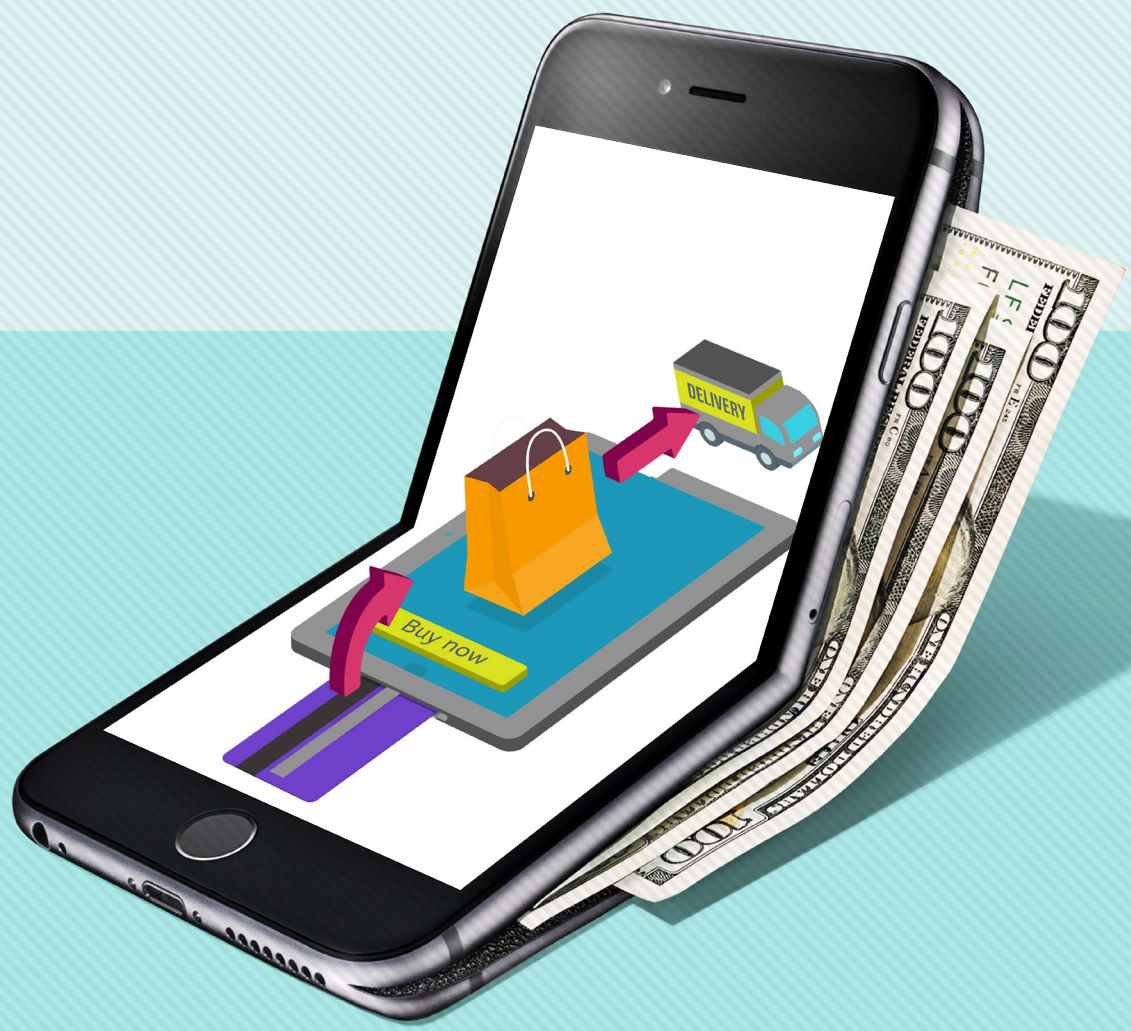


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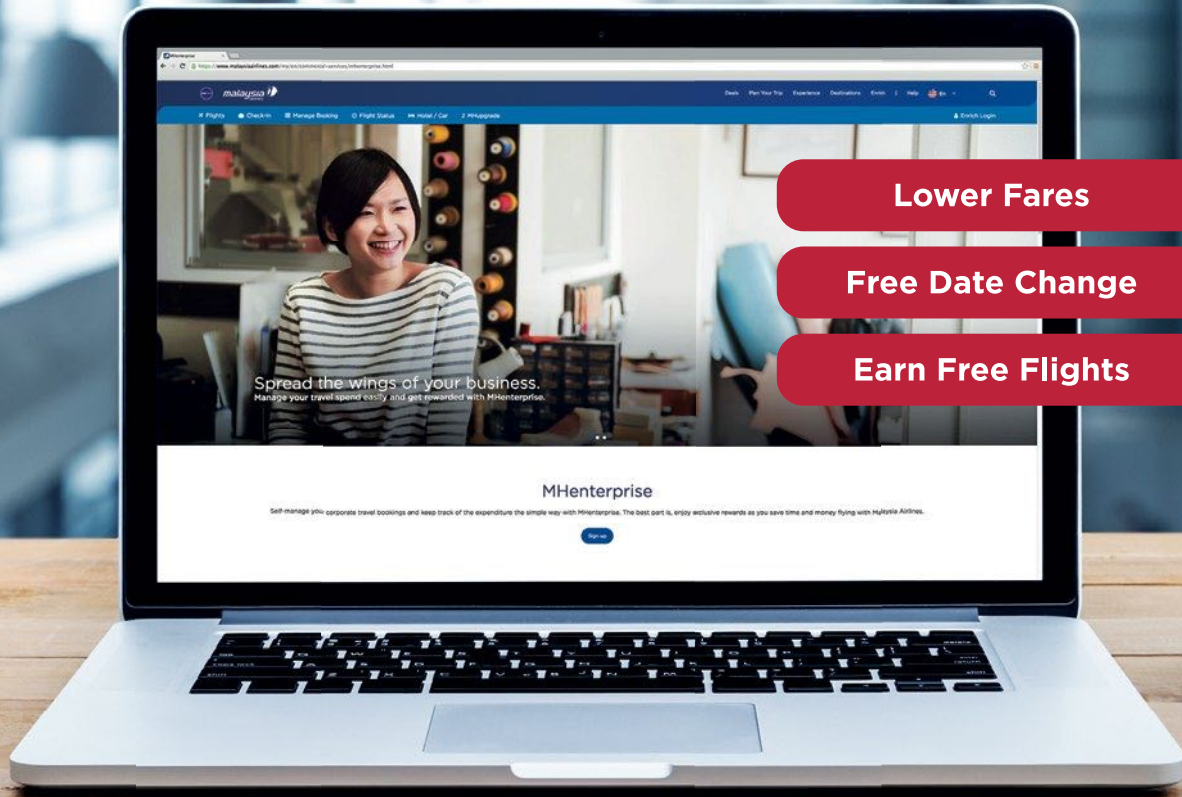
MOBILE PAYMENT



+
 BITCOIN:
 BOOM OR
 BUST?

+
 JACK DORSEY
 MAKING
 YOU TWEET

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The cryptocurrency, lauded by FinTech players but observed cautiously by central banks, is gaining traction in emerging markets including Southeast Asia. Is Bitcoin a commodity "hyped" up by the media? Or, it is an avenue of investment for small capital holders? SME speaks to cryptocurrency players and FinTech entrepreneurs to gain more insights on this issue.

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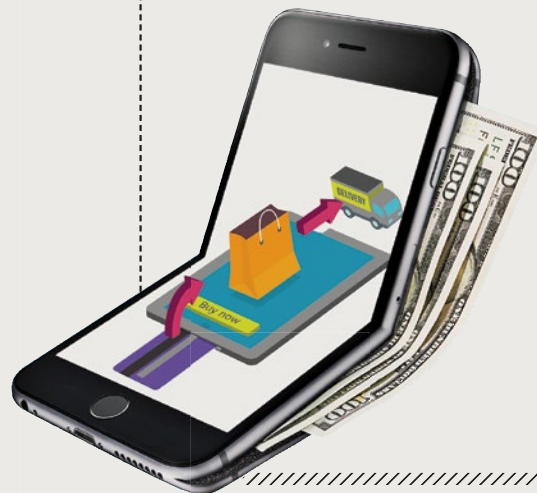
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SME

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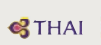
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SME IS ALSO AVAILABLE AT THE ABOVE OUTLETS (PLEASE CHECK WITH THEM)



MALAYSIA'S INDUSTRIAL OUTPUT BELOW FORECAST

Malaysia's manufacturing sector had a slow start in January, with the industrial production index (IPI) up by only 3 per cent from a year ago. The figure was below Bloomberg's survey of a 6.8 per cent growth. Meanwhile the Statistics Department said that the January IPI was also down 4.5 per cent

from December 2017 due to slower growth in the manufacturing sector. Sub-sectors that recorded increases in January are food, beverage and tobacco products (14.4 per cent), petroleum products, chemicals, rubber and plastic (2.1 per cent) and electrical and electronic equipment products (4 per cent).

VIETNAM CENTRAL BANK SEEKS TO LOWER COMMERCIAL RATES

The State Bank of Vietnam is looking to lower commercial interest rates this year to support business activity. The central bank will pursue a flexible monetary policy that aims at maintaining economic stability. The bank said it would continue its efforts to clean up non-performing loans in the local banking system and build up foreign exchange reserves. The central bank reduced the refinance rate by 25 basis points to 6.25 per cent recently and also lowered the discount rate to 4.25 per cent from 4.5 per cent.



HIGHER SALES VOLUME UPS TOP GLOVE NET PROFIT

Rubber glove manufacturer Top Glove saw its net profit rise for the second quarter ending 28 Feb (2QFY18) about 31.25 per cent to RM109.01 million, from RM83.05 million last year on higher sales volume. Executive chairman Tan Sri Dr Lim Wee Chai said that Top Glove has delivered a solid set of numbers which include its highest year-on-year volume growth and strong growth in profit, in spite of 2018 shorter work months within the quarter and cost increases. The company added that its quarterly revenue grew about 12.55% to RM958.44 million from RM851.54 million in 2QFY17, due to the increase in demand for natural rubber gloves.

INDONESIA EYES FINTECH REGULATION

Indonesia's financial regulator is considering setting a cap on interest rates and the size of loans offered by fintech firms, to minimizing the risk of defaults. These peer-to-peer (P2P) lending platforms, offering loans from as low as a few hundred dollars to several thousands, has been welcomed by Indonesia so far. Tens of millions of people in Indonesia lack access to bank credit. The country's Financial Services Authority (OJK) said the move would be done to avoid fintechs from becoming loan shark-like businesses. Meanwhile the OJK also plans to announce new regulation for crowd-funding platforms this year as part of efforts to protect customers' fund.

CHINA PROPERTY INVESTMENT GROWTH HIGHEST IN THREE YEARS

Property investment growth in China jumped to a three-year high in the January to February period, as local governments pushed ahead with construction projects, according to analysts. China's National Bureau of Statistics said that property investment jumped 9.9 per cent during the two-month period. Residential property investment was up 12.3 per cent, the fastest pace since August 2014. The upbeat figures contrasted with a substantial slowdown in property sales and home new starts, which usually go in sync with the property investment data. Developers also bought 1.2 per cent less land than a year ago, the first on year decline in eight months.

MDV LAUNCHES ISLAMIC FINANCING PROGRAMME

Malaysia Debt Ventures Berhad (MDV), a wholly owned subsidiary of the Minister of Finance Inc., launched its Islamic Venture Financing Programme, at The Vertical last month. Expanding into venture financing will better enable MDV to finance early-stage companies and fill the gap in the ecosystem for venture-financing funding for growth. The development of this ecosystem is crucial for technology-based entrepreneurs as traditional financial institutions are not prepared to support the areas in which they operate in commonly due to lack of business assets and track record.

ASEAN, AUSTRALIA SPEEDS UP CROSS-BORDER DIGITAL TRADE

ASEAN and Australia will work together on a new Digital Standards Cooperation Initiative. There will be a set of standards to make it easier for businesses to conduct cross-border digital trade. Australian Prime Minister Malcolm Turnbull said that the digital trade standards will underpin the benefits of new technologies, everything from big data to artificial intelligence, and harness the opportunities they bring to the region. Singapore PM Lee Hsien Loong welcomed the initiative, saying it is a good first step in developing interoperable digital standards, which will facilitate trade and reduce costs for businesses, especially SMEs.

CHECKS ON BTS ESCALATORS AFTER COMPLAINTS

Bangkok Mass Transit System (BTSC) ordered that escalators at all BTS Skytrain stations be inspected after a step on one escalator at Phaya Thai station slipped off, leaving a hazardous gap. A passenger posting as Anunya Rittichai raised the alarm on Facebook recently said she had “narrowly escaped death” when the falling step almost struck her on the foot as she was about to board the escalator. She said a woman ahead of her stepped on the loosened metal surface and moved further up a moment before it came free.



SINGTEL TO BRING DASH MOBILE WALLET TO REGION, STARTING WITH THAILAND

Singtel will connect its Dash mobile wallet with its regional affiliates, starting with Thailand’s AIS from mid-2018. This will allow Singtel Dash users make mobile payments at popular Thai destinations. At the same time, AIS users with the equivalent mPAY Wallet will be able to do likewise in retail outlets like 7-Eleven, BreadTalk, NTUC FairPrice and Food Republic when in Singapore, the company said. There are more than 20,000 retail merchant acceptance points in both countries.



MALAYSIAN EXPORTERS GROW FAST ON TMALL GLOBAL PLATFORM



Malaysia is among the fastest-growing exporters selling into China’s Tmall Global, a cross-border business-to-consumer (B2C) retail platform of Alibaba Group’s Tmall.com. The 2017 Tmall Global Annual Consumers Report showed that Malaysia was the seventh fastest-growing exporter in

Tmall Global after niche countries: Greece, Chile, Poland, Hungary, Spain, Brazil, Austria, Israel, and Denmark, measured by year-on-year growth. Niche countries are countries whose sales on Tmall Global accounted for at least 0.02 per cent of total sales on the online platform.



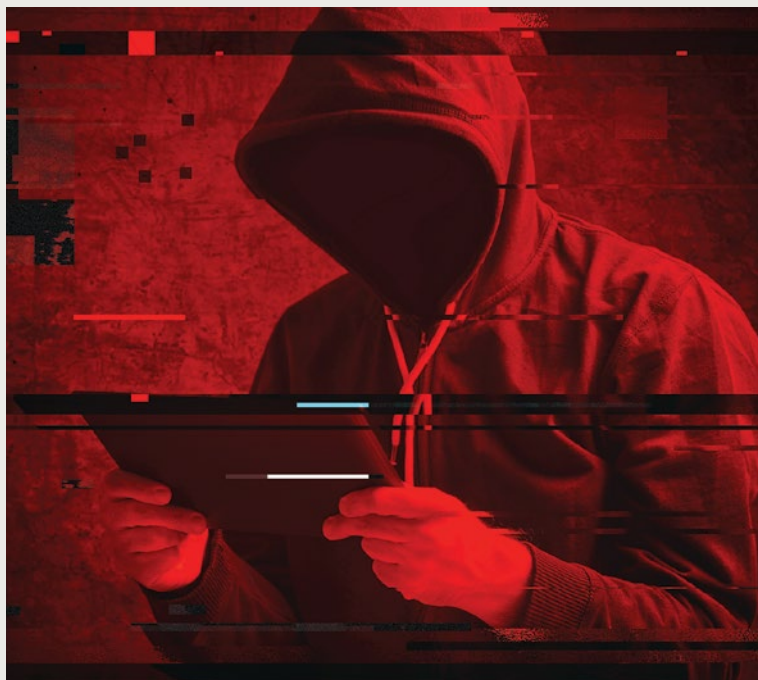
ASEAN, AUSTRALIA SPEAK AGAINST TRADE PROTECTIONISM

Singaporean PM Lee Hsien Loong and his Australian counterpart Malcolm Turnbull spoke in favour of multi-nation trade deals as fears grow that US plans for new tariffs could start a global trade war. The leaders were speaking at the

end of a summit between Australia and ASEAN. They also urged ASEAN to speedily agree to the Regional Comprehensive Economic Partnership, a China-backed alternative to the Trans-Pacific Partnership (TPP) trade pact.

ASIA PACIFIC THE MOST AFFECTED BY CYBERATTACKS

Cybersecurity solutions company Trend Micro Incorporated said that Asia Pacific Remains the Most Affected Region for Cyberattacks. It said that cybercriminals are utilizing more strategic methods to achieve a higher success rate and return on investment. "In 2017, 553 data breaches were made public, compared to 813 in 2016. But the number of affected records reached almost 5 billion, compared to 3.3 billion in 2016." Asia Pacific accounted for almost 40 percent of the total 1.7 billion ransomware threats recorded from 2016 to the end of 2017.



SINGAPORE'S 2018 GDP GROWTH FORECAST AT 3.2PC

Pivate sector economists are expecting a 3.2 per cent economic growth in Singapore's economy in 2018. The figure is up from an earlier 3 per cent forecast in December. Official data shows the economy clocking faster-than-expected growth of 3.6 per cent for 2017 and the year's final quarter. Official estimates tipped 2018 growth to come in slightly above the middle of the forecast range of 1.5 to 3.5 per cent, barring the materialisation of any downside risks.

INTERNATIONAL INVESTORS STILL FAVOUR MALAYSIA

The Ministry of Finance said Malaysia is still the destination of choice for international investors as reflected by the continued net foreign investment inflow of RM39.2 billion in 2017. The Ministry also said international reserves remain strong at US\$103.6 billion. Meanwhile, Malaysia's competitive standing, as reported in the World Economic Forum's Global Competitiveness Report 2017-2018, had improved from 25th to 23rd out of 137 nations.

APPROVED INVESTMENT PROJECTS IN MALAYSIA UP 5.8PC

Malaysia recorded 5,466 investments projects amounting to RM197.1 billion in 2017, an increase of 5.8 per cent compared to 2016. However, overall approved investments dropped by 7.4 per cent compared to RM212.9 billion in 2016 amid a decline in investments in the services sector. The Government said that FDI approved amounted to RM54.7 billion, a decline of 7.5 per cent compared to the previous year, while DDI declined 7.5 per cent to RM142.4 billion. Meanwhile, Malaysia's FDI inflows in 2017, dropped by 17 per cent to RM39.183 billion.

E-COMMERCE SECTOR RECORDS SIGNIFICANT GROWTH

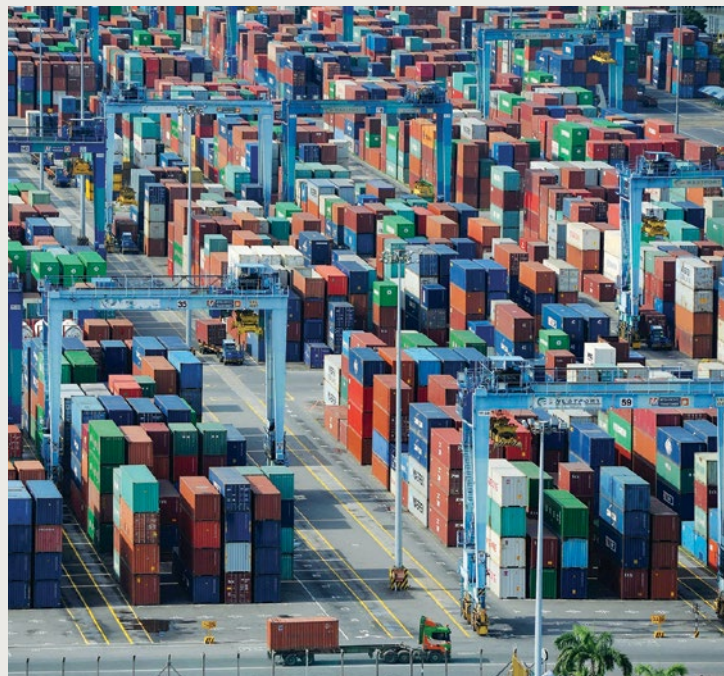
The e-commerce sector has contributed RM74.6 billion, or 6.1 per cent to the Malaysian GDP in 2016. The Government said that the sector has recorded significant growth in 2016 from RM68.3 billion, or 5.9 per cent in 2015. It said that the government had set up a National E-Commerce Strategic Plan 2016-2020, which is projected to double the rate of e-commerce growth in Malaysia to 20.8 per cent by 2020 from 10.8 per cent in 2016. It added that the growth rate will contribute over RM211 billion in value to the GDP compared to the initial target set under the 11th Malaysia Plan which is RM114 billion.

ASEAN MOVES TOWARDS SEAMLESS ECONOMIC ACTIVITY

All ten ASEAN Economic Ministers have endorsed the economic priorities identified for Singapore's ASEAN Chairmanship this year. These priorities seek to deepen regional connectivity to position ASEAN for increasingly seamless economic activity and growing opportunities through advancing the implementation of the AEC Blueprint 2025, progressing long-standing initiatives, and positioning ASEAN for its next phase of growth. In particular, the priorities are designed to promote innovation and e-Commerce, improve trade facilitation, deepen services and investment integration, cultivate a conducive regulatory environment, and progress ASEAN's external relations.

MALAYSIA-CHINA TRADE REACHES US\$96.3B IN 2017

Malaysian PM Datuk Seri Najib Tun Razak said total bilateral trade between Malaysia and China reached US\$96.3 billion in 2017 despite uncertainty in the global economy. He said among the milestones of the strong relationship are the successful establishment of the China-Malaysia Qinzhou Industrial Park and the Malaysia-China Kuantan Industrial Park between 2012 and 2013. Najib said going forward, the two countries would continue to work together on an array of projects.



