Chapter 5

Enhancing Capacity and Capability

Today's business environment is typified by intense global competition, sophisticated and ever-changing market demand and profound transformation in production technologies and supply organisations. To ensure SMEs are well prepared to face the challenges ahead, a range of programmes are made available to build SMEs' capacity and capability and enhance the sector's competitiveness.

Vibrant and sustainable SMEs help build economies, contributing to income and job creation. To help SMEs reach their full economic potential, capacity and capability building has been identified by the National SME Development Council (NSDC) as a key strategic thrust to develop an efficient, competitive and vibrant SME sector. Programmes that strengthen SMEs' capacity and capability can broadly be divided into seven focus areas, namely entrepreneur development, human capital development, advisory services, product development, technology enhancement, marketing and promotion and awareness and outreach.

In 2007, a total of RM331 million was spent on the implementation of 134 programmes aimed at building capacity and capability, which saw an outreach to over 248,531 SMEs nationwide. Key outcomes for programmes implemented in 2007 include a range of training courses to enhance SME entrepreneurial skills, putting in place the SME Business Advisers Network and assisting entrepreneurs market their products through exhibitions and trade fairs locally and abroad.

Vibrant and sustainable SMEs help build economies, contributing to income and job creations

Looking ahead to 2008, a total of 141 programmes will be implemented, with a total financial commitment of RM500 million. 25 new programmes will be introduced and highlights of key expected outcomes include training 600 participants in the Halal industry, conducting programmes on the production of special peppers to enhance the export quality of black and white pepper as well as helping entrepreneurs in the automotive industry develop an export market plan under the Vendor Development Programme.

1. Entrepreneur Development - Fostering Entrepreneurship

Entrepreneurs are risk-takers who pursue opportunities that others may fail to recognise or may even view as problems or threats. More importantly, entrepreneurs will develop product solutions and businesses that are associated with change, creativity, knowledge, innovation and flexibility; factors that are increasingly important sources of growth. Thus, fostering entrepreneurship among SMEs is an essential part of development plans aimed at enhancing SME competitiveness.

Starting Young

Fostering entrepreneurship at a young age acts to inculcate entrepreneurship spirit early. Elective vocational subjects are provided to school children by the Ministry of Education (MOE) to promote innovation and business and entrepreneurship. Students are given the opportunity to gain knowledge in technology, basic skills and entrepreneurship in various areas i.e. agriculture, construction, home-economy, manufacturing and services.

The Ministry of Rural and Regional Development (MRRD) has put in place a technical training programme for children of rural-based SME owners. A total of 49 children were assisted in 2007 with short and long term technical courses.

All Public Higher Education Institutions (PHEIs) have implemented soft skills modules to improve students' communication, leadership and creative thinking skills, team work and proficiency in languages since 2007. In addition, entrepreneurship modules have been introduced to develop students' interest in entrepreneurship. A total of 18,000 students from six PHEIs have been identified to participate in the entrepreneur foundation courses. MOE will also offer various short term courses in 2008, aimed at providing alternative career paths for school leavers and strategic networking opportunities. Course content will cover topics from tourism and hospitality, sewing and clothing, electrical and electronics, to language and interior design.

Enhancing Competitiveness of Bumiputera Entrepreneurs

Programmes implemented under the Ministry of Entrepreneur Development and Cooperative Development (MECD) are aimed at enhancing entrepreneurship among Bumiputera SMEs across all sectors. In 2007, 22 new vendors were established under the MECD's Vendor Development Programme while 78 graduates and 84 women franchises received help under the New Franchise Scheme which is aimed at increasing SME involvement in the wholesale and retail sectors.

Other Government Ministries and Agencies have also put in place programmes aimed at enhancing Bumiputera entrepreneurship and increasing Bumiputera participation in the SME sector. The Ministry of Energy, Water and Communication (MEWC) has put in place a Development Programme for SMEs in the Wastewater Industry to help develop Bumiputera entrepreneurs in the energy sector. The Ministry of Plantation Industries and Commodities' (MPIC) Entrepreneur Development Programme aims to develop Bumiputera SMEs in the pepper industry and in 2007 a total of 29 pepper entrepreneurs were involved in the programme, which targets pepper sales of 1,000 metric tonnes per year.

In 2008, the Ministry of Tourism (MOTOUR) plans to implement a training programme for Bumiputera budget hotel operators called the Budget Hotel Efficiency Course. The course is aimed at enhancing knowledge and awareness and increasing the quality of services and facilities. Participants will be exposed to an introduction to the tourism industry with content covering topics from marketing to hospitality and safety. 100 SME participants are expected to benefit from the three courses to be conducted in 2008.

Developing Technopreneurs

Programmes are also in place to foster the entrepreneurial spirit among technopreneurs. The Ministry of Science, Technology and Innovation's (MOSTI) Biotechnology Entrepreneur Programme offers a mentoring service to nurture and develop bio-entrepreneurs. In 2007, a total of three programmes, two conferences and four workshops were implemented to enhance the capacity of technopreneurs through this scheme.

Malaysia Venture Capital Management Bhd (MAVCAP) administers the Cradle Investment Programme (CIP), which was initiated by the Ministry of Finance (MOF) to stimulate the growth of technopreneurs and generate ideas. Qualified "idea applicants" will be provided a grant of up to RM50,000 per idea for the crystallisation of an Idea Feasibility Plan; a proof of concept or a prototype of an idea. With the funding from CIP, SMEs can convert raw ideas into viable and commercial ventures. CIP's technology investment focus is in the areas of ICT including software and information services, medical devices and advance materials and biotechnology and life sciences.

Equipping Agripreneurs

To be effective entrepreneurs, it is important for SMEs to leverage on the use of technology. MPIC's programme to mechanise of tobacco and other cash crop production aims to help SMEs increase the usage of farm machinery in planting tobacco and other cash crops to minimise dependence on manpower in farm activities. In 2007, 40 SMEs were equipped with related farm machinery under this programme at a total cost of RM190,000.

In 2007, the Ministry of Housing and Local Government (MHLG) put in place a Landscape Industry Resource Centre which acts as an effective source of information for the industry. Information on industry players such as consultants, contractors, suppliers and nurseries are included in the directory. Plans in 2008 include producing a booklet directory which contains a list of nurseries, contractors, consultants, suppliers and other related services.

MOA through its agencies conduct several programmes to enhance knowledge and skills to build the capacity and capability of agripreneurs. MARDI conducts R&D and encourages technology adoption amongst SMEs to enhance their productivity. In addition, FAMA in collaboration with local universities undertakes studies on techno-marketing requirements to establish a pool of marketing specialists along the supply value chain for marketing agricultural products.

