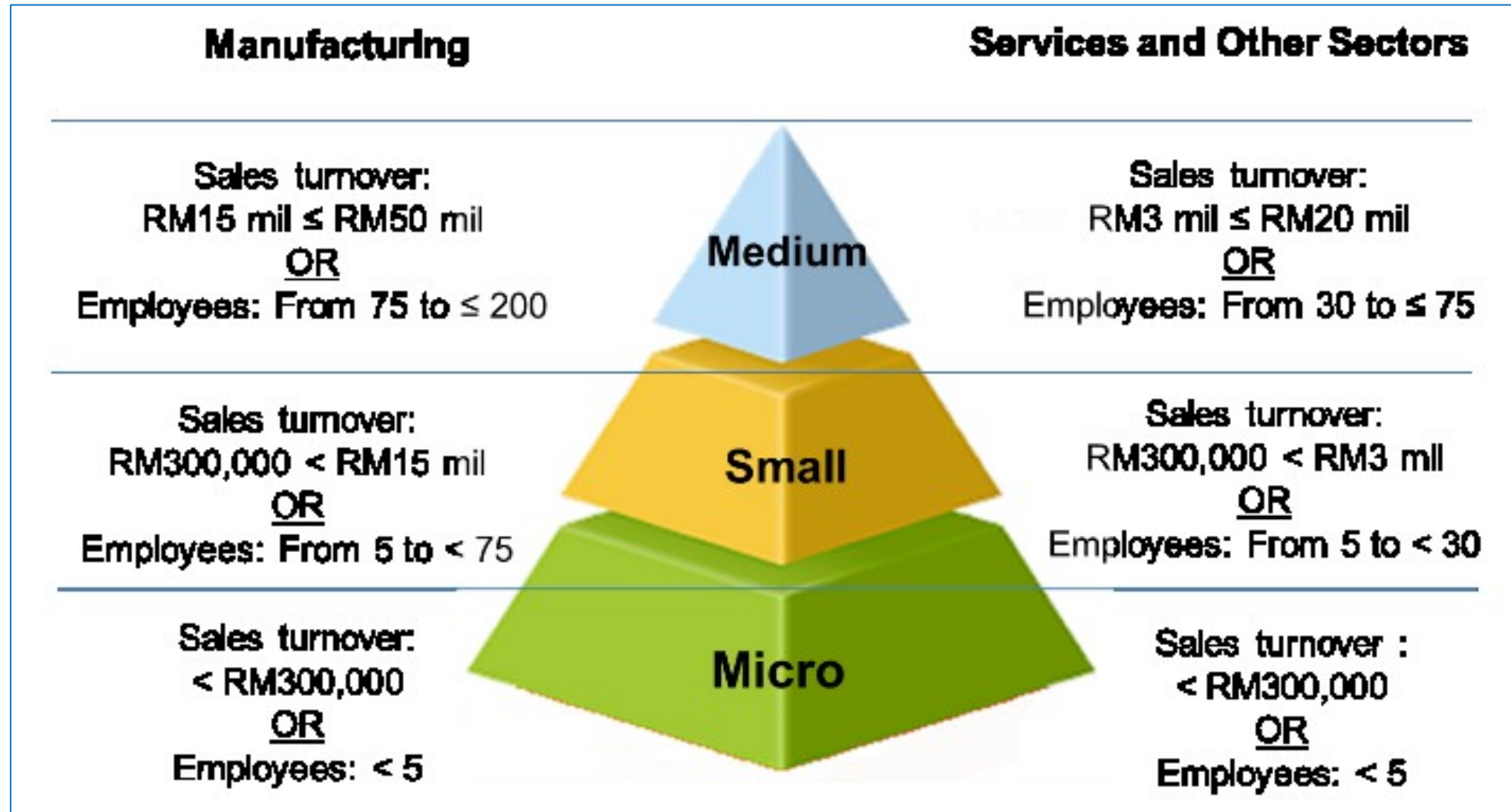




SME CORP. MALAYSIA  
KUALA LUMPUR, MALAYSIA

**KCCCI Open Day**  
5 October 2019

# Definition of SMEs



... totaling to **98.5% of business establishments** in Malaysia



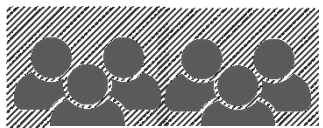
**907,065**

registered SMEs  
in Malaysia



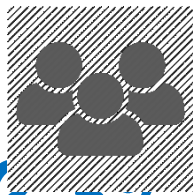
**76.5%**

microenterprises



**21.2%**

small-sized  
enterprises



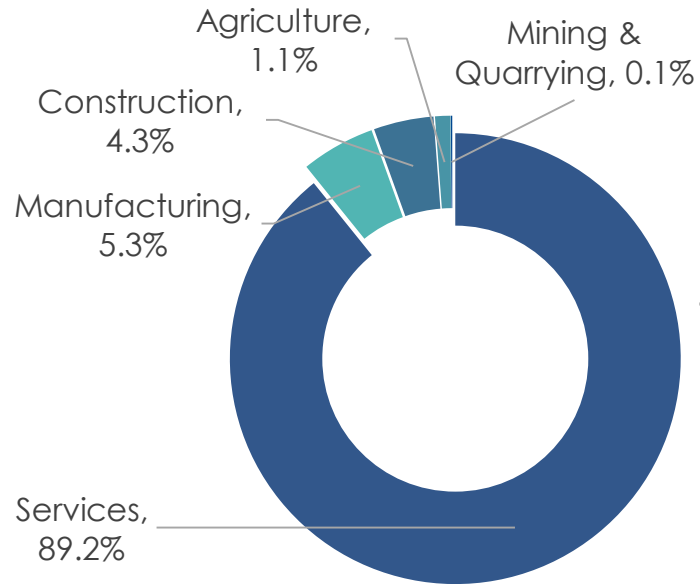
**2.5%**

medium-sized  
enterprises



**20.6%**

are women-owned  
businesses



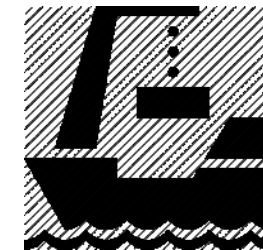
**89.2%**

firms are in  
services  
sector

**2018**

**38.3%**

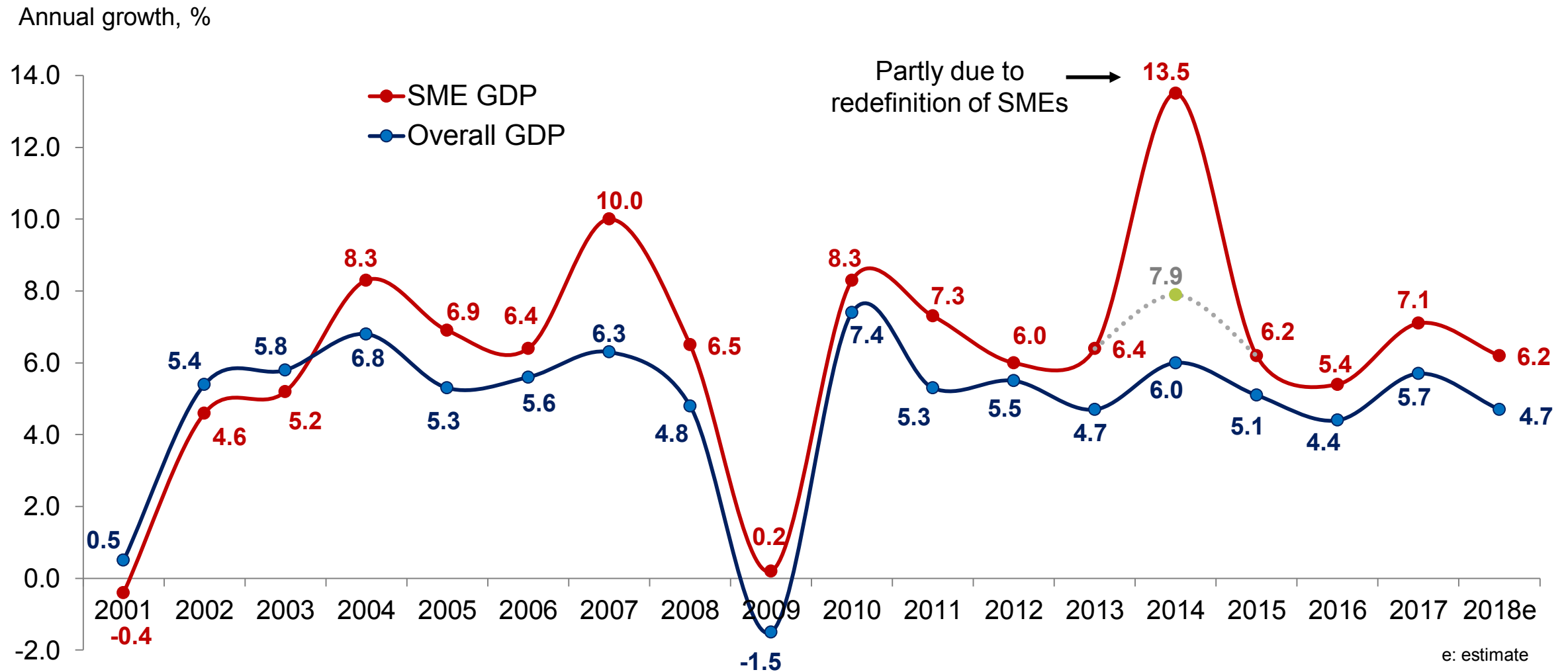
contribution to  
GDP



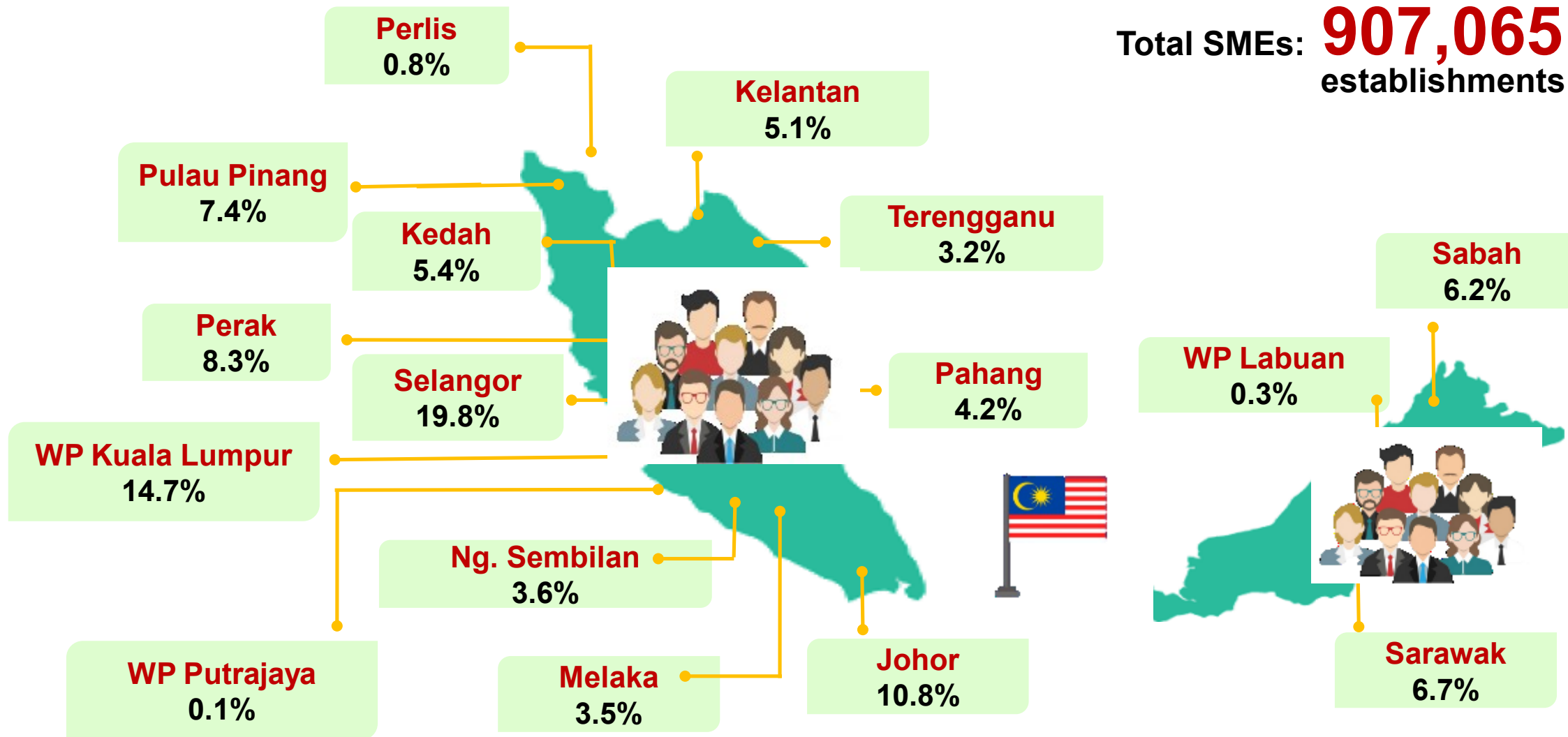
**17.3%**

contribution  
to exports

# SME GDP growth has outperformed the overall economy since 2004



## Almost 35% of SMEs are in Klang Valley



# The **journey** of SME Corp. Malaysia...



**2 May 1996**

Small and Medium Industries Development Corporation (SMIDEC) formed under MITI to develop SMEs to be globally competitive

19  
96

**National SME Development Council (NSDC)** formed as highest governing body. BNM appointed as secretariat of NSDC

Focus on Manufacturing & related services

2000



SMI Development Plan introduced

2004

2005

Focus expanded to include services sector

2008

SMIDEC took over the role of NSDC Secretariat from BNM

**2 Oct 2009**

SMIDEC officially rebranded as Small and Medium Enterprise Corporation Malaysia (SME Corp. Malaysia)

2009

2012

**SME Masterplan (2012 – 2020)**

developed to drive SMEs towards 2020



2018

**October 2018**

SME Corp. Malaysia officially placed under MED

2019



2030

*and beyond...*