MALAYSIA'S TOTAL TRADE SURGES

Malaysia's total trade in January 2018 surged by 14.9 per cent to RM156.01 billion compared with the corresponding month of last year. The Government said an expansion in trade was seen with ASEAN, Hong Kong, the EU, China, India, Taiwan and South Korea. "During the period, exports posted a stronger year-on-year growth compared to imports, registering a double-digit growth of 17.9 per cent to RM82.86 billion." It said that this was the highest export value ever recorded for the month of January, surpassing RM70.27 billion registered in January 2016.



VISA MALAYSIA CONFIDENT OF DOUBLE-DIGIT GROWTH FOR BILLING TRANSACTIONS

Visa Malaysia is confident of posting double-digit growth for overall billing transactions in 2018 for online transactions and digital applications, especially expenditure from travel and retail segments. Its country Manager Ng Kong Boon said that in

2017, the total billing transactions for both debit and credit cards in Malaysia stood at US\$23 billion. Ng said Visa Malaysia also targeted paywave transaction growth rate in Malaysia by between 25 per cent and 30 per cent this year from 20 per cent currently. **ISME**

LAB INDONESIA 2018

4 - 6 APRIL 2018
JAKARTA CONVENTION CENTER,
INDONESIA
www.lab-indo.com

Held alternately with Lab Asia, Lab Indonesia is one of the leading laboratory exhibition in Southeast Asia which focuses highly on scientific instruments and laboratory equipment for various industries, including medical and pharmaceutical, F&B, oil and gas, bioscience and nanotechnology. LabIndonesia aims to bring together scientific and analytical laboratory industry elites such as professional chemists, biochemists, microbiologists, analysts, research and development researchers, lab managers and quality control and assurance managers at a networking and resourceful platform.

ADEX 2018

6 - 8 APRIL 2018
SUNTEC SINGAPORE
www.adex.asia

Asia Dive Expo (ADEX) is the longest running and the largest dive expo in Asia celebrating its 23rd year in 2018. A must-attend event for anyone interested or involved in the world of diving, the event has seen a continuous increase in visitors over the past few years, with ADEX 2017 attracting a total of 60,296 visitors over three days! World-renowned marine life artists, conservationists and photographers gather to speak about their passion and work towards marine life.

ASIAWATER 2018

10 - 12 APRIL 2018
KUALA LUMPUR CONVENTION
CENTRE, MALAYSIA
www.asiawater.org

Widely recognised as the Region's Leading Water Industry event, over 18,000 industry buyers and decision makers will present new products and get updated on the latest trends in the industry as they build business partnerships at this unique event. ASIAWATER 2018 is set to beat previous performance and present an outstanding opportunity for players to increase their brand exposure and develop business potential as they capitalize on special networking opportunities.

LIVESTOCK ASIA 2018

19 - 21 APRIL 2018
KUALA LUMPUR CONVENTION
CENTRE, MALAYSIA
www.livestockasia.com

LIVESTOCK ASIA Expo & Forum has developed an outstanding reputation since 2001 as Asia's leading event for the feed, livestock and meat industries. The biennial show returns to Malaysia this month. Supported by the Department of Veterinary Services, the Ministry for Agriculture and Agro-Based Industries the event is expected to attract more than 7,000 local, regional and international trade visitors and delegates, representing integrators, veterinarians, livestock farmers, feed millers, wholesaler, retailers, food processors, importers and distributors.

MANILA FAME

19 - 21 APRIL 2018
WORLD TRADE CENTRE METRO
MANILA, PHILIPPINES
www.manilafame.com

Considered as the country's premier design and lifestyle event, Manila FAME is a bi-annual showcase of craftsmanship, design inno-

vation, and artisanship in Philippine products. It features finely selected furniture and home furnishings, holiday gifts and décor, and fashion accessories designed and crafted in the Philippines for the global market. Manila FAME is organised by the Philippine Department of Trade and Industry (DTI), through the Center for International Trade Expositions and Missions (CITEM).

STYLE

19 - 23 APRIL 2018
BITEC, BANGKOK, THAILAND
www.stylebangkokfair.com

STYLE is a trade fair organised to promote and market Thailand as a production hub for integrated lifestyle products. Products slated to be featured at the exhibition ranges from the upstream to downstream lifestyle products and brands from the regions of ASEAN and Asia. The main objectives of the fair include: to create a brand image of Thai lifestyle domestically and internationally; act as a meeting platform to discuss Asia's industrial regulations and policy.

INTERNATIONAL FRANCHISE EXHIBITION & CONFERENCE

20 - 22 APRIL 2018
KUALA LUMPUR CONVENTION
CENTRE, MALAYSIA
www.mfa.org.my/fim2018

With 25 years of proven track records, this event is the largest annual franchise exhibition in Southeast Asia. It is the only franchise event in Malaysia endorsed by the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC), WFC and APFC. It is a one stop centre for industry players, where top franchise

brands, government agencies, financial institutions, franchise consultants, franchise lawyers gather under one roof. Over 10,000 local and international visitors are expected at this year's event.

FOOD & HOTEL ASIA (FHA) 2018

10 - 12 APRIL 2018
KUALA LUMPUR CONVENTION
CENTRE, MALAYSIA
www.asiawater.org

Food & Hotel Asia (FHA) has a humble beginning at a hotel's car park back in 1978. Through 40 years of years of evolution, FHA has earned itself a reputation as the most comprehensive premier international food and hospitality trade show in the region. This biennial event cater to the industry, by offering an extensive assortment of products and services through its six specialised sector's: Bakery & Pastry, Food Asia, Hospitality Style, Hospitality Technology, Hotel Asia and Speciality Coffee & Tea.

AUTOMECHANIKA HO CHI MINH CITY

25 - 27 APRIL 2018
KUALA LUMPUR CONVENTION
CENTRE, MALAYSIA
www.facebook.com/AMHCMC

Automechanika Ho Chi Minh City returns this year. The three-day show aims to become Vietnam's leading regional trade fair for the automotive service industry. Organised by Messe Frankfurt, Chan Chao International Co Ltd and Yorkers Exhibition Service Vietnam, Automechanika Ho Chi Minh City is expected to house over 350 exhibitors and welcome 8,000 visitors at Saigon Exhibition and Convention Center.



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BY
JEFF
TAN
AUTO ♦ **THE NEW TESLA**
T

he FF91 is an electric luxury car by Faraday Future. The car packs 1,050 all-electric horsepower and claims a 0-60 time of 2.39 seconds, making it the fastest-accelerating SUV in the world. The all-electric FF91 Future looks seriously cool. It is kitted out with sensors that enable full level 3 autonomous-driving capabilities and partial level 4 autonomous-driving features. With a battery energy of 130 kWh, the car supports a range of 378 miles.

GADGET ♦ **NEW AUDIO EXPERIENCE**
W

hen earphones just aren't enough, it's time to shoulder-mount some speakers. The JBL Soundgear is a neckband-style, wearable device. The gadget packs up to six hours of playback time on a single charge. The device is built with a dual-microphone conferencing system with echo and noise-cancellation technology to ensure sound clarity. It also features a rubber anti-slip treatment of the body so that the device stays put even when moving around.


HOME ♦ **SMART VIDEO DOORBELL**
B

asically, the device (equipped with a camera and speaker) allows you to remotely check who is outside your door anytime of the day. Nest Hello has a button that acts as a standard doorbell and a camera that offers a 160-degree field of view. The video that Nest Hello streams is HD. It is able to stream video day or night using both HDR and night vision. The system also has face recognition and allows for instant communication via its speakers.





WEARABLE ♦ "FASHIONABLE" SOS

Resembling a gemstone and works well as a fashion jewellery, DAZL allows women to send SOS alerts. The alert can be sent by simply pressing a button on the device for three seconds. After sounding the "alarm", the user's location is sent out. The elegant device also features a unique separation alert to find lost items such as keys. It can also be attached to a keychain, handbag or even a piece of clothing. Important daily notifications: phone calls, messages and emails can also be set on the device.



LIFESTYLE ♦ INSTANT COOLING

Imagine a product that can get a bottle of water to reach the optimum level of cooling. SwiftChill cools a drink instantly without compromising on the quality. It is compact and aesthetically designed. It can fit one standard wine bottle or two-three beer cans in one go and can be used multiple times in quick succession. Users simply need to pop a bottle into its inbuilt tray, set the time and get started. Weighing just over 12kg, it is energy efficient because it operates on a need basis, whereby users are not required to stock up beverages like in a conventional refrigerator.



MOBILE ♦ PERFECT CAMERA COMPANION

The Neffos N1 combines imaging excellence with strong all-around performance. Its price which is both competitive and attractive is another selling point. Its 12-megapixel dual-camera is the strongest "feature" of the phone. An advanced RGB Sony IMX386 sensor captures a broad spectrum of colours, while the other a monochrome Sony IMX386 sensor takes care of even the finest of details. The bokeh-effect feature makes it possible for subjects to stand out from the background, similar to how an expensive DSLR camera with a wide-aperture lens would take pictures.



ART ♦ PAINT-MIXING DEVICE

Picolor is the first of its kind. It is completely portable and also an efficient assistant for the contemporary artist. The paint-mixing device contains Cyan, Magenta, Yellow, Black and White within its small cubic design. It grants users access to a trustworthy assistant for those who isn't skilled in making new colours, It is also a curious piece of tech that allows users to explore over one million distinct nuances.



TIME TO LEAP

Focus, Theme, and Introduction

The SME CEO Forum returns in 2018 as the titular platform for SME Intelligence in Malaysia, focusing on the opportunities brought about by the Leading Entrepreneur Accelerator Platform (LEAP) Market. With a renowned history of bringing together the most important and influential bodies representing both public and private sectors, the SME CEO Forum 2018 is another important for the most important people in the SME field of Malaysia.

An innovative move of introducing SMEs into listing markets, all risks and compliances surrounding the LEAP Market has left many SMEs blindly plunging into what they think is an opportunity to increase their business value. For some, the initiative is nothing more than another financial mean. Having released early statements saying that the initiative is meant for established SMEs ready to undertake new level of risks, companies with early promising growth, ones with positive track records and lacking in assets for collaterals.

Who Will be There?

Other than our panel of intelligence, the SME CEO Forum had always been a host to business owners, entrepreneurs, C-level directors and even venture capitalists. The forum is a platform for high-volume business-matching and quality networking in a concentrated environment. With healthy representatives from different industries coming from public and private sectors, there is a guarantee of someone to meet.

Solution providers, consultants, B2B and to selected luxury industries, B2C businesses find their target audience present with the chance for a face-to-face engagement.

DATE

WEDNESDAY,
9 MAY 2018

TIME

9.00AM –
6.00PM

VENUE

SIME DARBY
CONVENTION CENTRE

SME **CEO**
FORUM **2018**

BITE SIZES

50

Speakers & Panellists

30

Topics Covered

The SME CEO Forum have hosted over 50 different speakers and panellists, discussing over 30 different topics over the last 3 years.

700

Delegates Average

35%

Business Owners

45%

C-level & Directors

Crowd count at the SME CEO Forum had consistently averaged at 700 delegates, composed of 35% business owners and 45% C-level or Directors.

RM500,000

spent annually

Average of RM500,000 is spent every year to ensure the quality and ambience of the SME CEO Forum.

8.5

Rating

Visitors, sponsors and exhibitors alike rate the SME CEO Forum quality at an 8.5 average.

PHOTO GALLERY



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THE REGION'S FOREMOST SME RECOGNITION

SME100 AWARDS 2018 SINGAPORE FRAMEWORK

The Initial Phase

1

The Current Phase

PRELIMINARY
VETTING

Criteria,
Fast Moving Company

2

SECOND EVALUATION

Company Track Record,
Credit Bureau Report
(Corporate Information),
Credit Rating (Trust & Credibility)

3

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Success Story

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BITCOIN BOOM OR BUST?

BY
JEFF
TAN



Bank notes have long been the standard legal tender in almost all countries known to the world. However, the emergence of cryptocurrencies, specifically Bitcoin has placed central banks and other conventional financing institutions on alert.

With the world in a fast pace of tech development, Financial Technology or FinTech has emerged as a form of competition to conventional banking institutions and financial services. However, cryptocurrencies are nowhere near overtaking or replacing bank notes as legal tenders recognised by central banks.

In an interview with *SME*, Bill Barhydt, founder and CEO of ABRA shared his professional knowledge and opinion with me.

In the interview, he said that Bitcoin's value is fluctuating because it is not backed any other commodities. In fact, central banks treat Bitcoin as a type of commodity.

Using the US as an example, he said, "The Federal Reserve (Fed) does not recognise Bitcoin as a legal tender, because if it does so, Bitcoin would be competing with the US Dollar. The Fed sees it as a commodity for investment purpose.

"Bitcoin's current volatile value is due to the size of its capital market, which is not as huge in comparison to other commodities.

"The problem with Bitcoin's trading activities now is that people or focussing on buying the cryptocurrency, and much lesser are selling. It is easier to influence the price when you are holding on to a lot of Bitcoins," explained Barhydt.

ABRA IS THE WORLD'S FIRST NON-BANK DIGITAL CURRENCY WALLET THAT CAN STORE MONEY ON THE INTERNET IN ANY CURRENCY TYPE AND FACILITATE REAL TIME EXCHANGE BETWEEN CURRENCIES USING BLOCKCHAIN TECHNOLOGY.

CAN BITCOIN BE A SOLUTION FOR AML/CFT?

One of the most exciting capabilities of Bitcoin is the pseudonymous nature of its transactions. This has spark a debate: Is Bitcoin as safe (anonymous) as it sounds?

Well a straight answer would be yes for data protection, as no user data is keyed into the system beforehand. This has led to Anti Money Laundering/ Countering Financing of Terrorism (AML/CFT).

Bill Bardhyt from Abra, a leading e-wallet platform said, "The Federal Bureau of Investigation (FBI) is getting very good in tracing Bitcoin transactions."

He pointed out that by referring to the latest Bitcoin transaction, the FBI is able to trace the token back to the original miner. Hence, trying to exploit Bitcoin's blockchain tech for money laundering activities is a very bad choice, he claims.

"What is so exciting about Bitcoin is that its transactions are pseudonymous not anonymous. This enables authorities and law enforcement agencies to trace transactions by tracking the IP address of devices used for the transactions."

He highlighted that chasing a cash trail can be a very formidable task, but with today's tech advancement, tracking IPs are easier and less complicated.

PSEUDONYMOUS VS ANONYMOUS

PSEUDONYMOUS merely means you are not using your real, legal name to identify yourself. While it's possible to be anonymous while using a pseudonym, and many people use pseudonyms for that purpose, they are not necessarily the same. As a simple example, consider any of the dozens of authors that write under pen names: Mark Twain is a pseudonym for Samuel Clemens, but no one would consider Mark Twain "anonymous". Many authors, actors, or musicians use pseudonyms, and continue to use them, long after their identity has become public knowledge.

VS

ANONYMITY is when someone's identity is completely unknown. Any statements or writings made by an anonymous person cannot be associated with the individual who actually made them. Indeed, if at some future time the identity of said person becomes known, they can no longer be called anonymous.



BARHYDT HAS WORKED WITH MANY SUCCESSFUL GLOBAL COMPANIES OVER THE YEARS INCLUDING NETSCAPE, PLAXO, BOOM FINANCIAL, WEBSENTRIC AND GOLDMAN SACHS. HE STARTED HIS CAREER AS AN ENGINEER AT NASA AND THE CIA AND GOT HIS COMPUTER SCIENCE DEGREE AT STEVENS INSTITUTE OF TECHNOLOGY.

A DISRUPTIVE FINTECH

According to McKinsey, blockchains (blockchain), the technology underpinning cryptocurrencies such as Bitcoin and Ethereum, could revolutionise the world's economy, driven by its innovation around privacy protection and business efficiencies.

Meanwhile, global research firm IDC has forecast that global spending on blockchain solutions will rise from US\$945 million in 2017 to US\$2.1 billion in 2018. Key drivers of growth include the banking and finance, logistics, retail, professional services

- all of which form crucial pillars of Singapore's global competitiveness.

Blockchain spending will be led by the financial sector (US\$754 million in 2018), driven largely by rapid adoption in the banking industry.

The distribution and services sector (US\$510 million in 2018) will see strong investments from the retail and professional services industries while the manufacturing and resources sector (US\$448 million in 2018) will be driven by the discrete and process manufacturing industries.

A blockchain is a cryptographically protected distributed ledger—it's what protects you or anyone else from making a copy of that Bitcoin you just bought. You've probably heard about the popularity of blockchain tech in the financial business. In fact, anything that you can make a list of, you can manage with blockchains. Ambitious developers and entrepreneurs are aiming to use them to rework everything from how we track land ownership to how we distribute medicine and how we grant diplomas.

Source: 2018: "THE YEAR OF THE CRYPTOCURRENCY CRAZE" - www.wired.com

Conclusion: All the mathematical technology and programming behind Bitcoin may be a bit mouthful. To put it in simple way, Bitcoin works just like cash. The cryptocurrency's transactions are intentionally irreversible—unlike credit cards or PayPal where chargebacks can invalidate a payment that has already been made.

And there are no middlemen. Transactions are completed directly between the sender and the receiver via the peer-to-peer (P2P) network.

A SINGAPOREAN TAKE ON BITCOIN

BY
JEFF
TAN

Bitcoin trading is building up momentum in Singapore (SG). To provide some Bitcoin insights to our readers from Singapore, we spoke to Certified Bitcoin Professional (C4) Adriel Ho, who is also the founder of KAIJA, a condominium management system.

One of the concerns on cryptocurrency is the avenue for investors to cash out on their investment. With many crypto-related investments in the market, how should investors identify credible platforms?

The best way to find a credible exchange is to read up on reviews about them from different sources. The major exchanges can provide fiat to cryptocurrency conversion services, but cryptocurrencies should ideally be held outside of the exchanges, in hardware wallets for longer term storage. Other strategies include diversifying your risks by using multiple platforms for smaller transactions.

Are there avenues to use cryptocurrency to pay for goods or services in SG? There are not many businesses accepting cryptocurrencies in Singapore today, as opposed to Japan where thousands of retailers are already accepting bitcoins for payments. However, there are different companies bridging the gap between the usage of cryptocurrencies online and our everyday transactions.

TenX, a blockchain asset wallet, is an example of a company that issues its own debit-like card that is working with various industry leaders like PayPal, DBS Blockchain and Citi Mobile Challenge to allow users to convert and spend their virtual currencies in real life.

Please share your projection of SG's cryptocurrency growth in 2018 (if possible please share estimated number of cryptocurrency holders). Cryptocurrency is certainly

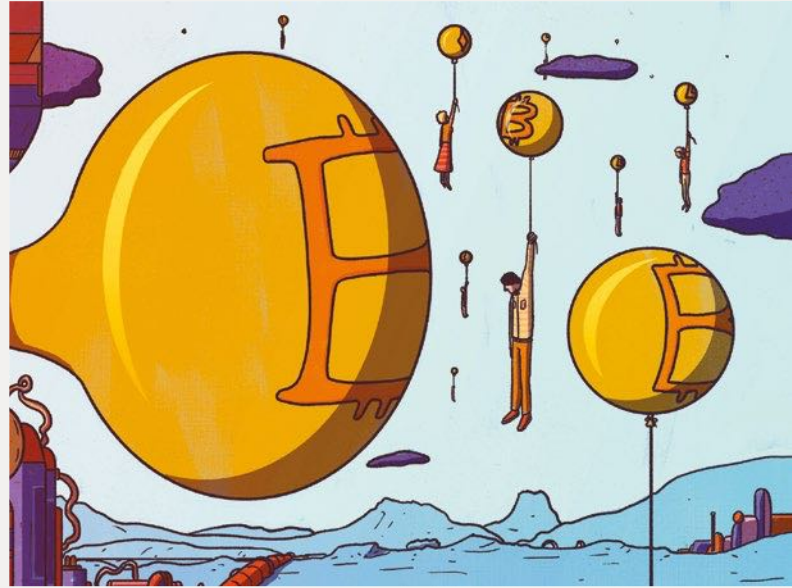
gaining awareness and interest in Singapore and around the world. I have no doubt that the number of people involved with cryptocurrencies will increase over time as more projects and companies gets into the space, which is a good thing to help further the potential use cases of the Blockchain technology.

SG has set a target to be a cashless society. Do you see cryptocurrency playing a big role in this, especially in 2018? There are different challenges for Singapore's move towards a cashless society, and cryptocurrencies can certainly help play a part in the advancement towards the goal. That being said, I think there are other mature technologies that could be implemented today, but the major obstacle is not the lack of available technology.

How viable is Bitcoin as an investment option, where central banks have stated they will not recognise the cryptocurrency as a valid currency? For Bitcoin, this may be a large factor to take into account considering the utility as a currency is its primary purpose. However, the viability of investing in cryptocurrencies such as Bitcoin should take many factors into consideration, such as the understanding of the technology and its potential.

There are many cryptocurrencies that uses blockchain, the underlying technology for Bitcoin, to be applied to different use case such as smart contracts and not just solely as a currency. It is important to note the space is still nascent and regulations may change over time as well.

According to your knowledge, are there any regulations in Singapore imposed on Bitcoin mining activities? Singapore do not have any restrictions on mining of cryptocurrencies as far as I'm aware. Monetary Authority Singapore (MAS) has stated its stance that cryptocurrencies are



not legal tender, and any cryptocurrency investments should be made with caution, but there is no restriction to owning of cryptocurrencies. Bitcoin mining might not be as profitable in Singapore where electricity is relatively expensive.