INSKEN - Training Entrepreneurs

The National Institute for Entrepreneurship (INSKEN), an agency under MECD was set up in May 2006 to enhance and strengthen expertise of potential local entrepreneurs through the implementation of training programmes. In 2007, INSKEN conducted 449 programmes on entrepreneurship training through 225 planned courses. Over 69,200 people attended INSKEN's training courses in 2007, a 71% rise from the 40,419 who participate in 2006. The key training programmes implemented by INSKEN are:

i. Promotion of Entrepreneur Culture

INSKEN's training programmes which aimed to promote entrepreneur culture, was well received by the target participants in 2007. A total of 40,800 people took part in the programmes in 2007, surpassing initial targets of 30,000 participants by over 36%.

The Junior Entrepreneur Programme, newly launched in 2007, saw an overwhelming response. A total of 84 secondary schools participated, involving 3,870 students from Years 4,5 and 6, and 176 supervising teachers.

The Young Entrepreneur Programme which is aimed at providing exposure to secondary school students, was conducted in 574 schools in 2007, surpassing the target of 525 schools. The headmasters of the schools were found to be highly committed to this programme and as many as 16,169 students and 1,160 supervising teachers participated.

INSKEN's Graduate Entrepreneurship Programme is being conducted in 18 public higher learning institutions to introduce the idea of entrepreneurship as a career option for graduates. 2007 saw 19,386 students participating in the activities, which include the Basic Graduate Entrepreneur Course, Graduate Entrepreneurial Training and the Graduate Entrepreneurial Programme.

Under the Entrepreneur Acculturation Programme, various activities were organised such as the Technoputra Convention (KONTEK 2007) which involved 1,200 students and was held in December 2007 in Perak. INSKEN also organised the Business Games Competition, in conjunction with Johor Corporation Berhad. The event attracted some 381 Johor based entrepreneurs.

ii. Introduction to Entrepreneurship

INSKEN's Introduction to Entrepreneurship Programmes are designed to help existing entrepreneurs improve and strengthen businesses and provide basic exposure and entrepreneurship training to budding entrepreneurs. In 2007, 2,388 participants attended the various Introduction to Entrepreneurship training programmes including the Basic Business Training Programme, the Business Encouragement Training Programme (for Government staff) and the Graduate Entrepreneurs Scheme. In 2007, INSKEN also trained 332 prisoners in the Basics of Business Programme, which was also attended by 830 other participants through the 28 training sessions held.

iii. Entrepreneur Enhancement Programme

INSKEN also provides continuous skills training to existing entrepreneurs. Courses are complemented with workshops and seminars aimed at increasing entrepreneurial knowledge and skills. In 2007, 64 programmes were implemented to enhance entrepreneurial skills, involving some 1,871 entrepreneurs. Courses held under this programme include strategic financial planning, marketing, distributorship and branding, packaging and labeling technology workshop.

iv. Expansion and Networking Programme

Programmes under the expansion and networking umbrella help establish working relationships between Government Ministries and Agencies, Industrial Trade Associations, Non-Government Organisations (NGOs), Training Agencies and established entrepreneurs in order to enhance business performance and networking among entrepreneurs. In 2007, 21 activities were held involving some 4,648 participants.

v. **Entrepreneurship Reference and Advisory Programme**

The National Entrepreneurship Assistance Centre run by INSKEN, operates as a resource centre providing advisory services and guidance to existing and potential entrepreneurs as well as other relevant parties. Internet access, brochures and pamphlets on the services offered by relevant Government Ministries and Agencies are available at the Centre, which also acts as a venue for meetings and gatherings. In 2007, the Centre received 670 visitors.

The Entrepreneurship Reference Resource Centre, also run by INSKEN, acts as a specific reference centre and channels information and knowledge relating to all aspects of entrepreneurship to the public. In 2007, the services offered by the Centre were upgraded to include a computerised library, the Integrated Library Management Utility. In 2007, nine business reference books were published as part of the reference collection and include material on running businesses such as photo frame shops, optical shops, mirror shops, and ornamental fish shops.

vi. **Entrepreneur Competency Development**

- **Research and Development Programme**

  To increase the effectiveness of entrepreneurship training programmes, R&D activities are conducted to detect and evaluate the impact of existing programmes and to identify new business opportunities through market intelligence. In 2007, INSKEN published a series of books as a result of R&D activities conducted including the INSKEN Bulletin and the 2007 Prospectus. The INSKEN Trade Mark was also successfully registered in 2007.

- **Curriculum Development Programme**

  INSKEN also develops a compact and comprehensive entrepreneurship curriculum that meets the certification standards recognised by all Government Agencies and other entrepreneurial training institutes. The curriculum developed is based on the National Entrepreneur Development Curriculum Standards (NEDeCS). For the first time in 2007, INSKEN brought together over 130 training resources for the INSKEN Training Resources Seminar held in July 2007 in a programme aimed at enhancing the knowledge base of trainers in strategic fields.

In 2008, INSKEN will continue to implement programmes to foster entrepreneurship skills and upgrade the quality of assistance and support services for existing and potential entrepreneurs.

2. Human Capital Development - Improving Skillsets

Strong human capital is a critical element in ensuring a business succeeds. Thus, a key focus area of the Government's capacity building programmes is to enhance the skills and quality of personnel in SMEs. Pembangunan Sumber Malaysia Berhad (PMSB), an agency under the Ministry of Human Resources (MOHR), has been mandated by the NSDC to coordinate and oversee training and human resource development for SMEs.

Strong human capital is a critical element in ensuring a business succeeds

To facilitate SMEs' access to information on training and to facilitate easy registration for training courses, PSMB set up the Human Resources Development Portal (HRD Portal). In 2007, PSMB completed the registration of all 28 Government Ministries and Agencies and training programmes under these Ministries and Agencies. The training programmes they run will now be marketed to SMEs through the HRD Portal. In 2007, MOHR developed the MySkills Card which incorporates SMEs' training records for SME employers to keep track of employees training. In 2008, PSMB expects 240 participants from Ministries and Agencies to join its Train-The-Trainers programme, widening the pool of qualified trainers.

Enhancing Human Capital

The Ministry of International Trade and Industry (MITI) also conducts a range of training programmes including the Skills Upgrading Programme which is aimed at enhancing the skills and capabilities of employees at technical and managerial levels, particularly in critical areas such as electrical and electronics, information, technology, industrial design and engineering. In 2007, a total of 2,050 employees of SMEs were trained under this programme. To promote SMEs' export readiness and effectiveness, MITI also conducts seminars and workshops annually to enhance SME knowledge in export regulations, market information, international standards, branding, packaging and trade financing. In addition, under the Exporters Skills Development Programme, a total of 35 seminars were conducted benefiting 3,007 SMEs. These seminars cover topics such as packaging and labelling, branding and exporting Halal products.

To improve the knowledge and skills of SMEs involved in plantations and commodities, MPIC offers several educational and training courses such as the Diploma in Oil Palm Management, which benefited 26 SMEs and a course on Palm Oil Milling Technology, which benefited 33 SMEs in 2007. Similarly, MOTOUR implements *"Mesra Malaysia"* courses under the auspices of the "Malaysia Welcomes the World" campaign. The programme is aimed at shaping and nurturing the capability of human capital in the tourism industry to provide quality service. 2007 saw 19,152 SME staff trained under this programme, with a further 20,000 expected to benefit in 2008.

