

16/11/2002

The emergence of the scion

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HIP, passionate and dynamic. Perhaps these three words are sufficient to describe Datuk Yatina Yahaya's personality and approach to life. Yatina's youthfulness and ambitious outlook would probably render her a force to be reckoned with in the local ICT industry. Her tenacity to pursue what she believes in proves her drive and single-minded determination to succeed. Mix that with youthful vigour and passion, you have an explosive combination.

Yatina, 31, currently heads the ICT arm of her late father's automotive empire, the then Diversified Resources Berhad (DRB), now popularly known as DRB-Hicom Bhd after a merger. She is the eldest child of Tan Sri Yahaya Ahmad, the famous corporate personality who once headed the influential National Chamber of Commerce & Industry of Malaysia.

Yahaya was known to be innovative and aggressive in pursuing his corporate vision, which incidentally usually involved national interests. Taking a cue from that approach, Yatina has single-handedly delivered the national computer - Komputer Nasional (Komnas) Twenty20.

It was sometime in the middle of last year when Yatina became convinced of the potential a Linux-based PC holds for the company and, more importantly, the country. Yatina, who has a degree in Accounting and Finance and is in the final stages of her MBA programme at the University of Western Australia, pursued the dream with doggedness, especially in trying to get the blessing of Prime Minister Datuk Seri Dr Mahathir Mohamad for the project. She first wrote a proposal letter to the Prime Minister on her idea of a Linux-based PC. Three days later she received a call to prepare for the first presentation to the Prime Minister. By the second presentation a month later, the project was approved. She carried the prototype Komnas right up to Germany where the Prime Minister was on an official visit to convince him of the viability of the project.

But when DRB-Hicom's subsidiary DRB-Hicom Information Technologies Sdn Bhd (DH Info Tech) launched the Komnas Twenty20 PC on July 24 this year, many believed it was another case of a conglomerate muscling into a relatively lucrative market that it had no experience in for the sake of raking in the profits.

To some extent this is true. The contribution of IT services towards the group's existing revenue stream is estimated to be approximately less than twenty per cent. Apart from some small IT subsidiaries, DRB-Hicom is indeed a greenhorn in the ICT industry.

On the other hand, according to research group IDC, the first half of 2002 saw the desktop PC shipments in Malaysia reaching close to 318,000 units with commercial desktops taking up 60 per cent and consumer desktops 40 per cent. The total PC market Malaysia is valued at over RM1 billion, with the desktop market accounting for about 68 per cent. By the end of 2003, IDC expects the value to reach RM3 billion, with desktops taking up 65 per cent of the sales. The lure is certainly strong.

But a closer analysis of the situation reveals a more intricate motive driven by not only corporate targets but also, dare we imply, an altruistic aim. According to Yatina, who is the chairman of DH Info Tech, the development of Komnas Twenty20 is in line with the government's desire to ensure that the country is self-sufficient and self-reliant in terms of its ICT needs. This explains why the company opted for a Linux-based operating system, which is based on an open source system, rather than the

more familiar proprietary operating systems such as Windows. It was indeed an unnecessary gamble, from a business point of view. Linux-based home PCs are a novelty and Komnas Twenty20 is the first of its kind. In short, mindshare had to be cultivated before the first PC could be sold.

The rationale, Yatina explains, is that Malaysia requires a technology that is an open and independent platform to allow it to innovate and eventually become an ICT powerhouse. Linux affords such possibilities and hence the choice. But she is quick to point out that this does not mean DH Info Tech is working on an isolationist mode. 'That is hardly the case. Instead, the idea is to co-exist. This is why we have made our system compatible with proprietary systems,' she says.

And what about the general suspicion that DH Info Tech could try to corner the PC market, especially the potentially lucrative government sector market? 'That is a huge misperception. Komnas Twenty20 caters only for the home market,' she says, though not completely ruling out the possibility of moving into the corporate market in the long run.

Another interesting myth, Yatina says, is that Komnas Twenty20 is competing on price point alone. She dismisses this claim. Actually, even if they try doing so they would probably fail. The price of a cloned machine with comparable configuration is definitely cheaper than RM1,899 - the retail price of Komnas Twenty20. Even branded PCs are not too far behind. Dell, for example, is currently promoting PCs that are priced only marginally higher than Komnas Twenty20 but with add-ons such as a printer thrown in.

This lends credence to Yatina's contention that Komnas Twenty20's basic competitive thrust lies in the value-added services it offers. For example, DH Info Tech has partnered TM Net to make it possible for all new buyers of Komnas Twenty20 to automatically get 50 hours of Internet access. 'Anyone can hop onto the Internet bandwagon immediately after purchasing our PCs. Having Internet access is key to appreciating the true power of computers, and we have made access to it simple,' she points out.

Another key differentiating factor lies in Komnas Twenty20's innovative dual language interface that incorporates English and Bahasa Malaysia. This has made first timers' computing experience so much more convenient and less intimidating, especially among the lower- and medium-income groups which are generally more conversant in Bahasa Malaysia.

It is also hoped that demand will be fuelled by an easy payment scheme and an efficient distribution system. Towards this end, DH Info Tech recently inked deals with seven organisations to complete a comprehensive payment and distribution model. They are Bank Simpanan Nasional, Angkatan Koperasi Kebangsaan Malaysia Bhd (Angkasa), Pos Malaysia, Telekom Sales and Services Sdn Bhd and three other DRB-Hicom subsidiaries - Puspakom, EON Bhd and Scott & English Electronics Sdn Bhd.