What do you think of the volatility of Bitcoin? Recently, the value plunged but recovered considerably fast too. Bitcoin's price is not backed by any issuers or assets; hence volatility can be expected. There are many forces behind the fluctuations of Bitcoin's price including market manipulations.

Since Bitcoin is not regulated, such practices are not even considered illegal, where it is highly so in the traditional markets. Trying to predict the market is generally not advisable in any form of investments.

What should business owners who would like to diversify their investments and plans to invest in Bitcoin be aware of? Should they hold on to Bitcoin for the long-term? Or make a quick profit out of any sudden value surge? As a rule of thumb, put in what you can afford to lose. Bitcoin and other cryptocurrencies are extremely volatile and susceptible to manipulations and other scams. Investing your time to learn about the technology and providing your skills and expertise to the community can help you gain an understanding of the technology and its potential.

Please share your projection of SG's cryptocurrency growth in 2018. I believe we will see many ups and downs in the cryptocurrency space in 2018. There also should be progress in blockchain-related technologies, which will result in the rise as well as the improvement of different cryptocurrencies. Hopefully, we can also see more awareness and interest in the underlying technology and the utility of cryptocurrencies outside of investments.

SG has set a target to be a cashless society. Do you see cryptocurrency playing a big role in this, especially in 2018? There are different challenges for Singapore's move towards a cashless society, and cryptocurrencies can certainly help play a part in this advancement. That being said, I don't think the lack of technology is a major obstacle as mature technologies that could be implemented today already exist.

Risks of cryptocurrencies like Bitcoin must be better understood by the accountancy profession

ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA)

ACCA recently issued a new warning to professional accountants over the importance of maintaining an up-to-date understanding of developments in the fast-moving space of cryptocurrencies like Bitcoin.

“Bitcoin has at least three dimensions that are causes for concern. Firstly, its pseudonymous nature means that while one may identify the address a given payment goes to, it is not possible to confirm the identity of the underlying beneficiary.

“This is an obvious risk for money laundering, terrorist financing and the funding of other types of illegal activities.

“Secondly, its high volatility makes it inherently risky and unstable. Thirdly, it is funding a speculative bubble in other areas like Initial Coin Offerings (ICOs) with speculators chasing poorly formed business propositions.

“It is important, however, to avoid blaming the house for the fault of the people living in it. The underlying blockchain (distributed ledger) technology behind Bitcoin could revolutionise how financial transactions are done and have a positive impact on business globally. This potential must be viewed separately from the risks of Bitcoin.”

“The global accountancy profession has an important role to play in enabling stable economies and secure societies where consumers are not exploited. As new technologies become adopted, it is vital that professional accountants develop their digital understanding alongside their ethical responsibilities to flag areas of concern.

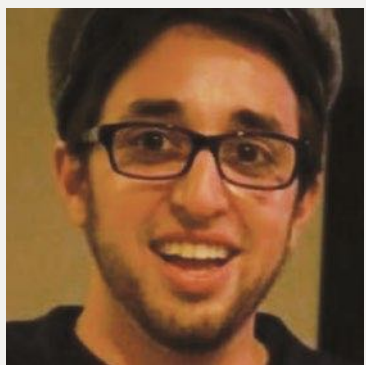
“In that context, ACCA supports a close relationship between regulators and the accountancy profession to ensure that a robust regulatory approach is crafted, and refined as developments emerge, so that it is fit-for-purpose in a digital age.”

MAGGIE MCGHEE
ACCA director of professional insights

EXPERT OPINIONS ON BITCOIN

“The Bitcoin protocol has immense intrinsic value as a self-regulating frictionless payment network affordable to almost anyone. Here is a technology that allows anyone to send any amount of money to anyone else in the world at virtually no cost with nothing more than an Internet connection or smart phone.

“Bitcoin, like the Internet, is one of those innovations that can break down barriers; information barriers in the case of the Internet, and financial barriers with Bitcoin.”



DAN ROSEMAN
Coinality
Technical Project Lead

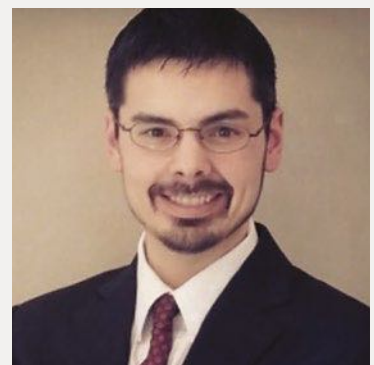
“Currently, Bitcoin is a virtual and decentralized currency used to trade for goods and services, not backed by any government, company, or organization. It's truly a global unregulated currency that is not taxed at any level.

“Multiple attempts have been made to harness in virtual currency, but much like the government attempts to regulate the Internet, the regulations so far have failed.

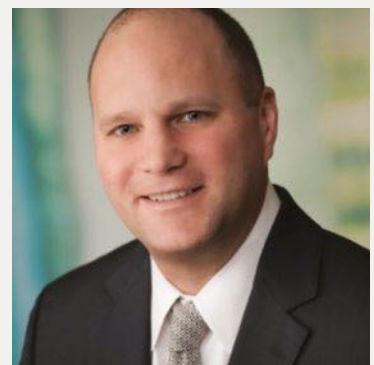
“At some point, Bitcoins will likely need to be regulated to have lasting power. The questions will be who and how. Currently the Senate Homeland Security and Government Affairs Committee is investigating Bitcoins and other virtual currencies.”

“As an investment, I won't touch it. But as a concept, I love it! A global currency would eliminate the need for exchanges making global commerce easier by increasing efficiency, reducing transaction costs, and ultimately reducing costs for the end consumer.

“Even better, Bitcoin is not controlled by a central bank, thereby reducing the risk of manipulation from authoritarian governments. And with a limited supply, inflation should be kept at a minimum. I wish Bitcoin all the best of luck, but I'm afraid it may never make it into one of our investment portfolios.”



PHILLIP CHRISTENSON
CFA, Phillip James Financial
Technical Project Lead



BRADEN PERRY
Kennyhertz Perry LLC Partner

NOTABLE QUOTES ON CRYPTO...

GLOBAL PERSONALITIES

BILL GATES

Microsoft Co-Founder, Investor And Philanthropist

“Bitcoin is exciting because it shows how cheap it can be. Bitcoin is better than currency in that you don’t have to be physically in the same place and, of course, for large transactions, currency can get pretty inconvenient.”

“Bitcoin is a technological tour de force.”

source: *FoxBusiness*

RICHARD BRANSON

Virgin Galactic founder

“Well, I think it is working. There may be other currencies like it that may be even better. But in the meantime, there’s a big industry around Bitcoin.—People have made fortunes off Bitcoin, some have lost money. It is volatile, but people make money off of volatility too.”

source: *Bitcoin.com*

“Virgin Galactic is a bold entrepreneurial technology. It’s driving a revolution. And bitcoin is doing just the same when it comes to inventing a new currency.”

source: *CNBC*

AL GORE

Former Vice President the United States

“When bitcoin currency is converted from currency into cash, that interface has to remain under some regulatory safeguards. I think the fact that within the bitcoin universe an algorithm replaces the function of the government ...[that] is actually pretty cool.”

source: *Learning Bitcoin*

TECH INDUSTRY PLAYERS

ERIC SCHMIDT

Google executive chairman

“[Bitcoin] is a remarkable cryptographic achievement... The ability to create something which is not duplicable in the digital world has enormous value... Lots of people will build businesses on top of that.”

source: *Newsbtc.com*

JOHN MCAFEE

McAfee Associates founder

“It is not a speculative investment even though it is being used as such by other people. As Bitcoin network grows the value of Bitcoin grows. As people move into Bitcoin for payments and receipts they stop using US Dollars, Euros and Chinese Yuan which in the long-term devalues these currencies.”

source: *RT YouTube*

STEVE LEONARD

SGInnovate CEO

“Several years ago, the excitement around the decentralized ledger (blockchain) architecture started to grow dramatically. People began imagining a range of high-impact use cases such as eliminating counterfeit drugs, putting a lifetime of health records in the hands of patients, and verifying food production and supply-chain integrity, to name a few.”

*note: *McAfee Associates is a software and anti-virus company*

FINTECH PLAYERS:

PETER THIEL

PayPal co-founder

“PayPal had these goals of creating a new currency. We failed at that, and we just created a new payment system. I think Bitcoin has succeeded on the level of a new currency, but the payment system is somewhat lacking. It’s very hard to use, and that’s the big challenge on the Bitcoin side.”

source: *Cryptocoinsnews*

MILTON FRIEDMAN

Economist, 1976 Nobel Memorial Prize recipient (Economic Sciences)

“I think the internet is going to be one of the major forces for reducing the role of government. The one thing that’s missing but that will soon be developed, is a reliable e-cash.”

JEFF GARZIK

Bloq Inc co-founder, a contributor to Bitcoin Core, Bitcoin developer

“When I first heard about Bitcoin, I thought it was impossible. How can you have a purely digital currency? Can’t I just copy your hard drive and have your bitcoins? I didn’t understand how that could be done, and then I looked into it and it was brilliant.”

KENNETH BOK

blocks founder

“The potential of blockchain to revolutionise our techno-economic landscape is phenomenal.


We’re particularly keen to see how Singapore, with its agile and visionary regulatory framework, will drive adoption, innovation, and growth of the decentralized web.”

*Note: *blocks is a Singapore-based start-up which researches the blockchain ecosystem*

NASSIM TALEB

Statistician, former trader and risk analyst

“Bitcoin is the beginning of something great: a currency without a government, something necessary and imperative. But I am not familiar with the specific product to assert whether it is the best potential setup. And we need a long time to establish confidence.”

source: *Wikipedia* 



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"MY GOAL IS TO MAKE SURE WE ARE BUILDING SOMETHING THAT OUTLIVES ME."

- Jack Dorsey,
Twitter's White Knight



Twitter CEO and co-founder Jack Dorsey is all about creating a service that is an agent for social change.

The service has become the spirit of a million moments, a place where world leaders, social activists and everyday people all gather in the same space to debate about events as they happen, and to create history.

Dorsey is among one of the most influential names in tech and his rise to fame is often compared to the late Apple co-founder Steve Jobs. What makes this tech billionaire different from most is that he serves as the CEO of not one but two major tech companies.

Besides co-founding social media platform Twitter along with Evan Williams, Biz Stone and Noah Glass in 2006, the 41-year-old is CEO of payments company Square, which he also co-founded.

Today, Dorsey's net worth is estimated to be 4.1 billion dollars.

THE MAKING OF A TECH BILLIONAIRE: Dorsey's tech journey started at the age of 14 when he became interested in dispatch routing. He wrote an open source software to help dispatch taxis to waiting for customers.

This obsession with real-time services influenced the teenage Dorsey to write a graphics program using a police scanner data that illustrates vehicles as they move around his hometown of St. Louis, Missouri. He did this using a Macintosh computer his dad bought for him.

Later, at 17 years old, Dorsey begins dabbling in bike messenger dispatching software.

A self-taught coder, Dorsey dropped out of New York University (NYU) just shy of receiving a diploma and moved to the San Francisco Bay Area in 2000. Along with Greg Kidd, Dorsey co-founds a start-up in Oakland focusing on dispatching taxis, couriers, and emergency services over the internet.

Dorsey's fortunes however took an unexpected turn when he was fired from the dispatch company after wrangling with board members. It was at this point that he decided to move back to his native St. Louis in 2002.

THE BIRTH OF TWITTER: Dorsey started developing the idea for Twitter as early as 2000 while living in Oakland. He was inspired by early blogging pioneer LiveJournal, a social network where users can share blogs.

Dorsey wanted to create a live experience where posts appeared in real-time and "from the road." He envisions a more real-time, up-to-date blogging service that you can share with friends.

In an early sketch of what would become the Twitter interface, Dorsey says that the idea was "akin to updating your AIM (AOL Instant Messenger) status from wherever you are and sharing it."

"For the next five years I thought about this concept and tried to silently introduce it into my various projects," said Dorsey.

Although defeated and despite moving back to St. Louis in 2002, Dorsey was desperate to get back into tech and in 2005, he returned to California.

Before developing Twitter, Dorsey had become a certified masseur and also dabbled in fashion design. "I'm going to quit tech and become a fashion designer," he once said in an interview.

Sitting at a café in San Francisco one day, he bumps into established tech entrepreneur Evan Williams. Having recently been turned down for a job at shoe store, Dorsey applies to Williams' podcasting start-up Odeo. Williams, who was in need of programmers agrees to hire Dorsey as a low-level coder.

It was while working at Odeo that Dorsey's idea fully manifested into Twitter. Obvious Corporation, the holding company created by Williams, Dorsey, and Odeo executive Biz Stone to acquire Odeo, spins off Twitter as its own startup with Dorsey as its CEO a month later.

By March 2007, Twitter had begun to amass users at an accelerated pace after it goes viral at the South by Southwest festival.

FALL FROM GRACE: Jack Dorsey's stint as CEO of the company that he had co-created did not last long. As Twitter was gaining increasing public attention, Williams along with prominent board member Fred Wilson concluded that Dorsey was unfit to lead the company and forced him out of his position.

The board had cited Dorsey's inability to solve a persistent hourly server crashes, the lack of any type of backup for the entire Twitter system, and Dorsey's tendency to leave work early to attend fashion design and yoga classes.

Williams delivers to Dorsey the now-famous line, "You can either be a dressmaker or the CEO of Twitter. You can't be both."

In a later interview, Dorsey said that the experience was akin to being "punched in the stomach". Although no longer CEO, Dorsey remains as chairman of the board at Twitter.

WHEN THE CHIPS ARE DOWN: Being kicked out from Twitter was a painful experience for Dorsey, yet he was not ready to throw in the towel.

A year after his dismissal as CEO, Dorsey gets the idea for a mobile-payment company when his friend from St. Louis, Jim McKelvey, is unable to sell his glass faucets for \$2,000 because he has no way to accept credit cards.

Dorsey and McKelvey develop a mobile credit card reader, calling it Square after the phrase "squaring up" and in reference to the small, square-shaped readers that plugged into the headphone jacks of smart phones.

Now into his second leadership stint at an up-and-coming tech start-up, Dorsey's influence among Twitter's other board members starts to grow.

At this time, William's inability to manage the site's growth, increase investor returns, and build out a more experienced executive team causes him to be replaced.

William's departure paved the way for Dorsey to re-join Twitter as executive chairman with a focus on product development. With his increasing responsibility at Twitter, Dorsey begins splitting his time between Twitter and Square.

He manages his dual-CEO position by strictly regimenting his time during the work week. He begins his day at 5 AM and ends at 11 PM.

Both Square and Twitter's headquarters are across the street from each other in San Francisco.

A TRIUMPHANT RETURN TO TWITTER: As Twitter began getting ready for its initial public offering in November 2013, Dorsey starts to scale back his involvement in the company. At an opening price of \$26 a share, Twitter's IPO turns Dorsey into a billionaire.



In 2015, Jack Dorsey begins his rise upon returning as CEO of a then faltering Twitter. The social media giant had been underperforming in the stock market, experiencing slow user growth and dealing with a number of executive departures.

Immediately, his return drew similarities to when Steve Jobs returned to Apple in the late 1990s. But Dorsey's attention was divided. The same month that he came back as CEO, his payments company, Square, filed to go public.

TURNING TWITTER INTO A PROFITABLE COMPANY: Returning to Twitter in 2015 as a saviour, he found the company he helped found had been in decline for years, with its stock trending steadily downward and

ON TWITTER:

We stand for freedom of expression. We stand for speaking truth to power. We stand for empowering dialogue. And it's not any one of those alone. Sometimes people only focus on one, instead of all three together. And I think all three together are really important.

Our hope is that we can be a platform that encourages more civil discourse. Even though people may have views that are at different ends of the spectrum, that they can have a conversation to figure out what the ends of that spectrum are, and if there's a balancing point.

"We're not just a push-live broadcast mechanism;

we're a conversation"

"We've seen that throughout our history. The @ symbol, the hashtag, the retweet—those were all invented by the people using our platform, not by us. We made it easier. We brought technology so that they would have to do less work when they did that. But we had nothing in terms of the voice around it."

ON SQUARE: "Payment is another form of communication,"

"But it's never been treated as such. It's never been designed. It's never felt magical. About 90 percent of Americans carry cards, but almost nobody can accept them. We want to balance that out and just make

payments feel amazing."

MANAGEMENT:

"I benefit from number one: A lot of structure. Number two: Realizing it's not about the amount of time I spend on one thing but how I spend the time and what we're focused on. And are we focused on the thing that truly matters most and is most important? Are we ignoring everything else, at least for now?"

"And then three: Do we have the right team around to do the work and make the decisions and move things forward. Square had been building that team for a long time. And we had to do some resets at Twitter throughout the company. It takes time for

a team to gel. It takes time to understand how to collaborate with one another. Meanwhile, we have a lot of things that were not expected that I was coming into that we had to deal with."

MAKING A PRODUCT FOR THE

FUTURE: My goal is to make sure that we are building something that outlives me and that endures and that continues to serve generations beyond me," said Dorsey

"That means I need to build structures that aren't dependent entirely on me. That means I need to recognize leaders who can succeed me. That means we need to get our decision-making rigor and process into the very DNA of our companies."

executives quietly beginning to think about a sale.

Twitter as a public company has had a turbulent ride. It has faced fierce competition from Facebook, which has eclipsed its advertising revenue and user base.

(The platform had 218 million monthly users when it went public in 2012 and currently has 330 million. Facebook on the other has had their user base rise from 845 million to 2.13 billion during the same period.)

Since returning, Jack Dorsey has been tweaking the service to attract users, including by trying to limit user harassment. Twitter has also struck deals with media companies for live news and entertainment shows.

Dorsey's hard and long journey to turn the company's profits around finally became reality when Twitter finally delivered its first quarterly profit and a return to revenue growth in February.

It attributed this to increased advertising revenue, stemming from the multiple updates it made to its product over the last year, as well as video ad sales.

The company reported a net profit of \$91.1 million, or 12 cents per share, compared to a loss of \$167.1 million, or 23 cents per share, a year earlier according to Thomson Reuters.

Twitter's shares had already surged 47 percent over the past 12 months as of the announcement, outpacing a 17 per cent rise in the S&P 500 Index.

The future of the company looks bright and it expects to be "GAAP profitable for the full year 2018," referring to generally accepted accounting principles.

MAKING LIFE BETTER WITH TECHNOLOGY: Dorsey had once proclaimed that Twitter would continue to exist "for at least 10,000 years". This grandiose statement however could be in reference to how Dorsey aims for his products to help society work more efficiently and humanely.

While Twitter and Square are very different companies, they both utilise technology to make life better.

At Twitter, Dorsey's main focus is currently on revamping the platform's abuse and harassment safeguards after years of what people close to the company described as institutional negligence.

And at Square, the payments company is focused on onboarding larger businesses for its point of sale system. Square has

also filed to officially become a bank with the goal of offering more loans to small businesses.

"My role as an observer and as a technologist is to show everything that's happening in the world in real time and get us to that data immediately, so we can change our lives even faster, with better knowledge," he said.

Dorsey has also revealed that he never wanted to be an entrepreneur, but rather an artist or a surrealist.

Dorsey has a deep-rooted interest in politics and has said he aspires to become mayor of New York. He even has a black, nine-inch tattoo of both an integral and the musical notation for F-sharp, shaped like an S, perfectly encapsulating his interests in maths, anatomy, and music.

THE WAY FORWARD: Dorsey told an audience of investors gathered in San Francisco for the annual Goldman Sachs Technology and Internet Conference in February that users and advertisers still find the platform hard to figure out.

The company is working on making more content, including ad products, "self-serve," besides finding ways to generate new revenue opportunities for creators and advertisers, especially through technology.

Besides this, Dorsey hopes to make it easier for users to express themselves much faster and with something other than text posts.

"We got stuck in the age of typing," Dorsey said. "The power of text is amazing but in some context you want to see an image or video and (something) more immersive."

"Our hope is that we can be a platform that encourages more civil discourse. Even though people may have views that are at different ends of the spectrum, that they can have a conversation to figure out what the ends of that spectrum are, and if there's a balancing point," he said. **SME**



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MOBILE PAYMENT



T

he rapid growth of mobile payment gateways in Southeast Asia is seeing a huge wave of new mobile apps hit the market.

A payment gateway encrypts sensitive information, like credit card numbers and bank account details, so that information is transmitted securely from the customer to the bank.

The payment gateways ensure proper transaction with considering all aspect to expedite the safe and secure transaction.

The rapid expansion of small enterprises drive the payment gateway market. This trend is happening in emerging markets, especially Southeast Asia. The region has high smartphone and mobile penetration.

Attractive online bids, time-saving comparison of the goods which is easy, full-time availability, and easy access are some of the main reasons that have increased the rate of online shopping.

However increasing popularity of m-commerce (mobile commerce) has also driven the expansion of the mobile payment gateway market. This service is becoming increasingly essential in facilitating trade, between a merchant and his customer, as it makes the process easier.

A FAST AND EFFICIENT WAY TO FACILITATE TRADE

Acquiring a merchant account to accept payments online is among the tougher challenges that most start-ups face. Besides the cost of the account itself, start-ups especially in countries like Malaysia have a tougher time given the limited number of gateways that allow merchants in the country to receive credit card payments.

Previously, there was difficulty for businesses trying to process online payments due to restrictions put by most international gateways on merchants from Asia.

However, with increased e-commerce activity in the region, numerous local payment gateways have sprung up that allow merchants to apply this method of receiving payments without much hassle.

SME spoke to iPay88 executive director Chan Kok Long about the state of payment gateways. The company is Asean's leading regional gateway provider and a leading player in Malaysia's online payment system transactions.