# SME Corp. Malaysia, the **Central Coordinating Agency** that coordinates the implementation of SME development programmes across Ministries & Agencies

## VISION

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

## MISSION

Promote the development of **COMPETITIVE, INNOVATIVE & RESILIENT** SMEs through effective coordination & provision of business support

# MEMBERS OF CORPORATION



**YBHG. DATO' SRI SYED HUSSEIN AL HABSHEE**  
Chairman



**YBRS. DR. ANIS MAHMUD**  
Deputy KSU MED



**YBHG. DATO' DR. NOOR ZARI HAMAT**  
Deputy KSU, MEA



**MS. SUHARA SALLEH**  
MOF



**MR. NOOR AZMI MAT SAID**  
CEO, SME Corp. Malaysia



**YBHG DATO' DR. SYED HUSSAIN SYED HUSMAN**  
SVTT GROUP of Companies



**MS. AINON MOHD**  
Group PTS Companies



**YBHG. DATO' HAZIMAH ZAINUDDIN**  
Hyraz Oil Sdn Bhd



**MR. KOONG LIN LOONG**  
ACCIM



**MR. AWANG HABIBURLLAH**  
HJ. AWANG ISMAIL  
HMN Group of Company



**YBHG DATUK MICHAEL**  
KANG HUA KEONG  
SMB Connection Sdn Bhd



**YBRS. IR TER LEONG LENG**  
FMM Council



**YBHG DATUK N GOBALAKRISHNAN A/L**  
NARAYANASAMY  
MAICCI

# MANAGEMENT STRUCTURE



**NOOR AZMI MAT SAID**  
Chief Executive Officer (CEO)



**STATE OFFICE**

Corporate Planning & Coordination Unit

State Liaison & Development Unit

Human Capital Development Unit

Finance & Account Unit

Internal Audit Unit

Integrity, Anti-Corruption & Disciplinary Unit

Legal & Corporation Unit



**RIZAL NAINY**  
Chief Implementation & Monitoring Officer  
*Implementation & Monitoring Division*



**MOHD RITHAUDDEN MAKIP**  
Chief Ecosystem Development Officer  
*Ecosystem Development Division*



**HARIFAH NAJWA SYED ABU BAKAR**  
Chief Knowledge Management & Strategy Officer  
*Knowledge Management & Strategy Division*



