

SKALI LAGI

One More Time...



Tengku Farith Rithauddeen

SKALI LAGI

One More Time...

Tengku Farith Rithauddeen

Published by



GoodBasic Media Sdn Bhd
7 Lorong Utara
46200 Petaling Jaya
Malaysia
www.goodbasicmedia.com

Copyright © Tengku Farith Rithauddeen and SKALI 2007

ISBN 978-983-2992-06-6

All rights reserved. No part of this book may be reproduced in any form or by any means without prior permission from the publisher.

Printed by

Vinlin Press Sdn Bhd
56, 1st Floor, Jalan Radin Anum 1,
Bandar Baru Sri Petaling,
57000 Kuala Lumpur, Malaysia

Contents

Introduction

Advance Praises

Foreword

Acknowledgements

Prologue

Chapter 1	Meeting Future Partners	15
Chapter 2	Multimedia City	27
Chapter 3	Forming Skali	37
Chapter 4	Into the Fire	46
Chapter 5	Changing Business Models	58

Retrospective

Chapter 6	How to Survive In Business	73
Chapter 7	Finding a Solution	81
Chapter 8	Projects Rolling In	87
Chapter 9	Networking with the Community	94
Chapter 10	Fostering Technopreneurship	100
Chapter 11	Preparing for Listing	107
Chapter 12	One More Time ...	114

Epilogue

Introduction

Being an entrepreneur, I have learnt much more than I would have had I stayed on working for established corporations. I have learnt the value of money and sacrifice. I have also come to appreciate the role of entrepreneurs in this country's economic growth.

During a talk I once gave to PROMUDA (Dewan Professional Muda Malaysia), I was asked by an audience member the definition of an “entrepreneur”. My answer was that it's someone who keeps getting up every time he falls. In other words, someone who will “never say die”. To me, that is the essence of entrepreneurship.

I wrote this book to tell our story, especially the mistakes we made and the lessons we learnt from them. I hope our story will serve as an inspiration to other entrepreneurs, especially those who are still struggling to make it, as well as those who are thinking of trudging down the path of entrepreneurship.

Another reason for me writing this book is to honour every team member of SKALI for their drive and sacrifice. I am a better person because of them and SKALI would not be what it is today without their support and commitment.

Tengku Farith Rithauddeen

December 2006

farith@skali.net

Advance Praises

“...an honest reflection of the struggles technopreneurs endure in this crazy journey chasing the dotcom dream.”

~ *Chris Chan*

CEO of TMS Bhd

“... a must-read for potential entrepreneurs as well as seasoned ones as it shows how they have successfully and continuously re-engineered and adapted themselves while staying focused and true to their vision.”

~ *Roslan Bakri Zakaria*

CEO of Innovasia Sdn Bhd

“A reminder that even the best of us have to struggle before we succeed in the exciting but tough world of technopreneurship.”

~ *Dr. Sivapalan Vivekarajah*

Founding President to Technopreneurs Association of Malaysia

“Witty and candid reflections of a survivor of the dotcom industry.”

~ *Badlisham Ghazali*

CEO of Multimedia Development Corporation

“...delivers a strong direct punch of a technopreneur's true mentality.”

~ *Datuk Dr. Arif Nun*

Former CEO of Multimedia Development Corporation

Foreword

Tengku Farith and his colleagues in SKALI are technopreneurs extraordinaire, who make this nation proud.

They have led SKALI, an IT company, from its inception in 1996 to the present. The company was set up in response to the national vision to create a digital economy which is knowledge-intensive.

I'm very proud of their success because they had to face many challenges, trials and tribulations, to succeed in the marketplace that is so highly competitive.

SKALI stands tall today, mainly because of the quality and dedication of its staff at every level. The complete devotion of the SKALI team, especially evident in Tengku Farith, Maznida, Aimi, Azmi and others, has helped to ensure the company's continued success over the long term.

We can learn lessons from SKALI's experience as a start-up high-tech company, where human resource has shown to be a critical factor. After the dotcom crash, many multimedia and IT companies had to shut down but not SKALI.

When business was bad, the staff had to take a pay cut and at times, forego their pay completely. It is therefore, not surprising, that SKALI has emerged more resilient and is now one of the leading IT companies in the region.

Another major strength of SKALI is its ability in managing change to meet market demands. Initially, the company derived revenues from advertisements in collaboration with the search engine company, AltaVista.

When that business model was no longer sustainable, SKALI had to diversify to broaden their revenue base, and it succeeded in doing that too.

The future of SKALI is indeed very promising because it has the talent as well as the strength of will to grow even bigger and to achieve great heights. I will continue to follow the SKALI story with interest.

**Professor Emeritus Tan Sri Dato' Dr. Syed Jalaludin
Bin Syed Salim**

Executive Chairman of Bank Rakyat
(Former VC of Universiti Putra Malaysia)

Acknowledgements

Many thanks to my partners in ACIF Resources, Azmi and Aimi, who contributed their memories to this effort.

Special appreciation goes out to my partner in SKALI, Maznida, for helping me write the draft version of this book and for tireless fact-checking and research.

My gratitude to the folks at GoodBasic Media for helping me put together this book, especially Oon Yeoh for co-writing it and Hou for designing it. Dina Zaman also deserve thanks for editing the manuscript.

Prologue

They say when it rains, it really pours and I can personally vouch that this is true. The hardest period of my life was in early 1999, when I decided to leave behind a steady corporate job to work at SKALI full time.

It's something I felt I should do since all my other business partners were stuck there. They were my friends and I couldn't stand by the wayside while the ship was sinking. I had to jump in and help to keep it afloat.

I remember feeling kind of useless at times because many of the problems were out of my hands. The Asian economic crisis had driven interest rates sky high and we had shareholders and creditors constantly knocking on our door, chasing for payment.

Our employees were also getting disgruntled because we couldn't pay them their full salaries, and at one point, they actually quit en masse. Overnight, from a company with over 30 employees, we were left with only two, who were loyal enough to stay behind.

To make matters worse, all of us (the founding directors of SKALI) were facing domestic problems because we were spending so much time at work trying to fix things that our spouses began to get fed up with us.

But probably the most demoralising moment of my life happened when I had to travel down to Singapore to meet the representatives of Nomura, one of our main creditors, which had lost patience with us.

At that time I was flat broke, and couldn't even afford to catch a plane to go there so, I took a cheap express bus instead.

I boarded the bus at Pudu Raya at 10 pm but could not sleep throughout the whole journey. When I arrived in the Lion City at around 4 am, I headed straight for a nearby hotel and loitered around in the lobby, waiting for the sun to rise.

While lounging around in the lobby, I kept turning away the waiters asking me to buy a drink, telling them my limousine to the airport would arrive at any moment. I kept that up until 8 am, and then headed for the Nomura office.

“Farith-san, I want to shut you down” the Japanese representative from Nomura told me shortly after he invited me to sit down. I was shocked. He didn't even have the courtesy to offer me Japanese tea before breaking the bad news to me.

I forced myself to smile as my mind raced around for a suitable reply. What I really wanted to say was, “If you shut us down, all you'll get is the shirt off my back!” But better sense prevailed. He had me by the balls and I didn't want him to squeeze.

Someone once told me that effective negotiation was about increasing the cost of the other party disagreeing with you, and decreasing the cost of him agreeing with you.

So, I explained to him that there were several parties now interested in investing in SKALI and if he'd give us more time, he'd get so much more than if he were to force us into liquidation. I promised that Nomura would be among the first to be repaid once we got a new investor in.

After a long silence that seemed to last forever, he replied, "Okay, we'll wait."

I had bought us some time, but I knew this was a bandage, not a cure. We still had a lot of firefighting to do in the days to come.

On the bus journey home, my mind was filled with "what if" thoughts. What if the Japanese guy changes his mind? What if we fail to get a new investor? What if we really went bankrupt?

Then, all of a sudden, a feeling of defiance rushed through my veins. I wanted to prove all our creditors wrong.

“Some men see things
as they are and say,
‘Why?’

I dream things
that never were and say,
‘Why not?’

~ *George Bernard Shaw* ~

Chapter 1

Meeting Future Partners

At the age of 13, I learnt what fortitude meant.

My name is Tengku Farith Rithauddeen. I am the CEO of SKALI. If you're familiar with the IT industry, you would probably have heard about and witnessed SKALI's various incarnations: from a humble content provider and small time player in a game surrounded by big boys like Yahoo! for example, to what we are now. An e-business specialist. We are your business partners in every way.