Chan explained the difficulty that his company faced when they prepared to enter payment gateway market. He stressed how he had spent over a year trying to explain to banks about what they were trying to deliver to their customers without any luck.

Only after speaking to the vice president of alternative payments at an overseas based bank was he able to persuade a bank that he had a viable business model to work on.

"It was difficult for banks to give you an account so that you can collect money online."

Chan said that back in 2005, even large corporation like Fujifilm were having problems with getting the banks to understand that they needed to utilise payment gateways for their business. This he said, could only mean that SMEs were struggling even more.

However before rolling out iPay88 officially in 2006, there was still a lot to learn about the payment system and how it would work. Chan said that the company had spent a whole year trying to study the market before launching their own system.

He said that transaction growth for e-commerce remained slow until the group buying started to pick up in 2010, leading to a sort of boom in the e-commerce market.

Chan said it was during this period that iPay88 had finally become profitable after years of investments.

Doing well in e-commerce Chan says that iPay88 has put an emphasis on continually developing their fraud management system.

"Our fraud rates are less than 0.02, this is far below the industry standards."

"If you want to do well in digital or e-commerce, especially when it comes to collecting money online, you must have a very good fraud management system."

However Chang also cautions entrepreneurs with start-ups to not rely on having a good idea alone. He urges them to pay attention to their business model as many start-ups fail due to a lack of business strategy.

Potential for growth of payment gateways in Southeast Asia

The Southeast Asia region is made up of diverse countries with different level of technology penetration. This means that payment options often differ from one country to another. There is a mix between customer preference in the region for online and offline payment methods.

According to Chan, e-commerce in Malaysia has a lot of potential because mobile phone and smartphone penetration in Malaysia is very high.

"In terms of technology adoptive, I think we are second after Singapore," he said, adding that in terms of transaction, the country is in the top three regionally.

Customer preference for more traditional methods of payments such as using cash and credit cards are still very much preferred in countries like Malaysia. In a study by Nielsen, only 34 per cent of the population uses their mobile phones to purchase a product or service. The survey also suggests that around

72 per cent of Malaysians were concerned about the security of mobile payments.

Chan also said that in Singapore, almost all sectors embrace digital payments including the Government.

“The higher rate of mobile payment penetration in Singapore is because the nation is an early adopter of the technology.”

He also said that Indonesia will soon have the highest online transaction rate because of its size.

“The problem with Indonesia is that not many have transaction volume and the volume of transaction from smaller e-commerce players are minimal.”

“If we talk about e-commerce maturity, Indonesia is way behind Malaysia, but because of the country population, the transaction volume has the potential to become bigger and grow at a faster rate.”

EMERGING PAYMENT SYSTEMS Talking about the near future of payment gateways, Chan said that Bank Negara will be giving more e-money licences this year.

He said that banks play a major role as they start to develop their payment wallets.

“The younger generation prefers technology where everything including making payments are easy. Users feel that moving into a digital payment phase is giving them a lot of benefits.”

“If banks do not have QR code payments it will become even worse (for the banks).” “If I can tap and the banks do not have a QR code, I might not want to put my money there.”

Chan also stresses the role of payment services such as WeChat Pay and Alipay that have already penetrated the Malaysian market.

He notes how Chinese citizens who come to Malaysia are already using AliPay services at restaurants to pay for their meals.

“I am sure that the younger generations would like to try that when payment comes to that stage here.”

Chan said that WeChat Pay and AliPay are two major players that drive e-wallet growth in the world. Banks would thus not be able to keep quiet for much longer and are already developing their own e-wallet systems as these apps represent a potential threat to the existing banking system.

“AliPay has already become very successful as a financial service wallet. If AliPay in the future offers a better interest (for storing money in their e-wallet), it will be at the expense of the banks.”

Chan also predicts that more and more companies that have a community would want to have their own payment ecosystems and remarks that this trend is already happening.

“Some sizeable property developers

build townships and within those townships their want to create an e-wallet system where you can pay for everything from parking to groceries.”

How can customers use mobile payment apps?

The most common way to do this is to first put money into the app.

This can be done through credit or debit card or by purchasing prepaid cards. Several payment gateways allow customers to draw money directly from their bank account.

Once a customer has done this, all he has to do is go up to a merchant and scan a QR code using his smartphone

FAST GROWTH OF PAYMENT APPS Singapore based SpherePay is one of the regions fastest growing mobile payment platform. The company has had positive success since launching their app in Singapore last November and already has its sights on the Southeast Asian market.

SpherePay CEO and co-founder Ken K.N. Spoke to *SME* about how mobile payment apps are becoming increasingly important regionally.

He said that in countries such as China, using payment gateways has become almost second-nature.

“This is to the point that when you pay by cash, people will just look at you in a funny way,” he added.

He explained that the service was so popular that it could be found in almost every shop, not only in major urban areas like in China like Shanghai and Beijing, but also in smaller towns.

There are around 60 mobile payment apps and in Singapore alone and many payment apps which results in a highly competitive market.

According to Ken, the biggest challenge to SpherePay, even before its launch, was not in developing the application itself but marketing the application to potential users.

“Even after our launch today, and this applies to every other company out there, (the challenge) is in getting people to use it (the app).”

He said that even payment gateways developed by bigger companies like Apple Pay struggle to maintain their user base despite many people using an Apple phone.

“Everybody here uses Apple but nobody uses Apple Pay, they use external apps.”

He said that partnerships with merchants are important for payment apps to establish themselves.

STANDING OUT FROM THE COMPETITION

Ken notes that SpherePay differs from other

payment app companies in the way they target merchants and customers.

“Our strategy is to target the youngsters. People in tertiary and secondary schools,” he said, adding that SpherePay often seek out merchants like Uniqlo and TopShop where youngsters are likely to shop.

Ken hopes that by targeting youngsters, who are more accustomed to payment gateway applications, it would create a ripple-effect with other generations.

However, SpherePay is also setting themselves apart from the competition through other facilities, especially as they look to expand their user base outside Singapore and into Southeast Asia by July. One of this is the micro-loan feature.

One example is their micro-loan which provides its users with the chance to makes purchases up to \$300 on credit. As it only takes an hour to approve the ‘loan’, this service makes it easy than applying for a credit card.

According to Ken, the feature would be attractive in countries like Indonesia and Thailand where credit card usage remains low and tens of millions of people have little or no access to bank credit.

Besides this, SpherePay is also hoping to introduce a method of payment through cryptocurrency by June.

“We would be the first in the world to allow users to store cryptocurrency in our app, go to the merchant and pay the merchant using cryptocurrency.”

He added that instead of receiving cryptocurrency, the merchant would receive the amount in cash.

SpherePay currently has a million users in Singapore and five million users across Southeast Asia. The company hopes to achieve 10 million users by the end of 2018, as they start to officially launch outside Singapore.

Payment gateways are web-based applications that act as an intermediary between an e-commerce website and a bank to authorize and authenticate online transactions.

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EXPANDING THE USE OF PAYMENT APPS IN SOUTHEAST ASIA Singapore based SpherePay is one of the regions fastest growing mobile payment platform. The company has had positive success since launching their app in Singapore last November and already has its sights on the Southeast Asian market.

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THE ENTREPRENEURS



SPHEREPAY FOUNDER AND CEO
KEN K N

An experienced Growth Hacker with MBA, marketing and over 15 years experience in FMCG, Retail and Fashion industry. Forte in brand management, marketing, merchandising, sourcing & identifying brands and products that are suitable for the market, building its brand equity and harvesting a bigger market share in the region.



IPAY88 FOUNDER AND CEO
MR CHAN KOK LEONG

He is one of the 3 key founders of iPay88 and currently acts as executive director of both iPay88 Holdings Sdn Bhd (formerly known as iPay88 Sdn Bhd) and iPay88 (M) Sdn Bhd. (formerly known as Mobile88.com Sdn Bhd). **SME**

J

ames Timpson, who is the guest author for Jeffbullas.com compiled five examples of social media marketing campaigns that went viral to prove just how powerful it can be.

1. CADBURY'S GIANT CHOCOLATE FACEBOOK THUMB



When Cadbury's wanted to boost their Facebook likes they decided to construct a giant Facebook thumb out of their own signature Dairy Milk bars. The idea started as a thank you gesture to fans for helping them reach one million likes, but quickly went viral and led to another 40,000 followers within a short space of time. They even decided to stream a live real-time video to document the making of the thumb, which was watched by over 350,000 fans throughout the world.

Nothing draws the eye more than a mouth watering image; however, giant chocolate bars are certainly nothing new. Chocolate and Facebook are universally loved and by incorporating the thumb, Cadbury's have cleverly managed to create an image that's contemporary, unique and instantly recognizable.

2. WATERISLIFE'S FIRST WORLD COMPLAINTS YOUTUBE VIDEO

Non-profit organization WATERisLIFE created a controversial social media campaign that was inspired by humorous memes. The company - who are dedicated to bringing clean water to the third world - produced a documentary compiled of clips of the underprivileged alongside captions of common complaints from the privileged. Such examples include:

- ◆ "I hate it when my phone charge won't reach my bed."
- ◆ "When I go to the bathroom and I forget my phone."
- ◆ "I hate when my leather seats aren't heated."
- ◆ "When my mint gum makes my ice water taste cold."

The video was a huge success and managed to amass over one million views within the first day. The ending caption, "First world problems... aren't problems" significantly boosted interest in their Twitter feed as followers made their own captions and posted them on social networks along with the hashtag, '#firstworldproblems.'



3. WILKINSON SWORD'S SANTA CLAUS HOSTAGE VIDEO



During the build-up to Christmas 2013, Wilkinson Sword released a hostage video featuring three elves who are arguing about whether or not they should shave off Santa's beard.

The video was promoted via the brand's YouTube, Facebook and Twitter pages and received widespread attention throughout the UK. What's genius about this social media campaign is that it was designed to get followers involved. The video was left on a cliff-hanger with the phrase, "CLICK TO #SAVESANTA" at the end.

Voters are now eagerly anticipating the

follow-up video this year which will determine the fate of our truly beloved Saint Nicolas.

Aside from establishing a marketing campaign that gets the fans involved, Wilkinson Sword have created an on-going series which will bring voters back each year and remind them of their famous razors - which just so happen to be the perfect stocking filler.

4. HEINZ'S "WHICH BEAN ARE YOU?" QUIZ

When Heinz launched their new Five Beanz product, they created a quiz on their Facebook page named, "Which bean are you?" Fans used this quiz to determine which bean they were based on questions about their personality.

In addition, Heinz gave participants who shared the quiz ten times on their Facebook page a goodie bag.

The facts and the results:

- ◆ The campaign lasted for two weeks
- ◆ Acquired 22,000 likes
- ◆ 10,000 shares
- ◆ Overall reach of 11 million

Everyone likes a personality quiz. They're a



SOCIAL MEDIA MARKETING CAMPAIGNS THAT WENT VIRAL

great way to get fans actively involved with a marketing campaign without using too much obvious promotion. Television shows and film production companies have been using this promotional method for years; but until Heinz, the food industry hadn't utilized it. Since the success of the Heinz's quiz many other food companies have gone on to use the same marketing method with huge success.

5. URBAN HILTON WEINER'S SELFIE COUPON CODES

Urban Hilton Weiner weren't a particularly big name before their 'pay with a selfie' campaign, but now they're one of the most talked about brands in fashion. Their marketing campaign awarded those who posted a selfie wearing their clothes, along with the hashtag #urbanselfie, a \$10 coupon.



This ingenious marketing technique accomplishes everything that any retailer would want from a social media campaign - it exposes people to specific items of clothing, encour-

ages social sharing, and most importantly, gets people in stores and buying clothes they wouldn't have otherwise purchased.

While the \$10 coupon may seem excessive and put many companies off taking such a bold move, it's a small price to pay for such widespread and effective exposure.

WRAPPING IT UP The power of social media marketing cannot be denied. Real-time marketing has become the "it" thing in advertising and nowadays all one has to do is login to a social network and within seconds they will be exposed to some form of advert; no matter how discreet it may look.

Internet marketers are now placing an increasing amount of emphasis on building communities via social networks and are integrating each platform to deliver a constant stream of exposure. In fact, acquiring a 'Like' on Facebook or new follower on Twitter is held in higher regard than unique website traffic. However, what's most appealing about social media is that unlike other forms of online marketing - such as PPC and SEO - it's completely free.

James is a self-employed blogger and wannabe entrepreneur and works with Distinctly Digital 

Building Trust and Confidence

The credibility of SIRIM QAS International as a conformity assessment body enhances consumer confidence in our customers products and services.



MALAYSIA'S LEADING CERTIFICATION, INSPECTION AND TESTING BODY

Management System Certification Schemes And Related Schemes

- ISO 9001 - Quality Management System Certification
- ISO/IATF 16949 - Quality Management System Certification for Automotive Sector
- ISO 13485 - Quality Management System Certification for Medical Devices
- MS 1900 - Quality Management System from Islamic Perspectives Certification
- ISO 14001 - Environmental Management System Certification
- OHSAS 18001 - Occupational Health and Safety Management System Certification
- MS 1722 - Occupational Health and Safety Management System Certification
- ISO/IEC 27001 - Information Security Management System (ISMS) Certification
- ISO/IEC 20000-1 - IT Service Management System Certification
- MS 1480 - Hazard Analysis and Critical Control Point (HACCP) Certification
- ISO 22000 - Food Safety Management System Certification
- ISO 55001 - Asset Management System Certification
- ISO 39001 - Road Traffic Safety Management System Certification

- ISO 22301 - Business Continuity Management System Certification
- MS 1514 - Good Manufacturing Practice (GMP) Certification
- Carbon Footprint Certification
- Forest Management Certification
- Chain-of-Custody Certification for forest and forest-based products
- ISO 37001 - Anti-Bribery Management Systems
- Roundtable on Sustainable Palm Oil (RSPO) P&C Certification
- Roundtable on Sustainable Palm Oil (RSPO) Supply Chain Certification
- Malaysian Sustainable Palm Oil (MSPO) Certification
- National Mark of MALAYSIAN BRAND Certification
- 1-InnoCERT Programme
- ISO 50001 - Energy Management System Certification
- ISO 28000 - Supply Chain Security Management System Certification
- Third-party Verification of Sustainability Reports
- Conformity Assessment Body (CAB) under Medical Device Act 737
- Good Distribution Practice for Medical Devices (MDA/RR No.1 : July 2013)

Product Certification Schemes And Related Services

- Product Certification
- SIRIM Eco-Labeling
- Product Listing
- Batch Certification
- IECEE CB Scheme
- IECEX Certified Service Facilities Scheme
- UN Marking for Packaging for Dangerous Goods
- Type Approval (E Marking) for Automotive Components
- Ready-Mixed Concrete Certification
- Photovoltaic Module Certification
- Welder Certification
- IECEX Certification of Personnel Competence for Explosive Atmospheres
- Electromagnetic Compatibility (EMC) Certification
- Type Approval for Communications and Multimedia Products
- Registration of Manufacturer / Assembler / Repair Centre / Service Centre for Communications and Multimedia Products
- Issuance of Import Permit for Communications and Multimedia Products

- Issuance of Certification / SIRIM Label for Communications and Multimedia Products
- Issuance of Certificate of Approval for the Importation of Aluminium, Iron and Steel Products and Materials (for non-construction use)
- Modular Coordination Certification
- Green Diesel Engine Verification
- NGV Workshop Certification
- Installer of Pressurized Hot Water Enclosure (PHWE) Certification
- NANO Verify Programme
- SIRIM Gold Hallmarking Certification Scheme
- Issuance of Certificate of Approval (COA) for Edible Wheat Flour

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- Civil and Construction Materials
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- Photometry for Lighting Products
- Fire Protection
- Mechanical and Automotive
- Plastics and Composite Materials
- Radio Frequency (RF) and
- Electromagnetic Compatibility (EMC)
- Consignment Services for Imported Electrical and Electronic Products

- Consignment Services for Imported Metals Products (Industrial Sectors)

Inspection Services

- Engineering Inspection (3rd Party Inspection)
- Inspection Services for Foreign Certification Bodies

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- Inspection and Witnessing Test of new, used or in services of steam boilers, unfired pressure vessels, pipelines, cranes, goods lift, passenger lift and other non-pressurized steel structures
- Witnessing, Verification and Endorsement of Welding Procedure Specification (WPS) and Welder Qualification Test (WQT)
- Identification and Verification of Materials and Welding Filler Materials
- Inspection of Safe Housing System (Hot Work Welding Enclosure)
- Risk-Based Assessment / Inspection
- Non-Destructive and Destructive Assessment including Failure Analysis and Asset Integrity



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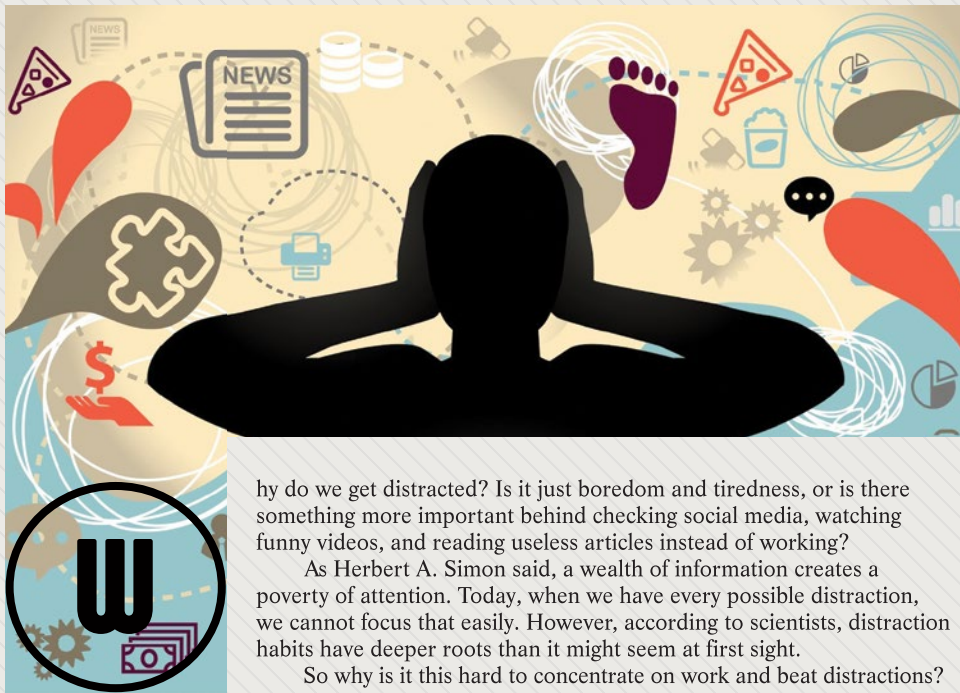
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Why do we get distracted? Is it just boredom and tiredness, or is there something more important behind checking social media, watching funny videos, and reading useless articles instead of working?

As Herbert A. Simon said, a wealth of information creates a poverty of attention. Today, when we have every possible distraction, we cannot focus that easily. However, according to scientists, distraction habits have deeper roots than it might seem at first sight.

So why is it this hard to concentrate on work and beat distractions?

1. WE CRAVE FOR SOCIAL INTERACTION A research, led by California State University professor of psychology Dr. Larry Rosen was conducted in a group of students which showed that the students only were able to stay on task for an average of three minutes and almost all of the distractions came from their smartphones or laptops.

Turning off all these buzzing and flashing notifications seems to be enough, right? However, the interesting fact is, the students recognized that even without sensory reminders they kept wondering internally if someone had commented on their posts or messaged them. They actually didn't need to get reminded or notified about that.

Unsurprisingly, those of the students who checked Facebook at least once during the 15-minute study period showed worse studying results. But, surprisingly, it did not matter how many times they opened it: one time was enough to impair the results.

2. WE STICK TO MULTITASKING Another study was conducted by Gloria Mark from the University of California. It simulated office work with calls, conversations and other typical workplace distractions.

The study showed that an average office employee only spends 11 minutes between interruptions. However, it takes up to 25 minutes to get back to the original task after being distracted. So, no wonder that everyday work turns into constant multitasking.

It is a well-known fact that its effect on productivity is extremely negative. A recent research study also shows that constant task juggling depletes brain power: our brain wasn't designed to handle that much at a time and ends up giving in.

The reassuring fact is, according to Gloria Mark's study, that the brain can adapt to resist interruptions and still handle work tasks in a distracting environment. Those who had been distracted earlier learned from their experience, and marshaled extra cognitive capacities against possible interruptions.

3. WE SUCCUMB TO INSTANT GRATIFICATION When struggling against how to beat distractions, willpower is our most reliable ally. But what if it is not strong enough? Many of us tend to postpone difficult tasks for later and choose to relax right now.

Netflix reveals this typical behavior: documentaries and highbrow movies get collected in a "watch it later" (so most likely "never watch") list, and lowbrow comedies and action flicks keep getting picked for today.

It's not only about movies: the same is true for healthy food, working out, quitting tobacco, or staying focused at the desk. We address our Have-to-dos at the last minute, and as for Want-to-dos, most of us at best would start one of them and quit soon, but most likely we'd never even get around to them. Enjoying leisure time, even if unearned, and avoiding difficulties is tempting, so our willpower succumbs to instant gratification.

According to recent studies, attributing this behavior to the depleted willpower seems to be a misconception. In an experiment, the willpower-depleted group showed higher overall success rates. If so, it seems that willpower can be trained to stay focused.