Accurate financial book-keeping is key to any business. To equip SMEs with a better understanding of their finances, the Ministry of Agriculture and Agro-Based Industry (MOA) has put in place a range of training programmes that cover basic accounting methods such as the Accounting Training Programme. In addition, the Federal Agriculture Marketing Authority (FAMA) in collaboration with Agrobank, conducts financial and marketing courses for agripreneurs ready to venture into the export market.

SME Success Story

Training for Development

Incorporated in April 2000, Proreka (M) Sdn Bhd is primarily involved in the supply and manufacture of OEM automotive parts and components for car manufacturers. Founded in 2000, what started as a prototype builder and supplier of small plastic automotive parts has now turned into a hub specialising in the design of car components with total sales of RM50 million for year ended 2007.

The company is led by its Chairman, Y.M. Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin and the company's operations are spearheaded by its Chief Executive Officer, Mr Yong Nam Yun and Executive Director, Mr Thomas Lim Teck Ling.

Proreka possesses advanced in-house development and production facilities in Malaysia. The facilities are backed up by the company's capabilities in manufacturing, R&D, human resources and a dynamic, solutions-driven work philosophy. Today, Proreka has the capability to undertake automotive projects, from design concept (including whole vehicle styling deliberations with prototype and model building), right up to the mass production of parts and components.

Training has been a determining factor in the company's success, serving to better equip staff in an area of fierce competition and increasing globalisation. This has enabled the company to become more competitive, able to move quickly up the supply chain and bid for higher value projects. "At the on-set, we only had the capability to compete with local players but today, after equipping our staff sufficiently, we are able to compete in foreign markets like Japan, Thailand and India by leveraging on the skills and talents of our staff", stated the Executive Director.

A proactive and passionate team led by the committed management of Proreka, has led to continuous training for staff and exposure to the latest technologies through its global strategic alliances. The company has a policy which ensures that staff undergo at least one training course per year.

Proreka has utilised in full the assistance available through the HRD Fund under PSMB. Employees also benefitted from training and consultancy services by Japanese experts under MITI's Malaysia-Japan Industrial Cooperation Programme (MAJAICO), when they were exposed to best practices in manufacturing processes.

In 2007, Proreka was recognised for its efforts, receiving the coveted Human Resource Minister Award for the Best Human Resource Development in the Malaysian manufacturing sector in the SME category from PSMB and was a finalist for the Most Improved Vendor by Proton Holdings Bhd.

According to the team, this and other successes can be attributed to several factors. While Government assistance received from SMIDEC, MATRADE and MIDA has been invaluable, being pro-active and ensuring the company capitalised on the available assistance has also been a crucial component of continued growth.

3. Advisory Services - Reaching out to SMEs

Many Government Ministries and Agencies offer a wide range of advisory services to enhance SMEs' capacity and capabilities. The SME Expert Advisory Panel (SEAP), under the auspices of the Small and Medium Industries Development Corporation (SMIDEC) helps strengthen technical advisory services to SMEs. The Panel organises on-site assistance for SMEs by industry experts, with the aim of transferring technology know-how and industry experience. In 2007, a total of 30 SMEs were assisted by SEAP, at a cost of RM30,000 and the target has been set to assist a further 30 in 2008. The Malaysian External Trade Development Corporation (MATRADE) also runs a help desk which equips SMEs with the latest export-related information and market intelligence. In 2007, a total of 392 SMEs benefited from the advisory services provided.

The MOA provides advisory services for agriculture and agro-based SMEs through programmes such as the Special Project on Entrepreneur Development and Entrepreneur Support Services. In 2007, 90 entrepreneurs benefited from technical support services while 30 entrepreneurs benefited from product development training.

In 2008, 100 participants are expected to benefit from a series of talks being organised as part of MOSTI's Technology Awareness and Advisory Programme. A further 25 SMEs are expected to attend one-on-one advisory sessions made available as part of the programme.

Comprehensive Financial Advisory Services for SMEs

Bank Negara Malaysia provides financial advisory services for SMEs through various channels. SMEs can turn to Bank Negara Malaysia's *Laman Informasi Nasihat dan Khidmat* (BNMLINK), to seek assistance and advise on all financial sector related enquiries and complaints. BNMLINK is the Central Bank's contact point with members of the public, including SMEs. Through BNMLINK, Bank Negara Malaysia provides comprehensive advisory services from where to source financing to facilitating the loan application process and other financial issues SMEs may face.

To complement the walk-in counter services offered by BNMLINK, Bank Negara Malaysia introduced BNMTELELINK, a dedicated Contact Centre, in June 2007. BNMTELELINK facilitates members of the public including SMEs, on queries and complaints to the Bank via telephone, fax, email or post.

In 2007, Bank Negara Malaysia established the SME Business Advisers Network. This one-stop web-based directory in the SMEinfo Portal (www.smeinfo.com.my) provides a platform through which SME business advisers from the various Government Agencies and financial institutions can connect and consult each other in their respective areas of expertise. The award-winning network enables SMEs to put forward enquiries and issues to more than 200 SME business advisers online, giving them access to a timely and comprehensive range of high-quality advisory services in the areas of marketing, technology and operations management, human resource, financing, and business and product development.

The SME Bank also has a SME Advisory Centre (SAC), which works in tandem with other registered Agencies. Services are offered to SMEs in all phases of the business cycle from providing market information and research findings to guiding them on how to market products and introducing them to partners or manufacturers.

In addition, all commercial banks have established dedicated SME Units to provide advisory services to SMEs.

(For more information on Financial Advisory Services to SMEs, please refer to Chapter 7)

Other Advisory Services

Ministries and Agencies also have their own expert panels to provide relevant technical and business advisory services to SMEs:

- MOSTI provides technical advisory services pertaining to standards and certification to help SMEs meet international requirements under the Technopreneur Management Support Scheme.
- MDeC provides comprehensive advisory services through the Technopreneur Development Ecosystem, bringing together critical components to assist K-based technopreneurs at all stages of development.
- MRRD advisory services focus on equipping rural micro entrepreneurs with the necessary skills to boost standards of living.
- MPIC grants access to technical advisory services and best practices for crop businesses involved in timber, palm oil, rubber, cocoa, pepper and tobacco.
- MOA provides advisory and technology consultancy services on a wide range of agricultural activities with a special focus on improving productivity and competitiveness in agribusinesses like horticulture, livestock rearing, aquaculture and fisheries.
- MECD provides services to Bumiputera entrepreneurs across all sectors with support covering aspects of financial and technical assistance via a calendar of clinics, courses and seminars organised annually. The Portal Usahawan (www.mecd.gov.my) serves as a good reference point for SMEs.