Today SKALI can boast that it is a survivor, and a business entity to contend with. If you had thought SKALI was once just a plaything of ambitious Malay scions, it is now an organisation that the country can be proud of, for we fought tooth and nail to be where we are now.

Contacts and good networks can only bring you so far. If we did not have the drive, the ambition and the intellect, SKALI would not be here today. SKALI is that spirited child who has grown up to be a leading force in the industry.

But first things first. To understand SKALI would be to understand who the individuals behind the company are. I'll begin with myself.

My parents, Tengku Ahmad Rithauddeen and Tengku Nor Aini have always been firm but loving to us. There are six of us – Tini Supardi, Tengku Farahlucia, Tengku Feizaluddin, Tengku Putri Falida, myself and Tengku Fadli. We're pretty close, and at the same time, we lead our own lives, like all families. To say that we were handed a casket of gold would not be correct, for we too have had our share of failures and successes. I for one can attest to that!

My father was a government minister, and he was always busy. It didn't mean that he was a distant father, but his duties as a high profile government servant meant many long periods away from home. So it was left to my mother to care for and discipline us, and she could be formidable when she had to be.

I would say that my mother was the true entrepreneur in the family. You know what they say about Kelantanese women – they have business smarts to die for. My mother loved a good business deal, and she had an eye for properties. To say that she was a leading feminist cum business figure would be misleading for Kelantanese women are very entrepreneurial and driven. They are not the downtrodden Muslim women the media makes them out to be.

My parents felt that international exposure would stead us children well. My friends have always wondered why I went to high school in Ottawa, Canada at the age of 13. My parents figured that since Ottawa was one of the coldest places on earth, I'd focus on my studies instead of playing the fool, if I were sent elsewhere. My cousins were all abroad – in the UK and US at the same time, so my parents had strong reasons to send me to Canada.

Their strategy worked and I got through high school and college quite smoothly, finally graduating from Carleton University with a Bachelor's degree in Economics in 1992.

Was entrepreneurship in my blood? Well, my grandfather was an entrepreneur. He was probably the first large-scale Malay rubber plantation owner. I remembered him as a very powerful man: strong, stoutly built and determined. He was always in the rubber estates, making sure everything was working and in order.

My mom had pretty progressive ideas when it came to business. When my siblings and I were still schooling, she used to buy property in places where we studied. This made sense because then we'd save money on lodging, staying in those houses and taking good care of them. To build up the value of the houses, my mom would renovate them with craftsmen flown in from Kelantan, who had the virtue of being both affordable and talented. Imagine if she had hired Canadian craftsmen to renovate the houses – she would be paying through her nose for their services!

After we graduated, she sold the houses. A lot of people questioned the move – when you think of it, it takes a lot of capital to send workers overseas to renovate the houses! Yet it paid off: the real estate value of the properties shot up, people enjoyed living in them and that taught me one thing: your house must be in order in order to create harmony.

It also trained us, her children, in financial management because many of the rooms would be rented out to other students. I would collect the monthly rental from the students and pay the necessary dues like taxes, utilities and so forth. I would also regularly send financial statements to my mother and she would give me instructions on what kind of things to buy for the house.

It was a pretty successful business for the family and paid for all our education. She still has a few properties left. One of them is in Orlando, Florida and is located right in front of the famous Universal Studios.

Entrepreneurship may have been in my blood, but it was dormant for a while. I graduated and came back to join Commerce International Merchant Bankers (CIMB). I was attached to the privatisation unit, which was then headed by Nazir Razak, who is now the Chief Executive Officer. I enjoyed working at the bank as a corporate finance executive. It was good training for me. It taught me how to be thick-skinned, which is essential for business.

I learnt the ropes the hard way, and I started from the very bottom as I was the most junior person in the team. My colleagues used to joke that my role there was that of the CEO – Chief Entertainment Officer. I had to organise all the entertainment functions of the company, which was quite an eye-opening experience for me. After all those years of freezing my butt off in Canada, I finally learnt what having fun was all about!

The Corporate Finance and Privatisation team was pretty small. We had about only 20 people, and a very flat structure. Even the bosses were questioned by the subordinates when they screwed up from time to time. The best thing was they didn't mind it. It was a very good environment to work in.

The corporate culture was gung-ho, from the word “go”. The atmosphere then was fraught with tension, anticipation and pure testosterone. It was a pressure cooker then, for we had to prove ourselves to everyone! Imagine, Nazir at the time often had to go head-to-head against the likes of Rashid Hussein of RHB who was pitching for the same deals we were going after. Back then, Nazir was still an up and coming executive, and at that time Rashid was a big shot. Still, we managed to win some contracts.

We were all young and hungry. We wanted to taste success on our own terms. Admittedly Nazir came from an illustrious family, but he had the smarts and drive. He wouldn't be where he is now if that wasn't the case. So it was doubly important that we proved to people and ourselves that we could do it.

I remember once, when we were pitching for the Petronas Dagangan's IPO, we arrived only to find that the elevator wasn't working. Instead of calling the technicians to fix the problem, we decided to use the stairs and actually ran up 20 floors to get to the meeting. We arrived in the room all sweating, huffing and puffing. But the important thing is that we made it. That's how driven we were.

How it all began

My first exposure to IT was as a kid in the 80s, using an Apple II to play flight simulator games. I also read a lot of books and magazines about computers and learnt how to do some basic programming using the BASIC language.

In college, I took Management Information Systems courses. So, while I'd hardly call myself a techie, I certainly wasn't a Luddite either. Later on, while at CIMB, I was also fortunate enough to be exposed to IT too – though only because I was the most junior person there. I had to learn how to use PowerPoint to create presentations because nobody else in my unit knew how to use it. You must remember this was way back in 1992 when even Microsoft Word was not that popular yet.

The CEO Robert Cheim used to ask me to prepare his PowerPoint slides whenever he had a presentation to make. Soon, word got around that I was quite good at this, and sure enough, everybody had me doing their PowerPoint presentations.

I also learnt how to use spreadsheets for financial modelling. The software that we used was Lotus 123, which was pretty new at the time. I taught myself how to use that too. And yes, soon enough, I was doing everybody's spreadsheets. Such was the life of a low-level corporate grunt. But I didn't mind. I found the experience interesting. More importantly, it showed me how much technology could be used to improve productivity.

I didn't have a clue that my future would be in IT, though. I thought I'd just end up being a corporate boy like everyone else. Work through the ranks, cut a few deals... have a good life. That was what was expected of all of us. Get a good job and be done with it.

It was at CIMB that I met Azmi Ahmad, who would later become my business partner in SKALI. (He recently resigned as director of SKALI, fulfilling his wish to retire by 40. He will be missed greatly). Nazir had been transferred to run CIMB Securities and Azmi stepped in as acting head of the Privatization Unit.

Azmi is by nature a very diligent and meticulous person. In many ways he is fraternal; he also has a sense of humour and yet, he is also conservative. It is precisely this trait that tends to rub people the wrong way, when actually he is just earnest about getting things done right.

At the time, there was a lot of restructuring going on in the Commerce Asset Holdings Group and CIMB was to be folded into Bank of Commerce (BOC). The restructuring called for a harmonisation of salary payments and announcements of bonuses. At the merchant bank side, salaries tended to be low but the bonuses were incredible, and something we all looked forward to at the end of the year.

Traditionally, CIMB would announce in early December how much the bonuses would be, and pay us at the end of the month, together with our salaries. But due to the harmonisation process, CIMB had

to follow BOC's policy of announcing and paying bonuses sometime in the coming year.

Azmi being Azmi was concerned about the welfare of the staff. "They can't do this to us," he said. Well they were doing it. We were all upset at this new ruling and Azmi decided to send a letter to the powers-that-be to let them know exactly how we felt about it. Everyone in the team helped draft the letter and it took many versions before we could all agree on something that everyone was happy with.

We faxed the letter – unsigned of course – to the heads of CIMB and BOC, and went home a little bit satisfied, yet worried.

I was the first one to come to the office that morning and Kak Julia, Robert's secretary, came looking for Azmi. I asked her why she was looking for him but deep down inside I knew. The bosses had read the letter.

I suddenly realised that we'd forgotten to destroy the many drafts of the letter. Some were lying on our desks, others in the trash bins. I immediately collected all the incriminating evidence and was starting to shred the documents when Robert dropped by and asked me whether I had seen Azmi.

I calmly replied "No", as I continued to shred the documents. He then asked if I knew anything about the letter faxed last night. I put on my best poker face and answered, "What letter are you talking about?", as I destroyed the last of the papers.