HOW TO BEAT DISTRACTIONS AND IMPROVE PRODUCTIVITY

KNOW YOURSELF When trying to overcome distractions, the biggest obstacle is that we (or our "silly

BY
ARINA
KATRYCHEVA

HOW TO BEAT DISTRACTIONS AND SKYROCKET YOUR PRODUCTIVITY

monkey" part) don't always understand the relationship between the now-me and the future me. No wonder that the now-me just leaves harder tasks for another guy, future-me.

The problem is that we tend to consider "later" an ideal place. Where everything is perfect, and there's no gap between what we want and what we actually do to get it.

James Altucher points out that this gap is all of our excuses. I'll do it later, I'm tired now, I'm not good enough anyway – just put on paper what prevents you from achieving anything you really want. Each excuse helps you learn about yourself, and that is why they are the roadmap that takes you from "here" to "there".

BE A WISE TACTICIAN Well, how does all that information help us stop being attracted by everything but work? The key to productivity is self-control and discipline. Sounds too vague, too ordinary, and even disappointing, right? Vagueness is what stops us from taking any steps forward, so choose the tactics of small steps:

- ◆ Develop a planning habit. Create a list of to-dos for a day, a week or any other period. The more details, the better. Break down each task into small subtasks. This way, they don't look that hard to accomplish, and seeing even the smallest progress will encourage you to do more.
- ◆ Track how much time you spend on what you do. Use a time-tracking software to record your time against your tasks – and probably see how surprisingly long it takes to get simple routine things done.
- ◆ Understand the relation between "now" and "later". Outmaneuver your weaknesses by understanding that today's decisions will affect the future you. So, make the future you deal with your today's healthy and right choices, not allowing it to sabotage your efforts.
- ◆ Look at your excuses and see what prevents you from being more successful. Every time you get distracted, ask yourself: why am I watching this video? Why am I checking my email again? What happens if I read those Facebook comments later? The answers will help you understand what gets in the way when you try to resist distractions. **SME**

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**Enabling Efficient, Accessible
and Affordable Healthcare**



We Offer



Eligibility
Verification



Payment
Guarantee



Claims
Processing



Payment
Processing



Analytics
Services



Machine
Learning



Malaysia's small and medium enterprises (SMEs) are experiencing positive business conditions, with many adding jobs and investing in technology, according to a new survey released today.

The findings, from CPA Australia's eighth annual Asia-Pacific Small Business Survey, follow extensive surveying of nearly 3,000 SMEs in Malaysia, Vietnam, Indonesia, Hong Kong, Singapore, Australia, New Zealand and China.

CPA Australia Head of Policy, Paul Drum said that while Malaysia SMEs reported weaker business growth than in 2016, the sector was still experiencing positive business conditions and was a strong creator of jobs in 2017. Malaysia SMEs were likely to create even more jobs in 2018.

"More than a quarter (27.5 per cent) of Malaysia SMEs added staff in 2017, reflecting strong growth for many Malaysian SMEs. A healthy 40.1 per cent are expecting to add additional staff members in 2018.

"SMEs from Malaysia continue to be strong users of digital technologies in their business. Over half of Malaysian businesses surveyed (53.4 per cent) earned over 10 per cent of their income from online sales, and over 80 per cent use social media for business purposes.

"However, Malaysia's small businesses would benefit from a stronger focus on new digital payment options, such as AliPay, ApplePay and WeChat Pay. Only 29.1 per cent allow customers to pay through this new technology, well below China (65.5 per cent) and the survey average (42.7 per cent).

Malaysian SMEs were the most likely to nominate customer loyalty as having the most positive impact on their business in 2017.

"It is good business practice to focus attention on existing customers, as it is always much easier to keep a customer than attract a new customer."

"With high numbers of Malaysian SMEs having the characteristics associated with growth - such as a focus on innovation, e-commerce and technology - we are likely to see better results in 2018.

"I expect we'll see an increasing number of Malaysia's SMEs evolve to become large, successful global businesses in the next few years," Drum said.

The relatively strong focus on technology by SMEs in Malaysia is flowing through to concerns over the security of systems, with more than half (52.4 per cent) of respondents stating that they believe it is likely their business will be cyberattacked in 2018 - the third highest result of the markets surveyed.

This concern is leading to action, with businesses being highly likely to be taking steps to improve their cybersecurity.

On the other hand, SMEs in Singapore are showing a strong pick-up in confidence in 2018, according to a new survey released today.

Drum said the outlook for 2018 is strong, with 57.0 per cent of businesses expecting to grow, even as Singapore's small businesses experienced weaker growth in 2017.

"While 2017 saw the lowest number of Singapore small businesses that reported growing since 2014, many expressed a high level of confidence in the Singapore economy and in their own growth prospects for 2018.

"Fifty-seven per cent of small businesses in Singapore are expecting to grow in 2018, the best result for Singapore since the 2012 survey," Mr Drum said.

The survey results again showed that businesses that are applying digital technologies in their business are significantly more likely to be growing strongly than businesses that are not.

In comparison to Australia and New Zealand, Singapore's small business sector is more digitally capable, with a significant majority using social media for business purposes, and nearly

SMEs POSITIVE AND CONFIDENT

four in ten businesses earning more than ten per cent of their income from online sales.

"Singapore's SMEs could, however, benefit from a stronger focus on new digital payment options, such as AliPay, ApplePay and WeChat Pay. Only 30.2 per cent allow customers to pay through this technology, well below China (65.5 per cent) and the survey average (42.7 per cent).

"The results show investments into new technologies are likely to have a fairly quick and positive impact on the bottom line of many small businesses. 35.1 per cent of Singapore respondents that invested in technology in 2017 stated that such an investment has already resulted in improvements in profitability," Mr Drum said.

On cybersecurity, Singapore's small businesses typically do not believe that their systems will be cyberattacked in 2018, with only 35.4 per cent believing it likely such an event will occur, which is higher than New Zealand, but well below Vietnam, where 80.7 per cent of businesses expect an attack.

Despite this result, a significant majority (around 70 per cent) are acting to protect their systems.

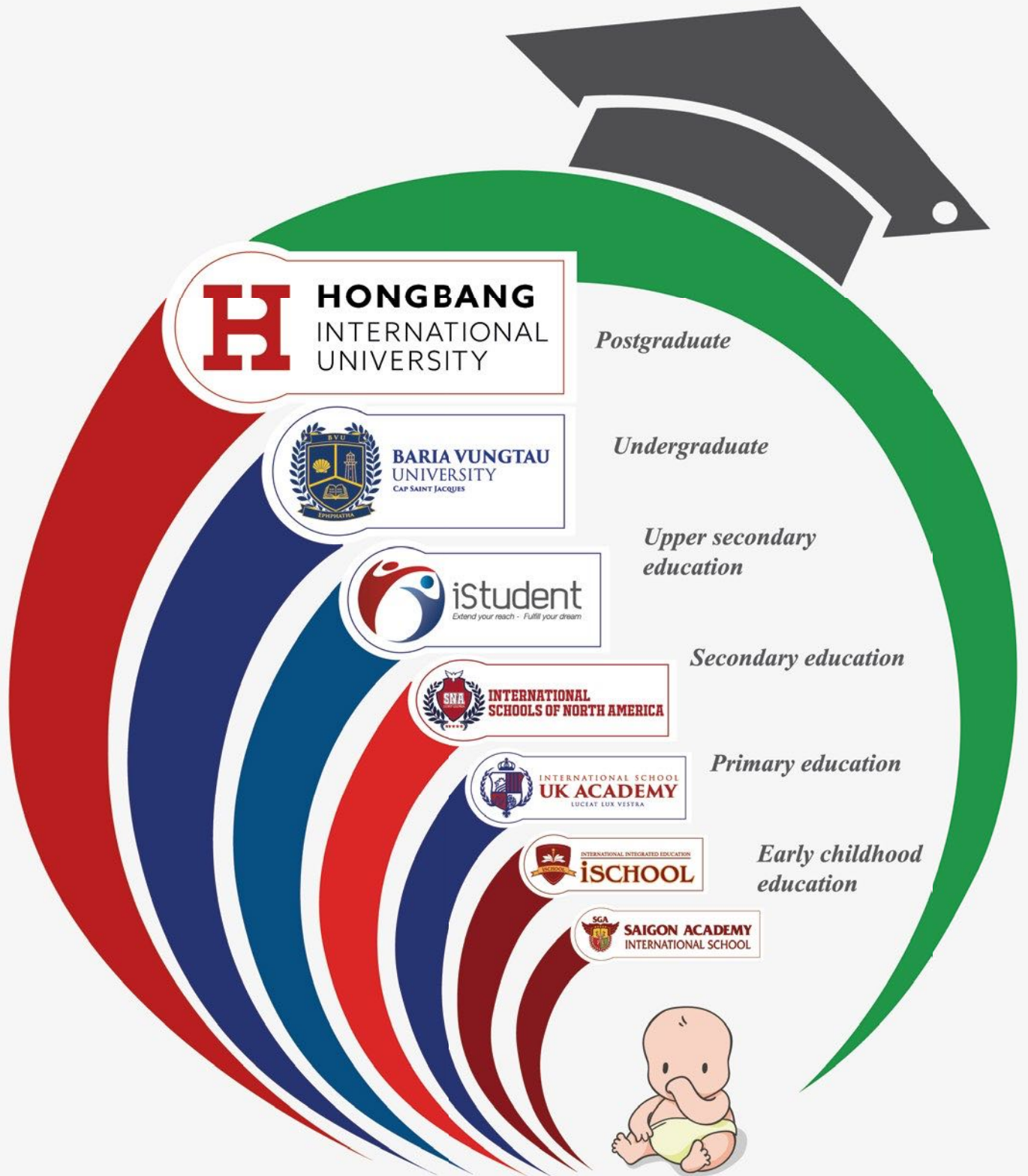
The most common steps Singapore SMEs are taking to protect their systems include regularly backing up data and storing that backup in the cloud or offsite; making staff aware of the risks of downloading programs or opening attachments from untrusted sources; and using a spam filter on their email systems.

Adding to the more positive sentiment in 2018 is an increase in the percentage of Singapore's small businesses that expect to innovate through the introduction of a new product, service or process in 2018 than in 2017.

"This improved result reflects stronger confidence in Singapore's economy and small business environment in 2018. The Singapore Government's strong support of innovation has no doubt also contributed to an innovative culture emerging in many of Singapore's small businesses," Mr Drum said.

The sector reported facing several challenges, including increasing costs and increasing competition. Singapore SMEs were the second most likely of the markets surveyed to identify both of these factors as barriers to their growth, and were likely to nominate staff costs as most detrimental to their business, followed by costs for materials.

Despite the increasing cost of staff, 26.6 per cent of Singapore SMEs expect to add to their staff numbers in 2018, an increase from last year's survey. **SME**



Closed training system from Kindergarten to PhD



BY
ANDREW
NG

HOW TO BUILD A HIGH PERFORMING TEAM



rganisations are increasingly recognising that great teams – and not individual heroes working in silos – are critical to driving sustainable business growth and performance.

In today’s VUCA (volatility, uncertainty, complexity and ambiguity) world, it is more challenging than ever for the business to stay competitive, retain talents, and keep employees actively engaged at work.

According to Aon’s 2017 Trends in Global Employee Engagement Report, employee engagement levels in Malaysia are at 59 per cent, the lowest among major Asian markets.

Imagine what it would look like in a high performing team: a team where members produce consistent results, a team where everyone is committed to giving their best for the shared goal, a team where members care for one another, and feel comfortable expressing their feelings and ideas.

As Fonterra looks into the future of work, we are seeing that building a high performance culture is imperative for our organisation to stay relevant and ahead of competition.

That said, having a high performing team goes beyond just functional teams, but those who are involved in the key strategic projects and cross functional projects. These are already changing our definition of “teams” and team leadership.

Fonterra sees strong value in building a high performing culture. We have in place an internal framework – This Is Fonterra – that highlights the need for high performing teams, who own our collective success and strive to “Getting Better Every Day”.

Meanwhile, our “Cooperative Way of Leading” further reflects the importance of collaboration, thereby creating an environment where teams can “Win Together”.

Since 2016, Fonterra has rolled out a High Performing Team (HPT) framework which is underpinned by five factors:



Building on these five factors, our employees follow these stages in their HPT journey:

1. DIAGNOSE AND DESIGN STAGE

To help teams understand the status and gap that needs to be addressed to achieve the desired outcome, Fonterra rolls out a team effectiveness survey and conducts interviews. Together with the team leader, the aspirations and design of the programme are defined.

2. DELIVERY (WORKSHOP & FIELD WORK)

Customised workshops are organised to identify team challenges, which aim to increase self-awareness

through highly collaborative sessions. These workshops are designed with the following themes: Trusted Ways of Working, Clarity of Goals and Roles, Leveraging Others’ Strengths and Dealing with Conflict.

Through field work, participants deliver breakthrough projects of strategic importance. Teams will receive support from expert coaches based on their needs, who will collaborate with them through on-going peer coaching.

3. DETERMINE & SUSTAIN IMPACT

At this stage, the team continues to use the HPT tools provided to work on the HPT journey. They review and track their progress for continuous improvement. The business impact of these initiatives is measured. Desired behaviours and attitudes are embedded in the team to sustain impact.

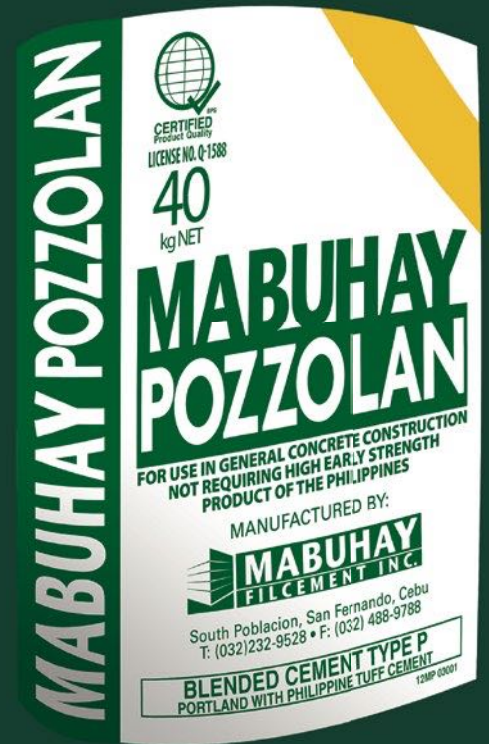
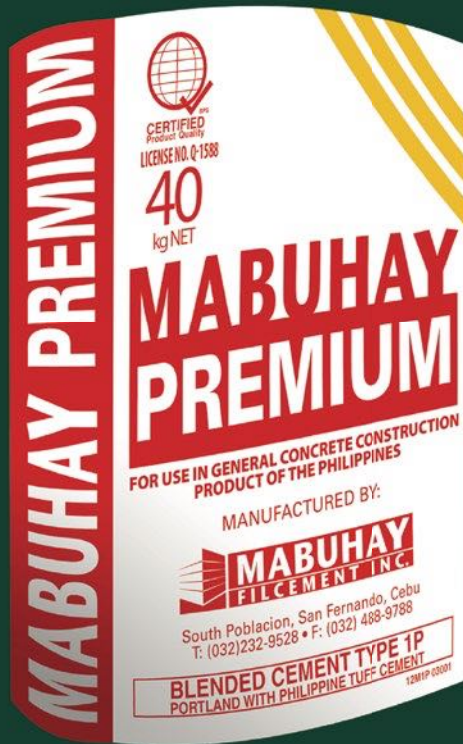
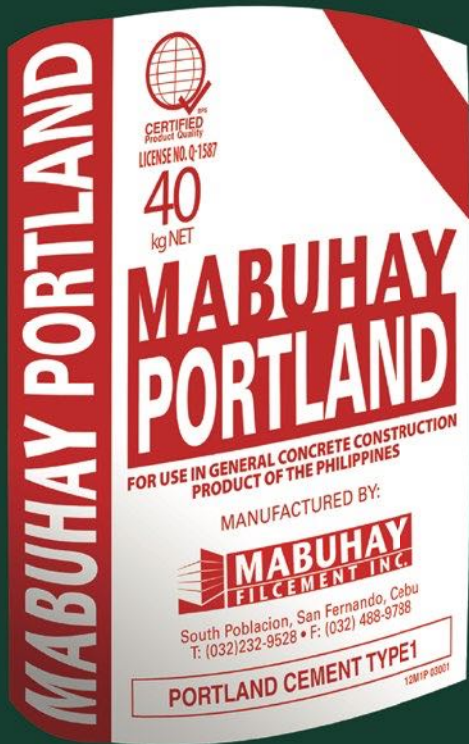
In building a high performing culture, we believe that it is important for teams to focus on “the work of the team” and “how the team works”. Building HPTs does not merely involve workshop activities, but requires consistent effort to embed it as an ongoing way of working within the team.

A crucial ingredient of HPT is having inspiring leaders. In the recent years, Fonterra invests in developing our people manager as people developer. In our signature Fonterra leadership program “License to Lead”, all people managers are equipped with coaching capabilities to conduct meaningful conversations and providing constructive feedback.

THE TAKE-AWAY The future of work lies in the capability of leaders to lead a diverse and high performing team. Organisations need to have teams that are empowered to make decisions which are aligned to our ambitions and must-win battles.

Through Fonterra’s HPT framework, people managers and employees are comprehensively engaged to actively build a high-performance culture. **SME**

CEMENTO MABUHAY CEMENTO MATIBAY



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BY
JEFF
TAN

FEMALE ENTREPRENEURS FIND GREAT OPPORTUNITY IN E-COMMERCE

- ◆ 56 per cent of the registered sellers on 11street are entrepreneurial women
- ◆ 0 per cent of the female entrepreneurs on 11street are selling Health & Beauty products
- ◆ 7 per cent of 11street's female sellers are tapping into male-dominated categories including Home Electronics and Mobile, IT & Camera

BREAKING TRADITIONAL GENDER BARRIERS

In addition, 11street saw 7% of its female sellers tapping into departments that have traditionally been dominated by men. These include large electronic appliances, camera, smartwatches & wearables, audio & gaming and home improvement.

One notable female entrepreneur who has definitely broken the gender stereotypes of women in the e-commerce industry is IT Comp COO Sharon Goh. Despite her lack of experience in IT, Sharon recognised that e-commerce was the future of retail and hopped onto the bandwagon.

After teaming up with 11street, Sharon would help steer IT COMP to becoming one of the top players in the typically male-dominated mobile, IT and electronics department on 11street's marketplace.

N4 Camera Store Sdn Bhd, director Ong Mei Jye also spoke about how e-commerce changed her business and her life.

"I have found greater opportunities in providing consumer digital products and services online, like a steadier growth and wider possibilities at the lowest cost.

"By partnering with online marketplaces, including 11street, the N4 Camera Store has successfully achieved a turnover of 20 per cent in our group business and I am positive to see more growth in the e-commerce sector," Ong said. **SME**



Malaysian female entrepreneurs are flourishing in the e-commerce industry, according to popular online marketplace 11street.

The platform, announced that in 2017, more than half or 56 per cent of its registered sellers were women selling products across various categories.

11street CEO Hoseok Kim said that online shopping has proven to be a boon for female entrepreneurs and they are thriving in the e-commerce industry.

"The top category with the highest number of registered female sellers is in the health & beauty segment. 30% of the female entrepreneurs on 11street are selling cosmetics, fragrance, dietary supplements & tools, skin & personal care items online," he said.

On average, 11street's sellers have witnessed an increase in sales revenue by 15% to 20% within six months of completing the courses under the 11street Academy, the nation's first certified e-commerce certification platform.

"Many of the women entrepreneurs have outperformed the average benchmark, and some have even doubled or tripled their sales performance."

Among the entrepreneurs on the platform is JOCOM co-founder Agnes Chua. JOCOM is an integrated solution applied through a mobile app for online grocers. The app connects rural farmers, traders and vendors with consumers via e-commerce.

Agnes started a business in e-commerce to allow herself more flexibility; a factor that is especially crucial to those balancing motherhood and other familial responsibilities, in addition to the advantage of being one's own boss, as well as lower costs than starting a brick and mortar business.

Agnes has enjoyed a 300% growth since joining 11street and wishes. "Rather than competing with each other, why don't we collaborate and forge a stronger outcome together?" she said.




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KOPITIAM FRANCHISES

BY
JEFF
TAN

HAILAM KOPITIAM

Hailam is the pronunciation of the Hainanese dialect. According to founder Mr. Goh, he came from a family who runs a traditional kopitiam business.

Back in 1936, the Goh family set up Foh Heong Kopitiam in Kuala Pilah. The kopitiam became so popular in colonial times that even British officers and Negeri Sembilan royalty favoured and patronised Foh Heong. In 1944, together with Tunku Kudin, the Goh family set up Sinaran Restaurant Café.

Armed with in-depth knowledge of running a kopitiam business and recipes he “inherited”, which laid the foundation of success for Hailam Kopitiam.

Until today, the cooking style, unique flavours and distinct tastes of traditional Hainanese kopitiam that is noted for has undergone very little change. Food has been Hailam Kopitiam’s passion and love, so Mr. Goh and his employees try to keep the recipes and flavour of food as authentic as possible.

At Hailam Kopitiam no fusion food or beverages are served. Patrons will be familiar with authentic-flavoured items such as traditional kopitiam coffee and tea, home-made kaya (coconut-based jam) with roti bakar (toasts) and half-boiled eggs, Hainanese chicken chop and fish fillet.

Other dishes include well-known comfort food, for example mee sup (soup noodles), mee goreng (fried noodles) and of course, the all-time favourite, Hainanese chicken rice.

FRANCHISING:

Hailam Kopitiam owns three self-run branches and more than 20 franchised outlets in Malaysia. The franchise is actively looking for entrepreneurial individuals with F7B experience to join them as franchisees.

