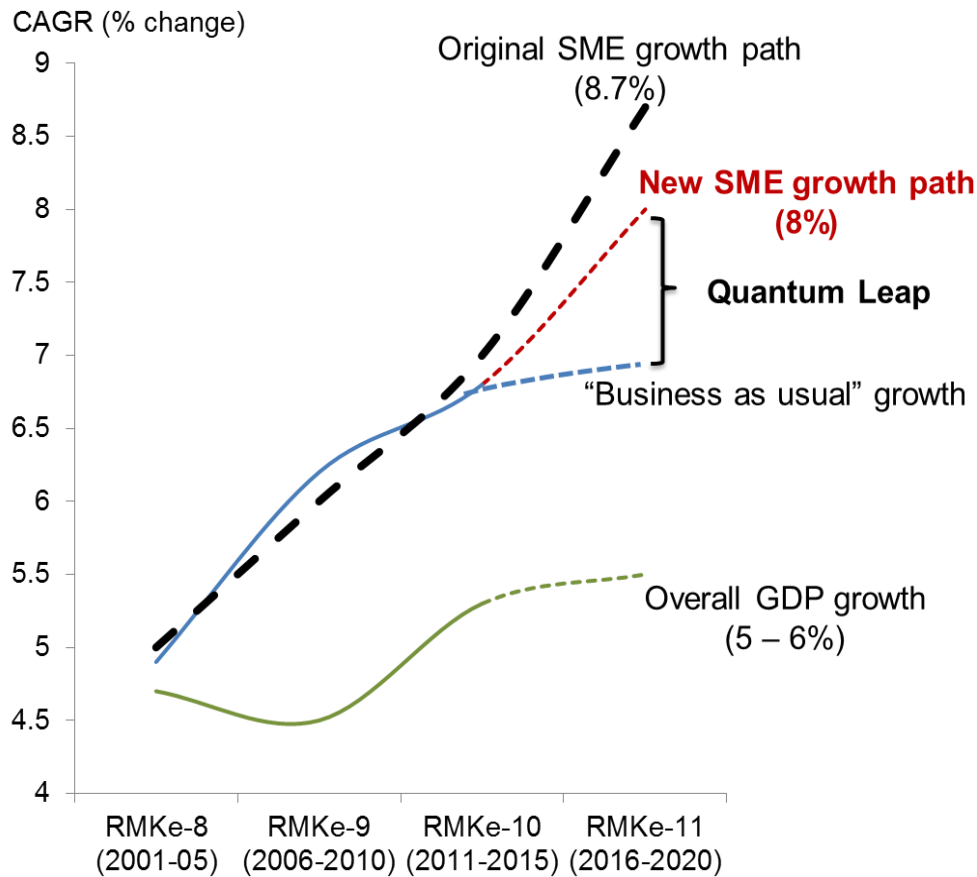
- Facilitate financing & capacity building
- Encourage innovation among B40
- Business facilitation & opportunities
- Entrepreneurial training at UTCs & RTCs
- Use of ICT & technology
- Smart partnerships with research & technical institutions



In collaboration with

End target is to increase contribution to GDP to slightly over **40%** by 2020

GDP Growth



Projections by SME Corp. Malaysia

Economic Contribution in 2020:

	<u>2014</u>	<u>2020</u>	<u>2020</u> (rev)
GDP	35.9%	41%	41%
Employment	65.0%	62%	65%
Exports	17.8%	25%	23%



Thank You

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