As soon as Robert turned his back, I called Azmi to tell him that we were all in trouble.

Azmi came straight to the office and confessed to Robert that the letter was his idea. Azmi was our hero and everyone backed him up when he was summoned to see the managing director of BOC, Md Nor Yusof. We all accompanied him to elevator and waited in grim silence for his return.

Azmi showed up two hours later smiling and told us that the MD had actually offered him a job in BOC itself. Apparently, Md Nor was very impressed with Azmi's writing skills. But Azmi politely declined the offer because corporate finance and privatisation was more to his liking.

All that worrying for nothing. A tip for the budding entrepreneur: Don't worry too much.

Incidentally, we never did get our bonus in December. We had to wait until after the new year like everyone else. But Md Nor was kind enough to explain to Azmi why things had to change. They ended their discussion on good terms, which is fortunate because Md Nor eventually became the Securities Commission chairman.

Azmi was and is a leader. He always stands up for his people. I knew this was someone I could work with if I should ever go into business on my own.

This didn't mean, of course, that he and I got along naturally. He was no-nonsense. Extremely strict about quality and had no time for small talk. If he thought something could be better, he'd make us redo the work all over again. I remember thinking what a slave driver he was!

People who don't know Azmi well would often take offence at his hard-hitting remarks.

I remember once when a bunch of new secretaries were being introduced to our unit, Azmi happened to be in a rush for a presentation. Instead of welcoming them, he told one of them that that he simply had no time for her. She quit that very morning.

Apparently, after that shock welcome, she asked around and heard about how tough it is working for the Privatisation Unit. So, it wasn't just because of Azmi's curt comment that caused her to quit. Still, we needled him about that. After that incident, whenever anyone resigned, we'd ask aloud: "Azmi, what have you done now?"

Needless to say, with me being the chief entertainment officer and Azmi the chief slave driver, he and I didn't exactly get along like peas and carrots. Another colleague, Aimi Aizal Nasharuddin, was more my type. He was fun and easy going. We got along extremely well and hung out a lot.

In business though, it is the melding of similar traits and opposing personalities that helps found an organization. You can't have someone that agrees with you all the time. You need differing views too. A few years after I joined CIMB, Azmi, Aimi and I would join forces to form a corporate advisory consultancy called ACIF Resources, which would later become one of the main shareholders of SKALI.

It was that simple. But I can tell you, the ride was not. It was hell.

Chapter 2

Multimedia City

After a couple of years in CIMB, in 1994, I was asked to join Road Builder, a listed construction company that my father had just bought into. He was executive chairman of the company. I wasn't certain that I wanted to work for my father. The outside world only sees one thing: that the sons and daughters of chairmen and bosses are given everything on a silver platter, and have no real ambitions of their own.

I also didn't know if I could live up to his expectations and I didn't want everyone to treat me better than the others because I was the executive chairman's son. By moving to Road Builder, everything I did would be noted and commented on behind my back. No one needs that kind of pressure.

Besides I wasn't sure whether leaving CIMB would be the right thing to do as I really liked working there. I had my friends, and I was beginning to go places. Nazir was entrusting me with more responsibilities. And I had just got married to my girlfriend.

Yet I was driven by a desire to learn what was happening on the other side of the fence, so to speak. We were always structuring deals at CIMB. I wanted to know what running a "real" business would be like. I thought, oh why not?

Still, I wasn't sure, so I asked my brother-in-law, Shahrir Roose, for advice. He said I should write down all my weaknesses and show it to my prospective boss. I thought that was a weird suggestion, it smacked of all these new-age, self-help advice you get from books, but I followed his advice anyway.

So, I listed out what I considered to be my three biggest weaknesses:

- i. Inexperience and lack of connections
(in the construction industry)
- ii. Careless and not meticulous
- iii. Lousy handwriting

To my surprise, when I showed it to Chua Hock Chin, the executive vice-chairman and co-founder of the company, he actually liked my list. He said it takes a mature person to reveal his weaknesses.

Chua didn't mind my lack of experience in construction because he needed a privatisation specialist, and privatisation was something I knew a thing or two about, having paid my dues at CIMB.

I also had excellent contacts in that field. I knew the folks at the government's Economic Planning Unit so well that they practically had a seat there for me at their office! Well, that's exaggerating it a bit, but I was a familiar face at the EPU.

One thing I learnt from working in Road Builder is that relationships count a lot. By relationships, I'm not talking about the "Hi, I know you" kind of thing but rather, the really close ties that you build when you work with people on projects.

When I first joined Road Builder, I knew nothing about the industry. In retrospect, I had it easy at CIMB. I mean, I worked damn hard but the investment banking business is like an old boys' club.

We knew each other personally; we partied and socialised together, and our friends were almost the same. In a way it was incestuous.

The construction business is an entirely different ball game. Talk about making contacts. You really had to go out there and get to know people. One moment you're dealing with Treasury people, the next you're forging ties with contractors. You couldn't pass the labourers without acknowledging them either. Then you had to be diplomatic and fan a few VIPs at the same time. Meanwhile your staff need you for this signature or that approval.

Architects, engineers, quantity surveyors – the finance world did not prepare me for the reality of this job. I had to learn to speak different languages with different sets of people. With the contractors it was a mixture of *pasar* Chinese, Malay and English. The government departments I had to deal with – it was pure Malay. And the personalities involved. If these people were going to curse you, they would do so in the most imaginative manner. One of the things I graduated in when I left Road Builder was swearing.

The working environment at Road Builder was quite a culture shock for me. The rough and tumble environment of a construction company was nothing like the white-collar office job I was used to at CIMB.

It was actually a much-needed wake up call for me. I saw what doing business was all about. This was the real world. I mean, doing research and writing a report was nothing like this. It's a world apart, really.

Working in a big company also took some time to get used to as well. At the bank I had 20 colleagues. In Road Builder, I had 400. It was a real challenge working with so many different departments just to get one thing done. Office politics was virtually non-existent at CIMB. At Road Builder, it was a fact of life.

This became very important to me when I joined SKALI because here, we have always emphasised building good relationships with everybody we deal with. Harnessing goodwill always pays dividends. I found that to be true time and again in my experiences as an entrepreneur.

Building good relationships does not mean disclosing all your dirty secrets to others. Oh no. Who really wants to hear about your romantic mishaps? We're here to work, but it doesn't mean you can't be civil. A good joke helps lighten a tense atmosphere. Asking if your colleague's family is doing well does wonders to their esteem. Making sure that they're taken care of during all-nighters is another boost to their ego. And when you have to tell them off, do so constructively.

I'm a bit of a yeller, but I don't believe in swearing or putting people down. You lose talent that way. Every leader's responsibility is to nurture talent. If they stay with you, that's a bonus. If they choose to leave you for greener pastures, see this as an opportunity to forge ties with the new company they are joining. You never know what may happen in the future.

The position I was given at Road Builder was as a business development manager. During my time there, we did a couple of big projects including Kuantan Port and Bes Raya. But nothing came easy. Road Builder had to compete with the late Yahya Ahmad of DRB-Hicom, for Kuantan Ports, which was supposed to be privatised together with Kemaman Port.

The government had shortlisted Road Builder and DRB-Hicom as the two main contenders for the project. Instead of risking it all, we proposed to the Economic Planning Unit (EPU) that the privatisation be split into two.

They agreed and DRB got Kemaman while we got Kuantan. It was a good compromise, and taught me that in pitching for business, it's wrong to adopt an all-or-nothing attitude. Sometimes there's enough to go around so everybody can get a piece of the pie.

I'm convinced that if I had not joined Road Builder, I would have never ended up becoming an entrepreneur. It was there that I had a first taste of what it is like to try to build something from scratch.

In 1995, we had a unique opportunity to pitch for a development project at Universiti Pertanian Malaysia (now Universiti Putra Malaysia). The university's Vice-Chancellor, Syed Jalaludin was looking at ways to enhance his 600-acre campus, so we went to see him and discussed the possibility of Road Builder playing a role in that effort.

He was very open-minded and said that the development project didn't necessarily have to be related to agriculture. We got very excited when we heard that and went a little crazy with our proposal, suggesting a commercial development which included, among other things, a ski dome with artificial snow!

The vice-chancellor naturally balked at the idea. So, we went back to the drawing board, a little more sober this time. We had heard about the concept of the Multimedia Super Corridor (MSC) from Tengku Azzman Shariffadeen of MIMOS, who happens to be my cousin (his mother and mine are sisters).

I know you must be wondering if everything I do has my family involved.

No.