The full list of SME Advisory Services provided by Ministries and Agencies is available on the SMEinfo Portal (www.smeinfo.com.my)

4. Product Development - Climbing the Value Add Ladder

Product development, which is a creative and interdisciplinary activity that transforms a market opportunity and technological innovation into successful products, is one of the most important business processes for SMEs, particularly those involved in the manufacturing, ICT, or agriculture and agro based industries. However, investing in research and development (R&D) and product enhancement programmes can be a lengthy and expensive experience. To aid SMEs in this process, the Government has put in place several programmes to help translate ideas into marketable products.

Helping SMEs Improve Products

The Matching Grant for Enhancing Product Packaging Scheme administered by SMIDEC assists SMEs in acquiring and improving product packaging, design and labeling. In 2007, a total of 167 SMEs were assisted under this programme and looking ahead to 2008, a further 201 SMEs are expected to be assisted. SMIDEC also provides a Matching Grant for Certification and Quality Management Systems. In 2007, SMIDEC disbursed RM11.1 million to 184 SMEs under its Matching Grant for Certification and Quality Management Systems and RM 27.9 million to 162 SMEs as part of its Matching Grant for Product and Process Improvement.

SMIDEC also provides a Matching Grant for the Development and Promotion of Halal Products, to assist SMEs in developing and promoting Halal products and services. In 2007, a total of 74 SMEs were assisted under this programme with total grants amounting to RM4.8 million.

Looking ahead to 2008, SMIDEC has made available funds for 400 SMEs to be assisted under the Matching Grant for Certification and Quality Management Systems, 100 SMEs under the Matching Grant for the Development and Promotion of Halal Products and 100 SMEs under the Matching Grant for Product and Process Improvement.

MECD has also introduced a programme to help SMEs enhance the quality and packaging of food products. In 2007, some 227 SME product were enhance as a result of the scheme. MPIC also runs the Quality Palm Oil Seed assistance scheme to supply quality and high yielding planting materials for new planting and replanting activities to qualified oil palm smallholders.

SME Success Story

A Global Success

MM Vitaoils Sdn Bhd (MM Vitaoils) was founded by Encik Mazlan Muhammad in May 1999 and has its initial roots as a trading company exporting Malaysian commodities such as palm oil products. As the business grow, Mazlan saw ample market demand for quality palm oil products and decided to move into the manufacturing segment to capitalise on this demand.

With an initial RM2 million trade finance facility from EXIM Bank at the end of 2002, additional funding from a Convertible Redeemable Share from Perbadanan Usahawan Nasional Berhad (PUNB) for RM1.2 million and RM6 million in financing from Malaysia Industrial Development Finance Berhad (MIDF), Mazlan set up a packing and packaging plant producing edible oil products such as cooking oils, salad oils, margarine, shortening and vegetable ghee catering to consumers and industries.

Over the years Mazlan has maintained focus on improving MM Vitaoils manufacturing processes, upgrading product quality and range and marketing his products. MM Vitaoils' factory in Shah Alam has an annual production capacity of 12,000 metric tonnes and has the flexibility of using different packaging materials such as nylon pouch bags, tubs, cans, jerry cans, pet bottles, carton boxes, drums and flexi tanks. The range of versatile packing sizes has enabled MMV Vitaoils to cater for a wider market, from household consumers to larger customers such as those in the food industry.

Since its establishment, MM Vitaoils has developed a well spread-out export market and almost all its products are now sold overseas. Products are currently sold in 63 countries in Asia, Europe, the Middle East and Africa. Through investments in technology for product development, MM Vitaoils has to-date developed over 24 in-house brands such as Palmas, Serimas, Rise and Shine and Qualitaste. Business growth has also been supported by an effective marketing and branding programme, which is associated with high-quality, palm oil-based products promoted as a healthier lifestyle alternative.

MM Vitaoils has received assistance from numerous Government schemes and programmes along the way, helping contribute to its successful business expansion. MM Vitaoils received grants from SMIDEC and Malaysian Palm Oil Board (MPOB) for quality and product development. MM Vitaoils' in-house R&D department liaises with MPOB for the testing of new products at MPOB's pilot plant. In addition, MATRADE's Brand Promotion Grant (BPG) and Market Development Grant (MDG) were used in export market development efforts. The company has also received marketing support from MATRADE and MPOB, who have helped MM Vitaoils to source for potential clients overseas.

MM Vitaoils also received the pioneer status qualification from the Malaysian International Development Authority (MIDA), which brings with it a 70% income tax exemption. Various MM Vitaoils' personnel have attended the complimentary training sessions held by the Malaysian Productivity Corporation (MPC).

Looking back, Mazlan reminisces that determination, positive thinking and inner strength were some of the key attributes that helped him steer a successful course. Mazlan also believes that SMEs able to identify trends and practice a customer-centric approach are more likely to succeed.

Accelerating Commercialisation

MOSTI's Commercialisation of R&D Fund helps accelerate the commercialisation of R&D results from local universities, research institutes and companies. In 2007, a total of RM52.8 million went towards financing the commercialisation of research projects for start-up companies. Looking ahead to 2008, MOSTI is targeting to create 21 spin-off or start-up companies and to commercialise 23 products.

Innovation-led product differentiation can help SMEs maintain market share and penetrate new markets

Innovation-led product differentiation can help SMEs maintain market share and penetrate new markets. MEWC's Partnership Programme by Product Category, which establishes a partnership programme with vendors for each product category has targeted to establish partnerships with two vendors for each product category with an agreed pricing mechanism in 2008.

To assist SMEs in product packaging and labeling, the Centre for Marketing of Agro-food Products (PUSPRO) expanded its services in 2007, establishing 10 centres providing marketing assistance to SMEs and linking producers into the supply chain.

(Please refer to Chapter 6 for more details on services provided by PUSPRO)

5. Technology Enhancement - Boosting Business

High priority has been accorded to strengthen the technological capability and capacity of SMEs to meet the challenges of globalisation and increased competition. Several strategies are directed at acquiring technologies that will propel SMEs up the value chain in the manufacturing, agriculture and services sectors. Increased emphasis will also be placed on technology development capabilities to establish technological leadership, achieve product and services differentiation and to create a greater number of local technology-based companies.

Utilisation of ICT is no longer an option but a necessity for SMEs trying to compete in a global arena

Although upgrading technology can ultimately lead to an overall lowering in costs, SMEs often require a substantial initial investment. There are several Ministries and Agencies which provide funding through grants and loan schemes to help SMEs acquire strategic and relevant technology to enhance competition.

Under the RosettaNet Standard Implementation Scheme, MITI provides assistance to SMEs to help improve business processes in preparation to embrace the global Supply Chain Management (SCM) System.

Disbursed by MOSTI and its Agencies, the Malaysian Biotechnology Corporation (MBC) and the Malaysian Technology Development Corporation (MTDC), the Technology Acquisition Fund (TAF) has been set aside to promote the utilisation of foreign technology to manufacture and for the physical development of 58 existing and new products and processes during the 9MP period. In addition, funding was provided for nine new technologies to be acquired and produced commercially locally and two women-owned and run SMEs will continue to receive funding in the 2007-2009 period to upgrade manufacturing technologies.