Franchisees will pay franchise fee, staff training fee and ongoing royalty as approved by the Malaysian government.



T

he word kopitiam, originates from the Hokkien dialect, which literally means coffee shop. The coffee shop business used to be a family-run trade, which during the British colonial era in the Malayan region, mainly found in Chinese villages. Kopitiam have been ingrained into the everyday life of Malaysians and Singaporeans.

KILLINEY KOPITIAM

Located along the busy streets of Killiney Road, the existing shop front was founded in late 1919. Back then, while it was an antiquated yet humble shop, its famous bread toast and warm beverages were popular among many.

Though it was just an ordinary Hainanese kopitiam, it promised well-brewed coffee and tea, not to mention traditional charcoal-grilled bread toast. Mr. Woon Tek Seng, a regular customer of the shop, loved it so much that he wished to own it.

In 1993, the dream became reality when he finally bought the shop, renovated it and renamed it Killiney Kopitiam.

When Mr Woon took over the reins of management, he believed that it was crucial to uphold the legacy. Despite major renovations to the shop front, the present coffee shop retains the traditional working style and influence.

A key factor, for which he is very grateful, lies in the three workers who have stayed on and helped him, by means of passing on their skills in making good kaya, bread toast, coffee and tea.

Today, Killiney Kopitiam has an extended menu offering a wider variety of local delicacies. The F&B brand has also expanded to other parts of Singapore and is actively looking for franchisees locally and overseas.

Source: Killiney Kopitiam website

FRANCHISING:

For the local market, Killiney is looking for Single Unit Franchise. Pertaining to the overseas market, the franchise is looking for Master Franchisees who can operate and manage a defined geographical market.

Franchising costs include:

Master franchise Fee: this is for a defined geographical territory (once off).
Single Unit Fee: this is for the opening of a single franchised unit (once off).
Royalties: this is a percentage of gross sales receipts (monthly).



Often the social nucleus of town centres, which were once Chinese villages, kopitiam act as the meeting place for friends, families and even business associates. Back in the 1980s and 1990s, some business deals were even signed in kopitiam!

The modern kopitiam “wave” was influenced by the franchise models of lifestyle

cafés such as Starbucks. The main difference between a Starbucks model and a modern kopitiam model is that, the latter has a nostalgic element to it, where peers from the baby boomers and Gen-X generation can reflect to their childhood memories.

Since our society moves into the new millennium (in 2000) modern or sometimes

referred as present-day kopitiam began mushrooming all over the major cities. Thanks to the franchise model and a more affordable price range of food and beverages, present-day kopitiam have grown fast.

In this issue of SME, we are introducing six homegrown brands, which out among the six, some have expanded overseas:

YA KUN TOAST

Back in 1926, 15-year-old Loi Ah Koon board an old Chinese junk from Hainan, China to Singapore. With no next of kin as a guardian, he naturally gravitated towards the local Hainanese community. There, he got a job as an assistant in a Hainanese coffee stall.

Ah Koon picked up the tricks of the trade fast and were able to set aside some savings. Having an entrepreneurial spirit in him, he partnered two fellow Chinese immigrants to start their own coffee stall business at Telok Ayer Basin. However, the partners later decided to venture elsewhere on their own. Ah Koon was then left to fend for himself.

A determined young man, Ah Koon decided to carry on with his coffee stall business. Coffee, tea, egg and toast - he served them all to one and all. He got married during one of his visits back home to China.

In 1936, Ah Koon's wife joined him in Singapore. She worked alongside her husband, perfecting her skill of churning out homemade kaya (a local spread of egg and coconut) to go with their toast. Ever resourceful, Ah Koon began roasting his own coffee. He bought coffee beans, added Planta margarine and sugar and roasted them over firewood at the back of his stall.

After operating for more than 15 years at Telok Ayer Basin, Ah Koon relocated his business across the street to Lau Pa Sat. The stall was then simply called Ya Kun Coffeestall, the name Ya Kun being the Chinese pronunciation of “Ah Koon”.

The business shifted its business location a few times before settling down at its present site at Far East Square in 1998.

FRANCHISING:

Ya Kun Kaya Toast runs a business format franchise. For overseas franchising, Ya Kun is keen to grant a Master or Country franchise.

Some of the criteria include requiring an enterprising local party to manage the business and having adequate financial resources to roll-out the business. One of the partners/shareholders (a local party) must be appointed as the Managing Principal of the business.

Whilst the Managing Principle can hire competent outlet managers and staff to run the day-to-day business, the Managing Principal is required to undergo the full initial franchise training and to spend a reasonable amount of time to oversee the overall aspects of the Ya Kun business in your territory.



BANGI KOPITIAM

The Bangi Kopitiam brand is a unique name as Bangi is a Malay town in Malaysia and Kopitiam as explained above, is a of Hokkien dialect origin.

Bangi Kopitiam is the brainchild of four childhood friends, who has the same “mission” to re-culture a muhibbah spirit, which we Malaysians once had when the four co-founders were growing up. They wanted to create stronger bonds among all races in Malaysia.

The main selling point of Bangi Kopitiam is its “heritage food”, which is affordable comfort food. After familiarising themselves with the F&B trade, the co-founders decided to “export” their brand to

FRANCHISING:

Number of franchised outlets in Malaysia: 5

Number of franchised outlets overseas: 82 (in Indonesia)

Master-franchisee in Indonesia: Pt Indo Bangi Koptiam.

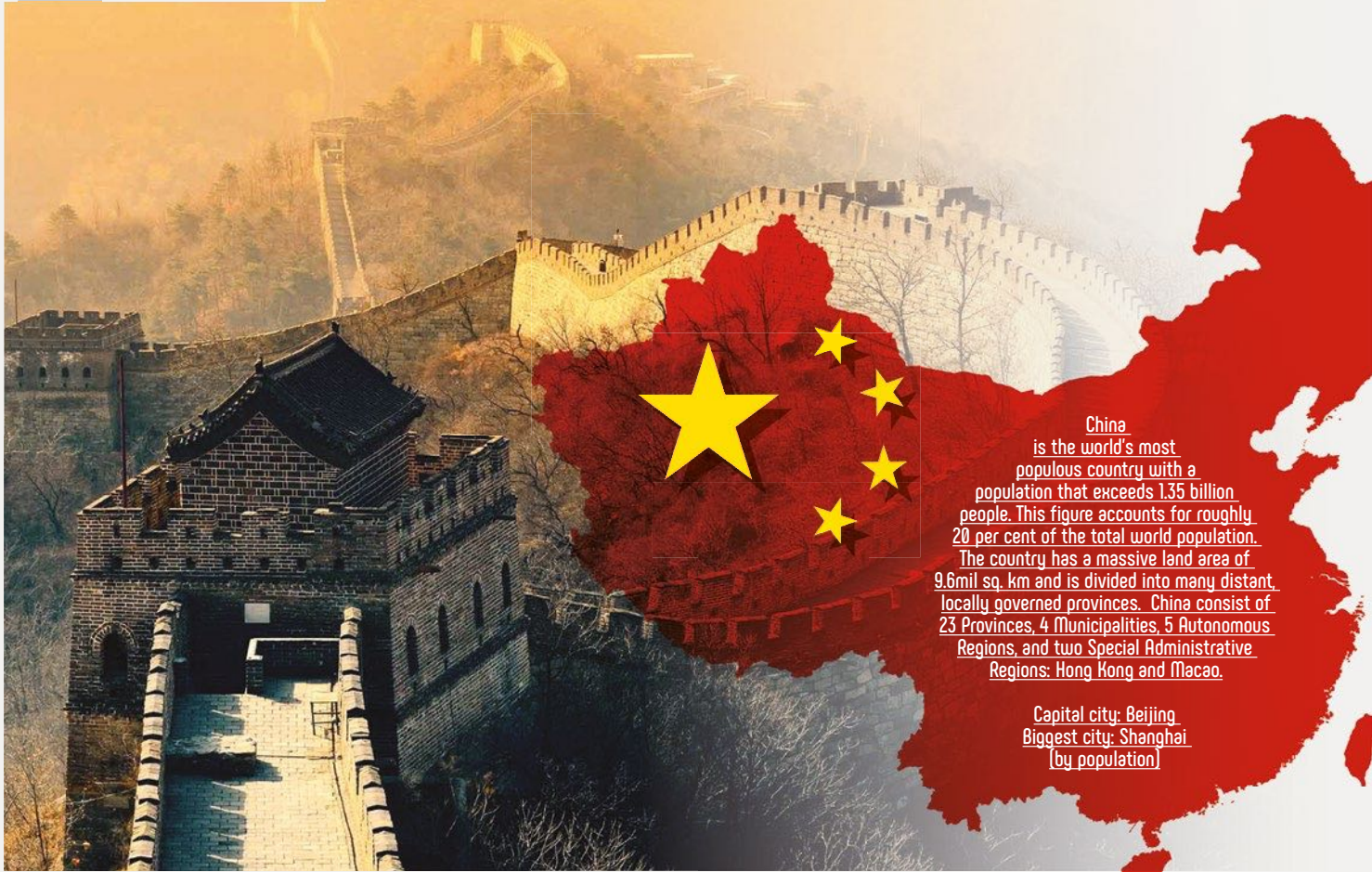


Franchising is based on a marketing concept which can be adopted by an organisation as a strategy for business expansion. Where implemented, a franchiser licenses its know-how, procedures, intellectual property, use of its business model, brand; and rights to sell its branded products and services to a franchisee. In return the franchisee pays certain fees and agrees to comply with certain obligations, typically set out in a Franchise Agreement.

Source: Wikipedia 

BY
JEFF
TAN

CHINA



China is the world's most populous country with a population that exceeds 1.35 billion people. This figure accounts for roughly 20 per cent of the total world population. The country has a massive land area of 9.6mil sq. km and is divided into many distant, locally governed provinces. China consist of 23 Provinces, 4 Municipalities, 5 Autonomous Regions, and two Special Administrative Regions: Hong Kong and Macao.

Capital city: Beijing
Biggest city: Shanghai
(by population)

C

hinese society and culture is at once homogenous and incredibly diverse. Han

Chinese make up the world's largest ethnic group and about 92 per cent of the population.

Officially called the People's Republic of China, the country was founded in 1949 after the Communist Party defeated the nationalist Kuomintang, who retreated to Taiwan.

China stagnated for decades until it reformed its economy along partly capitalist lines to make it one of the world's fastest-growing, as well its leading exporter. Today, China is a major overseas investor, and is pursuing an increasingly assertive foreign and defence policy.

Its international expansion, growing domestic market, raw material requirements, role as the world's factory, and related environmental issues have far-reaching

implications for people and development around the world.

CHINA'S ECONOMY China's economy produced US\$23.12 trillion in 2017, based on purchasing power parity (PPP). China's modernisation has propelled the tertiary sector and, in 2013, it became the largest category of GDP with a share of 46.1 per cent, although the secondary sector still accounts for 45 per cent of the country's total output.

China weathered the global economic crisis in 2008 better than most other countries. The Government in 2008 unveiled a US\$585 billion stimulus package in an attempt to shield the country from the worst effects of the financial crisis.

China exited the financial crisis in good shape, with GDP growing above 9 per cent, low inflation and a sound fiscal position. However, the policies implemented during the crisis to foster economic growth

exacerbated the country's macroeconomic imbalances.

In order to tackle these imbalances the Government, beginning in 2012, unveiled economic measures aimed at promoting a more balanced economic model at the expense of economic growth.

China's government debt is almost entirely denominated in local currency and owned by domestic institutions. The government has cash savings equivalent to 6 per cent of GDP in the People's Bank of China. This situation shields the economy against government debt crises. In 2015, public debt amounted to 15.6 per cent of GDP.

Due to favorable global trade conditions and China's accession to the WTO in December 2001, the country has experienced an astonishing growth of 26.9 per cent annually in real goods and services exports during the 2002-2008 period.

China has also engaged in

several bilateral and multilateral trade agreements that have opened new markets for its products. In 2003, it signed the Closer Economic Partnership Arrangement with Hong Kong and Macau.

An FTA between China and the ASEAN nations came into effect on January 2010, which created the world's third largest free trade area in terms of nominal GDP.

China also established, among others, FTA with countries such as, Australia, Chile, Costa Rica, Korea, Pakistan, Peru, New Zealand, and Singapore.

In 2013, China surpassed the US as the world's biggest trading nation. China is the world's largest exporter in 2017, and it US\$2.2 trillion of its production. Electronics and machinery make up around 55 per cent of total exports, garments account for 13 per cent and construction material and equipment represent per cent. Sales to Asia represent over

40 per cent of total shipments, while North America and Europe have an export share of 24 per cent and 23 per cent, respectively.

China is the world's second largest importer. In 2017, it imported \$1.7 trillion. Chinese imports are mostly dominated by intermediate goods and a wide range of commodities, including oil, iron ore, copper and cereals.

Supply of imports into China is mostly dominated by Asian countries, with a combined share of around 30 per cent of total imports. Purchases from Europe and the US account for 12 per cent and 8 per cent, respectively.

China's domestic firms are shifting to higher-margin business, and they are open to foreign companies supplying high-value goods and services and can tap into the rapidly growing Chinese middle-class.

FDI has performed strongly in the last decade, with record inflows of US\$118 billion in 2013, thereby becoming the second largest recipient of foreign investment. Among the countries that invest more in China are Hong Kong, Singapore, Japan, Taiwan, and the United States.

China's outward investment has soared in recent years and the country could become a net exporter of capital in the coming years.

Investment in manufacturing and infrastructure is slowing as the nation shifts from an investment driven growth model to one more focused on consumer demand.

DOING BUSINESS IN CHINA

- ◆ Business in China relies heavily on personal relationships so it is crucial to establish and maintain good relationships with key business contacts and relevant government officials.
- ◆ Be prepared for frequent and lengthy meetings to build trust before signing contracts.
- ◆ Most business in China is not conducted in the boardroom so expect to be invited to long dinners and make sure you try everything so that it will appear rude if you don't.
- ◆ The Chinese place a high value on authenticity and have low tolerance for posturing or pretending.
- ◆ Exchanging business cards is

common practice, so make sure to bring plenty. The polite thing to do is accept the business card with both hands and look at it carefully as you do so. Business cards are generally exchanged before seating.

- ◆ Punctuality is vital. Being late is a serious offence in the Chinese business culture.
- ◆ Chinese business people will expect you to be well prepared for the meeting. Make sure to have enough copies of your proposal ready to hand out.
- ◆ Note that presentation materials should be only in black and white, avoid colours.
- ◆ Small talk is considered particularly important at the beginning of a meeting.
- ◆ An extra display of courtesy in the presence of an older person will go down well. Often people will slightly nod or bow their heads when shaking hands, particular with senior people.
- ◆ Business hours are 8:00 am to 5:00 pm, Monday to Friday. Many Chinese workers take a break between 12:00 pm and 2:00 pm, during which almost everything stops from working from lifts to phone services.
- ◆ If you are invited for drinks, you should go to build a personal relationship during your business.
- ◆ If you invite someone to do an activity or have a meal, you are expected to pay for it. The expectation in a business setting is still that the person who gives the invitation pays.
- ◆ When you receive a gift, accept it with two hands. Gifts should not be too expensive. And if your business counterparts are government officials, make sure you don't give them a reason to mistake your kindness as bribery.
- ◆ Giving tips is generally considered an insult in China, implying the recipient needs money.
- ◆ It is not mandatory business practice to notarize a contract in China, nor to sign the contract in front of a notary and share the notarization fee.

LANGUAGE Mandarin is the country's official language and is spoken by more than 70 per cent of the population. However

GOOD WAYS TO START THE RELATIONSHIP-BUILDING PROCESS:

- ◆ attending industry networking events
- ◆ contacting industry associations and municipal or provincial investment promotion bodies
- ◆ following up on personal introductions

China has anywhere from seven to thirteen main regional language groups and many other provincial dialects, which are often mutually unintelligible.

Learning to speak with Chinese business partners in their native tongue always imparts a special advantage to anyone willing to learn a language for the sake of business.

BUSINESS ETIQUETTE IN CHINA

HOW TO DRESS

- ◆ Appearances and first impressions are important in Chinese business culture. Conservative, unpretentious and modest clothing should be worn in China as it will help to indicate both status and modesty.
- ◆ Avoid large, flashy or otherwise loud accessories.
- ◆ Men should generally wear a suit (with tie) and women should wear a business dress or a suit with a blouse (not low-cut and, in the case of skirts, not too short).
- ◆ Women should avoid wearing heavy makeup, exposing their backs, wearing shorts and having excessive jewellery.

HOW TO BEHAVE

- ◆ It's considered rude to point with your finger so try instead to point with an open hand or, if possible, make eye contact and get someone's attention without using your hands at all.
- ◆ Body posture should always be formal and attentive as it demonstrates self-control and respectfulness.
- ◆ Pay attention to your hands. Do not put your hands in your mouth, bite your nails, and remove food from your teeth.

DINING ETIQUETTE

- ◆ During dinner, more senior business people to be seated

first and wait for your host to show you to your seat. Never eat or drink before a host, and always offer someone else food or drink before you serve yourself.

Business travelers to China should learn beforehand how to use chopsticks. Never stick your chopsticks straight into your bowl as this action is reserved for funerals, so it is very offensive. Furthermore, never tap your bowl with your chopsticks as this is associated with begging.

- ◆ It is also important to know how much to eat. Leaving an empty dish signifies that you were not given enough food and not touching your food is offensive as well.
- ◆ Do not be startled if everyone starts slurping and belching as these are signs of enjoyment while eating.

FUN FACTS

- ◆ China is the world's longest continuous civilisation. It began about 6000 BC and lasts until today.
- ◆ More people speak Mandarin, a Chinese Dialect, as their first language than any other language in the world.
- ◆ The Chinese army has the biggest number of soldiers in the world (more than 2 million people).
- ◆ Due to the huge population of China, almost every religion of the world is adhered to. The most popular are Taoism, Confucianism and Buddhism. There are more Christians in China than in Italy due to its size.
- ◆ China is about the same size as the continental United States (US) but it only has one official time zone. Continental US has four.
- ◆ Hong Kong has more skyscrapers than any other city in the world. **SME**

BY
JEFF
TAN

SHANGHAI

Ni Hao!



S

hanghai, on China's central coast, is the country's biggest city and a global financial hub. Its

heart is the Bund, a famed waterfront promenade lined with colonial-era buildings.

Shanghai is split in two by the Huangpu River (Huángpǔ

Jiāng). The most basic division of the area is Puxi (Pǔxī) West of the river, versus Pudong (Pǔdōng), East of the river. Both terms can be used in a general sense for everything on their side of the river, but are often used in a much narrower sense where Puxi is the older (since the 19th century) central part of the city and Pudong

the mass of new high-rise development across the river since the 1980s.

According to Wikitravel, there is a saying that goes, "Shanghai is heaven for the rich, hell for the poor". People from second-tier cities and rural areas all over China flock to Shanghai; university graduates from other cities

migrate to Shanghai in search of a better life in economic terms, while farmers from rural towns hunt for temporary manual labour jobs.

ATTRACTIONS

These are the destinations and "things" to look out for in Shanghai, picked by and recommended to you by SME:

◆ **YUYUAN GARDENS (LOCATED IN OLD CITY)** For a feel of the “Old China” of yesteryears, this is the perfect destination especially for those who love classical Chinese architecture.

◆ **CLASSIC (WESTERN) ARCHITECTURE** For a taste of how Shanghai looks like in the 1920s, visit The Bund or the French Concession district to admire the architecture of old buildings which existed since that decade.

◆ **MODERN ARCHITECTURE:** Some of the tallest and most inspiring structures in Asia and the world can be found along the Huangpu River bank in Pudong’s Lujiazui District. The Oriental Pearl Tower (one of the tallest structures in Asia) and Jin Mao Tower (a staggering 88-story behemoth) and the Shanghai World Financial Center are among the well-known structures in the international city.

◆ **SHANGHAI MUSEUM** Located near People’s Square. The museum is open to the public from 9:00am to 5:00pm. The Ancient Bronze exhibit is particularly impressive.

◆ **TEMPLES:** Some of the more popular ones include the Jade Buddha Temple, Jing’an Temple, Chenghuang and Longhua Temple.

◆ **ZHUJIAJIAO WATER VILLAGETOWN** The picturesque Zhu Jia Jiao is a classic water village, over 400 years old with a signature five-arch bridge spanning the Cao Gang River. Zhu Jia Jiao was an important town for local trade activities before China was liberated from the rule of previous dynasties.

The water village is about 40 minutes drive from the city. In the village, you will come across one main street, which is lined with quaint shops and restaurants serving local favourites. Boat rides are available, where visitors can view the residences of this well-preserved water village.



GETTING TO SHANGHAI

Shanghai has two main airports: Pudong Airport (main international gateway) and Hongqiao Airport (serving mostly domestic flights).

However, both are international airports, so be sure to check which one your flight is leaving from. Transfer between the two takes about an hour by taxi. There are the more affordable option of direct shuttle buses.

You can get between the two airports in nearer two hours by Metro (subway). Both airports are on line two, the main East-West line through downtown Shanghai, but at opposite ends of it.

You can reduce some of the travel time by taking the Maglev train. A traveller taking up this option will have a few hours to spare and have a glimpse of the Shanghai skyline. However, Wikitravel suggests travellers to take up this option if you are not carrying too much luggage.

If you are getting from Pudong Airport to the city centre, you can get down at the station nearest to The Bund.

Both airports also have direct bus service to major nearby cities such as Hangzhou, Suzhou and Nanjing, though the new fast trains may be preferable, especially from Hongqiao Airport which has Hongqiao Railway Station quite nearby (one subway stop or a fairly long walk).