But this issue has crossed my mind many times, and the issue of nepotism and cronyism is something I'd like to touch upon.

Nepotism is not unusual anywhere in the world. Neither is cronyism. But the reality is that business is based on relationships and networking and in Malaysia, you have to face one other thing: we're a tiny country. In many ways, KL, for all its sophistication, is a little *kampung*. So if you do business, you will inevitably end up doing something with someone you know. And you know us Kelantanese - we're everywhere! I can't help it if my cousin is working for MIMOS.

We figured it'd be a good idea to have a cluster of research centres to complement the MSC project and decided to appoint MIMOS as project advisor for Multimedia City at UPM. The other partner was Sapura.

My association with MIMOS allowed me to get to know Arif Nunn, who recently stepped down as CEO of Multimedia Development Corporation (MDC), and Mohamed Awang Lah, currently the CEO of Jaring. They couldn't be more different from each other.

The first time I met Arif, he had a leaky pen in his pocket and his white shirt had literally turned blue because of the ink. I asked him whether this was some new fashion and we both had a good laugh about it.

Mohamed Awang Lah, in contrast, was very serious and kind of reminded me of Azmi. During a visit we all made to Silicon Valley, to survey the research centres there, I didn't see him smile once.

The first time I heard him laugh was at the Taipei airport when I told him a crude joke: "A mother pig was walking by with her nose high up in the air, but the baby pig trailing behind gazed downwards, looking ashamed. Why so? Because *mak dia babi*."

He totally cracked up when he heard that joke. At last, the ice was broken. If it's one thing I am proud of, it's my sense of humour.

By 1996, we were all set to go with our Multimedia City concept. We had grand plans and even engaged the renowned architect, Kisho Kurukawa, for the project. The Republic Plaza in Singapore, the Kuala Lumpur International Airport and the new wing of the Van Gogh Museum in the Netherlands are all Kurukawa's works.

Syed Jalaludin liked our idea and threw in his support for the project. However, we still needed to get the EPU's approval. It was considered a sensitive project because it involved university land. They didn't want a blatantly commercial project and insisted that any development there had to be something with national interest in mind.

In spite of my connections at the EPU and the government's growing interest in IT, we actually had a hard time convincing them that Multimedia City would be of great benefit to the country. This just shows that knowing people is important but it doesn't mean you will always get what you want. I came up against a brick wall at the EPU.

Refusing to give up, I decided we had to go all the way to the top and wrote to then-Prime Minister Dr. Mahathir Mohamad. I attached a lot of supporting documents to make my case. We had hired PA Consultants to help us draw up a comprehensive plan. We even found around 100 companies that were willing to locate themselves in Multimedia City.

All we wanted was for the EPU to allow us to proceed to the next level, which is financial modelling. “I have no objection to the consortium going ahead to the second phase” the PM replied. We were ecstatic. The hard part was over – or so we thought.

Strong objection to Multimedia City came from the unlikely source: the late Othman Yeop Abdullah, who was MDC chairman at the time. We had thought he would be our biggest proponent. Instead, he told us bluntly and in no uncertain terms: “We cannot support this project because it would steal the thunder away from Cyberjaya.”

In any event, 1997 would be the year of the Asian economic crisis, so the notion of starting a big project like Multimedia City would have been out of the question anyway. Naturally, I was a bit dejected but a new opportunity would soon come my way.

Chapter 3

Forming Skali

Since Multimedia City was going nowhere, in late 1996, Syed Jalaludin introduced us to some folks who wanted to do something interesting involving IT and New Media.

They were from Alam Teknokrat, which comprised Maznida Mokhtar (Syed Jalaludin's daughter-in-law), Mohd Reza Shafiee, Mohd Hisham Mohd Isa and their leader, Harjono Zainal Abidin (who, despite having an Indonesian-sounding name, is actually Malaysian).

By that time, I had formed ACIF, with Azmi and Aimi, my colleagues from CIMB. They had left CIMB and were running the consultancy full-time while I kept my day job at Road Builder.

I've always been fascinated by underdogs – the winners who faced the odds. Great odds. I wanted new challenges. I wanted to own something, and create something that was wholly my own. We all did. It wasn't just youthful exuberance. We really wanted to make a difference.

The IT and New Media industries provided that platform. The US was trailblazing the way, while Japan, South Korea and Taiwan were leading the pack in Asia. Why not bring that world to Malaysia? Why not us?

At that time, the Internet was the rage. It wasn't just about e-mailing friends and peers all over the world; the Internet opened up worlds for everyone around the globe. It was impossible not to get caught up in the euphoria of the 90s. Online businesses took

off like a shot – Amazon.com is still blazing ahead, while traditional media like magazines made its presence online. Even silly things like fortune tellers were making big bucks on the Net. Most of the time, everyone was glued to their computers, reading, learning. When IRC and ICQ – two chat programs – hit us, we went crazy, making friends and enemies in the virtual world. How could we not want to be part of this?

Sometime in November, Maznida (Ida) called me and suggested we all meet to discuss the possibility of teaming up to do the AltaVista project. We fittingly had our first meet at a cybercafe in Bangsar called Surf Internet Cafe. Those days, cybercafés were really cool to be seen at and they served real food. Now, the cybercafés you see around KL are dinky and only serve drinks.

Alam Teknokrat was represented by Ida and Reza. Ida's sister-in-law, Sharifah Julina, also tagged along. A lawyer by training, Julina had been helping them negotiate the AltaVista deal. Azmi and I represented Acif Resources.

They told us about their ambitious plan to bring AltaVista's search engine to Malaysia (and Asia). The idea was to build content around the search engine and make money by selling online ads.

I thought, "Build a portal, generate traffic, sell advertising – what a great idea!"

So, I tested the idea with my father. I figured if I could convince a sceptical old-economy guy like my father it would surely be a hit. At first, I told him what a search engine did. He got confused, so rather than explaining further, I showed him.

At that time my younger brother was doing some research for his university paper on touch-screen technologies. I typed those keywords into the AltaVista search engine and a whole list of resources on touch-screen technologies appeared before my father's eyes. It seemed like magic to him and he immediately gave his approval. I thought we were all set for the big time.

Of course, it eventually turned out to be a lemon of an idea. But remember, this was 1996. The Internet was booming in the US, AltaVista was the most popular search engine around and portals were the hottest things in the dotcom landscape.

Alam Teknokrat had already initiated exploratory discussions with AltaVista and things were looking positive. But they lacked capital and wanted Acif Resources to help out with the financing.

We all left the meeting with a good feeling and moved forward with Internet speed. A few days later, we met again – so that the rest of the members of Acif Resources and Alam Teknokrat could get to know one another. A third meeting was held the next weekend to brainstorm on the business model. We all left the third meeting convinced we had a winner on our hands.

It was agreed that the new entity would adopt the Alam Teknokrat moniker although Acif Resources would actually be the major shareholder with 60% of the company. We felt this was only fair to let them keep the name because they were the ones who first came up with the idea. I was appointed vice chairman while Azmi and Aimi were appointed executive directors.

The remaining 40% was equally divided among the original Alam Teknokrat team. Ida would be the chief financial officer, Hisham the chief marketing officer, Reza the chief operating officer and Harjono the CEO.

Prior to the partnership, Alam Teknokrat was a two-ringgit company held by Harjono. When we entered the company, we immediately boosted the paid up capital (which was necessary to convince AltaVista that we were serious) to one million ringgit.

Each member was expected to contribute to the paid-up capital, an amount proportionate to their shareholdings. Most of the original team members of Alam Teknokrat did not have much money so they paid half of it in cash, and the other half in kind by agreeing to receive no salary for a certain length of time.

A series of negotiations with AltaVista was conducted via teleconferencing at Syed Jalaludin's house at around 9 pm, almost every night for two straight weeks.

The talks were tough because we were up against some heavy hitters, in particular, SingTel, the leading telco in Singapore. The odds were against us winning the deal because AltaVista had already established a relationship with Telstra in Australia and Telia in Sweden. Both were telcos. And we, a bunch of young upstarts.

But timing was on our side. AltaVista was about to be spun off by DEC (Digital Equipment Corporation) as a separate entity, to be run by a bunch of entrepreneurially-minded people. So, they actually liked the fact that we were a bunch of entrepreneurs. We were also a lot nimbler than SingTel, which DEC saw as an advantage in the dotcom business. On December 13, 1996, we clinched the deal!

The agreement gave us the license to run an AltaVista mirror site for Asia (except for Japan). Here's how it would work. Normally, when someone used AltaVista's search engine, the query would go to AltaVista's main website in Los Angeles. With our Kuala Lumpur mirror site in place, any queries generated in Asia would instead be routed to us.