Utilisation of Information and Communication Technology (ICT) is no longer an option but a necessity for SMEs trying to compete in a global arena. MITI's Soft Loan for ICT Adoption assisted four SMEs to acquire relevant hardware and software in 2007.

In 2008 the Malaysian Productivity Corporation (MPC) in collaboration with SMIDEC, will conduct and publish a new study on the state of e-readiness among SMEs. The objective of the study is to determine factors that contribute towards and impede SMEs' e-readiness to help develop appropriate programmes that would enhance the technological capacity of SMEs.

In addition, MOSTI and its agency MIMOS Berhad (MIMOS) will be launching a Technology Development Programme for retail technology venture partners to promote the development of SMEs in K-based industries with a target of establishing up to two authorised sales and service providers per state in Malaysia.

Fast-Tracking Technological Capabilities

To fast-track domestic technology development capabilities, specific programmes have been implemented to nurture local SMEs as R&D partners to tap R&D outsourcing opportunities from Multinational Corporations (MNCs) and Government Link Corporation (GLCs). In addition, more targeted R&D projects are being undertaken by universities and research institutions in collaboration with SMEs.

Funding is available from MOSTI via the Science Fund, TechnoFund, and the Commercialisation of R&D Fund (CRDF). The Science Fund is an R&D grant scheme to provide funding from basic research to the development of laboratory-scale prototypes. The Techno Fund is a grant scheme to develop products and technologies for the pre-commercialisation stage. The scope of the TechnoFund includes the development of commercial-ready prototypes, pilot plant and incubation activities to address the funding gap of pre-commercialisation activities.

The CRDF will continue to provide matching grants to increase the rate of commercialisation of R&D outcomes. As part of efforts to enhance the CRDF, higher value added nurturing services will be provided to the recipients. The CRDF will include a component for competitive bidding by universities and research institutions to conduct pre-feasibility studies on R&D results. This will enhance the marketability of public R&D findings and thereby increase the commercialisation potential.

Total Quality Management - Basis for Excellence

In an increasingly globalised economy, SMEs capacity and capabilities need to be strengthened to remain competitive with the ultimate aim of enhancing Malaysia's economic growth. Quality Management Systems can help improve the quality of SME products on a continuous basis. In 1995, the Japanese Standards Association and the United Nations Industrial Development Organisation (UNIDO) set up the Association of Southeast Asian Nations (ASEAN)/Japan/UNIDO Total Quality Management (TQM) Project to introduce and establish TQM in twelve model companies in seven ASEAN member states namely Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

TQM when properly implemented, can provide SMEs the overall concept that fosters continuous improvement. In Malaysia, TQM achievements are recognised through the Prime Minister's Quality Awards.

As part of the project, a wide range of activities were undertaken in the participating countries, ranging from seminars on best practices in Japan for top executives to TQM workshops for managers and employees. Through lectures, seminars and workshops, widespread awareness of TQM principles were established and the new systems took root in chosen companies, demonstrating TQM suitability as a vehicle for introducing improved management practices in SMEs.

Due to the successful implementation of the TQM system in the two pioneer SMEs chosen for the first series, the project is now being run on an annual basis, organised by MPC and SIRIM Berhad under the System Development Programme. Working together with external consultants, MPC offers successful SMEs from the applicant list, advice on how to implement the TQM system.

In 2007, 21 SME companies were chosen to be developed under this programme. They are currently at the second stage of the implementation process which is expected to be completed within the next three years. In 2008, 23 SMEs will be selected to participate in the programme. Chosen SMEs will sign a memorandum of understanding with MPC to participate in the programme which includes:

- Management Briefings;
- Diagnostic Research Programme;
- Fundamental P&Q Courses such as 5S Practices, Work Study, COMPASS, and 7 QC tools;
- Quality Environment Development System (5S);
- Quality Environment Audit (5S);
- Quality Environment Certification (5S);
- TQM Handbooks Seminar (21);
- Model Company Site Visit;
- ICC Project;
- ICC Project Presentation by Company;
- Benchmarking Project; and
- Participation in the Quality Management Excellence Award (QMEA).

Benefits for the participating SMEs can be seen in the improvement of a number of key indicators including profit, complaints, delays, absenteeism, and the ratio of sales to the number of employees. For more information, please log onto www.mpc.gov.my

Nurturing Enterprises - Incubator Programmes

Incubator Programmes provide entrepreneurs with a favourable environment in which to develop products with ready access to skills and tools required to create a successful technology business. The aim of the programme is to provide shared facilities, technical assistance and entrepreneur development to shape technological ideas into new businesses by seeking to effectively link talent, technology, capital and know-how.

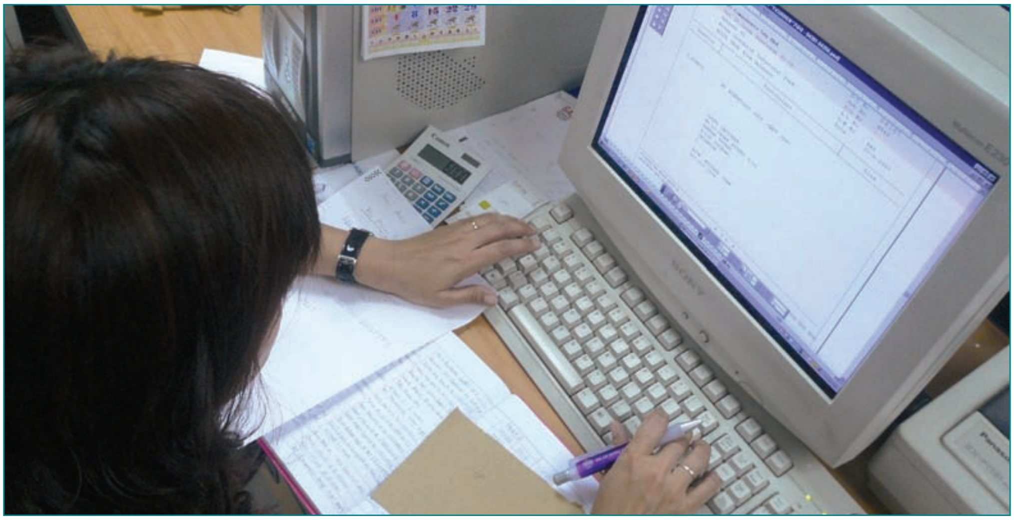
There are several technology business incubators offering integrated services to serve as catalysts for the creation and nurturing of new technology-based enterprises across various sectors:

SIRIM Technology Incubation Centre

SIRIM Berhad offers a structured and conducive environment that helps entrepreneurs maintain focus on short and long term business goals. Services offered by SIRIM include office space, secretariat services, convention space for promotion and product launching as well as machines and facilities for small scale production. In addition, SIRIM provides advisory services on technology, quality, management, finances, marketing, safeguarding intellectual property, business registration, taxes and other regulations. SIRIM also helps SMEs obtain access to funding and seed money.