USEFUL INFORMATION:

During April in Shanghai, sunny spring days are common. The day-time weather is very warm, but the temperature range within a day is large. It is much cooler in the early morning and night. Light rain occurs from time to time.

Shanghainese, as the locals are referred to, speaks the Wu Chinese dialect among themselves.

If you are a traveller of Chinese descent do not be surprised if they communicate in Mandarin to you. However, most university and college students and working young adults should be able to converse in basic English.

If you intend to stay in Shanghai for more than a few days the Shanghai Jiaotong Card is a must. You can load the card with money and use it in buses, the metro, Maglev and even taxis. 

BY
GOH CHEE
HOH

A FORWARD-LOOKING VIEW ON DIGITAL EXTORTION



In 2017, digital extortion was cybercriminals' first and foremost money-making modus operandi. This can be seen in the biggest digital extortion cases last year –

WannaCry, EREBUS and PETYA outbreaks.

In Malaysia, nearly 20 firms ranging from government-linked corporations (GLCs) to financial investment firms were hit by WannaCry.

A report by A.T. Kearney highlighted that in recent years, with increased connectivity and technological innovation, Southeast Asia has been a prime target for cyberattacks. Without the right measures in place to tackle digital threats, the region's top 1,000 companies is estimated to lose about US\$750 billion in market capitalisation from data breaches.

As cybercriminals find online blackmail

and extortion lucrative, we at Trend Micro believe that the future of digital extortion presents a risk-filled outlook, especially for enterprises and organisations.

Cybercriminals will continue to go after big targets by making ransomware designed to exponentially wreak havoc, especially in office settings.

We predict that it's not just ransomware that will be used for digital extortion. In addition to attacking the company's business-critical documents, manufacturing plants and assembly-line robots will also be compromised.

Malaysia manufacturers with their legacy systems and diverse hardware would face challenges to upgrade or patch in a timely manner, making them prime targets for attacks that exploit old vulnerabilities.

In these industries, attacks can force production to halt resulting in losses as seen in the previous Petya attacks where organizations such as Reckitt Benckiser estimated losses of

up to £100 million.

We also see attackers using digital smear campaigns against celebrities and companies, especially those attempting to promote an upcoming product or movie.

In this day and age where customer feedback and social media reception are key to success, attackers may resort to sharing fake news to tarnish the reputation of companies of celebrities and companies – and to stop only when the victims pay a set ransom.

Finally, we believe that digital extortion will continue to feature phishing attacks and social engineering techniques to infect the computers and systems of unsuspecting company officers and executives with ransomware, or to establish a backdoor for data theft. SME

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MALAYSIA MANAGING DIRECTOR



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TECHNOLOGY REDEFINES APAC WORK ENVIRONMENT



Technology has emerged as the primary catalyst for a long-term commercial real estate revolution in Asia Pacific. Increasingly, corporations in the region are recognising that the

time to restructure their operations around new technology is now, and this will require innovative talent to facilitate the change.

According to CBRE's research, advances in technology are breaking the traditional expectations on location, and placing employee experience at the centre of major real estate decisions across the region.

CBRE's WORK_IT: Technology | Workplace | Jobs survey—the inaugural report within a broader series—concludes that technology will redefine Asia Pacific's corporate real estate order in the coming years, with landlords likely to emerge as the greatest enabler of change.

Employees' preferences are rarely included in the corporate real estate decision-making process, however, according to CBRE Research, rapid technological advancement is reversing this process and individuals are increasingly acting as workplace influencers.

As a result, corporations' decisions are being informed by connectivity and accessibility as well as talent attraction and retention.

"The transitional role of technology in commercial real estate will continue to enhance and influence an evolving employee experience across Asia Pacific. While location will remain important, the changing order of real estate will require buildings and work spaces to be far more flexible and adaptable than before," says Steve Swerdlow, CBRE Asia Pacific CEO.

Major findings of the report:

- ◆ **LOCATION IS NO LONGER EVERYTHING:** Location has long served as a major determinant of where business is conducted but technology innovation and availability of human capital are changing locational preferences.
- ◆ **TECHNOLOGY PUTS PEOPLE AT THE CENTER OF THE WORKPLACE:** The move towards a tech-enabled workplace is driving a stronger emphasis on improving the end-user experience. More than half of occupier respondents want a more customized workplace environment that adapts to the needs of their people.
- ◆ **MOBILITY IS REWRITING OFFICE DEMAND:** As mobile working takes hold across Asia Pacific, companies will create office environ-



ments that improve staff satisfaction and comfort. The user experience will influence real estate strategies, and technology will enable employees to customize their working location, allowing them greater flexibility in choosing, how, when and where to work. Based on CBRE research, corporates will increase headcount in IT professionals and outsourcing/offshoring, whereas a net decline is expected in the back office function.

- ◆ **LANDLORDS ARE THE ENABLERS OF CHANGE:** Occupiers are the activist in changing the workplace environment. Landlords must partner more closely with tenants when developing smart buildings, engaging with tenants at the planning stage to ascertain the features and technology they require. Incorporating technology in new buildings will be relatively straightforward, but retrofitting older properties will be more challenging.

As a result of this growing awareness, approximately 50% of occupier respondents expect to require less office space in future, primarily because of improved space utilization and a reduction in headcount.

However, while the volume of space required will decrease, CBRE expects to see occupiers demand higher quality space capable of encouraging greater collaboration, innovation and employee wellbeing.

Landlords are comparatively more confident about the outlook for demand as the shortage of demand will come from co-working and start-up companies, with only 32% of respondents expecting to see a decline.

"Technology is enabling a more mobile workforce and requiring companies to build more agility into their headcount planning. As better space utilisation, and weaker front and back office headcount growth will reduce overall demand for office space, landlords must act now to ensure they remain competitive.

"In time, they will emerge as the real catalyst for meaningful change," says Dr Henry

Chin, Head of Research, CBRE Asia Pacific.

Additional findings:

- ◆ **MOBILITY AS REALITY:** 85% of respondents expect to see an increase in mobility in their future workforce via workplace formats such as Activity-based Working or AGILE Workplaces.
- ◆ **IT RISING:** IT headcounts will increase and more multinationals are likely to use co-working spaces and incubation centers to improve their access to IT talent and innovative ideas.
- ◆ **INTERNET OF THINGS (IOT) GAP:** Most landlord respondents (84%) believe that technological innovation will drive stronger demand for smart buildings. In comparison, just 56% of occupier respondents indicated the same, reflecting the fact that tenants retain the view that smart buildings are nice to have but not essential. **SME**

CBRE's WORK_IT: Technology | Workplace | Jobs report was based on the findings of approximately 100 face-to-face and phone interviews conducted by CBRE Research between June and August 2017.

Respondents comprised 69 per cent of occupiers and 31 per cent of landlords to ensure a balanced view from both groups. Most respondents were senior corporate real estate staff. Also interviewed were individuals responsible for technology innovation within their organisation.

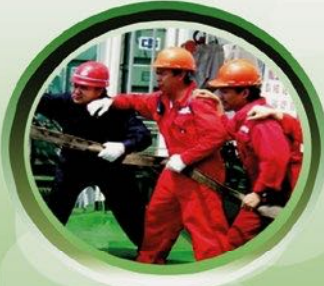
The marquee report is part of a wider series that will continue into 2018, examining the transformational impact of technology in the workplace. The report series includes country-specific survey reports for China and India, and a collection of articles on technological impact. **SME**



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collected from the applicants"*



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.

SALESPEOPLE BEWARE TYRE KICKERS, IP THIEVES & TIME WASTERS

Selling is a very time consuming set of activities at the best of times. Now with so much choice and complexity, sales cycles are taking even longer – like 20 per cent longer – especially with multiple stakeholders in larger businesses.

So it only makes sense that we want to be sure as salespeople that a real deal is in the offering, that it is properly budgeted for, and we are in good position to win it.

Salespeople can often bend over backwards to please prospective clients, running around getting all sorts of things ready, and putting together comprehensive proposals to impress and persuade these prospective clients.

Yet, how many meetings have we been to when the prospective client is just milking us for our information with no intention of using us? How many times have we all put proposals together up against a current incumbent only to be used as a price lever? How many times have our proposals been used to advise internal teams of how to do the job we were aiming to get?

This type of behaviour seems to be on the increase and I am proposing that we, as professional salespeople, need to be a little more discerning with our investment of time and effort in

preparing information for prospective clients. I am proposing that even before we send a proposal we need to ask specific questions to flush out the tyre kickers, IP thieves, and indecisive time wasters. We do need to ask about the legitimacy of the project, when it is expected to start and so on. We need to ask about budget and we need to ask who else and how many other competing parties are involved.

There is no harm in asking. But watch for the behaviours of those you ask and see how they react.

We have one such incident recently from a company who had contacted us four times before in the last few years wanting us to pull together information on a training programme for their sales team. We did this dutifully, only to have these deals fall through at the last minute every time. There was always some excuse or other and we never got clear answers. So this time, when their request for information for a training programme came in, I told my team we were not falling for this again.

So one of my team members explained to the new sales manager that we were happy to take a brief; however, we had been in this situation before and so, before doing any work on a proposal, we wanted to know about the legitimacy of this project, budget, and so on.

The sales manager came back to my team members with this: “I chose not to discuss your request with my manager as I thought what you were asking for was ridiculous. If you can’t see this as an opportunity now, then we will go elsewhere.”

This is not a reasonable response to our request. Reasonable clients would have been respectful of our questions. Before we received this response, I had said to my team that my instincts were telling me something was not right here and we needed to guard against something bad potentially happening. I really felt we were going to be used in some way. So that is why we asked those questions right up front. We had to test what this prospective client would do.

And they responded in the manner we thought they would and this approach flushed out their true nature. It made our decision making easy.

However, I was not finished. I did not like the way this person had spoken to my team member. He was rude and disrespectful so I sent him a note. Please, feel free to use a version of this letter if you feel the need to respond to similar types of situations you may come across.

Dear ‘Sales Manager’,

‘Barrett team member’ has informed me of your desire to go elsewhere and that you thought our request to ask for a budget and confirmation that the project was live and ready to go was ridiculous. That is your view.

However, we educate salespeople to know how to assess client opportunities and make informed decisions as to whether pursue

them or not. There are a lot of tyre kickers out there looking to take valuable IP and waste salespeople’s time which is finite and valuable.

Sales managers want their salespeople investing time in real deals they have a good chance of winning. Asking about budget and viability of a sales opportunity is an essential part of evaluating any sales opportunity. Here is an article we posted recently about such time wasting. It received a very good response which tells us that salespeople are concerned about wasting their time.

After four false starts with your company over the recent times, I do not want my team wasting their time on potentially non-viable deals. I trained and coached ‘Barrett team member’ to ask those questions and to assess the viability of the situation and I am proud that she did. ‘Barrett team member’ does this as a matter of course with every prospect. We often receive positive feedback from clients in how we handle our dealings with them as they want their salespeople to do the same. We always endeavour to model best practice and always work towards a fair exchange of value with our clients.

Given your response to ‘Barrett team member’, we now know where we stand with you.

All the very best with your new role.

Kind regards
Sue 





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'

M Most of us spend a great deal of time measuring. We keep close tabs on sales, profits, rate of growth, and return on investment. In many ways, part of being an effective leader is setting up systems to measure everything that matters. It's the only way we can know for sure how we're doing.

Given our addiction to measurement – and its value – you would think that we would be more attuned to measuring “soft-side” values. For instance, how often we're rude or polite to people, how often we ask for input rather than shut people out, how often we bite our tongue rather than spit out inflammatory remarks.

Even though soft values are hard to quantify, they are as vital as any financial number. I can guarantee you that most of the people in your office don't measure

the “soft-side”. And, if they did, they might change from “jerks” to wonderful and fun people!

For example, about 20 years ago, I decided that I wanted to be a more attentive father. So I asked my daughter, Kelly, “What can I do?”

“Daddy,” she said, “you travel a lot, but what really bothers me is how you act when you are home. You talk on the telephone, watch sports on TV, and don't spend much time with me.”

I was stunned; however, I recovered quickly by reverting to a simple response that I teach all of my clients. I said, “Thank you. Daddy will do better.”

I started keeping track of how many days I spent at least four hours interacting with my family without distractions. I'm proud to say that I got better. The first year, I logged 92 days. The second year, 110 days. The third, 131 days. The fourth, 135 days.

I was so proud of these results – and with my documentation – that I went to my kids, both teenagers by this time, and said, “Look kids, 135 days. How about 150 days this year?”

My son, Bryan, suggested paring down to 50 days. The message: “Dad, you have overachieved.”

It was an eye-opener. I was so focused on improving my at-home performance that I forgot that my kids had changed. An objective that made sense when they were 9 and 12 years old didn't make sense for them as teenagers.

Soft-side accounting has other benefits. If you track a number, it will remind other people that you are trying. It's one thing to tell your

DOES YOUR SOFT SIDE MEASURE UP?

employees or customers that you'll spend more time with them.

It's a different ballgame if you attach a real number to that goal, and people are aware of it. They become more sensitive to the fact that you're trying to change. They also get the message that you care. This can never be a bad thing.

Everything is measurable, from days spent communicating with employees to hours invested in mentoring colleagues, and once you see the beauty of measuring soft-side values, other variables kick in! **ESME**

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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.



OUR SEXUAL HARASSMENT POLICY

Last summer, when we made a statement about Our Zero Tolerance Policy On Sexual Harassment, a number of people asked us to publicly release our formal policy.

We wanted to take our time and make sure we covered as many different elements of the issue as we could. We've done that, and as part of "#MovingForward" we've made the Foundry Group Sexual Harassment Policy public.

Among other things, we've tried to address the issue of non-disparagement clauses. We've come to the conclusion that they should be excluded from agreements, and are encouraging our portfolio companies and the funds we invest in to do so as well.

Following is the specific section on non-disparagement clauses from our Sexual Harassment Policy.

NON-DISPARAGEMENT CLAUSES. With respect to all agreements between the Company and any employee or contractor, the Company will exclude reports of sexual harassment or assault from any non-disparagement clause.

In addition, the Company will encourage portfolio companies

and funds to adopt a similar practice.

Please view this policy as open source. Feel free to download it and modify it for your own purposes.

If you have any suggestions or feedback on ways to improve it, please email me.

Recognize that this is not legal advice from us, but merely a starting point for anything you'd like to incorporate into your policy. **SME**

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05 Parent Pick Up

08 Cashless Transaction



As a professional speaker, I often share stories and examples of companies that deliver great service. One company that's easy to talk about is Singapore Airlines.

Profitable every year since the beginning, Singapore Airlines (SIA) frequently wins international awards for top customer service and in-flight quality. Here's how they do it:

01. CLARITY AND COMMITMENT.

SIA's focus on service is absolutely clear. The mission statement and core values establish, without question, that quality service to customers is a fundamental objective and aspiration of the airline.

02. CONTINUOUS TRAINING. Whether in the classroom, through full-scale simulations or on the job, SIA staff members are continually motivated to upgrade, uplift and improve their performance. Training is not conducted just during robust economic times. Even during the downturns, SIA's investment in training goes on. This gives the airline a twofold advantage.

First, it allows SIA to surge ahead in quality service when other carriers cut back. Second, it demonstrates to all SIA staff that continuous learning and improvement are essential principles for success, not just nice-to-have bonuses.

03. CAREER DEVELOPMENT. SIA staff are regularly appraised for performance and potential. High-flyers (high performance and potential) are identified early and given every opportunity to learn and grow.

Senior managers are effectively developed with frequent rotation through top positions in the company. This leads to a management team with great breadth and depth, with a shared understanding of 'the big picture', and with a commitment to do what's best for the customers and the business, not just for one department or another.

04. INTERNAL COMMUNICATION. SIA is a large organisation, with more than 28,000 staff (including subsidiaries) located around the world. People from different cultures work together to produce a seamless and consistently positive customer experience. In the pilot pool alone more than 25 countries are represented!

To keep everyone on the same wavelength, SIA publishes a variety of department newsletters,

websites and a monthly company-wide magazine.

Regular dialogue sessions between management and staff keep communication flowing. A program called 'Staff Ideas in Action' ensures that new suggestions for service improvement are constantly put forward. Semi-annual business meetings provide another forum for sharing and evaluating results in sales, marketing, yields and customer satisfaction levels.

05. CONSISTENT EXTERNAL COMMUNICATION. Whether their advertisement is about new destinations, new airplanes, onboard cuisine, or new seats and entertainment services, the legendary 'SIA Girl' is always featured.

Why? Because the bottom line for SIA is not the plane, seat, entertainment or destination. The bottom line is delivering high-quality service, and the 'SIA Girl' is the brand identity, the personification of that service.

Showing a picture of a smiling engineer, a competent pilot or a friendly telephone reservations agent would not carry the same consistency in external communication: The 'SIA Girl' represents impeccable quality service. In the airline's external communication, she is always there.

06. CONNECTION WITH CUSTOMERS. SIA makes a concerted effort to stay in touch with customers through in-flight surveys, customer focus groups and rapid replies to every compliment or complaint they receive. SIA then consolidates this input with other key data to create a quarterly "Service Performance Index" that is very closely watched throughout the airline.

Frequent flyers are kept well-connected with special messages, attractive offers and publications sent regularly to Priority Passenger Service (PPS) members. And very frequent flyers achieve an elite 'Solitaire' status with a wide range of valuable privileges: most convenient check-in, additional baggage allowance, priority seating and wait listing, and more.

07. BENCHMARKING. SIA tracks competitors' progress closely. Even outside the airline industry, SIA looks for new ways to improve and grow. When hotels, banks, restaurants, retail outlets and other service industries take a step forward in their amenities, convenience or comfort, SIA watches closely to see what can be adopted or adapted for the airline industry.

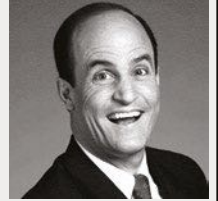
08. IMPROVEMENT, INVESTMENT AND INNOVATION. From the earliest days, SIA has built a solid reputation for taking the lead and doing things differently, introducing free drinks and headsets, fax machines onboard, individual video screens and telephones in every seat... the list goes on and on.

This commitment to continuous service improvement is coupled with a cultural determination to try it out, make it work and see it through. Not every innovation succeeds and some are eventually removed from service (the fax machines are long gone), but SIA makes every possible effort to find the key to success - or to create it.

09. REWARDS AND RECOGNITION. While excellent staff performance is rewarded with increased pay and positions, the most prestigious award is reserved for truly superior service.

The 'CEO's Transforming Customer Service Award' is given annually to teams and individuals who respond to unique customer situations with exceptionally positive, innovative or selfless acts of service. This award carries no financial benefit, but it is the most revered accolade in the airline. Winners and their families are flown to Singapore for a special dinner celebration, the story of their efforts is published in the monthly magazine, and their personal status as a 'Managing Director's Award Winner' remains a badge of distinction for life.

10. PROFESSIONALISM, PRIDE AND PROFITS. The result of these efforts is a staff culture vigorously committed to customers and continuous improvement. Staff pride and sense of ownership are evident in the way they protect the airline's reputation and participate in programs like the 'aircraft adoption' scheme.



Ron Kaufman is the world's leading educator and motivator for upgrading customer service and uplifting service culture. He is author of the bestselling "UP! Your Service" books and founder of UP! Your Service.

HOW DOES SINGAPORE AIRLINES FLY SO HIGH?

Good profits are also achieved, but not as an end in themselves. Rather, SIA's profits are 'the applause we receive for providing consistent quality and service to our customers'.

Does all this mean that SIA is perfect? Of course not. Even SIA cannot satisfy every customer every time. Bags go astray, telephone lines become congested, and meals at 39,000 feet are not always perfectly deluxe. There will always be room for service improvement.

With a track record of success, SIA must work doubly hard to avoid becoming complacent. Managers must be open to change and not become arrogant or defensive. Staff must be proud of the airline yet remain eager for passenger suggestions, recommendations and constructive criticism.

The definition of a truly loyal airline customer is someone who is pleased with the service, flies with the airline again, recommends the airline to others and takes the time and effort to point out ways the airline can still improve.

I look forward to my flights on SIA and I use the carrier two or three times each month. My speeches and training programs are peppered with positive stories from the airline's history and lore. And my mail to SIA includes plenty of ideas and suggestions to help them improve.

Singapore Airlines has earned my loyalty on the ground and in the sky. They've got a great way to fly - and to run a highly successful business. **SME**



As a sought-after corporate speaker and comedian, published author, talk radio host, syndicated business columnist, and self-professed *Mama's Boy*, Tim's unique perspective is enjoyed by thousands who listen to his radio show, read his books and columns, and hear him speak every year.

ENTREPRENEURS ARE OFTEN JUDGED BY THEIR COVERS



Raise your hand if you've heard these snippets of wisdom before: you should always dress for success; you only get one chance to make a first impression; and of course the ever-popular: you can't judge a book by its cover.

These old analogies came to mind recently when Megan Williams, North Alabama Director of Business Network International (BNI), was a guest on my radio show and shared the story of how she made the successful transition from worker bee to entrepreneur.

Megan graduated from Auburn University with a degree in Civil Engineering and went to work for the construction arm of Chevron in her early twenties, until a few years later when an experience with a business coach lit the fire of entrepreneurship in her own furnace.

Within a short time, Megan, who is from the small town of Union Grove, was back in Alabama seeking the right business opportunity for her.

To make a long story short, Megan purchased the BNI franchise for North Alabama at the age of 28 and formally launched her career as an entrepreneur. BNI is a networking organization that serves to bring entrepreneurs from

all industries together to network and share leads.