The license fee was not cheap: US\$510,000 for the first year and US\$600,000 every year thereafter. In addition, there would be a traffic fee of US\$2 per 1000 pages of search results. Not only that, but we'd also have to guarantee a minimum traffic fee of US\$360,000 every six months.

But the licensing fee was not the only killer. We had to pay massive amounts of money for hardware. DEC required us to get two Alpha

Servers which cost a whopping RM12.5 million back then. Lastly, we'd have to spend a few more million ringgit to build a data centre to house those ridiculously expensive servers.

Suddenly, our paid-up capital looked like pittance. We needed some serious financing if this project's ever going to get off the ground. In January, 1997, we managed to get a letter of credit for RM2.5 million from Perwira Affin Bank, but that wasn't nearly enough.

Finally something was going to happen. We were going to be rich and famous. We were going to be leaders. It seemed too easy and successful, and we were part of it. But we needed money to make it happen. So, we turned to our old company, CIMB, and applied for commercial loans amounting to RM12.5 million.

I promised Nazir, who was Executive Director at the time, that if our venture failed, Azmi, Aimi and I would all return to work at CIMB for free – as cleaning boys if necessary. He took one look at me and said, "I'll hold on to your words if you fail to repay everything back, plus interest." We got the loan.

It was now March and we were eager to launch the mirror site as soon as possible. But a serious internal problem cropped up. Harjono, the guy who originally came up with the idea of an AltaVista mirror site, had suddenly aspired to do something even more grandiose.

During a trip to the US to visit AltaVista, Harjono had become enamoured with the concept of an Internet Exchange, which he had seen at Palo Alto. He came back convinced that we needed to do an Internet Exchange (a central node for Internet access) for Malaysia. It would be called the KLIX.

The only problem was, the infrastructure cost would amount to about RM100 million! I knew this plan could not work because we had not even finished our fund raising exercise for the AltaVista project and now Harjono wanted to proceed with another project requiring RM100 million! This was crazy.

I remember once when Dr. Mahathir came to visit the Tech Park in UPM, where we were located, and Harjono gave a presentation on the Internet Exchange, even the famously pro-IT prime minister looked a bit shocked at hearing the RM100 million price tag.

We all soon realised that Harjono's visions were clearly not in synch with the rest of us, and decided that the best thing was to part company with him. At that time, I was not active in SKALI but the team did sit down with him to say that his plans for KLIX was a no-go. We finally ironed out a settlement to buy out his stake in the company and he left in May, 1997.

The lesson I drew from that experience is that in going into a partnership you have to fully understand the game plan of the people you're dealing with. We thought we knew Harjono. We obviously didn't know him well enough.

Yet I don't blame him. There were really good things going around then, and he wanted to be part of it. He wanted us to be part of the IT revolution. Harjono has great ideas, but at that time, the company was just not ready.

With the rest of the team, we launched the AltaVista mirror site on June 26. It was a grand affair held at the Legend Hotel in Kuala Lumpur. The CEO of AltaVista, Irene Lang, came all the way from the US for the launch.

The launch went well except for an embarrassing glitch. Mustapa Mohamad was supposed to press a button on a laptop and a corporate video would start playing on the big screen. But Murphy's Law kicked in, and sure enough, when the button was pressed, no video.

Somebody had forgotten to charge the laptop and the battery had died on us. Mustapa just stood there and smiled. We all had a good laugh about it. What else could we do? The launch proceeded without the video.

At last, our dream had come true. Little did we expect that our dream would soon turn into a nightmare.

Chapter 4

Into the Fire

We launched our website with the web address <http://altavista.skali.com>. The name SKALI is an appropriate brand name because “sekali” in Malay means “oneness” which is the fundamental philosophy of SKALI’s culture.

However how we actually came to name the company was a different matter. We were toying around with some names when somebody thought of Dana Scully, the X-Files star, whom we all adored. She was smart, classy and sexy in that subtle way. She wasn’t obvious but she packed a powerful punch, which was what SKALI meant to embody.

We decided there and then to adopt that name but to change the spelling to give it a Malaysian flavour. Plus, SKALI has more meaning. We couldn’t very well tell people that we had named the company after an X-Files star! Now you know though.

Within three months of the launch, we realised that our business model was not working. We had forecasted 500,000 page views a day. We didn’t even get 10% of that. It was more like 500,000 page views per month. This is a serious problem when your business model is based on online advertising revenue.

You see, as part of our agreement with AltaVista, we were bound to pay US\$360,000 in traffic fees whether we actually got the actual traffic or not. We were confident we could get it, so we signed the contract.

The failure to generate traffic was partly our fault, partly AltaVista's and partly the circumstances at the time.

We were to blame because we were inexperienced and didn't do proper market research.

AltaVista was to blame because they didn't provide us the crucial support that we needed. They had given us an assurance that they would help promote the mirror site but to our great disappointment all they did was provide a link to us on their main website.

In retrospect, we should have insisted that proper marketing deliverables by AltaVista be written into the contract. I think the original AltaVista management's intentions were good, but after their takeover by DEC, these small but very important matters were forgotten.

Timing was also not on our side. In 1997, the Internet was still relatively new in Malaysia and even the region. Awareness of search engines was low. Our business model had forecasted RM16 million in revenues in the first year. The actual amount turned out to be a paltry RM385,000.

We were facing serious financial problems and the onset of the Asian economic crisis did not help things. Interest rates were skyrocketing and we couldn't even pay the interest on our loans, let alone the principal. We were facing bankruptcy.

Raising money was difficult because the transfer of ownership of Alam Teknokrat from Harjono to us was still not properly executed. This made it hard for us to approach venture capitalists for money. In short, we were sunk. All those grand ideas flew out of the window; what were we going to do?

By December, 1997 the paperwork for the transfer of ownership was finally done, and shortly afterwards, we managed to get a much-needed infusion of cash from Japanese venture firm, Nomura Jafco, which gave us RM5 million. Of that amount, RM100,000 was equity investment while the remaining RM4.9 million was in the form of redeemable convertible loan stocks.

We used that money to settle some outstanding debts and the balance for the hardware that we had to buy in order to host the AltaVista mirror site. Whatever little was left over was used as working capital.

The next infusion of cash came in May, 1998, when Perbadanan Usahawan Nasional Berhad (PUNB) gave us RM5.5 million, of which RM500,000 was equity investment and RM5 million was loan stocks (similar to Nomura Jafco's).

We used most of that money to repay our CIMB loan, which had been a heavy burden on us. Compared to Nomura, PUNB was harder to convince because they were used to investing in more traditional industries such as construction and manufacturing.

Our breakthrough moment came when we showed the late Ismail Ali, who was chairman of PUNB at the time, just how effective AltaVista's search engine was. We knew he loved cigars, so we typed in the word "cigar". Out came a whole list of online resources on cigars. We could literally see his eyes light up. He soon approved the deal, but not without strict conditions.

For example, PUNB insisted that the founders' salaries be slashed from RM7,000 each per month to less than RM5,000. Not that this had any immediate practical impact on us since none of us was drawing any significant income from the company at that time. Our salaries were just on paper.

We were bleeding red ink so profusely that even with the injection of funds from Nomura and PUNB, we still needed more money. Besides, neither of these companies was really investing in SKALI, they were lending us money – money that we were using to pay off earlier loans. It's like borrowing from Peter to pay Paul.

What we needed was a real investor – a company that's willing to give us cash in exchange for a stake in the business. But no venture capitalist was going to invest money in a search engine mirror site that was losing money.

The biggest problem we faced at the time was we couldn't even pay our employees their full salaries. The fact that the directors were not getting any salary was of little consolation to the staff. It was just a matter of time before we'd have mutiny on our hands. By late October, the staff couldn't take it any longer. We had 32 people in the team then and monthly salaries alone added up to quite a huge sum. They'd been paid only part salaries for three months and were understandably fed up, although in various meetings we tried to explain to them why we had to make salary cuts.

At the same time, we were receiving letters of demands from the lawyers of our contributors. Yes. Our freelance writers were up in arms. We couldn't blame them. They depended on payments to make a living. We tried our best to allay their worries but boy, these writers were fierce.

It was hostile. Coming in to work was terrible. We had to be cheerful and yet we knew we were despised. Talk about diplomacy. It was a killer walking on eggshells.

One day, we received an anonymous e-mail on behalf of all of the staff, asking for a meeting. The agenda was to find out when the staff would get paid and what prospects there were for the future.