SIRIM has a dedicated team of experienced and well-trained incubator managers working on a full-time basis to render continuous support, coaching, mentoring and motivation to start-up companies. SIRIM also leverages on its technical, business and technology-related resources at universities and research organisations for innovative technology to help clients fill gaps in their business and technical expertise. In addition, SIRIM also organises events for incubatee companies to provide assistance when SME products are ready to be introduced to the market and promoted.

In 2007, a total of 12 SMEs graduated from the Incubator Programme to become entrepreneurs with their own facilities. In addition, SIRIM received 12 new applications and approved 12 companies for participation in the incubator programme, bringing the total number of incubatees to 49 as at December 2007. Looking ahead to 2008, SIRIM anticipates that growth in future businesses will be mainly driven by technology and innovation, in line with global trends and technological developments. The emergence of new technologies and products and the introduction of advanced applications and processes in the market has influenced the way business is conducted. In view of this, SIRIM aims to provide specialised incubation facilities to achieve its objective of creating technology-based-enterprises.



Multimedia Development Corporation (MDeC) - MSC Malaysia Status Incubators & MSC Malaysia Technology Commercialisation Centre

MDeC established the MSC Malaysia Technology Commercialisation Centre, previously known as the MSC Central Incubator, in July 1999. The centre is the role model incubator for all 20 MSC Malaysia status incubators nationwide. The Centre provides office space for early stage entrepreneurs, shared facilities, business advisory and support, and other technopreneur development programmes to its clients.

MDeC has established two technology laboratories, Java Technopreneur Development Centre (JTrend) in collaboration with Sun Microsystems and Multimedia University as well as .NET Technopreneur Development Centre (NTDC), in collaboration with Microsoft, HP and Multimedia University. These technology laboratories provide existing and potential technopreneurs with the opportunity to turn ideas into viable software applications, products and services through training and high quality technical advisory. As at March 2008, 160 prototype projects have been developed at the technology laboratories.

In order to drive and support technology incubation centres, the National Incubator Network Association (NINA) was established. The network allows incubators throughout the country to be part of a members network to share knowledge and experience, and to disseminate best practices amongst members.

Raising Rubber Productivity

In line with Government policy to redevelop the agriculture sector as a third engine of economic growth, rubber has been targeted as a source for the generation of national output and income. MPIC runs a series of programmes as part of its coordinated effort to improve the productivity levels, efficiency and quality of Malaysian rubber products and producers.

One day seminars are held by the Malaysian Rubber Board (MRB) to keep SMEs involved in the glove making sector abreast of the latest latex technology. Efforts are also being made to transfer technologies related to Standard Malaysian Gloves to SMEs. MPIC also helped to promote glove makers' products and services in Beijing and Shanghai in 2007. 10 SMEs producing rubber products received assistance to improve technical and operational capabilities while four SMEs were helped to export products overseas.

The transfer of technology process to develop land, planting and maintenance in four earmarked estates and eight Rubber Group Processing Centres in Sabah and Sarawak were on-going in 2007. 23 training sessions to introduce smallholders in relevant technologies and train-the-trainer sessions were also held.

A management and land consolidation model using modern technology is also in the process of being introduced and the Rubber Research Institute of Malaysia Mini Station serves as a platform for training, technology transfer and value-add activities for entrepreneurs involved in the production of latex products. By July 2007, three demonstrations were conducted involving 97 participants.

To address low productivity issues, MPIC will introduce low intensity tapping systems to 7,000 smallholders in 2008 to increase national productivity from below 1,000 kg to 1,500 kg per hectare a year.

6. Marketing and Promotion - Showcasing SMEs

Marketing and promotion are fundamental to any business' growth. Marketing involves anticipating the customers' future needs and wants, which are often discovered through market research, focusing on a product or service to fulfill those wants and attempting to sell a product or service that the customer not only desires, but is willing to buy. Promotion involves disseminating information about a product, product line, brand or company. Promotion is one of the four key aspects of the marketing mix (the other three elements being product management, pricing, and distribution).

In order to succeed in today's competitive environment, SMEs need to adopt a more market and customer-focused approach in marketing and promotional activities. This involves firstly determining what potential customers desire, and then building the product or service. Various Government Ministries and Agencies run programmes to get SMEs started on as well as extend and improve marketing and promotional efforts to target both new domestic and export markets.

Linking SMEs

MITI's Industrial Linkage Programme (ILP) helps develop SMEs into competitive manufacturers and suppliers of parts and components and related services to MNCs and large companies. Under this programme, SMEs are also given assistance to improve weak operational areas, such as quality certification and processing efficiency. In 2007, MITI pre-arranged 304 business matching sessions between SMEs and MNCs and large companies. Negotiations at these sessions yielded a potential RM60 million of business for participating SMEs. Looking ahead to 2008, MITI expects to organise 150 pre-arranged business matching sessions as part of this programme.

Helping SMEs with market development, MECD runs the Vendor Development Promotion Programme and the Franchise Development Promotion Programme. In 2007, MECD established 22 new vendors under the Vendor Development Promotion Programme and aims to establish 30 new vendors in 2008.

Through MOA's programme which assists SMEs in the branding and distribution of selected agro-based products, 15 SMEs were assisted under the AgroMas brand, six SMEs were assisted under the OleMas brand and 10 SMEs were assisted under the Malaysia's Best brand in 2007. A total of 250 SMEs also underwent an image improvement exercise under this programme in 2007.

Branding For SMEs

The Brand-SME Development Programme, spearheaded by the MITI, aims to promote, reinforce and sustain the value of individual SME brands through the building of a National Mark. The acceptability of SMEs' products and services in the domestic and foreign markets will be enhanced through this programme which targets to promote the recognition of the National Mark. The aim of the programme is to establish 100 SME brands overseas within four years. Under the programme, selected SMEs from targeted sectors will be assisted in developing product branding. SMEs will be certified and granted the use of the National Mark upon successfully undergoing the auditing process to ascertain the adequacy, readiness and commitment in branding.

MHLG's Exposition Programme aims to develop an integrated centre that provides new opportunities for young entrepreneurs to market landscape plants and products. A centre in Johor is in the process of being developed for this purpose, while plans to secure a site for an additional centre in Selangor are underway.

The Ministry of Domestic Trade and Consumer Affairs (MDTCA) through its promotional programmes *"Produk Malaysia Citarasa Kita"* and "Taste of Malaysia", collaborates with local and foreign hypermarkets to create market opportunities for SME products both locally and globally. In 2007, an average of 300 companies were listed in hypermarkets under this programme which also saw the promotion of over 2,500 locally produced SME products.