**VACANT**  
Chief Technology Development Officer  
*Technology Development Division*

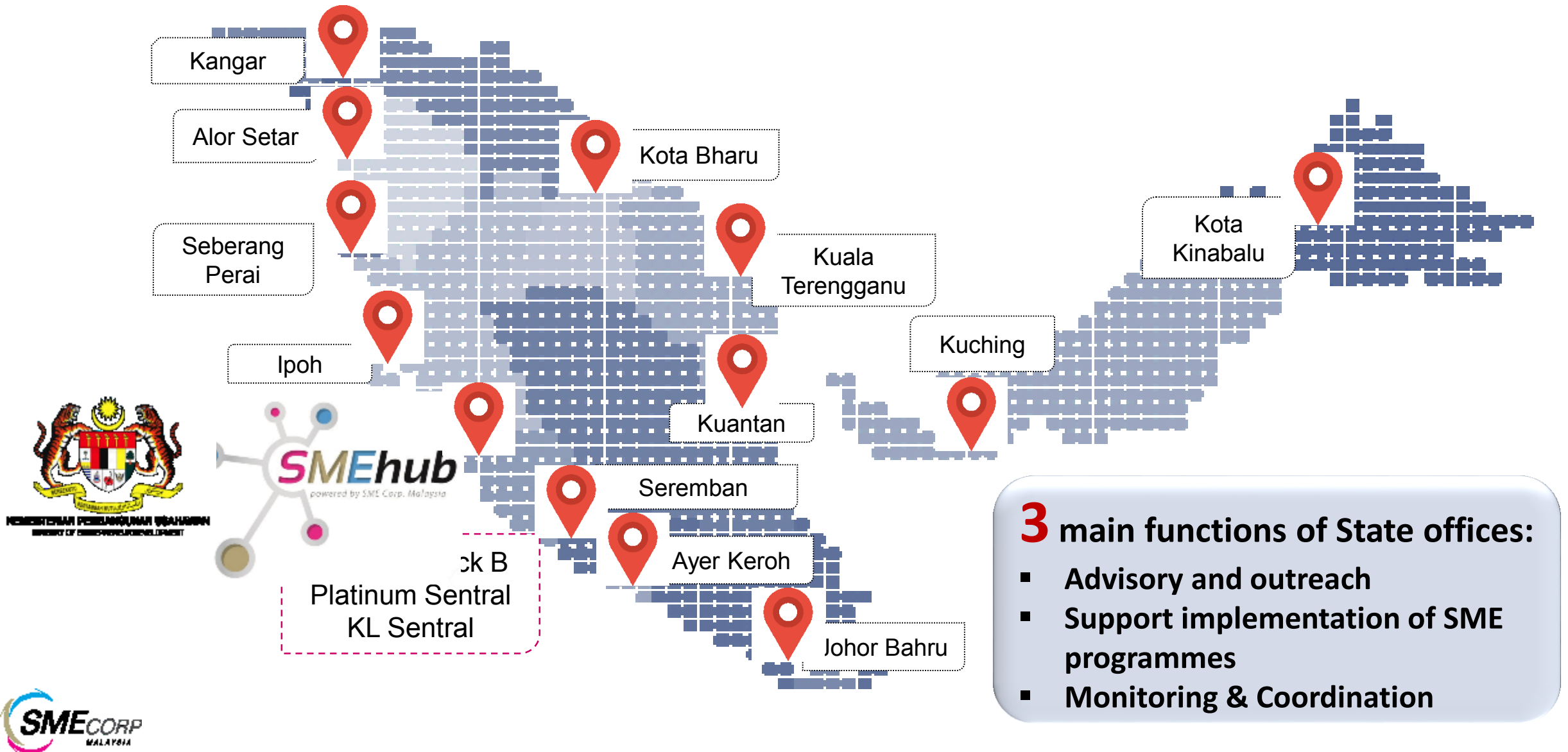


**VACANT**  
Chief Corporate Management Officer  
*Corporate Management Division*



**ZAKY MOH**  
Chief Cluster Development Officer  
*Cluster Development Division*

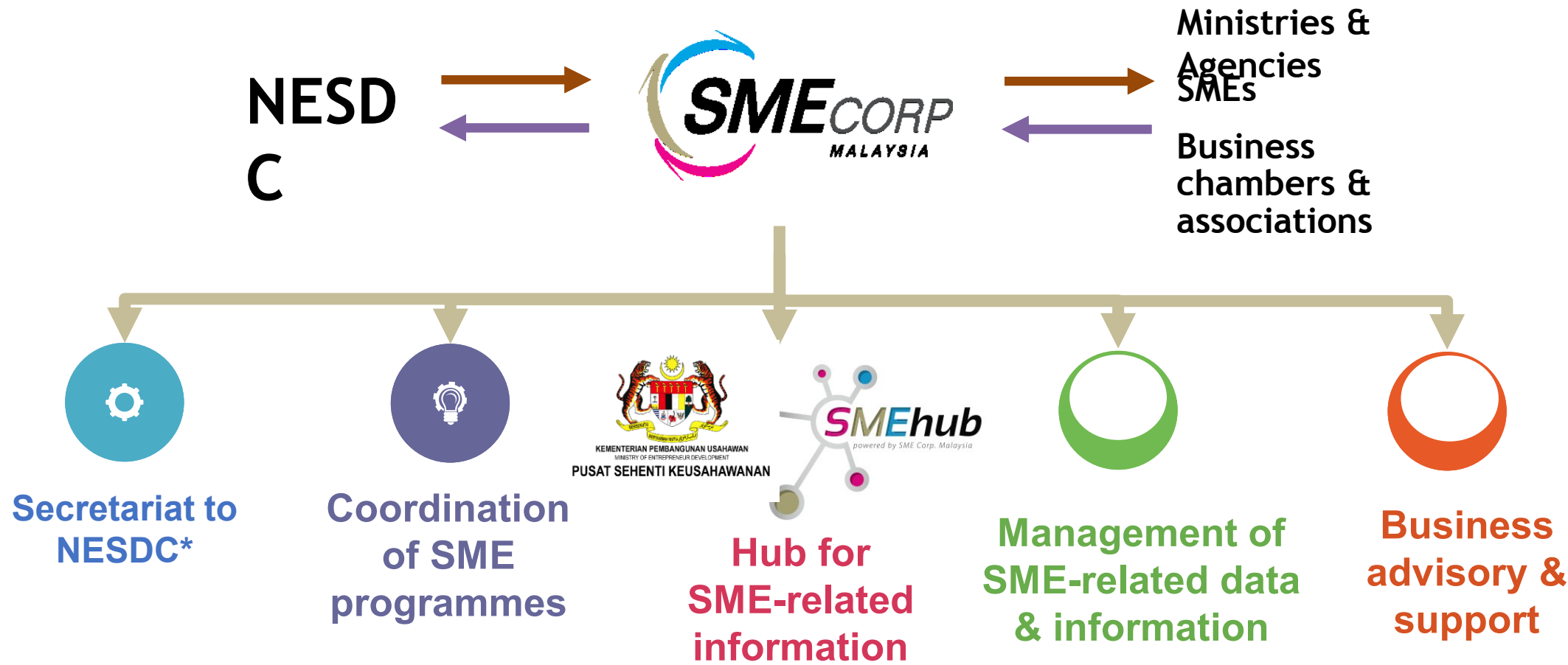
With a strength of **323 staff** including from **12 state offices**



### **3** main functions of State offices:

- Advisory and outreach
- Support implementation of SME programmes
- Monitoring & Coordination

# SME Corp. Malaysia... **Central Coordinating Agency** for SME Development



\* National Entrepreneur and SME Development Council chaired by the Prime Minister of Malaysia

# SME Corp. Malaysia reports to NESDC as well as MED

National Entrepreneur  
and SME  
Development Council  
(NESDC)



KEMENTERIAN PEMBANGUNAN USAHAWAN  
MINISTRY OF ENTREPRENEUR DEVELOPMENT

*Policy and Coordination*



*Administration*

## AGENCIES UNDER THE PURVIEW OF MINISTRY OF ENTREPRENEUR DEVELOPMENT (MED)



SUMBERMANAJE  
KOPERASI  
Malaysia



INSKEN



UDA HOLDINGS BERHAD



MAGIC protégé

# Malaysia has an **effective governing structure** to formulate policies and strategies

## Hierarchy of SME Development Policy

Chaired by  
Prime Minister

**NESDC**

## Reporting of SME Development Programme

Highest authority which endorse SME development programmes & policies

**HLTF**

Taskforce which validate programme implementation and planned under respective Ministries & Agencies

Chaired by  
Chief Secretary  
to the Government

Proposals from HLTF to be deliberated & endorsed by NESDC

Chaired by  
Chief Executive Officer  
of SME Corp. Malaysia

**PCWC**

Working committee for SME development programmes with representative from Ministries & Agencies

Decisions from NESDC to be cascaded down to HLTF & PCWC for implementation.

NESDC: National Entrepreneur and SME Development Council  
HLTF: High Level Taskforce for SME Development  
PCWC: Programme Coordination Working Committee

# NESDC: Highest Policy - making Body for SME Development



## Establishment under Act 539

### PART IA: THE COUNCIL (2A)

- (1) A body to be known as the “**National Small and Medium Enterprises Development Council**” is established.
- (2) The objective of the Council is to ensure the **comprehensive and co-ordinated development** of small and medium enterprises across all sectors of the economy.

## Roles and Responsibilities



**Provides direction** for comprehensive development of SMEs across all sectors



**Formulates broad policies and strategies**



**Oversees coordination and ensures effectiveness** in policy implementation

Note: The role of Secretariat to NESDC was transferred from BNM to SME Corp. Malaysia in 2008 (formerly known as SMIDEC)

## Composition of the Council

(Based on Act 539)

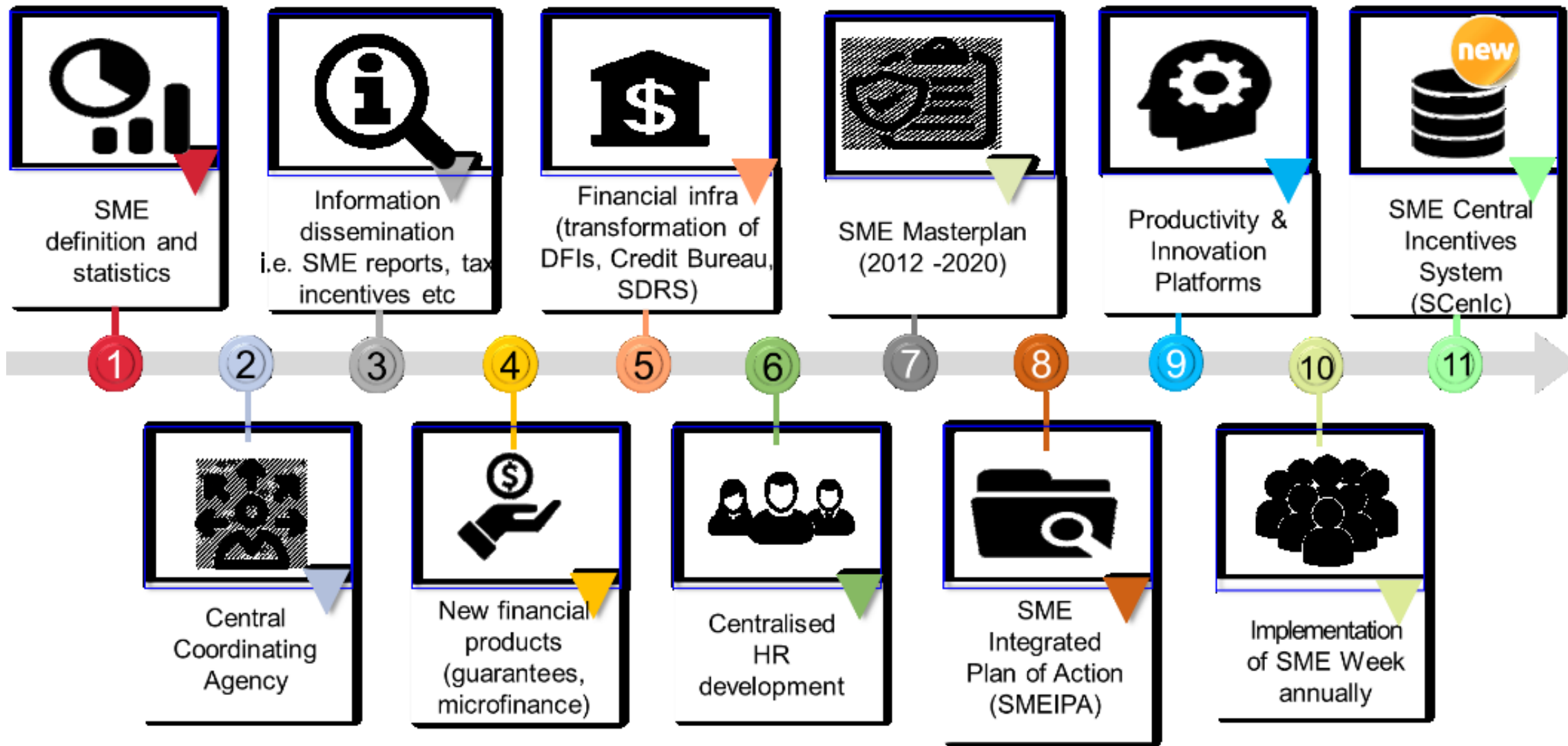
### Section 2B

**Chairman: Prime Minister**

### Members:

- |  |  |
|--|--|
| 1. Minister of Women, Family and Community Development   | 13. Minister of Trade and Industry, Sabah State (formerly known as Minister of Industrial Development, Sabah)                  |
| 2. Minister of Finance   | 14. Minister of Industrial and Entrepreneur Development Sarawak (formerly known as Minister of Industrial Development Sarawak) |
| 3. Minister of Education   | 15. Minister of Entrepreneur Development   |
| 4. Minister of Rural Development   | 16. Minister of Economic Affairs   |
| 5. Minister of Human Resources   | 17. Minister of Energy, Science, Technology, Environment and Climate Change  |
| 6. Minister of Agriculture and Agro Based Industry   | 18. Minister of Communications and Multimedia  |
| 7. Minister of Youth and Sports  | 19. Chief Secretary to the Government  |
| 8. Minister of Domestic Trade and Consumer Affairs   | 20. Governor of Bank Negara Malaysia   |
| 9. Minister of Primary Industries  |  |
| 10. Minister of International Trade and Industry   |  |
| 11. Minister of International Trade and Industry   |  |
| 12. Minister of Tourism, Arts and Culture Malaysia (formerly known as Minister of Tourism and Culture) |  |