Ironically, Azmi didn't like the anonymous nature of the e-mail one bit, and wanted to find out who was the person behind it. I guess he had forgotten our own little adventure sending an anonymous letter to the CIMB bosses, just a few years back.

Nevertheless, Azmi agreed to attend the meeting, which was held on Oct 23 at 10 am. Hisham did most of the talking and tried to put up a brave face and asked the staff to persevere, but they were clearly in no mood for a pep talk.

The bombshell arrived in Ida's e-mail box at 4.39 pm from Hasri Saidin, our staff accountant who happens to be our very first employee. "Ida, staff resignation letters *ada kat dalam tray* (inside cabinet) beside your desk. Thanks."

And with that, the entire staff walked out on us.

It was a painful chapter in SKALI's history. The best thing to do would be to explain what really happened. I'm not looking for sympathy at this juncture but to clear up the rumours.

Until June 98 – full salaries were paid to all staff. Everyone was excited and happy, but towards the end of June, everyone could see that it was getting harder to receive their pay. If cheques came in by the 25th, they would receive their pay by the 27th of the next month... By July 98 we had a situation in our hands.

We couldn't pay the full amount to everyone.

So we begged them to be patient; we'd pay them one-third of their salaries. They couldn't be patient, they had families and liabilities to pay for. Staff started leaving in dribs and drabs from July, August, September onwards. Letters of demand were coming in from our creditors too.

And when we paid, we didn't pay everyone just one-third. Special cases and those who had families got more. Some employees who were single didn't like this. They felt that we favoured others over them, in spite of our pleas.

Among the directors there was the beginning of a mutiny. We were rowing with each other almost every day. At the end of July, we had an emergency meeting. Hisham said, "I'm not going to be around for this". He was fed up. Azmi handled that meeting with Maznida, Reza & Aimi.

Azmi started off on the wrong footing. He began his usual sermon – the mountain analogy. He loved that analogy. About how to get to our destination we needed to climb this mountain and that it was going to be tough but we would make it. It was okay at first but by then I think the staff got tired of it.

After the meeting, one of the disgruntled employees sent an e-mail to the whole board and insisted that we explain how we distributed the money (why some got one-third of their pay whilst others were different.). We kept on saying, if you have a problem, come and see us personally. Don't send out e-mails like this. He replied, "Everybody wants to know!"

At that time I felt like strangling him, but when I think of it now, yes I'd strangle me too if I had been in his shoes. I was still with Road Builder, so I had a monthly income. But he, and many others, depended on us, to eke out a living.

Hisham kept pushing everyone to meet deadlines. Because we were all so busy, everybody talking to investors, trying to sign and get contracts that promised huge amounts of money, we were not too sensitive to our staff.

People were getting more and more demoralized. They weren't being paid properly and yet we were expecting them to deliver more than they could. We started getting e-mails from anonymous addresses like `employees@altek.com.my`. They demanded answers for what's going on with the company. The staff was getting agitated.

Although there were resignations in the months leading to the walkout, we had no clue it would lead to a mass walkout.

One day they did just that.

Immediately after everybody walked out, Hisham slammed the door and said "I'm going home." Reza left too. Azmi silent.

Ida was panicking a bit. "This can't be happening to us," she said. But Saiful Khairi, a senior vice president and junior founding member of the team, was very level-headed. "We gotta look at the machines," he said.

We all felt a bit betrayed. They felt like family to us. We had 32 employees. Now, we were reduced to just the management team.

Ida called me up. I couldn't say a thing. I was too stunned to even think. "Give me some time to work this out," I said. I was at a meeting then with my Road Builder bosses and there was no way I could turn to them and say, guess what boss, my staff just walked out.

A few days later, I came in to help solve the whole mess. SKALI then was like a graveyard – there was this unsettling silence that unnerved all of us. Ida, Saiful and Fadhil Halim, another senior management staff, worked on the servers.

We worked on everything to make sure no sabotage could take place. It took us a whole day just to do that because we, despite being partners in a technology company, were IT illiterate. We could operate a personal computer, but to fix servers and passwords?

The next day, Ida started calling people that she thought would come back to work for us. She called Hasri Saidin, "I didn't mean to do it," he said. "It was a unanimous decision. We had to show the management that we were hurting. I seriously can not survive with such slow payment."

Hasri came back a few days later to help sort out the finances. We paid him a small token of appreciation. It wasn't much though.

I was given the task of talking to key personnel, mainly because I was an "outsider" as I was not yet working there full-time, hence it was easier to negotiate and talk to former employees. They hardly knew me and vice versa. Rakesh from sales was close to Hisham. Hisham

and Azmi had a word with him. Saiful and Fadhil also played a role in convincing him to return. He came back within a week.

We lured seven key technicians back with a promise to pay their salaries in full, eventually. The deal was we'd pay 30% of the salaries owed to them up front and the remainder would be paid in instalments over the next four months. They agreed to that.

The only problem was there was no money in the bank, not even to pay the 30% we'd just offered. We were flat broke. Out of desperation, I used the supplementary Gold Card that my father had given me and withdrew RM50,000 to pay the salaries of the seven employees.

I had planned to repay it somehow before the next statement came. But the very next day, my father, who was in Brunei at the time, called me and asked: "How come my gold card has no more credit?" He was trying to pay for dinner at some fancy restaurant when his card got rejected. Needless to say, there was hell to pay.

In all, including the directors, our staff strength grew back to 17 people, a tight ship for sure but enough to stay afloat.

It was tough. EPF was after us. The Labour Ministry also wanted to see us. Some of our ex-staff had gone to see them to take action against the company. There was a lot of talk that SKALI was going to fold. People were saying that the only thing we had going for us were our servers.

Azmi called for a meeting: “Are we gonna go on or are we gonna call it a day?”

Everybody voted to keep pushing forward. One thing was clear to all of us: We needed a new business model because the existing one just wasn’t working.

Chapter 5

Changing Business Models

The new year looked promising for us. In 1999, Malaysia was emerging from the Asian economic crisis and businesses were starting to invest in IT again. There was this feeling of relief in the air. People started going out again, making deals – we all felt a second wind.

Unfortunately, Hisham decided to leave SKALI in April that year. He had a family situation and felt that he had to move on to be able to meet the medical expenses. He sure wasn't making any money at SKALI at the time. However, he left on good terms and remains a shareholder in the company.

To fill the void, I quit my job at Road Builder to join SKALI full-time and take on the role as president of the company. I had signed a personal guarantee for the loans we took so if the ship went down, I went down as well. I figured I might as well jump on board and help wherever I could.

We took a long, hard look at what we already had and what we could do to make our company more commercially viable – and thus interesting to investors.

For one thing, we realised that just being a mirror site to AltaVista clearly wasn't going to cut it. So, we decided, while working on other business models, that it was time to evolve our site into a full-blown portal, ala Yahoo!

To become a full-blown portal, we obviously needed to get a lot of content. Following the techniques used by other portal players overseas, we didn't try to create our own content – that would have been far too expensive – and content creation was not our core business anyway.

Instead, we sought content from multiple sources. We were what you'd call in portal industry parlance, a “content aggregator”.

At the heart of the portal would be AltaVista's search engine, but built around it would be different channels, each catering to a different target group.

The task of identifying strategic partners to supply the content to these various channels was assigned to one of our partners, Reza, whom all of us know as Badak. We'd often referred to him as the company's “single, largest shareholder” – because he was single and he was literally the largest person among of all of us.

Badak hunted high and low for content partners and ended up with a really good mix. The big boys usually required us to pay a nominal fee, with some profit-sharing thrown in. Others were small-time guys – many of them also struggling dotcoms that were happy just to get some exposure.

Finding content was not an easy job especially when you don't really have much cash to work with. On one occasion, Aimi, who was helping Badak with the search for content, had to go to Singapore to talk to a few content providers. He literally had only S\$20 in his pocket and a return bus ticket paid for by the company. But he cracked it: he arranged for his meetings to be held at hotel lounges and did not offer to buy anyone drinks – instead, he waited for the people he met to buy him drinks. Man, did he stretch that S\$20!

Once we were able to secure some good content, we began to attract high-profile advertisers. At last, some advertising money was starting to trickle in!

The total contract value secured for online advertising in 1998 was RM760,000 from 29 companies – six of which were local and 23 foreign. Among the notable foreign ones were Dell, Nokia, Intel, HP, Amazon.com and CNET.