Showcasing SMEs

Various trade fairs and trade missions are organised throughout the year to showcase SME products and services to potential buyers and also serve as networking platforms. To participate, SMEs need to meet market requirements in terms of product quality, pricing and delivery schedules. The following are some of the trade fairs and trade missions organised by Government Agencies and Ministries:

- SMIDEX, an annual showcase organised by SMIDEC, which provides a platform for SMEs to display products and services available for outsourcing activities. Exhibitors also get an opportunity to network with industry experts and engage in pre-arranged business matching. SMIDEX 2008 is expected to see some 200 booths being set-up.

- SMIDEC also organises the SME Convention, which provides a platform for SMEs to share experiences and information as well as network. In 2007, a total of 728 participants attended the Convention, including 83 foreign participants from Organisation of Islamic Conference (OIC) Member Countries, African Countries, Thailand, Sri Lanka and Singapore. Looking ahead to 2008, SMIDEC expects 600 participants to attend the convention.

- MITI organises various international trade fairs, marketing missions abroad and organises promotion booths and exhibitions overseas for manufacturing-based SMEs. These programmes are aimed to facilitate SMEs to enhance exports of products, give opportunities for SMEs to interact with international buyers, and expose SMEs to trade rules and regulations. In 2007, these programmes benefitted over 806 SMEs and recorded a total sales of RM373.2 million and potential sales of RM33.2 million through trade fairs, trade investment missions and 400 promotion booths set up for SMEs.

- Following the success of the Malaysian Agriculture, Horticulture and Agrotourism Exhibition (MAHA) 2006, Malaysia is once again set to host the region's largest exhibition showcasing the latest technologies and innovations in the agriculture, agro-based, horticulture and agrotourism Industry - MAHA 2008. Hosted by MOA and organised by the Federal Agricultural Marketing Authority (FAMA), MAHA 2008 is the biggest event of the year serving the agro-based industry. Over 1,500 booths will be offered to local and international exhibitors to showcase their latest solutions to the industry.

- For Halal-based SMEs, MECD organises the annual Malaysia International Halal Showcase (MIHAS), which promotes Halal products and services to the domestic and international market. In 2007, a total of 426 exhibitors from 26 countries have participated as exhibitors. Out of the 426 exhibitors, 297 are local SMEs who recorded a total sales of RM210 million and potential sales of RM 473.5 million.

- Rural-based SMEs can participate in MECD's Showcase *Satu Daerah Satu Industri* (SDSI), which promotes products from rural areas. In 2007, the showcase attracted 509 exhibitors. MECD also organises the Entrepreneur Showcase *"Gerak Usahawan"*, which promotes Bumiputera products to the domestic and international markets. In 2007, 244 exhibitors participated in this programme.

Taking SMEs Global

To nurture and update exporters or potential exporters on trade developments and business opportunities in international markets, MATRADE organises seminars and workshops throughout the year. MATRADE also offers a Market Development Grant (MDG), providing assistance in activities to develop SMEs' export market. Through active participation in export promotional activities, SMEs are expected to have better market access and increase export earnings. In 2007, the MDG was disbursed to 927 companies, at a total cost of RM12.3 million. MATRADE's Brand Promotion Grant (BPG) meanwhile helps support SMEs undertake brand building exercises. The BPG enables SMEs to increase export volume through brand enhancement. The BPG was disbursed to 45 companies in 2007, costing a total of RM22.3 million.

MATRADE run two programmes designed to expose SMEs to overseas markets: the Women Trade Outreach Programme (WTOP) and the MATRADE Trade Outreach Programme (MTOP). The WTOP is aimed at encouraging export-ready women-owned SMEs to venture into exporting their goods and services and to increase the number of women-owned companies within the SME sector. The MTOP is aimed at encouraging export-ready Bumiputera SMEs to venture into exporting and increase the number of Bumiputera companies within the SME sector.

Both the WTOP and MTOP run for three years and are designed to hand-hold SMEs throughout the entire process of developing an export market for the SMEs' products. SMEs can participate in three trade events or selling missions throughout the year, which is sponsored by MATRADE. 12 new SMEs are selected for each of the programmes every year and while the selection process includes factory audits, financial ratio analysis and sufficient product offering, a key criteria used to select SMEs is their ability to meet new export market demand. In 2007, 29 SMEs benefited from the WTOP while a further 17 SMEs benefited from the MTOP.

SMEs are sometimes unable to export due a lack of knowledge about the export business and procedures. In an effort to guide SMEs in this area, MATRADE has published a business handbook entitled, "How to be an Exporter - Q&A on Exporting." The book contains comprehensive information to help equip SMEs making a foray into the export market in areas such as export regulations, credit inquiries, shipping instructions, export finance and export support programmes. Looking ahead to 2008, MATRADE will introduce training sessions to assess SMEs' export readiness. The training will include sessions on developing an export market plan and assist on general information such as suitabilty of products, general requirements, export rules and regulations mainly for the export market.

SME Success Story

Sharply Dressed Exports

The product of a family that successfully pursued the ready-made garment trade, Ms Anita Hiong ventured alone in 1999 to establish Elit Purnama Sdn Bhd (Elit Purnama), a garment contract manufacturing business offering its services to local and foreign brands and labels. Its own in-house brand, "Je t'aime" was created, offering contemporary designs for ladies, men and children. Business has grown tremendously and today Elit Purnama stands out as a successful SME Original Equipment Manufacturer (OEM) fashion house in Malaysia, offering a range of services from the designing of garments and fabric sourcing to the development of its clients' in-house brands. Staff size now totals 35 including a seven strong team of designers. The company's revenue is expected to reach at least RM10 million in 2008.

Aided by MATRADE's specialised marketing missions overseas, Elit Purnama ventured into the export market in 2006. The company has since been a successful recipient of MATRADE's MDG and the WTOP programme both in 2006 and 2007 respectively. As a result of these two programmes, the company is expected to benefit from three trade shows abroad and five international exhibitions this year alone.

Marketing efforts thus far are already paying off and today some 20% of Elit Purnama's revenue comes from the export market, where the company is involved in designing and contract manufacturing garments for leading brands in Spain, France, Australia and Ireland. A recent marketing foray to the United States yielded another major new contract. Founder Anita is quick to point out that the invaluable assistance given by MATRADE which included business matching opportunities and allowing SMEs usage of MATRADE's offices abroad, was key in helping the company secure export contracts.

Over the years, efforts have been made to improve product quality. Elit Purnama benefited from SMIDEC's Packaging and Product Development Grant which provided RM80,000 for product enhancement. Training and staff development has also been a key factor in building the business and here, training courses undergone by the staff and management include MATRADE's Women Entrepreneur Conference while staff are sent for up to six MPC training programmes a year.

In addition, Elit Purnama is currently in the process of receiving assistance from SMIDEC's Soft Loan Scheme for Factory Relocation to set up its new factory. The company also receives re-export incentives from MIDA such as tax breaks on the import of fabrics.

