

SME Masterplan Propels Growth And Income

By Joan Santani

KUALA LUMPUR, Dec 30 (Bernama) -- At 27, Selvestone Junit dreamt of running an eco-resort business in his hometown, but lacked the funding and technical know-how to get started.

Fortunately, the Sabah-born participated in the Rural Business Challenge Programme organised by the Ministry of Rural and Regional Development (KKLW), which enabled him to win a RM500,000 in grant to realise his dream.

Today, Selvestone runs the Panorama Paradise Resort in Kota Marudu and is among small and medium entrepreneurs to have benefited from the Small and Medium Enterprises (SME) Masterplan (2012-2020), overseen by SME Corporation Malaysia (SME Corp. Malaysia).

In recognising that many Malaysian youths possess great talent, SME Corp. Malaysia formulated the masterplan, with the strategy to develop more competitive SMEs to compete on a global platform.

Under the masterplan, six High Impact Programmes (HIP) and 26 supporting initiatives were mapped out towards transforming the SMEs into 'game changers', and fit contenders against international players.

The HIP 1: Integration of Business Registration and Licensing, culminated in the MalaysiaBiz Portal, a single gateway platform which served as the first step for local entrepreneurs into the industry. It allowed enterprising individuals like Selvestone to obtain legitimate advice to establish their business plan in three easy steps.

Selvestone's own initial attempts to kick-start his enterprise was met with disappointment due to limited experience.

"I had no support network and no marketing experience. I learned by trial and error and by networking with those with better business experience and know-how and also with various government agencies and non-governmental organisations all over Sabah," he said.

He believes the government initiative will assist others gain a foothold in their business.

"We must know thoroughly the business we are in. Otherwise, we can be easily cheated or manipulated by others."

"Many aspiring entrepreneurs want to do business, but have no clear motivation or plans. Without a clear objective and business plan, failure is inevitable," he said.

The MalaysiaBiz Portal covers licensing information for some 1,174 business activities under the Malaysia Standard Industrial Classification 2008 (MSIC 2008), as prepared by the Department of Statistics Malaysia. The information includes licensing regulations across the federal, state and local authority levels.

The HIP 1 is an inter-agency effort led by the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) in collaboration with SME Corp. Malaysia, Implementation Coordination Unit (ICU), Prime Minister's Department, Malaysia Productivity Corporation (MPC) and state governments.

Following the launch of the MalaysiaBiz Portal in Sabah in July this year and Sarawak the following month, the conceptualisation under the HIP 1 is now complete. This was made possible after a year-long effort at conducting engagement sessions with SMEs in Peninsular Malaysia from May 2016.

Another successful SME story is Malaysian Yoghurt Company Sdn Bhd from Negeri Sembilan.

Starting out in 1983, the first batch of the product was manufactured in a small home kitchen.

After 34 years, it has grown to become an equal contender to imported yogurt brands and now available on supermarket shelves.

Malaysian Yoghurt was awarded the Best SME (Negeri Sembilan) at the Safe Food Expo 2015 and ranked 11th at the SME Corp. Malaysia Enterprise 50 (E50) Award 2016

The company also received the National Mark of Malaysian Brand certification from SME Corp. Malaysia.

Managing Director, Ramesh Gomez said, as SMEs like his grew, they are likely to face additional challenges in finance, human resource, marketing and regulatory compliance expertise.

"The business owner may have expertise in his specific field, but not necessarily in those other areas. If not addressed, it can turn into weakness that results in serious problems," he added.

He believes government assistance can play a vital role in this area, which ties in with the five other HIPs under the masterplan, namely HIP 2: Technology Commercialisation Platform (TCP), HIP 3: SME Investment Partner Programme (SIP), HIP 4: Going Export (GoEx) Programme, HIP 5: Catalyst Programme and HIP 6: Inclusive Innovation Programme.

Through HIP 2 (TCP), growing SMEs will be able to overcome market and financing barriers in embracing innovation. They will be facilitated to invest in trusted technologies, thus reducing the risks involved.

Ultimately, the aim is to ensure SMEs can develop products and services with lower costs and faster time-to-market. For Gomez, this can help his company evolve together with consumers' ever changing desires.