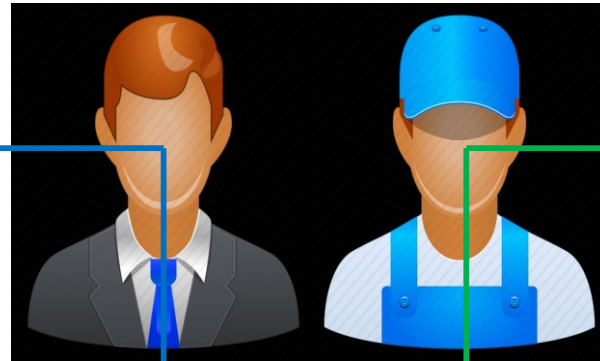
Since 2004, NESDC has achieved a **significant milestone**



Long term strategy for SME development focuses on **balanced** and **sustainable growth** through a **two-pronged strategy**

1

Ramping up  
creation of  
**HIGH GROWTH &  
INNOVATIVE FIRMS**  
for quantum leap in  
GDP



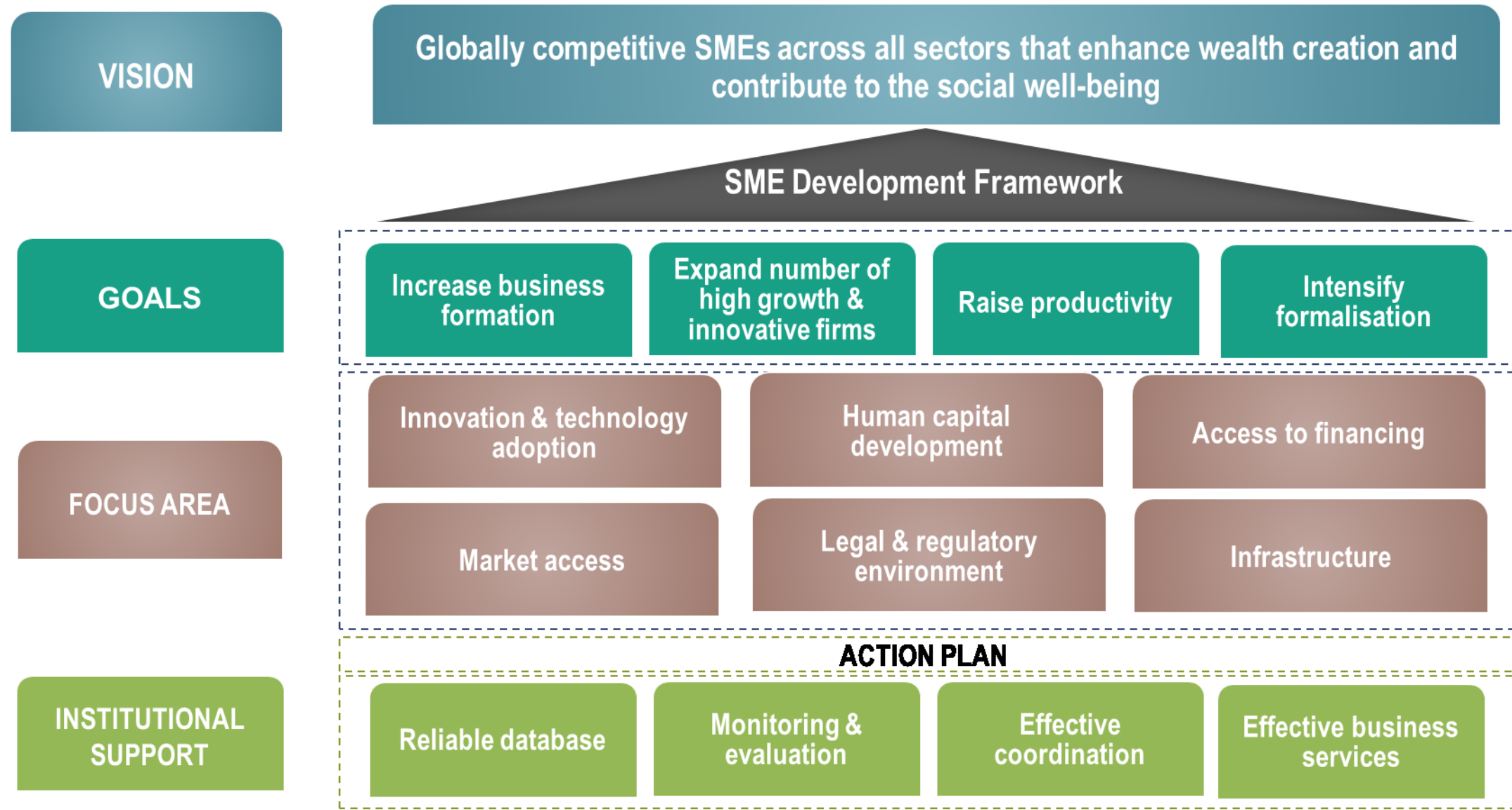
2

Increasing  
**MICROENTERPRISES (MEs)**  
(B40) contribution  
to the economy

Creation of more global SMEs through  
**targeted assistance** in **automation,  
digitalisation & robotisation**

Reduction in income disparity  
through **support** for  
**microenterprises & startups**

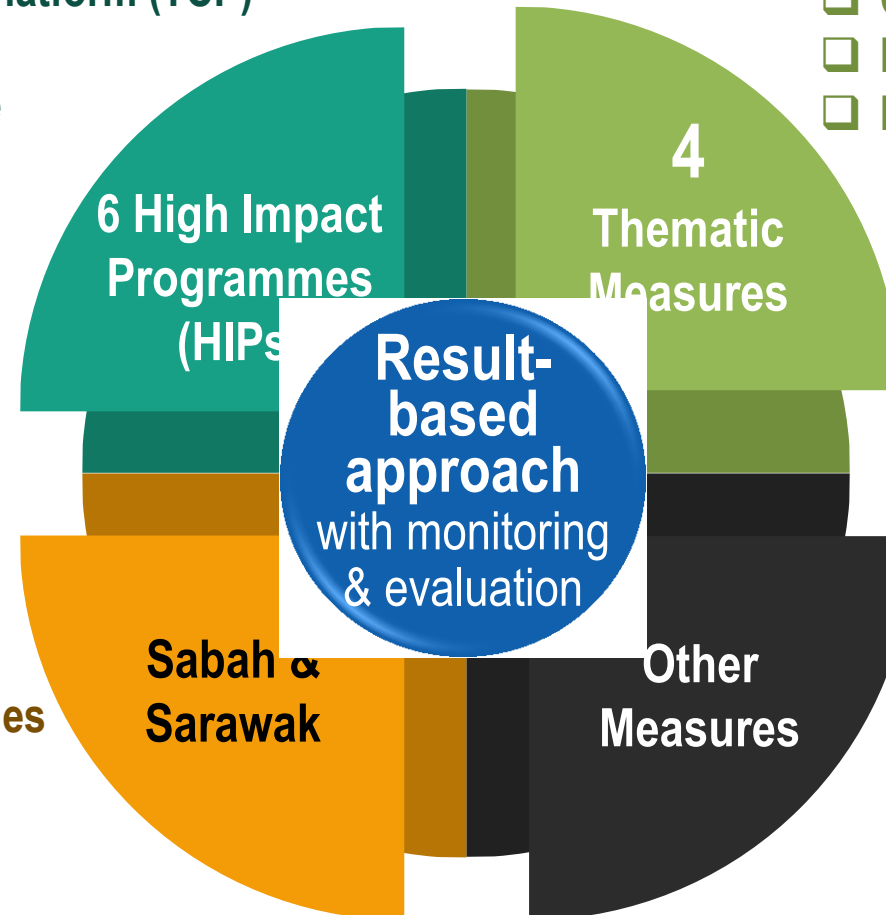
# The **SME Masterplan** (2012 – 2020) takes a holistic approach focusing on **productivity & innovation**



## Masterplan outlines **32 initiatives** including 6 High Impact Programmes (HIPs)

- HIP 1 : Integrate of business registration & licensing
- HIP 2 : Technology Commercialisation Platform (TCP)
- HIP 3 : SME Investment Partner (SIP)
- HIP 4 : Going Export (GoEx) Programme
- HIP 5 : Catalyst Programme
- HIP 6 : Inclusive Innovation Programme

- Resource pooling & shared services
- Create demand for SME products & services
- Reduce information asymmetry
- Building capacity & knowledge



- Improve connectivity & basic amenities
- Review restrictive laws & policies
- Ease market access

- Completion of Integrated trade system (single window)
- Bankruptcy Law to give entrepreneurs 2nd chance
- Review SME taxation policy
- Synchronise measures on productivity enhancement

# Priority initiatives by SME Corp. Malaysia to develop **microenterprises**

Almost 80% of SMEs in Malaysia are **microenterprises** & within **vulnerable communities**.

