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Becoming a Homegrown World Beater

FSBM Holdings Bhd has carved a niche for itself as one of the country's foremost ICT players and is involved in four major sectors; systems and solutions, telecommunication and multimedia, education and training and healthcare.

In a bid to expand its overseas presence and to grow its business, the Second Board-listed company has chosen to focus on the lucrative multimedia and mobile business through its telecommunication and multimedia division. The company has ventured into the Voice over Internet Protocol (VoIP) business in 2000 in the form of its IPZOne product and services. In 2004, it decided to train its eyes on developing applications for the mobile platform.

This culminated in FSBM introducing an innovative product known as UNOS Voice after almost three years of development. UNOS Voice allows mobile phone users to download a Java-based virtual SIM (Subscriber Identity Module) onto their phone and this enables them to be able to make and receive calls without the use of a physical SIM card. UNOS Voice also allows other innovative features such as private branch exchange (PBX) services.

Helmed by the Michael Ta Chee Loong, CEO of FSBM's multimedia business, the company is confident its UNOS product line is the beginning of a disruptive technology and aims to take on mobile operators on their own backyard. In a recent interview, Ta tells mb-e why the company is bullish about its future and prospects in the fast-paced mobile industry.

Historically speaking, we have been very strong in the ICT arena, and we still are. For us, diversifying into the mobile business is basically about building a new business platform for the group. FSBM started with IPZone, when the Malaysian Communication and Multimedia Commission (MCMC) deregulated the VoIP business in Malaysia in 2000. Then, we started doing VoIP business, but now, it's a very constrained industry. Thus, we've chosen to focus on the mobile business because we believe the mobile phone is becoming a mini-PC. With data connections such as 3G beginning to take up-this has opened up a whole new business model for the industry.

That's why we are geared to developing applications on the mobile space as we see there is a big market for this. Also, all this while, FSBM has been focusing on

the domestic front with its ICT business and now we believe a product such as a UNOS will take the group international.

How optimistic are you about the success of your UNOS product in the region?

We are very confident. UNOS Voice is a product that's independent of mobile operators. It allows our customers to bypass their respective telco infrastructure and to do different things never possible before. This is in line with what the Web 2.0 revolution is about – giving consumers the power to choose the kind of application they want, something I call Telco 2.0.

In terms of competition, there's no one competition, there's no one competitor that has the entire suite of services that we have as we have consolidated all our services onto the mobile platform. Thus, we are very confident that we will take lead in opening a new market for us as well as providing a new application platform for users to experience, more so when we launch our UNOS Voice Pro version in the coming month.



You've plans to grow your product in the region. In fact, you've recently entered China. How has this been for your company?

We're partnering with a local telco, a joint venture between NTT Engineering and China Netcom because in China, to generate traffic from a local subscriber base as you can't siphon mobile traffic out of the country. So it's quite a coup for us to work set up this joint venture company so quickly. Also in China, we're just focusing on corporate customers and we just started last month. So far, the response has been very good.

How good is good?

The existing database of corporate customers we're working with numbers over 20,000 customers, most of whom are foreign companies from Japan and Korea. Since going in (to China) with our partners, we've managed to introduce our UNOS service to them with a take up rate of over 90%. We've also received requests from one of our alliance partners which has a database of 3 million subscribers to incorporate our applications into their services.

Outside of China, particularly in Singapore, we are in discussions with some financial institutions to help them provide value-added services for their subscribers.

As the CEO of a company that is involved in an extremely dynamic industry, what do you believe are your greatest challenges for you and your company?

One of our biggest challenges is to get the right skill set and manpower. Developing UNOS has its challenges because it's very new and niche product and getting the right people from Malaysia is one of the key issues. Mobile development is very new and it takes time to develop people. So, we would like to find people that will do well.

Another challenge is the ability to adapt to changes within the industry, to be aware of who our competitors are, and to understand what the consumer wants out of products. We also need to balance the needs of different markets as one market's behaviour differs from another.

How do you shape your staff to face these challenges?

Communication is the key. Every staff should know the objective of the company and they must be able to see the contribution they're making to the product we're building. From an operational perspective, I have meetings with my guys and have constant communication with them every week as the mobile business is so fluid. If not, they might think I'm fickle when I change strategies to adapt to market conditions and this will kill their passion for their work, which is definitely not good for the company.

UNOS was recently voted as one of the top innovators by GSM Association (GSMA). What does this mean to you and your company and what does it say about homegrown technology companies in the world stage?

Firstly, the GSMA is very much a mobile operator-led association. Our UNOS product is mobile operator independent and for us to be voted by them is testimony to the fact that users want something different now in the market. This

has been a real good accolade for us as this affirms that we are on the right track.

Secondly, it was a proud day for us and a proud day to be called a Malaysian because UNOS is the brainchild of homegrown Malaysians. As for Malaysian companies, I think we've shown that we are innovators and that we can compete with the rest of the players in the world rivaling the best from the world, and perhaps even showing that we're better than them. I believe we've also shown that we have cracked the stigma that is often associated with Malaysian products – that we can't come up with products which can be a world beaten. Mb-e