● Flood Situation In Pahang Improves

» Other News Headlines

- Pakatan's House Not In Order - Musa Aman-
politic
- PBSNB Declares Income Distributions For
Three Funds- **business**
- Winning Start For Nicol In Saudi Women's
Masters- **sports**
- Pyeongchang Winter Olympics To Promote
Warmer Ties Between South Korea And
Malaysia- **features**
- First Same-sex Australian Couples Legally
Wed- **world**

» **Most Read News**

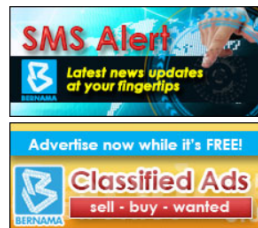
- 17 Residents At 2 Segamat Flood Evacuation Centres
- Pakatan's House Not In Order - Musa Aman
- 12,900 Hardcore Poor Set To Receive New Homes. Have Them Renovated

Sports Gallery



[>> More Images](#)

▼ advertisement



[CLICK HERE TO INSTALL FLASH](#)

INSTALL THE LATEST VERSION
OF FLASH TO WATCH FREE
DAILY SPORT VIDEOS ONLINE

[CLICK HERE TO INSTALL FLASH](#)

INSTALL THE LATEST VERSION
OF FLASH TO WATCH FREE
DAILY SPORT VIDEOS ONLINE

[CLICK HERE TO INSTALL FLASH](#)

▼ advertisement

12 Jam Internet Tanpa Had

Main kaw-kaw semua aplikasi
+ 24jam panggilan tanpa had
setiap hari hanya RM38/bulan



"One of the biggest challenges we face, as an SME food business, is to stay relevant in a world that is rapidly changing. The art of making yoghurt may not have changed much over the centuries but consumers expect yoghurt brands to introduce innovative products in sync with their taste buds," he said.

To date, Agensi Inovasi Malaysia through its subsidiary, PlatCOM Ventures Sdn Bhd, as the implementer of HIP 2, has assisted 110 companies and helped commercialise 10 products.

For Nik Juzailah binti Juhairi, taking her herbal potions business, Sireh Emas Marketing Sdn Bhd to the international market is her next vision. The University of Malaya business studies graduate has successfully steered her once failing small business, into a diversified manufacturer of 48 skin and body care products, with 38 workers.

She received financial assistance of about RM200,000 under SME Corp. Malaysia's Business Accelerator Programme (BAP) for packaging and advertising.

Meanwhile, HIP4: the Going Export (GoEx) Programme is tailored to aid entrepreneurs like Nik Juzailah unlock their next achievement.

"We have already received orders from Cambodia and are eyeing to enter Myanmar and Indonesia, with their large populations," Nik Juzailah said.

The Malaysia External Trade Development Corporation (MATRADE) is the appointed implementing agency to nurture local SMEs under GoEx. It aims to assist SMEs overcome the high upfront costs upon entering new markets, as well as attain valuable insights about the new markets and competitors.

Export ready companies such as Nik Juzailah's Sireh Emas Marketing and even high potential exporting companies of all sectors are eligible to apply for the programme. Under GoEx, entrepreneurs will receive customised advice and marketing assistance by appointed market advisors and market linkers who will significantly boost an SME's performance.

These HIPs are in line with the target outlined by Prime Minister Datuk Seri Najib Tun Razak, for the SME industry to achieve a 41 per cent contribution to the national gross domestic product (GDP) by 2020.

As it stands, the SME share to GDP was recorded at 36.6 per cent in 2016, growing from the previous year by 0.3 per cent. In comparison with 2010, two years prior to the introduction of the SME Masterplan, SME contribution to GDP then was recorded at 32.2 per cent.

In July this year, Minister in the Prime Minister's Department, Datuk Seri Wee Ka Siong announced that he was optimistic of the target set in the SME Masterplan being achieved, if SME development maintains its average annual growth of 6.7 per cent, as recorded from 2011 to 2015.

He stated that in 2016, 98.5 per cent of business establishments in Malaysia comprised SMEs, who had contributed 36.6 per cent to the country's GDP, 65.3 per cent to employment, and 18.6 per cent to exports.

-- BERNAMA