## Who are they?

**2.78 million** households with mean monthly household income of **RM2,848**

**2 in 3 persons** of the B40 are Bumiputera; **predominantly in Sabah and Sarawak**

**2.8 million senior citizens** with basic retirement savings of <RM200K

**200,000** estimated households **affected by natural disaster** yearly



### Start ME Up

- ▶ Simplify processes
- ▶ Provide start-up support



### Grow ME

- ▶ Leverage on ICT
- ▶ Incentivise productivity
- ▶ Up skill human capital



### Market ME

- ▶ Enhance physical channel
- ▶ Online market access
- ▶ Distribution support



### Fast Track ME

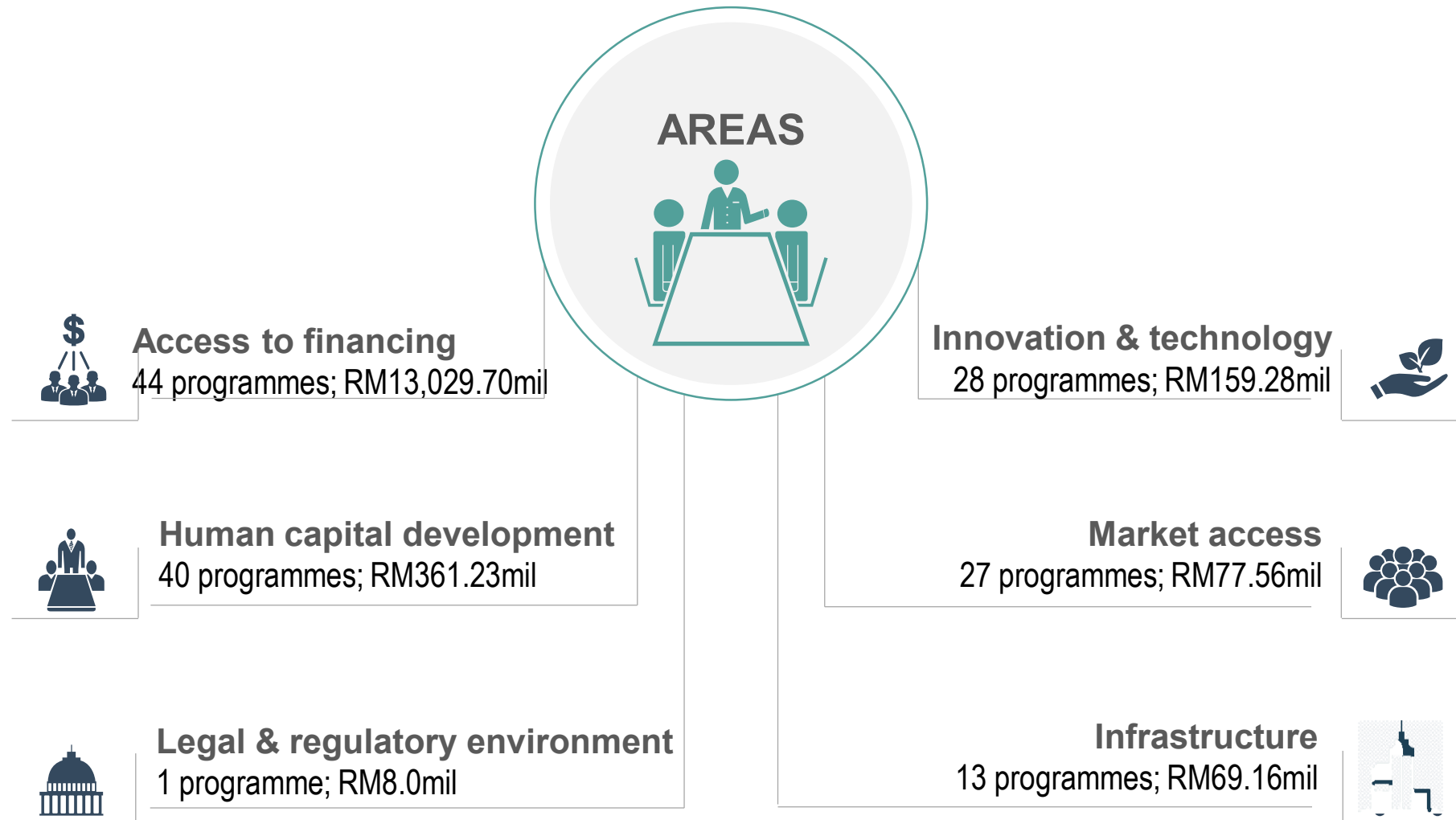
- ▶ Structured fast-track programme
- ▶ Result-based assistance



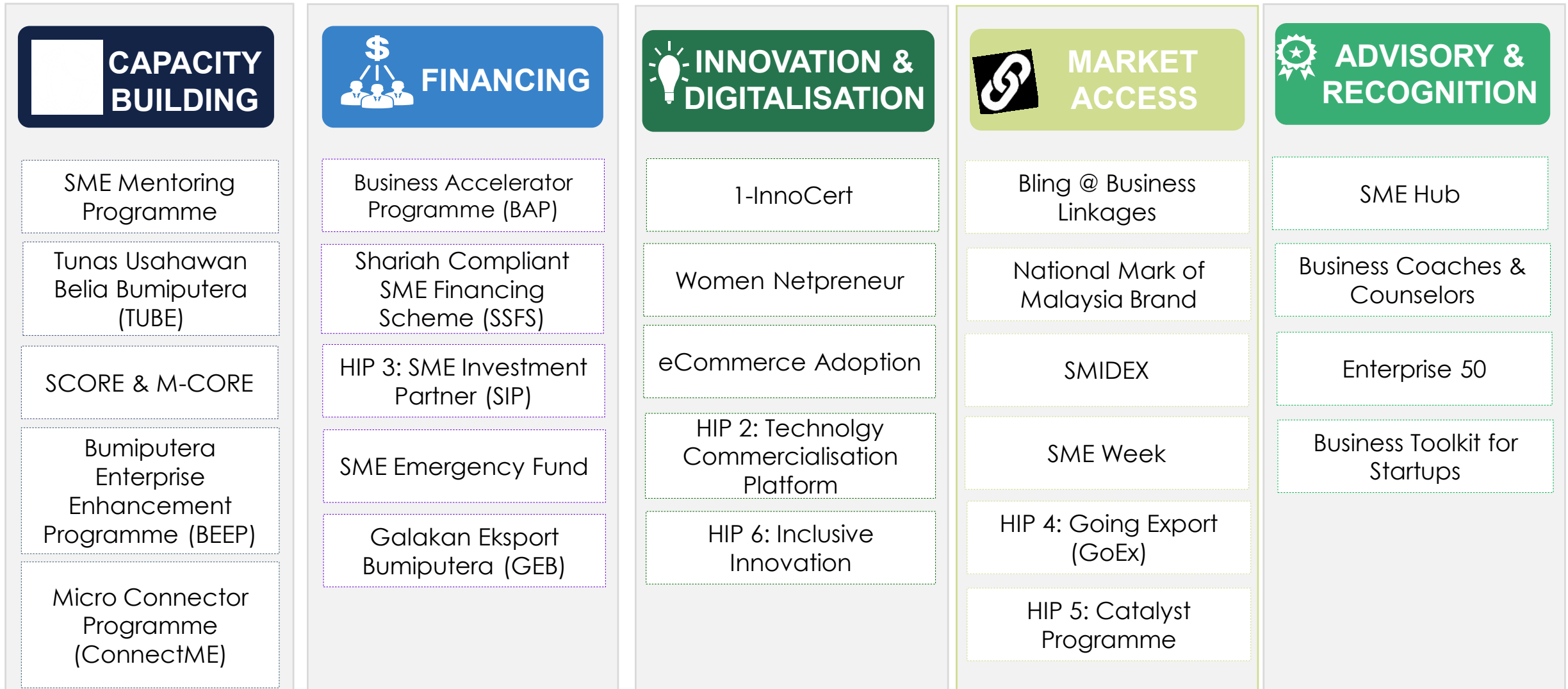
### ME Money Matters

- ▶ Raise awareness
- ▶ Institutional support

In 2018, a total of **153 SME development programmes** were implemented with financial commitment of more than RM13 million ...



## ... including initiatives by SME Corp. Malaysia in five areas





# CAPACITY BUILDING

HDC



## SME MENTORING PROGRAMME

- ❑ offers SMEs the opportunity to share, explore and enhance their knowledge on ways to improve in business performance in order to compete in the global market
- ❑ Knowledge enrichment:
  - Halal Awareness
  - Managing Food Regulatory Issues
  - Strategic Marketing
  - The Formation of Internal Halal Committee
  - Production Optimization
  - Enhancing Industrial Performance Awareness





# CAPACITY BUILDING

A diagnostic tool to rate and enhance competitiveness of SMEs based on their performances and capabilities

**7 Models**

- 1 Manufacturing & Manufacturing Related Services
- 2 Retail & Distributive Trade
- 3 Construction
- 4 ICT
- 5 Maintenance, Repair & Overhaul
- 6 Professional Services
- 7 M-CORE for Micro Enterprises

