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Implement business plans, Venture 2001 winners told

Jennifer Jacobs

MALAYSIA's first business plan competition, Venture 2001, drew to a close yesterday with the eSmart Team, Accelteam and Zarnet bagging the top three prizes.

eSmart Team develops markets and supports software for booking tee times at golf courses while Accelteam develops software to help companies acquire and retain customers. Zarnet is developing a "global Muslim travel alliance" which aims to establish the first Muslim travel and tours marketplace catering to the need of Muslim travellers globally.

The other teams in the top 10 were e-magineer, INOVA Technology, k-wurx.com, merimen, Orange Internet Shop, The Orenda Server and Team Visual Edge.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who was the patron of the competition, said in a speech at the presentation ceremony in Kuala Lumpur yesterday that he hopes the business plan competition sprouts innovative new ideas which will be implemented into proper businesses.

"I hope this will not stop here (with the awards ceremony) but they will try to implement their business plans so that we will see new businesses in Malaysia. We need people with ideas.

"Malaysia is not rich in ideas. Malaysians have a tendency to copy what the others are doing. If you see one successful nasi lemak stall along the road, you can be sure there will be 11 nasi lemak stalls along the same road in a short time. This is one sure way to make sure that a business fails."

Dr Nikolai Dobberstein, a partner of McKinsey & Co, one of the organisers of the competition agreed heartily. Highlighting some of the challenges Malaysia is facing in creating successful start-ups, he said:

"Most ideas seem to be business ideas, that is, solutions that already exist somewhere else, but might have a first-mover advantage in Malaysia or the region. This is a good start, but probably not enough.

"In fact, relatively few ideas we saw are based on unique technical or process innovations. This is, in my opinion, an area of concern, as long term economic success will depend on our ability as a country to create innovative solutions, especially solutions that have instant global potential."

He said for the moment, it is not clear where these ideas will come from.

Compared to key competitors like South Korea, Taiwan and Singapore, he added, Malaysia's pool of researchers and engineers as well as its investments in research and development are small.

"Good and focused research is underway but we still need to build real 'centres of excellence' that generate and spin off great ideas with exceptional commercial potential."

Dobberstein added that there is also a clear need to help budding entrepreneurs shape their ideas into compelling business plans.

"Although Venture 2001 received a number of really good plans, the quality dropped beyond the top 30.

"Even among the top 30 plans, there is still some way to go to make them truly robust."

Dobberstein pointed out that there also seems to be a shortage of business building competition in Malaysia.

"Successful start-ups require good management teams, teams that are able

and willing to lead a new venture through the very early stages of building a new business.

"These skills are quite different from normal management skills and are, typically generated when people have created successful start-ups and then apply this experience again in new ventures.

"The problem is that so far, venture activities in Malaysia have been limited, resulting in a small pool of business building talent. Obviously, this is a chicken-and-egg problem, but we need to find a way to fix it. Overall, the number of potential management teams seems small relative to the number and magnitude of the opportunities."

Dobberstein said from a national perspective, Malaysia needs to find ways to address these skill issues and put mechanisms in place to develop great ideas and turn them into successful ventures.

"Capital is not the issue. With the recent establishment of the Government RM500 million venture capital (VC) fund and currently more than RM1.5 billion VC money under management, there is abundant money available. This money now needs to dealflow, and this requires mechanisms to generate great ideas, develop them into robust business plans and support them with business building talent to create a venture that has the capabilities to succeed.

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