By the middle of the year, you could literally feel the electricity in the air. Dotcoms were cropping up like mushrooms. Bright, young people – and even a few older ones – were quitting their jobs to start their own ventures. Meanwhile, listed companies were falling over each other to start up dotcom subsidiaries to boost their share prices.

We were well placed to take advantage of the dotcom boom because we had a small data centre business. Although Internet data centres are now a dime a dozen, we were among the first to enter the field – even Telekom and Jaring didn't have data centres at the time.

Building a data centre had always been part of our business plan but the problems we were having with our original business model accelerated the execution of that aspect of the plan.

We already had the basic infrastructure in place – thanks to AltaVista insisting that we buy all that expensive equipment.

Our data centre was 850-square feet but the equipment for the mirror site occupied only one third of the space. The remaining two-thirds could be rented out to local companies that needed to rent servers or server rack space.

When the demand for hosting services increased and we needed to get more hardware, but had little capital, we went to Imbi Plaza to buy components so we could build our own servers. Most of the directors were still drawing salaries of about RM200 per month.

But the demand for co-location hosting and shared hosting was exploding. Soon, we had to turn away customers because our 850-square foot data centre area was already bursting with servers.

We knew we had to build a new data centre to cater for the demand. We also realised that this was a good opportunity for us to position ourselves as the leader in the local Internet hosting market.

Malaysian Technology Development Corporation (MTDC), the co-owners of the facilities we were renting at UPM also noticed the explosive demand of our data centre services and wanted a piece of the action. They considered building a server farm adjacent to our current facilities and asked us to be their technical partner.

We were delighted because we needed new facilities but did not have the capital to build something new. The deal with MTDC was that they would finance the cost of building the server farm and we would operate the data centre. It was truly a joint venture because instead of MTDC collecting rental fees they would have a share in the revenue of our hosting business.

By November, 1999, our 850-square feet data centre was replaced by a brand new 6,500 square-foot facility capable of housing more than 500 servers. The actual building was owned by MTDC but the internal design of the data centre was done by us.

With design done internally we saved cost on consultants. Total capital expenditure totalled RM1 million, which I'm sure is a lot lower than others had paid to build similar-sized facilities.

We improved online security (multiple-layer protection) as well as physical security (24-hour guard house, close circuit TV and card access entrance). We also upgraded our network speed from 2Mbps to 10 Mbps, offered round-the-clock operational support and provided a 99.9% uptime guarantee.

With the new infrastructure in place, we were able to offer our clients value-added services; managed security services and managed e-mail services, which helped our bottom line.

Data centre business and online advertising gave us revenues of close to RM1.5 million in 1999. The bulk of the revenue increase actually came from the data centre business with a growth of 228% from 1998 to 1999. Skali.com's (our portal) advertising revenue grew at 58% in the same period.

Losses was reduced to RM3 million as compared to RM10 million the year before. We weren't out of the woods yet, but at least there was some light at the end of the tunnel – especially when compared to the nightmarish events of the year before.

Retrospective



YAB Tun Dr. Mahathir bin Mohamad's visit to Skali's office on 3 March 1997



Tengku Farith Rithauddeen briefing YAB Tun Dr. Mahathir bin Mohamad, 3 March 1997



*1997 AltaVista Launch
Dato' Mustapa Mohamed (far right) was Minister of Entrepreneur Development
chatting with Tengku Farith Rithauddeen*



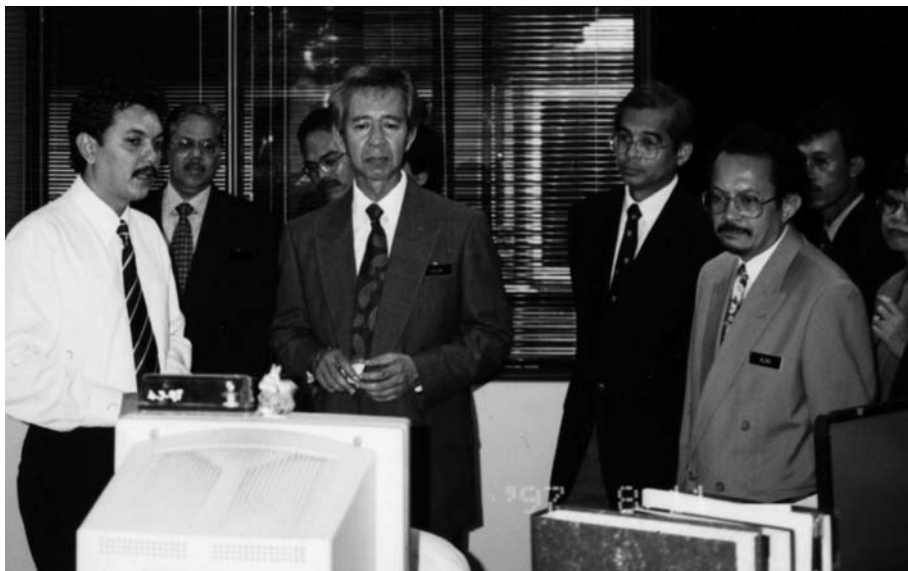
*Launch of AltaVista Asianwide Mirror site on June 26, 1997
Irene Lang, CEO of AltaVista in Palo, California*



Aimi Aizal with Dato Seri Chan Kong Choy at Multi Media Asia 1999



YAB Datuk Seri Abdullah Ahmad Badawi gracing the Multi Media Asia 2000 event



*Event: Visit by Tan Sri Halim, Chief Secretary
(brought by Tan Sri Syed, Vice Chancellor UPM)*



Official Launch of Skali Netpreneurs Acceleration Program (SNAP)



Launch of SNAP, 8 March 2001

From left: Tengku Farith, Dato' Mustapa Mohamed, NEAC (National Economic Action Council) and Tan Sri Mohamad Basir bin Ahmad, Chairman Mayban Ventures



Skali Media Briefing in 2001

From left: Azmi Ahmad & Tengku Farith Rithauddeen



Back then in the year of 2000

Skali Co-Founders: (from left to right) Tengku Farith, Azmi, Aimi, Maznida & Mohd Reza



*Skali Exco Members 2006 (from left to right)
Aimi, Saiful, Ida and Farith*

Chapter 6

How to Survive In Business

One of my first tasks as full-time president in SKALI was to divide the team into two groups. Ida and I handled the creditors, while Azmi and Aimi handled operations and sales (Azmi was responsible for the data centre business while Aimi took care of Skali.com).

With the upswing in revenue, we had cash to pay our creditors, though not all and not in full. The people at the top of our priority list were our ex-staff. We wanted to make sure they got a fair severance package.

We called everyone in and met each one individually to discuss settlements that both parties would be happy with. Most of the ex-employees agreed to be paid through five to seven monthly installments. Some of them, however, ended up going to Labour Court to which actually bought us some time since it takes the Court quite a while to call for a meeting to work out a settlement.

As for income tax and EPF, we had to quickly demonstrate our commitment to settling the outstanding amount. The government agreed to our proposal of monthly installments. I bet nobody knows that you can do that with the government. As long as they're paid, installments are accepted I guess!

Our main creditors were PUNB and Nomura-Jafco. We owed them a lot of interest on the loan stocks. Today, if an entrepreneur were to ask me if he should raise money through loan stocks or commercial loans, my answer would be a firm “no”.

Loan stocks or other similar loan instruments demand a yearly interest payment which can kill a start up that badly needs the cash for marketing and technology development. We simply could not pay the interest as we did not have enough cash to do so. All we could do was promise to get cash injection from a new investor.

Deliberations with these two companies were long and difficult. In the end, PUNB had agreed to convert their loan stocks into SKALI's shareholdings as long as we can get a new investor to come in as well. The outstanding interest would have to be paid from the capital injection by the new investor.

Nomura-Jafco, however, wanted to exit so we negotiated on a plan which involved some upfront cash payment in return for them forgiving some interest and principal.

The other major creditor was the hardware provider and DEC partner called HTI Industries Sdn Bhd (Horizon). That company was jointly owned by Syed Faisal Alsagoff. We owed Horizon approximately RM5 million.

Before I had come on board on a full-time basis, there was a deadlock on the settlement to Horizon and it was just a matter of time before they would begin legal proceedings against us. Ida and I promised Horizon that they would be among the first to be paid once we get a new investor into the company. The Horizon folks were very civil towards us and seemed sincere in wanting to find an amicable solution.

We finally achieved a breakthrough when Horizon agreed to buy back one of the high-performance servers at the same price that we had paid. It was an opportunity for Horizon because the buyer would buy at the quoted US dollar price, and at the time of sale Horizon would have made money on the currency difference alone. It was a win-win outcome.