**7 Parameters** Example from MFG Model

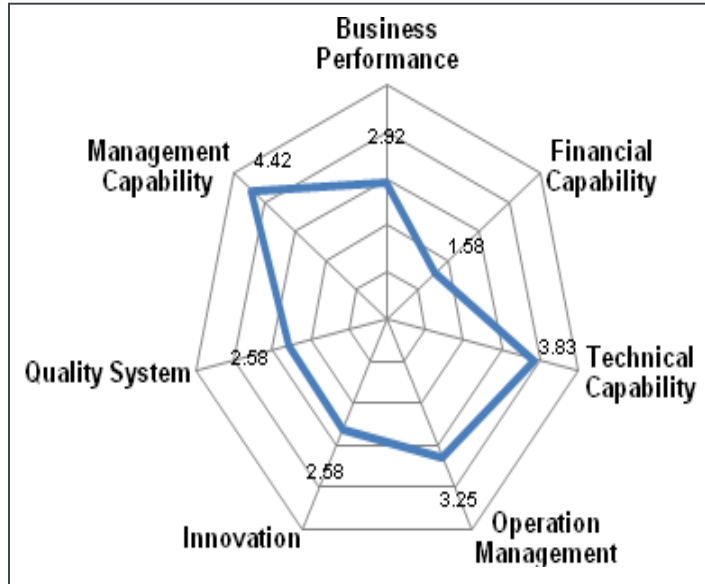
- 1 Business Performance
- 2 Financial Capability
- 3 Management Capability
- 4 Production Capability
- 5 Technical capability
- 6 Quality System
- 7 Innovation

## SME Competitiveness Rating for Enhancement (SCORE) with customised parameters that vary across sectors

### Functions

Acquire baseline data on SMEs	Facilitate linkages
Evaluate & track SMEs capabilities & performance	Effective fund utilisation & focus of resources

### 20 Strategic Partners



Analysis:  
Weak in financial capability

Assistance:  
Requires training in financial management & improvement in quality management



# CAPACITY BUILDING

## BUMIPUTERA ENTERPRISE ENHANCEMENT PROGRAMME (BEEP)

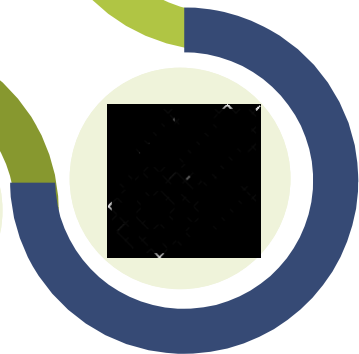


Improve the **competitiveness** of Bumiputera SMEs through an integrated assistance package covering **advisory services, technical assistance and financing** to generate **dynamic, sustainable and high productivity** Bumiputera SMEs.

### CONCEPT

#### Financial Assistance

- 50% matching grants
- Balance by applicant / loan



**Monitor**  
implementation of the approved projects

#### Advisory

Business advisory and recommending action plans



**Building SME Capacity and Skills**



#### Diagnosis (SCORE & M-CORE)

identify strengths and weaknesses of SMEs



# A new initiative for microenterprise in 2019 ... **MICRO CONNECTOR PROGRAMME**

A differentiated approach by promoting creation of a *private sector- driven ecosystem* that provides *enablers* and *shared services facilities* to assist *MEs*



### Technical Assistance

offered to facilitate microenterprises in running their businesses effectively and efficiently

01

- ▶ Online, mobile e-commerce and e-payment & ICT applications (≤12 months, if subscription based)
- ▶ Business premise rental (≤12 months)
- ▶ Advertising & promotional activities
- ▶ Productivity Improvement activities
- ▶ Other relevant technical assistance



### Competitive Skills

to assist the B40 community attain competitive skills that will act as a tool for them to embark into business activities and increase their household income

02

- ▶ Creative craft (ie. sewing, wood & bamboo base, mineral base, precious stones)
- ▶ Food & beverages for cottage industry (ie. local and traditional delicacies)
- ▶ Health (ie. hair dressing, make up, spa & massage)
- ▶ Maintenance and repair (ie. vehicle, aircond, plumbing, electrical)
- ▶ Agriculture and aquaculture (ie. plant fertigation, hydroponics & aquaponics and ornamental fish)
- ▶ Child care (ie. post-delivery care centre and kindergarten)



## FINANCING

### Soft Loan under Business Accelerator Programme (BAP)

- ❑ Purchase of machineries & equipment; working capital
- ❑ RM50,000 – RM1 million
- ❑ Margin of financing up to 90%
- ❑ Interest rate at 4%
- ❑ Tenure up to 10 years



### HIP 3: SME Investment Partner (SIP)

- ❑ Financing early stage SMEs of 1- 5 years in operation
- ❑ Working capital injection in form of a debt /equity or hybrid
- ❑ Range of financing RM500,000 - RM5 million
- ❑ Technical assistance, hands-on mentoring



### Shari'ah Compliant SME Financing Scheme (SSFS)

- ❑ 15 participating Islamic financial institutions
- ❑ Government pays 2% of profit rate charged on financing provided

### Galakan Eksport Bumiputera (GEB)

#### Matching Grant

- ❑ 50% from total project cost of RM1 million
- ❑ Marketing & Promotional, Branding, Packaging, Certification, Physical Office / Business Operation

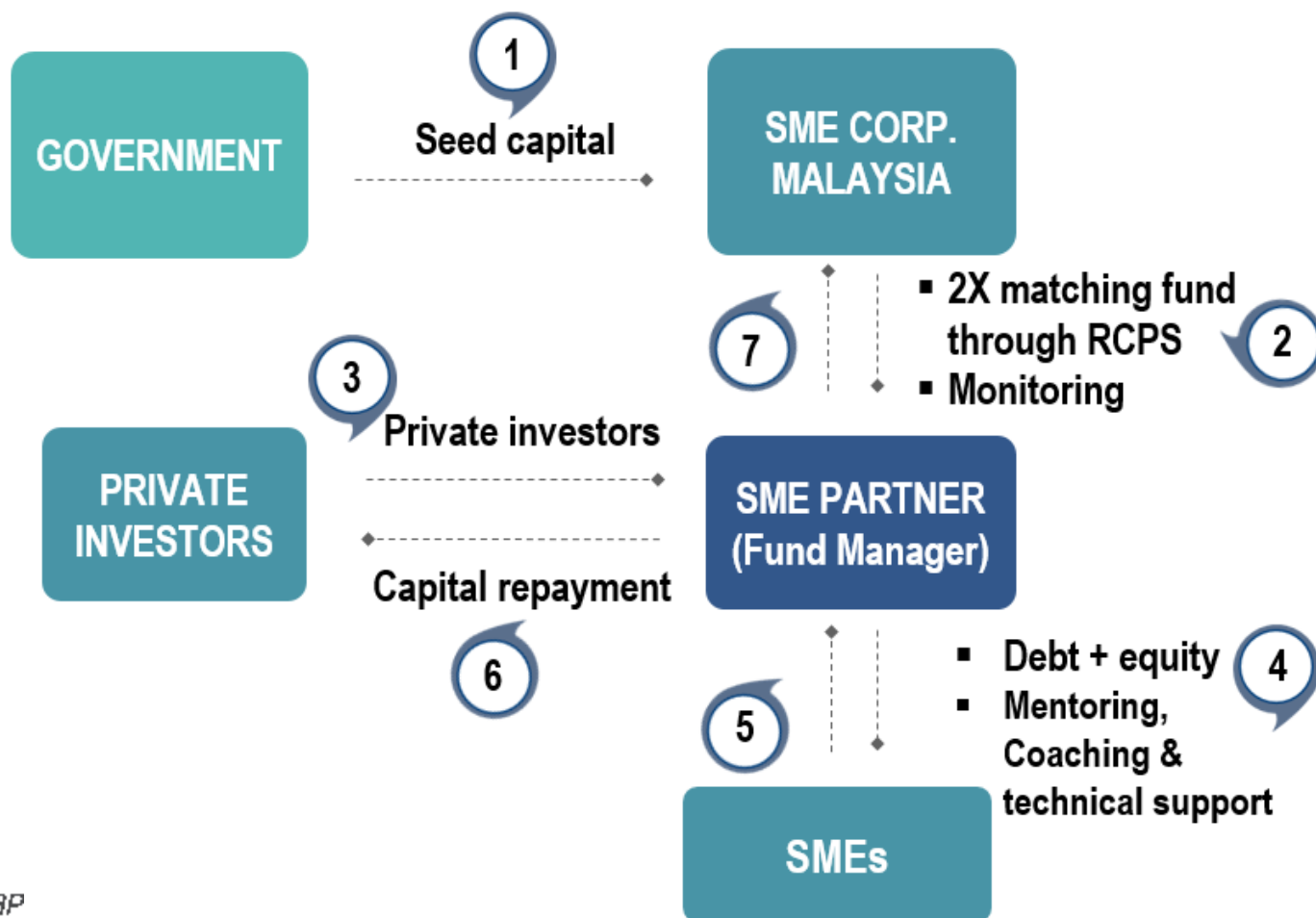
#### Soft Loan

- ❑ Max RM5 million
- ❑ 2% financing rate
- ❑ 1 to 10 years financing period
- ❑ Installation & ICT adoption, big promotional items, working capital



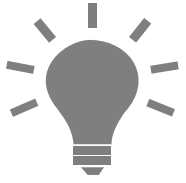
SIP is a co-funding initiative between the Government and private sector with the aim to crowd in private investors to invest into viable SMEs.