Anita attributes Elit Purnama's success to factors such as having a good understanding and knowledge of one's business and to the various Government programmes and incentives Elit Purnama has received. Anita also maintains positive thinking and the love of one's job as being fundamental to achieving success in life.

7. Awareness and Outreach - Helping SMEs Help Themselves

There is a wealth of information on the kind of help and support SMEs can receive via Government programmes and efforts continue to be focused on heightening visibility of the opportunities available for SMEs.

Online

- The SMEinfo Portal

  This one-stop information resource for SMEs provides comprehensive information to SMEs on the latest Government programmes and financial products serving SME needs. By 2007, over 15,117 SMEs were registered in the SME Business Directory and 497 products displayed in the SMEinfo portal providing SMEs a platform to advertise products and services. All information is accessible in Bahasa Malaysia, English and Chinese.

  For more information, please log onto www.smeinfo.com.my

- Agribazaar

  A joint effort between MIMOS and the Department of Agriculture, Agribazaar is an internet-based trading hub for buyers and sellers of agriculture products offering expanded outreach, improved efficiency and productivity. Farmers, producers, retailers and exporters interact and conduct trading on-line and have access to data including new supply, price feedback and market projections.

  For more information, please log onto www.agribazaar.com.my

- HRD Training Portal

  A centralised information hub of all available training programmes with the latest information on available courses, seminars, conferences and events connected with human resource training. The portal enables training providers an avenue to promote themselves. Employers can communicate directly with course providers via the portal.

  For more information please log onto www.hrdportal.com.my

- Technopreneur Development Portal

  A comprehensive public domain ICT SME industry database including MSC and non-MSC status companies and on-line information and communication resources to help fledgling ICT businesses.

  For more information please log onto www.technopreneurdevelopment.net.my

- iGuarantee
  The e-business venture of the Credit Guarantee Corporation (CGC), iGuarantee provides a one-stop web services portal through which business loan applications can be made. For more information, please log onto www.iGuarantee.com.my

- Portal Usahawan
  A comprehensive one-stop site for Bumiputera entrepreneurs seeking information on programmes, schemes and funds available across all sectors.
  For more information, please log onto www.mecd.gov.my

- MATRADE Online
  A focal point for Malaysian exporters and foreign importers as a source of comprehensive trade-related information.
  For more information, please log onto www.matrade.gov.my

- SMIDEC Portal
  A portal to promote the development of SMEs in the manufacturing sector. Information available on the portal includes the provision of advisory services, fiscal and financial assistance, infrastructural facilities, market access and other support programmes.
  For more information, please log onto www.smidec.com.my

Briefings and Seminars

MITI through its Development of the Services Sector Programme conducts a series of briefings, seminars and workshops to educate SMEs in the services sector. In 2007, 10,000 SMEs in the services sector participated in this outreach programme which will be continued in 2008.

MATRADE runs briefing and consultation sessions to cultivate an export culture and to encourage SMEs, particularly outside the Klang Valley, to utilise the services it offers. Six sessions for 367 SME participants were conducted in 2007 offering market intelligence, and advice on trade issues to help SMEs successfully venture into the export market.

Publications

The publication of the SME Annual Report provides an overview of the status and progress of SME programmes and initiatives during the year. The report also showcases successful SMEs who have benefited from the various Government programmes, to serve as an inspiration to aspiring SMEs. The first report was released in 2006 and it is now in its third year of publication.

SMIDEC's handbook on "Policies, Incentives, Programmes & Financial Assistance for SMEs" is an invaluable reference guide of Government support available to SMEs across all sectors.

SMIDEC and MPC also publish a series of resources providing detailed information for SMEs including:

- P&Q Digest;
- TQM Casebook;
- Bulletin ICC;
- BP Digest;
- BP Human Resources;
- Majalah P&Q;
- SME on the Move;
- SME Newslink; and
- SMEs Training Directory.

MATRADE publishes a series of directories, magazines, brochures and guidebooks for SMEs looking to venture into the export business or enhance their existing export business. Publications include:

- Malaysia Exports 3rd Edition;
- FMM - MATRADE Electrical & Electronics 2007/08;
- Malaysia Convention & Exhibition (March & September 2008);
- Assistance Programmes for Malaysian Exporters (4th Edition);
- Guidelines for Application of MDG (Mandarin); and
- Trade Mart (TM).

Bank Negara Malaysia produces the "Funds and Schemes for Small and Medium Enterprises" booklet detailing all funds and schemes offered by the various Ministries and Agencies. It is available from Bank Negara Malaysia and all banking institutions.

The Multimedia Development Corporation's annual MSC ICT Industry Directory offers SMEs a marketing opportunity for ICT products.

Celebrating Success

There are many awards that offer the opportunity to showcase SMEs' products and services, to gain exposure and earn endorsement from Government Agencies. Some of the awards open to SMEs include:

- **Enterprise 50 Award Programme**
  To recognise the achievements of Malaysia's successful enterprising home-grown companies, SMIDEC runs the annual Enterprise 50 Award Programme in collaboration with Deloitte Malaysia Sdn. Bhd. There is an overwhelming response every year to the call for entries and in 2007, 143 nominations were received of which, 125 were SMEs. Out of the 50 winners, 33 were SMEs. Six SMEs were among the top 10 winners in 2007, compared with only two in 2006.

- **Industry Excellence Awards**
  MATRADE's Industry Excellence Awards organised annually by MITI, gives recognition to companies for excellence in the fields of export in recognition for an enterprise's commitment and efforts in penetrating the export markets and its performance in achieving it. The award also covers branding efforts in recognition of companies that have invested in developing Malaysian brands and are committed to promoting domestic brands internationally. Seven SMEs were among the winners for the 10 categories of the award in 2007.

- **Asia Pacific ICT Awards (APICTA)**
  The APICTA Programme aims to select high-growth ICT companies with the potential of becoming MSC Malaysia Global Companies. There are annual recognition awards at the national (MSC-APICTA) and international (APICTA) level to select the best Malaysian ICT companies, technopreneurs and students. The awards serve as platforms for networking by conducting forums that bring local ICT companies in contact with foreign counterparts. In 2007, 321 nominations were received, of which 23 SMEs won local awards and two won international APICTA awards.

- **National Award for Management Accounting (NAfMA)**
  The National Award for Management Accounting (NAfMA) organised by the Malaysian Institute of Accountants and The Chartered Institute of Management Accountants Malaysia, aims to recognise and promote the use of best practices in management accounting towards world-class business performance amongst organisations in Malaysia. The Award is open to all companies listed under the Bursa Malaysia Securities Berhad, non-listed companies as well as non-listed SMEs with annual sales turnover not exceeding RM25 million or with full time employees not exceeding 150.

Various programmes have been put in place by the Government for SMEs to nurture the entrepreneurial spirit, develop human capital, improve product and service levels, integrate technology into their businesses and increase marketing and promotional efforts. However, it is up to the SMEs to capitalise on these programmes and leverage on the opportunities available to enhance their capacity and capability.