You would never suspect it by looking at her now, but there are a couple of things that you should know about Megan before we continue.

Megan grew up a self-professed tomboy and started her business after years in the construction industry, so her standard manner of dress was khaki pants and button down shirts. She didn't mention steel-toed work boots, so I'll leave her footwear to your imagination.

By her own words, her hair was "long, straight, and air-dried" and she wasn't a big user of makeup.

So, when she started attending networking functions and chamber mixers to promote her business she noticed that she wasn't getting the warm response from other entrepreneurs that she expected.

Eventually, Megan was pulled aside by a well-meaning friend who said, "Girlfriend, if you're gonna be a success, you gotta dress for success."

OK, that actually sounded like Oprah in my head, but you get the point. With the help of her friend Megan went through an extreme makeover and began dressing and acting like a successful entrepreneur.

She cut her hair, donned more professional attire, started conducting herself in the manner of a successful entrepreneur, and immediately saw the difference.

"It was like my credibility went up a thousand percent," Megan said. "Because I looked the part of the successful entrepreneur, people started treating me differently. They were all of a sudden talking to me and listening to me and taking an interest in what I had to say. It was amazing!"

Megan learned a great lesson that all entrepreneurs learn at one time or other: we live in a shallow world where people do judge books – and people – by their covers. You are judged by the clothes you wear, the way you talk, the people you hang around with, how you conduct yourself in public – even your handshake. That's just the way it is. Live with it or get out of business.

Now some of you may find it offensive that we live in such a judgmental world, but consider this: if you were to consult a brain surgeon and he came in wearing a dirty t-shirt, baggy jeans that dipped below the waist of his boxer shorts, and worn out flip flops, how much trust would you have that this person was capable of working on your

brain? Probably not too much.

In business and in life people judge you everyday, just as you judge everyone else. And most of us base our opinion of others on our first impression of them.

We make the decision to either like them or loathe them within the first minute and you know as well as I do, my holier-than-thou peers, that we do not do business with people that we don't like. First impressions are hard to change, so make every effort to make every first impression a good one.

Just use your common sense. Consider the industry you're in and dress and act accordingly. If the standard dress code in your industry is a suit, wear a suit. If your industry dictates khaki pants and work shirts, wear khaki pants and work shirts. If you show up at a job site wearing a suit you'll never hear the end of it.

And more than anything act like a professional. Wearing a thousand dollar suit and acting like an idiot just makes you a well-dressed idiot.

Customers must have faith in you before they will even consider your product. Remember that the next you think about being rude to someone or making a public spectacle of yourself. You never know who's watching. **ESME**

It was like losing my favorite pair of gym shorts, forgetting where I parked my car, or not being able to get my computer to restart.

The past week presented me with its share of technology challenges. A single instance of my Mac not being able to connect to iCloud had a ripple effect on that and other devices that affected me for a week.

But none of those issues bothered me more than what LinkedIn did.

You probably didn't notice the LinkedIn change because it doesn't affect you. Over the long term it may not affect me either but the change is affecting me right now. At the top of this article there are 3 share buttons:



The **LinkedIn Share** button used to have a counter alongside of it that tallied the number of times an article was shared on LinkedIn. I used the number that appeared there as the key metric to measure engagement with my articles. I believe that the number of views of an article is meaningless because an article could be viewed 20,000 times but that doesn't mean that 20,000 readers liked it.

People might feel moved to comment but commenting is down overall. Much of the commenting has moved onto LinkedIn and I typically receive more comments via email than on the Blog itself.

When the counter on the **LinkedIn Share** button reached hundreds and thousands it meant that the article resonates strongly enough for people to share it on LinkedIn.

Based on what I was told, LinkedIn discontinued the counter



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.

because they didn't think it was an accurate reflection of how frequently the article was shared.

I know what you're thinking at this point. What does that have to do with the article title and selling? It actually has much in common. It is like a sales manager asking, "So, how did your meeting go?" The salesperson always replies, "It went great."

It's the same response retail clerks get when they ask shoppers if they need any help. "Just looking." "It went great." It's the default answer. The sales manager says, "Good, good." I wish that sales managers wouldn't ask how meetings and calls went. They should say, "Tell me about your meeting."

When a salesperson indicates that the meeting went well, their sales manager should ask, "Why do you think it went well?" This question should lead to an exploration of exactly how engaged the prospect was. As with the old **LinkedIn Share** button, engagement is the best measurement of the quality of the sales call. That begs the question, how does one measure engagement? Here are ten examples:

- ◆ The prospect shared information freely
- ◆ There was little to no resistance
- ◆ The salesperson was able to uncover the prospect's compelling reason to buy
- ◆ The prospect was receptive to alternate ideas, approaches and solutions
- ◆ The prospect shared something personal, told a story, or confided to the salesperson
- ◆ There was mutual authenticity
- ◆ The prospect viewed the salesperson as a trusted advisor
- ◆ The salesperson received compliments on the questions, discussion or meeting that was led
- ◆ The salesperson and prospect legitimately enjoyed their time together



10 WAYS TO DETERMINE IF YOUR SALES PROSPECT WAS ENGAGED

◆ The prospect indicated his/her desire to work together
Your ability to create engagement relies on how effective you are in the Consultative Seller competency which is one of the 21 Sales Core Competencies measured by Objective Management Group.

This article is a good example of how ineffective sales management impacts their salespeople. This roundtable discussion focuses on why sales managers are so ineffective. And this article discusses how sales management heroics must be replaced by consistency.

Focus on engagement and you'll be rewarded by how much your revenue grows this year. **SME**

AD


Eciatto is a beverage supplier, working with renowned brands and distributing well-known names like Caffè Musetti, 1883 Maison Routin, Montenne, Dalla Corte, Fetco, Sanremo, Stash Tea and more. Their services not only cover sales of beverage equipments to cafes around Malaysia, be it well established or newly established cafes, Eciatto also provides training to for baristas and assists cafe owners at running their business via training and consultation.

Eciatto started in 2008 with humble beginnings, back then it was called TLH Sales and Services. During 2010, their founders, Mr. Hoh Tze Hou and Ms. Nicole Low has changed their way they do business and switched their name to Eciatto. As of today, they have managed to expand their business and become Southeast Asia's largest coffee supplier.


From a business with only 2 persons running both backend and frontend operations in a home business, they have transformed from a mere intermediary that only catered sales and services to a one stop beverage supplier, expanding to 3 regional different offices with approximately 30 employees.

Now, Eciatto even has a member base for all their supporters and customers, further streamlining their operations at providing support and assistance to all their customers.

At Eciatto, we believe in "transforming concepts, delivering results, and changing lives - Service from the heart"



Hoh Tze Hou
Nicole Low
Founder & Co-founder





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.

SLOTING AND LOCATION SYSTEMS TO IMPROVE WAREHOUSE OPERATIONS

Slotting is the strategic assignment of product to warehouse zones and locations within to improve operations and reduce costs.

The goal is to assign products to warehouse zones, by technology type, in location types, by product group, based on pick frequency, etc., so product is stored, picked, replenished, and handled in the most efficient way to optimise facility throughput.

First, zones must be assigned within a facility to gain strategic advantage, sequencing and proximity to the dock being the key.

Examples include:

- ◆ Setting up zones close to the dock for products that are shipped most often and least often to the rear
- ◆ Picking heavy, large items before light small ones on to a pallet to build solid pallets and avoid crushing
- ◆ Placing non-conveyable items close to the dock to avoid many long trips and letting conveyors handle the long distances to reduce labour costs



Warehouse zones could be defined by product group and brand within, how often a product is picked, how much cubic volume of an item must be stored, location type/size, proximity to the dock, and height requirements such as mezzanines for low areas.

Technologies could include varied automated areas, semi-automated areas, and manual areas and could also incorporate A-frames, sortation systems, carousels, pick to light; RFID, barcode scanning, or manually pushing a cart among others.

Location types might include refrigerated, frozen, high security, fragile, quarantine, hazardous, proximity to next use (assembly, checking, packing, dock, cross-dock), by rack type, floor stocked, by technology and always location size within.

Product characteristics in addition to the those defining location types above might include fragile, security risk, hazardous, heavy, bulky, non-conveyable, non-stackable, odd shaped, liquid, picked together so slot together, look alike so slot apart to avoid picking errors, etc.

Warehouse zones and locations including a location file must be created and planned with proper IT support and software capabilities to manage the system properly and effectively. A properly slotted warehouse should be continually maintained and updated to achieve increased efficiency at lower costs.

When designing a location system, understand that its design will create the path and direction in which order pickers travel and where they will go next. If one does not create an efficient path, order picking will require more time to complete and therefore the cost of labour and equipment will increase while service levels will decrease because of the wasted time. We want the paths to be the shortest distances possible for each product type, etc.

Common mistakes include setting up rows rather than aisles and/

or having all the rows face the same direction.

When one uses rows, the travel path will go from lowest to highest location number on one side of the aisle and then repeat on the other side of the aisle, requiring the picker to travel down the same aisle twice.

By using aisles with odd numbers on one side and even numbers on the other, the picker selects from both sides of the aisle requiring only one trip.

If all of the aisles are numbered in the same direction when pickers complete picking in an aisle they will have to travel back to the front of the next aisle to continue on the designed path. If the next aisle flows in the opposite direction, they travel in a continuous path from one aisle to the next.

Designing an effective location system with properly slotted product and maintaining the system will result in improved customer service and lower costs. **SME**

In 1923, there was a baseball player named Wally Pipp who was the starting first-baseman for the New York Yankees.

He had a great position on an elite team, and his future seemed bright until one day he showed up at the ballpark and didn't really feel like playing that particular game, so Wally Pipp told the Yankees' manager he had a headache.

The manager was frustrated with Wally Pipp because it didn't seem that his headache was very serious, but the manager called to one of the reserve players telling him he would be playing first base that day. That reserve baseball player covered first base during that game as well as virtually every game for the next 17 years.

Lou Gehrig became known as The Iron Horse and set a Major League baseball record of playing in 2,130 consecutive games. This record for reliability and consistency in playing consecutive games stood for over 50 years.

Had Wally Pipp only had the hindsight perspective that you and I have today, I'm certain his headache would have cleared up, and he would have taken his position at first base for that game in 1923.

Reliability and dependability are as valuable as talent and high performance. It doesn't matter how well you can play if you don't show up.

To date, I have written over 40 books, and eight of them have been turned into movies. This has given me the opportunity to work on the film set and in auditioning and casting actors.



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 17-YEAR HEADACHE

I have had the privilege of having James Garner, Brian Dennehy, Raquel Welch, and Academy Award-winner Louis Gossett Jr. appear in my movies.

They each have an incredible gift and great talent, but one of the vital elements we look at when hiring cast members is their track record for reliability. Movie production can cost tens of thousands of dollars each day, and an actor who doesn't show up and perform consistently can halt the entire project.

My company, the Narrative Television Network, makes movies, TV shows, and educational programming accessible for the 13 million blind and visually-impaired Americans as well as millions more around the world.

Our talented team has been recognised with an Emmy Award, a Media Access Award, and the top scriptwriting honor from the Writers Foundation of America, but the element in which I take the

greatest pride is the fact that as we enter our 30th television season having produced literally thousands of programs, we have never missed a deadline.

Whatever you choose to do in your career and in your life, always give it your best, and that begins with reliability and dependability.

As you go through your day today, remember the lesson from Wally Pipp.

Today's the day! ESME

AD

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BY
JENNIFER
LEE

MUST KNOW TID-BITS IN SINGAPORE CULTURE

SOCIAL

- ◆ Elders are often addressed as "Uncle" and "Auntie" as a form of respect even though they could be perfect strangers.
- ◆ Nearly all Singapore homes would require you to take off your shoes before entering.
- ◆ Because of the humid weather, flip flops and shorts is the unofficial "uniform" of Singapore and the dress code is lax even in most places like Restaurants.
- ◆ Non-Asians (Typically white westerners) are usually referred to as an "ang moh". This term may have had derogatory origins but it has become accepted in modern society just as a term to describe foreigners and even expats use this term themselves.
- ◆ If someone is "quiet" its usually because they are "shy" or reserved, not because they are being rude. In many Asian cultures, being quiet in the presence of your elders is a sign of respect and many Singaporeans, especially those who come from Chinese speaking families are reserved and observe this.

- ◆ When paying for something or exchanging name cards, it is a form of respect to use both hands to both receive and give out, instead of using one hand.
- ◆ Domestic helpers (Maids) are very common and there are over 200,000 domestic helpers in Singapore

- ◆ Most Singaporean children do not move out of home early, instead they stay with their families till they get married in their late twenties.
- ◆ They also look after their parents when they are old, like in most Asian countries.
- ◆ Singapore society is competitive and there is plenty of emphasis on education and students having to get a "degree" in order to hold a respectable job.
- ◆ Working life is competitive, hours are long and overtime is common for many jobs.

EATING

- ◆ Eating in Singapore is a national past time. It is common for many Singaporeans to join long queues or drive a far distance just to eat from famous Chicken Rice or Nasi Lemak stores.
- ◆ If you see a paper bag or even a single pack of tissue paper innocently placed on a empty table, this is no accident. It usually means the table has been "reserved" so look for another table.

LAWS

- ◆ Laws are strict in Singapore. There is no such thing as "recreational drug use" and drug traffickers are given the death penalty.
- ◆ Bribery is also not practiced at all and is a serious offence so don't ever try to bribe your way out of anything. **SME**

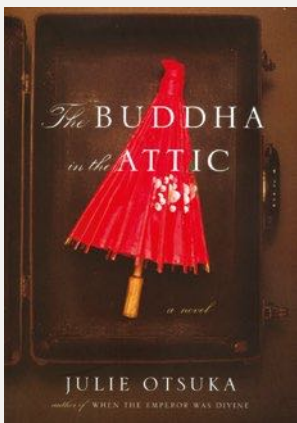


BOOK

BUDDHA IN THE ATTIC

BY JULIE OTSUKA

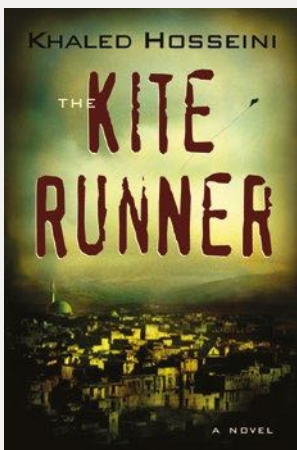
Julie Otsuka brings to life the historical accounts of picture brides — those Japanese women who left home for the US to new husbands based on pictures and stories alone — with devastating clarity. The narrator is their collective voice, poetically weaving between their betrayals and hardships as they work to build a life in their new and unforgiving reality. As a prologue to the horrific events that would become World War II and Japanese internment, this little known history is a must read for us to more fully understand the crimes of our past.



THE KITE RUNNER

BY KHALED HOSSEINI

The unforgettable, heartbreaking story of the unlikely friendship between a wealthy boy from Kabul and the son of his father's servant, *The Kite Runner* is a beautifully crafted novel set in Afghanistan. It is about the power of reading, the price of betrayal, and the possibility of redemption; and an exploration of the power of fathers over sons — their love, their sacrifices, their lies. A sweeping story of family, love, and friendship told against the devastating backdrop of the history of Afghanistan over the last thirty years, *The Kite Runner* is an unusual and powerful novel that has become a beloved, one-of-a-kind classic.

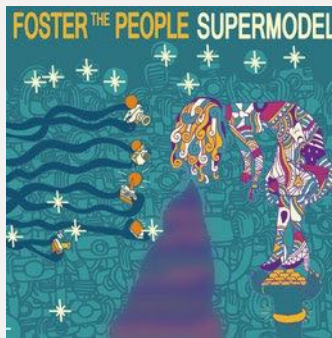


MUSIC

SUPERMODEL BY FOSTER THE PEOPLE

When Foster the People's debut album *Torches* came out in 2011, it was primed to be a smashing success from the start. While their follow-up *Supermodel* definitely holds a few of the infectious electro-pop jams the band offered on *Torches*, fans shouldn't expect *Pumped Up Kicks 2: Electric Boogaloo*. In fact, *Supermodel* is an interesting look at frontman Mark Foster's maturation as a songwriter, marking a change from a singular producer to someone penning songs for a live band.

One of the main ways that change manifested itself is how the album relies more on guitars and percussion and less on electronic elements.



BLACK TIMES BY SEAN KUTI

The responsibility of writing protest songs is hardwired into Sean Kuti's DNA. The 35-year-old bandleader and saxophonist is the youngest son of Fela Kuti, the Afrobeat pioneer who started his own Movement of the People party, penned lyrics that brazenly took shots at Nigerian politicians and, in the case of "Zombie," provoked a bloody military attack on the Kalakuta Republic commune and recording facility that he'd founded in Lagos. Channeling this fiery legacy, Sean Kuti's *Black Times*, the fourth album he's recorded in cahoots with his father's Egypt 80 ensemble, forcefully drives home the infectious protest power of Afrobeat.



MOVIE

GRINGO

Harold Soyinka is an average businessman who works for Cannabis Technologies Inc, a company that has developed the "Weed Pill", medical marijuana that has been simplified into a pill. Harold's bosses, Elaine Markinson and Richard Rusk, send him to Mexico to handle the manufacturing of the product, but while out partying he ends up getting kidnapped by the cartel, which holds a grudge against Harold's bosses and their company. Richard hires a professional named Mitch to safely get Harold out of harm's way, only for the two to end up having to survive one outrageous situation after another



RAMPAGE

Primatologist Davis Okoye, a man who keeps people at a distance, shares an unshakable bond with George, the extraordinarily intelligent, silverback gorilla who has been in his care since birth. But a rogue genetic experiment gone awry mutates this gentle ape into a raging creature of enormous size. To make matters worse, it's soon discovered there are other similarly altered animals. As these newly created alpha predators tear across North America, destroying everything in their path, Okoye teams with a discredited genetic engineer to secure an antidote, fighting his way through an ever-changing battlefield, not only to halt a global catastrophe but to save the fearsome creature that was once his friend.



ASIA HUMAN CAPITAL DEVELOPMENT CONFERENCE 2018 (AHCDC)

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INTERIOR & DESIGN MANILA 2018

I nterior & Design Manila is the country’s first trade show specifically curated for interior designers. The event, held from 8 to 10 March at SME Convention Center, is also considered the industry’s primary source for finding the latest products and services for all types of interior products. **SME**



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DEMOCRACY AND TRADE WARS



For much of my formative years, I've been taught that democracy is good and other styles of government, especially communism is the root of all evil. This was when

we were fighting the remnants of communist insurgents, and the Vietnam war was coming to an end. Textbooks were filled with criticism of communism, and equated communists with terrorism and disruptive behaviours. As a kid, I bought into the whole propaganda and grew up thinking that democracy is the only way for decent human beings and societies to function, much like washing your hands before meals.

As I began to enter the workforce, I was convinced by the multitude of media reports that free trade and multilateralism was the way to go for a more peaceful and prosperous world. That only hermit countries

and dictators impose unfair tariffs and hide behind protectionist policies.

Those beliefs remain mostly consistent to these days, as I have seen first hand how trade liberalisation has helped to open doors for goods and services worldwide, and encourage businesses to be more efficient and productive. Costs of essential goods have generally gone down, while access to 'comfort' products are now open to all - and not just the rich as in the past. This in turn promotes choice and competition, which by itself is the best counter-weight to corruption and despotism.

The greatest proponent of democracy and free trade is without doubt the United States. Vietnam was invaded in the name of promoting democracy and halting the spread of 'evil' communism. Iraq was colonised to encourage democracy and to dispose off an 'evil' tyrant. China is the greatest threat to free trade and democracy because of its unfair

trade and monetary policies and its oppression of ethnic minorities. Or so the narrative went.

It came as a huge surprise therefore, when President Donald Trump decided to unilaterally raise tariffs in March. This was followed by a promise to impose more duties on goods and services originating from China, while accusing China as both an intellectual pirate and trade renegade. The champion of free trade is now its biggest opponent.

China may not have the most illustrious of intellectual protection records, but it's far from being a hotbed of IP infringement. In fact, over the past decade, China has become a leader in IP protection, and goods worth billions of dollars are seized each year domestically for violating IP rights. The government has certainly clammed down hard on further violation, but it takes time for the people to understand and adapt to the new culture.

The unilateral protectionist move by Trump has been widely criticized by China as well as by the former's traditional allies.

As it is, 'free trade' as encouraged by the United States, and agreed upon within the framework of the World Trade Organisation (WTO) is highly biased against developing countries such as ours. For one, the West has a headstart in the concept of intellectual property rights as defined by them, for themselves. Inventions from Asia, few as there may be, were never in the system until about 30 years ago, by which time later, less innovative invention by the West were deemed to have priority.

If China is to set the standards, Western countries would be infringing daily on the use of paper and gunpowder - both invented centuries ago in China. In life, as in trade, whoever defines the goal post gets free kicks all the time. Even more unfair is the protection enshrined in the WTO for protection of the agriculture sector of the West. In agreeing to the WTO, developing countries are told to curtail all their strength and expose all their weaknesses. Either that or be labelled undemocratic, a hermit country, dictatorial and therefore deprived off all courtesies given to 'democratic' countries that play along.

But Trump's new protectionist moves changed all that.

The world is now fast degenerating into a free-for-all. A trade war is all but certain. But even more worrying than a trade war is a world without order - one defined by one upmanship and every man for himself. That was how the world was began.

We must express our strongest protest over Trump's protectionist moves. We must not be cowed into neutrality. This is one of those occasions when not speaking up is the equivalence of tacit approval. First it will be free trade. Next, it will be the democratic ideals that many of us have held on to for life. This could very well be the start of the end. **SME**



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