This programme is targeted to **enhance access to financing for SMEs, particularly those at early stage in the form of equity, debt or a hybrid of debt and equity.**



#### 4 Key Unique Features of SIP :

- Cater for early- stage SMEs;
- Cover SMEs in all sectors incl. traditional sectors;
- Co-funding between public and private sectors;
- Flexibility to offer both equity & debt funding



# INNOVATION & DIGITALISATION



## HIP 2: TECHNOLOGICAL COMMERCIALISATION PLATFORM

- ❑ Assist SMEs to move their innovations along complex stages of commercialisation process
- ❑ Components of facilitation:
  - POC & Prototype Development
  - Licensing Support
  - Technical Assistance
  - Testing & Validation
  - Regulatory (Certification)
  - Sector-specific market Intelligence
  - Productisation
  - Incubation Services



## HIP 6: INCLUSIVE INNOVATION

- ❑ Promote innovations that assist B40 community
- ❑ Components of facilitation include:
  - IPR protection including prior art search
  - Conceptual design & prototype development
  - Testing and validation
  - Regulatory (Certification)
  - Community training



## InnoCERT

- ❑ Innovation Certification for Enterprise Rating & Transformation
- ❑ Rating to gauge innovativeness of a firm



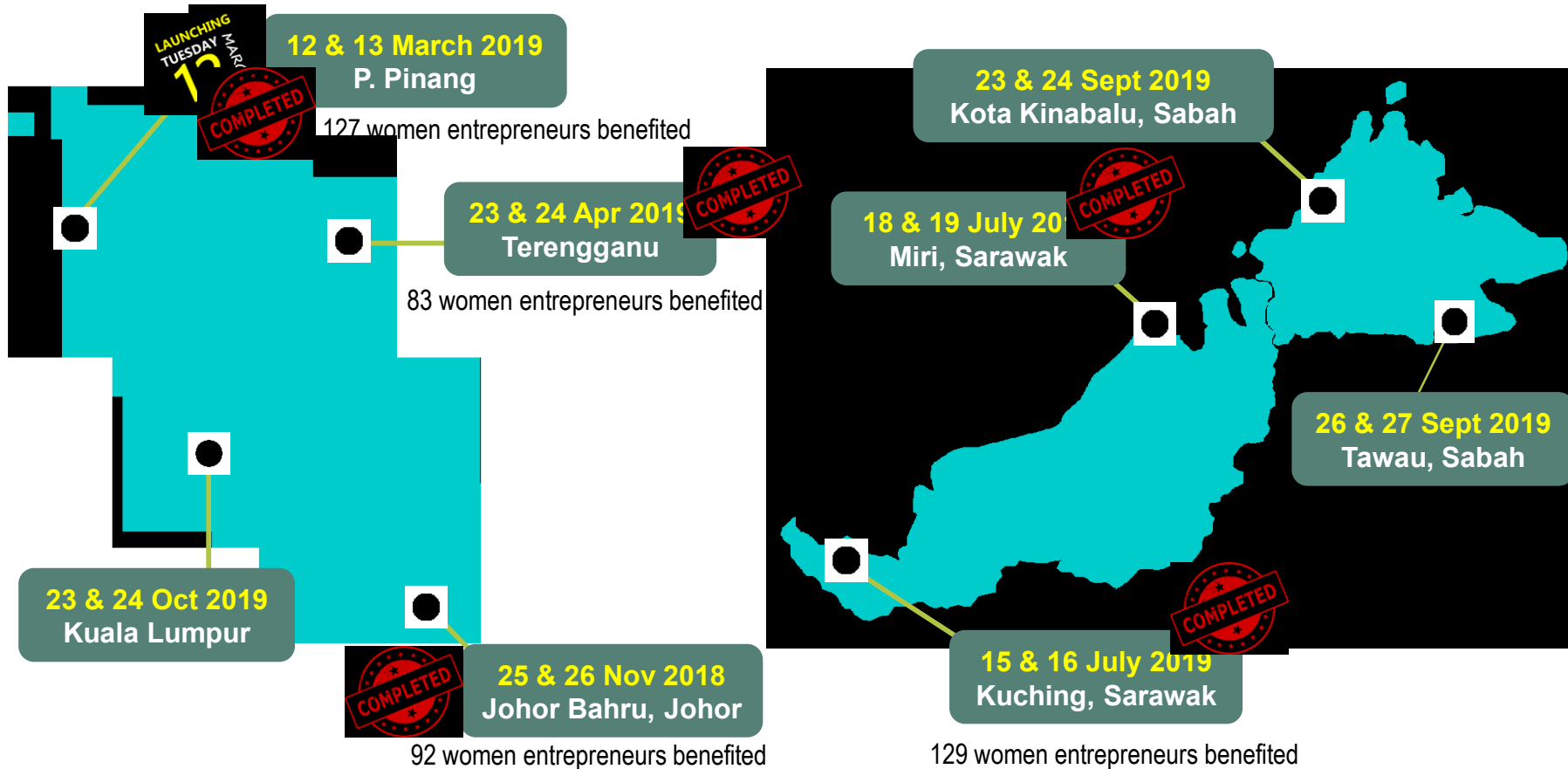
## WOMEN NETPRENEUR PROGRAMME

- ❑ Assist women entrepreneurs to start & grow their business using online platform
- ❑ Collaboration with Shopee, 11<sup>th</sup> Street, Lelong, Facebook & Buy Malaysia (Mpay)

### eCOMMERCE ADOPTION

- ❑ Outreach programmes
- ❑ eCommerce Academy

# 10 sessions being implemented in 2019



E-commerce Adoption Session & Hands-On Workshop  
 Digital Business Workshop  
 (Modules: Business Model Canvas & Customer Journey Map)

19 & 20 Nov 2019  
 Kuching / Kota Kinabalu

26 & 27 Nov 2019  
 Kuala Lumpur

women netpreneur  
2018/2019





# MARKET ACCESS

## SME LINKAGES

Business Matching Platform



New Business Partnership

An avenue for face to face Business Matching Session between SMEs and MNCs, GLCs and Large Companies



Branding Exposure



Potential Sales



**Malaysia Halal Expo** from 24 – 26 Jan 2019 for 2020 Japan Olympics recorded potential business matching sales of **RM135 million** from **223 sessions**





# MARKET ACCESS

## The programmes that help dynamic SMEs to go GLOBAL

### HIP 4: Going Export

### HIP 5: Catalyst Programme

### National Mark of Malaysian Brand

### SMIDEX & SME WEEK

Assist SMEs venturing into new products or new markets. Components of facilitation:

- Market linkers with buyers, suppliers & agents
- Preparation of Export Plan
- Rental of Sales Promotion Office
- Product prototype for overseas buyers
- Supplier Chain Management Program
- International Buyer's Audit Tour
- Market immersion abroad

Assistance in certification, marketing, purchase of machinery & test equipment to SMEs in selected sectors: LED/SSL, biotech, aerospace, medical devices, rail, oil, gas & energy, ship building & ship repair, chemical based - product

Trustmark depicting Quality, Excellence & Distinction

- Recognise local products/ services as high quality & equivalent to established brands
- Registered in Malaysia, Japan, Korea, Belgium, Netherlands, Thailand, Australia & US
- Enhanced visibility of Malaysian products & services in local & international markets



Platform for SMEs to showcase products, services & explore opportunities to be part of global supply chain

Small Businesses • Big Ideas



Platform to promote awareness and acceptance of local SME products and services among Malaysian public and business community.



# ADVISORY & RECOGNITION

## Pusat Sehati Keusahawanan @SME Hub

How can I help you?



### Physical Centre



### On Wheels



### Online



### App SMEhub



SME Info Portal



Resource Centre



Business Advisory Services



SME Hub Links collaboration Government Agencies & other parties



Pocket Talk



Info Centre - Info Line (1-300-30-6000) & Info Email (info@smecorp.gov.my)



Social Media Channels



# CHOR & CHAH

## Mini Drama Series

### PRODUCED BY:



### OBJECTIVES OF THIS INITIATIVE

- 1 Provides comprehensive and effective guidance in doing business
- 2 As an outreach initiative to disseminate latest information on doing business
- 3 Enhance public awareness on the assistance provided to SMEs from various agencies;
- 4 Encouraging youths to venture into entrepreneurship

### FOLLOW US :



Chor&Chah



@chordanchah



Chor dan Chah



@chordanchah

### STRATEGIC PARTNERS :



### CASTS:



*Saharul Ridzuan  
sebagai 'Chor'*



*Umami Nazeera  
sebagai 'Chah'*



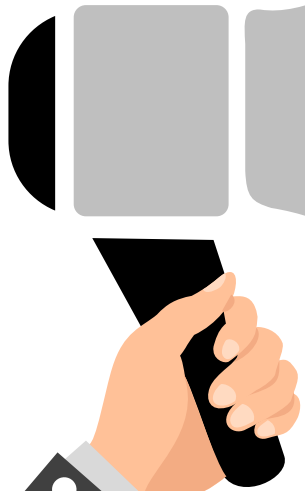
*Nafreez Adam  
sebagai 'Nazli'*



*Ruhainies  
sebagai 'Siti'*



# ADVISORY & RECOGNITION



- Annual award programme organised by SME Corp. Malaysia
- Marks 23rd year in existence this year
- 50 winners every year
- Alumni of 695 companies



A prestigious award programme that recognises achievements of **50 home-grown SMEs**





## ADVISORY & RECOGNITION

101 **guidelines for new entrepreneurs** to start and conduct their businesses..