Human forte

The most important variable in the equation is perhaps the human factor. From the day the project was conceptualised, it has been nurtured by a coterie of relatively young and enthusiastic people headed by Yatina. The management team's average age is early 30s. This select group had from early on understood the project's larger potential and bigger picture.

In fact, the Komnas Twenty20 project has grown from an internal initiative, driven by Yatina as the senior group director of management support and group synergy in DRB-Hicom. It was meant to push DRB-Hicom's 32,000 employees to become more PC savvy. But before long Yatina was asking herself the question, why not develop computing solutions on a more holistic basis?

The internal initiative evolved into a project to provide Malaysians with an affordable PC having equal functionality as other branded PCs.

According to Yatina, at that time she was also extremely fascinated by the possibilities that Linux technology offered on various fronts. For one thing, it could be the perfect tool to tackle the country's digital divide issue, which is becoming a growing cause for concern. It is also felt that since there is growing awareness on open source applications, this is perhaps the best time to introduce a PC that runs on Linux operating system.

Yatina, who speaks Bahasa Malaysia, English, Cantonese and French, then did an extensive study on open source technology, Linux in particular. She soon became a firm convert of the open source movement and what it represents. She was especially attracted by the possibility of forming a creative and an innovative community of ICT users. 'This is difficult when using a proprietary system. For example, what we want our children to learn is word processing and not to be locked into learning any proprietary systems,' she says. Furthermore, Yatina believes that open source community can cultivate the kind of culture that would be the foundation for the country's solutions and services market.

According to her, the project has the full support of DRB-Hicom's senior management, including its chairman Tan Sri Mohd Saleh Sulong. It is perhaps seen as a good opportunity to gauge the mettle of Yatina who was thrust unexpectedly into the corporate scene due to the tragic death of her father in 1997. Komnas Twenty20 is her baby, and she is given a free hand to turn the project into the pride of the country.

Challenges

Industry observers say that how fast Komnas Twenty20 can grow depends on how fast the local Linux community can swing in to develop applications. They point to the fact that Komnas Twenty20's current configuration is unable to support any Windows-based computer games, and this could prove to be a major obstacle. To counter this, DH Info Tech is making efforts to collaborate closely with universities and local Linux enthusiasts.

Another area of concern is education. IDC Malaysia senior analyst Yvonne Yong says long-term sustainability of the project is tied closely with proper education of what Linux can and cannot offer. One way to counter the mindshare lead that proprietary systems have is by reaching out to the uninitiated, computing wise, such as students. The Ministry of Education is currently testing Komnas Twenty20 in two schools in Melaka and Pahang to gauge its viability when used in a school environment. It is also common knowledge that the company is very keen to play a key role if the Employees Provident Fund (EPF) Computer Purchase Withdrawal Scheme is ever reactivated. 'We believe the programme can be efficient if EPF only deals with a single vendor,' Yatina says.

However, this appears to be unlikely for the time being. Replying to a query by mb-e, EPF senior general manager (Corporate Services Department) Hizwani Hassan says EPF does not have any intention to revive the Computer Purchase Withdrawal Scheme, which was abolished in August this year. According to him, one of the reasons for this is that a study by consultants showed that 80 per cent of PCs in the country were not purchased through the scheme, indicating that the 'one computer, one home' agenda can be achieved without the scheme.

Looking ahead

DH Info Tech has already applied for MSC status, and it expects to be given this honour by the first quarter of next year. However, Yatina quashes any talk of a possible listing exercise. 'For the time being we are more concerned about bridging the digital divide,' she says. A sensible position for a company backed by a RM10 million paid-up capital and DRB-Hicom's vast resources.

On the technology side, the 30-member strong R&D team is working hard on

a number of new applications and products. Top of the agenda is the idea of introducing a tablet PC with a Linux OS. This project is apparently at an advanced stage, and there is a likelihood that the product will be introduced by early next year. Other models of Twenty20 featuring different hardware and software configurations are also expected to debut at about the same time. The objective is to eventually tap the larger PC market - beyond mere desktops. Yong says Q2 2002 results showed that the PC market (comprising desktops, notebooks and Intel-based servers) in Malaysia for the first half of 2002 was close to 395,000 units. 'The number will eventually hit 800,000 units by the end of 2002 while growth for 2003 is expected to hover in the range of 11 per cent to 14 per cent,' she says.

The company also has plans to go regional soon. It has, among others, targeted developing countries within ASEAN such as Myanmar. However, this is unlikely to be anytime soon as focus will initially be on the local market. 'The long-term goal is to play our role in fashioning Malaysia as the open source hub in the region,' Yatina says.

While many enthusiasts are only talking about harnessing the possibilities of the open source movement, this gutsy lady has taken the bull by the horns. Yatina is undeterred by what the critics say. True to her character, she is ploughing ahead to create perhaps the first major open source initiative in the country. Backed by DRB-Hicom's financial clout - the company is the 17th largest listed company in Malaysia in terms of turnover, (Malaysian Business, Oct 16-31, 2002) - the chances of Yatina pulling off this feat look bright. And considering her national aspirations at heart, it is indeed a case of mixing business with pleasure, national pleasure, that is.