Basics of Business & Entrepreneurship

01

Starting Your Business

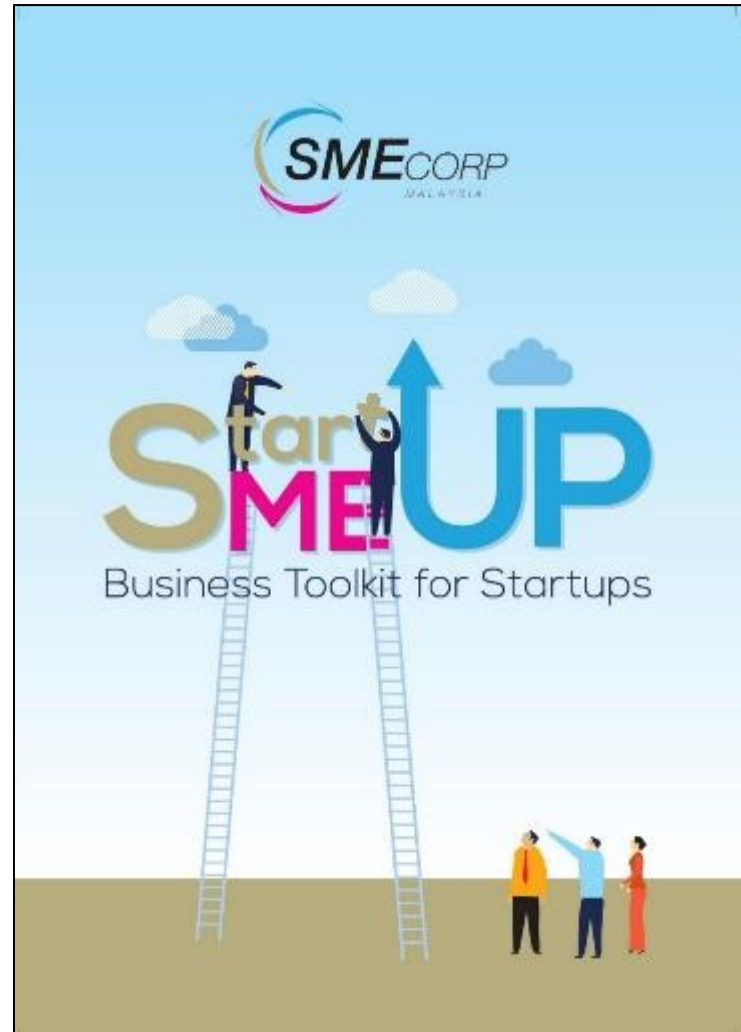
03

Managing The Finance of Your Business

05

People Operations & HR

07



02

Choosing Your Business

04

Legalising Your Business

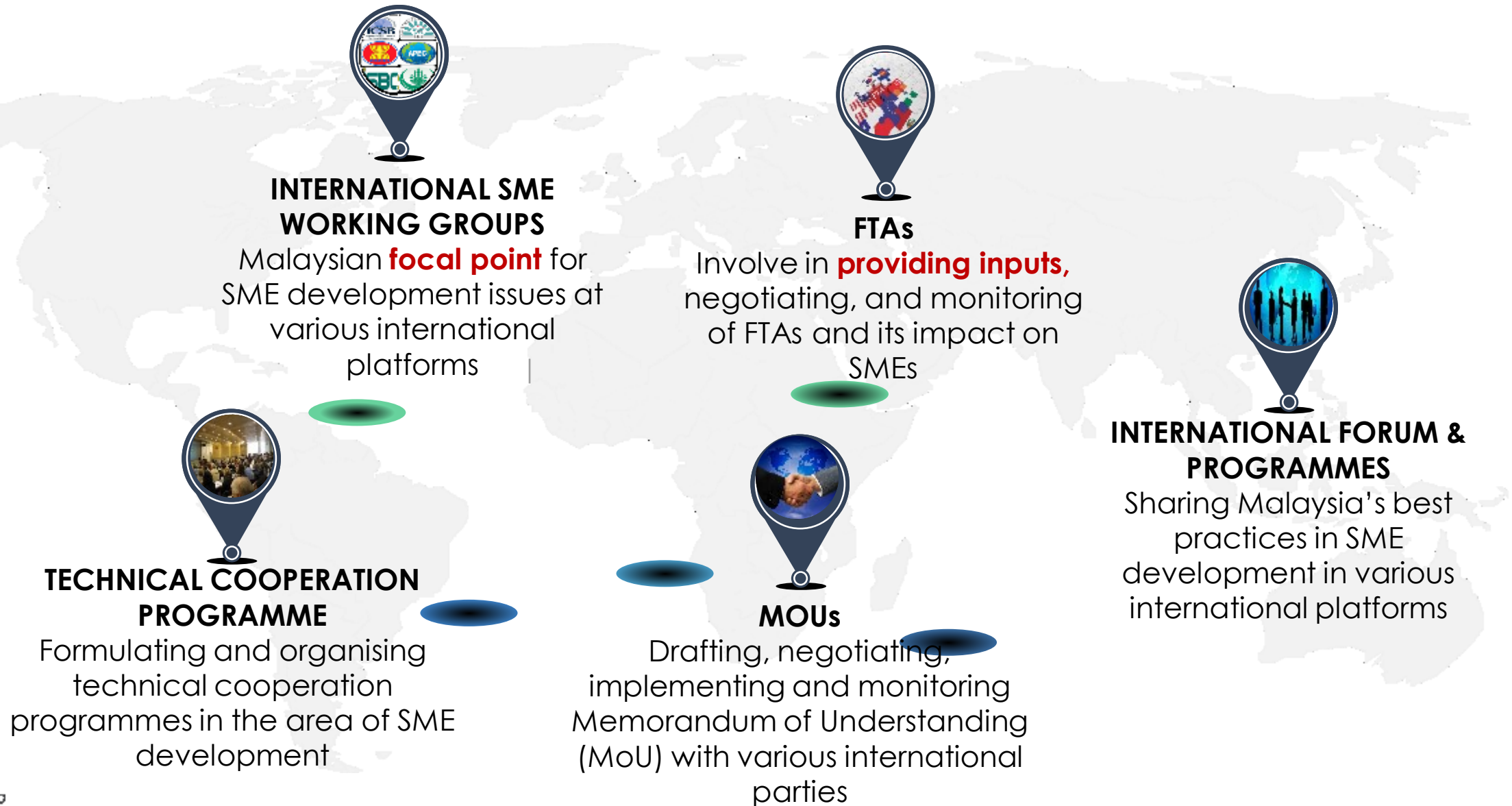
06

Marketing Your Business

08

Operating Your Business

# At the **global front** ...SME Corp. serves as **focal point** in driving SME agenda



# Moving forward, SME development to be aligned to the megatrends and IR4.0



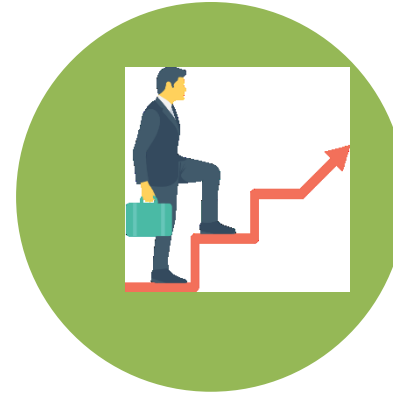
## DIGITAL FUTURE & IR 4.0

- Digital transformation changing business & delivery models e.g. big data, 3D printing, virtual stores
- Increasing mobile device adoption, a “mobile first” world e.g. Cloud, mobile and social technologies



## GLOBALISATION

- Asian middle class-significant spending power
- “New knowledge world order” emerging, with Asia as a hub
- Trading between emerging markets increasing



## RISING OF ENTREPRENEURSHIP

- Drivers of entrepreneurial activity moving from Necessity to Opportunity
- Start-ups with innovative ideas, making a high-impact
- More women & young entrepreneurs



## COMMUNITY LIVING

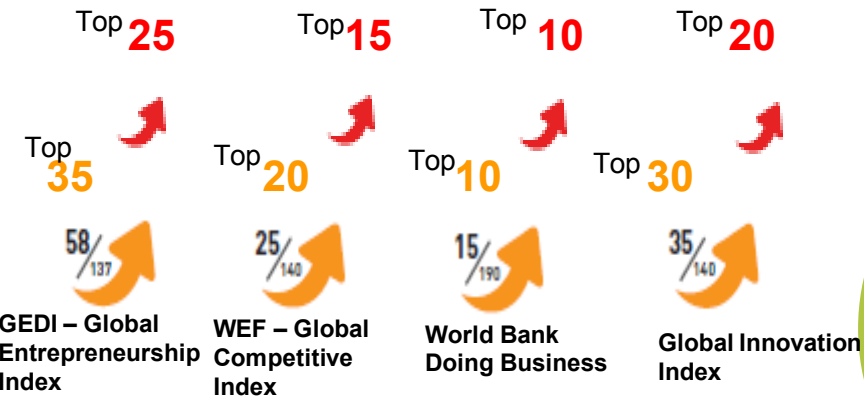
- Empower communities with power of ICT & broadband enabling creation
- Future villages: digitalisation of SMEs

# National Entrepreneurship Policy 2030

...is a long-term entrepreneurial strategy of the country that cornerstone of shaping Malaysia as an Entrepreneurial Nation by 2030.

**2018**                      **2025**                      **TARGET 2030**

## 1. Malaysia's position in the International Index



## 2. Contribution of SMEs to overall GDP



## 3. Contribution of SMEs to Employment



## 4. Contribution of SMEs to total exports



## 5. Contribution to Cooperative Acquisition



**01** Creating a holistic and conducive entrepreneurial ecosystem to support inclusive, balanced and sustainable Malaysia socio-economic development agenda

**02** Moulding a Malaysian society with entrepreneurial thinking and culture

**03** Increasing the number of qualified, viable, resilient and competitive entrepreneurs with global thinking

**04** Enhancing the capabilities of local entrepreneurs and small & medium industries

**05** Making entrepreneurship a career of choice

# DASAR KEUSAHAWANAN NASIONAL 2030

## NEGARA KEUSAHAWANAN

### EKOSISTEM KEUSAHAWANAN

Pasaran . Dasar & Polisi . Pembiayaan . Sokongan . Budaya . Kemahiran & Bakat . Teknologi & Inovasi

### DASAR DAN PELAN TINDAKAN



#### KOMUNITI KEUSAHAWANAN



**Teras Strategik 1:**  
Membudayakan  
Keusahawanan dalam  
Segenap Lapisan  
Masyarakat



**Teras Strategik 2:**  
Mengoptimumkan  
Sistem Kawal Selia  
dan Capaian kepada  
Pembiayaan Kewangan



**Teras Strategik 3:**  
Merangsang  
Pembangunan  
Keusahawanan  
Bersepadu dan Holistik



**Teras Strategik 4:**  
Memacu Pertumbuhan  
Ekonomi Melalui  
Perusahaan  
Berteraskan Inovasi



**Teras Strategik 5:**  
Memantapkan  
Keupayaan dan  
Prestasi Perusahaan  
Mikro, Kecil dan  
Sederhana



**Teras Strategik 6:**  
Mengantarabangsakan  
Perusahaan  
Berpertumbuhan  
Tinggi

**19 STRATEGI**

**62 INISIATIF**

# THANK YOU

---



[www.smecorp.gov.my](http://www.smecorp.gov.my)



<https://smeinfo.com.my>



SME Corp. Malaysia



@smecorp



SME Corp. Malaysia



@smecorpmalaysia