Syed Faisal subsequently floated his company on the Singapore Exchange. He was kind enough to allocate some shares for us and we made some money which we used to pay some of our personal debts.

Another supplier was a company owned by Kamaluddin Badawi, the son of the current Prime Minister. Once, during a meeting I forgot to wear a belt so I looked quite awkward with my loose trousers. I think Kamal must have thought to himself, “This guy is in such a bad shape, he’s literally losing his pants.” I got the sense that Kamal actually felt sorry for us.

During that same meeting, I had to excuse myself because I received a call from my wife telling me that our car had just been repossessed. Around this time, I was living cheaply and riding a scooter to work. I had given my car to my wife but even that was now gone. My wife and I eventually had to borrow money from my sister, Falida, to get the car back.

With agreements achieved with our creditors and revenues flowing in from both Skali.com and our data centre, we were suddenly on investors’ radar screens. Both Transpac Capital, a Taiwan-based

venture capitalist, and Time DotCom showed serious interest in investing in us.

The first offer had come from Transpac. The main problem we had with them was their valuation of SKALI, which was relatively low. Plus, they wanted 51% control. We knew this was a strategic move to “flip” the company. Flipping is industry jargon for taking majority control of a company and selling it to the highest bidder or bundling it with another entity for listing.

This was not what we wanted but at the time we were quite desperate for a big investor to come in so we could repay our creditors. So, we accepted their offer letter which gave them two months exclusivity during which time they had to do their due diligence on SKALI.

They did their due diligence which went fine but the terms were not finalised and the exclusivity period lapsed. We then opened our doors to other parties interested in investing in SKALI, hoping to get a more attractive valuation.

Time DotCom was an interesting company to deal with because we negotiated directly with Halim Saad himself. He saw synergies between what we were doing and what he was trying to achieve with Time DotCom.

They were a telecommunications company and an internet service provider, while we had a portal and data centre – both of which were generating revenues. He knew we were good because we

successfully executed a pilot run for their ISP service by hosting their systems at our data centre.

Badak and I attended the initial discussion with Halim, and I recall the both of us being rather nervous dealing with such a big shot. We showed up in our dotcom attire of casual clothes. I actually wore sockless loafers. Halim, in contrast, was in full corporate attire and was flanked by his corporate boys, all wearing impressive suits as well. Badak and I looked at each other and we knew right there and then the corporate cultures of the two companies just wouldn't mesh.

There were two other investors who showed some interest in us. One of them was the famous Chua Mah Yu and the other was the boutique venture capital company, Netrove, whose principals include Teh Kim Seng (who in 2001 became a senior vice president of the government venture capital company, Mavcap, but resigned in 2002).

We were deeply honoured that both Chua and Netrove had considered us because they are both highly reputable and savvy investors. Unfortunately, we couldn't come to an agreement on valuation and scheme of investment. So, we had to keep searching.

The search reminded me of marriage – it's not easy to find the right partner. You just had to network and “date” a lot of potential partners before meeting the right one.

In the end, the company that invested in us was the unlikeliest of the lot: Malaysia Airports Berhad (MAB). We'd heard that MAB was looking for an IT company to invest in (remember, this was during the height of the dotcom boom), so we approached them with an investment proposal.

The negotiations went quite smoothly as we knew the management quite well. The MAB chairman at the time, the late Tan Sri Basir Ismail, was my father's contemporary and MAB's finance director, Rosman Abdullah was an ex-colleague of both Azmi and Aimi during their earlier stints at Arthur Andersen.

In May, 2000, Malaysia Airports bought a 15% stake in SKALI for RM7.5 million, a valuation that we were happy with. They also pumped in another RM7.5 million in Convertible Preference Shares. All in, we got a desperately-needed cash infusion of RM15 million.

I know there is a perception among some in the IT industry that MAB had bailed us out. But while it's true that they were a friendly party, they also saw in us, a solid IT infrastructure company that could help provide IT services to their airport. There was synergy.

Also, while the valuation was good, it was no sweetheart deal. They did their due diligence and imposed revenue guarantees on us. For the first 12 months, we had to bring in revenues of RM5 million. The next 12 months, we had to generate RM14 million. If we somehow failed to achieve these targets, the founding shareholders were required to personally make up for the shortfall.

So, it's not like we had it easy. If we failed to perform, all of us were looking at personal bankruptcy. But then again this was nothing new to us.

It was around this time that Badak left SKALI. He had given an interview to the Malay Mail where he spoke about the financial problems that SKALI was facing. His intention was to show that SKALI was resilient despite the difficulties, but that article nearly cost us the MAB deal.

Badak is straightforward and sees things pretty much in black and white, while I felt we could have been more tactful and conscious about our image in the public.

I felt quite betrayed by the whole thing and had an argument with Badak over this issue. Shortly afterwards, he expressed his intention to resign. Both Aimi and Azmi spoke to Badak, asking him to reconsider but he was determined to move on.

Looking back, I should have handled the matter better. Fortunately, we are now on good terms. Life is too short to hold grudges. Badak is still a shareholder and sits on our board.

By the end of the year, we were on pretty good financial footing, and that's not just from investors' money. Our businesses were starting to grow quite well. In particular, our data centre business was really booming, justifying our investors' confidence in us. In 2000, we experienced an 88% year-on-year revenue growth.

Chapter 7

Finding a Solution

Towards the end of 1997, when we began to build our own portal, we needed a content management system (CMS) to make it feasible for us to deal with all the data from our various content partners.

For those of you not familiar with IT jargon, CMS is a tool for individuals and businesses to build their websites, create content and edit when possible.

At the time, we were in financial dire straits and had to resort to using the Open Source platform to build the system. Although we did this out of necessity, it has proven to be a good decision. Because we were able to save money on development costs, we could subsequently price our software much more affordably than many of our competitors.

Building our capability on Open Source also proved to be beneficial as there is currently a high demand for Open Source products by both the government and the private sector.

Ivan Hoo, our chief programmer, was about to leave SKALI to focus on his own CMS start up called Media Digital Alliance (MDA). He had already developed a very basic CMS and wanted to work on it full time together with his partner, Megat Husni Megat Hashim.

So, we pitched him a win-win offer which allowed him to continue to developing the software under his own company, which SKALI would invest in. It was a good deal because not only would we be providing him with financial resources, we were also making our various marketing networks available to him.

It was an offer too good for him to refuse, and thus Skali Digital Alliance was formed, with SKALI holding 40% and MDA 60%. The license fee for the product, however, would be split 50/50 between SKALI and MDA. Furthermore, it was agreed that once SKALI gets listed, we'd buy up the whole company, which would then become a wholly-owned subsidiary of SKALI.

The earlier version of Ivan and Megat's CMS was used to build Skali.com. As they developed and improved the program, we incorporated the new features into our portal. In a way, Skali.com was both a guinea pig and a showcase for our budding new CMS program, which we branded as NeoFission.

By mid-1999, we had a pretty mature product. But it still lacked one important feature: e-commerce capability. So, in August 1999, we entered into the payment gateway business via a joint venture with a company called Camtech Asia IT&T.

This joint venture is what you'd call a classic "smart partnership". We host the payment gateway at our data centre, and in return, we get a share of the revenues from Camtech. Basically, we were leveraging on each other's strengths.

A payment gateway essentially allows secure online transactions to be conducted. The aim is to facilitate online payments by customers from anywhere in the world to Malaysian merchants using credit/debit cards.

There are already several players on the local scene. However, with the payment gateway in place, we could offer our customers a comprehensive package of data hosting, software application and e-commerce functionality. It really made us more complete.

The job of developing the solutions business was assigned to Aimi because of his familiarity with the system (he was in charge of Skali.com). He was assisted by Saiful.

Ironically, by late 1999, when our solutions business was ready to be marketed, we decided to leave the portal business and instead focus on building portals for others. Advertising revenue from the portal operation was still there but it was clearly going to be dwarfed by both the data centre and software divisions, and we felt it was best to focus our energies on what's more lucrative.

Besides, competition from other local portal players made it hard to make money from online ads. Competitors like Catcha.com were aggressively marketing themselves and making a lot of headway. They took substantial market share from players like us but in doing so, they sure burnt through a lot of money on advertising and promotion.

After our three-year contract with AltaVista ended in March 2000, we did not renew it. Although mirroring AltaVista was the reason SKALI came to being, it really wasn't a difficult decision to give it up. In fact, all of us were rather relieved when it ended.

One of the things any business owner must learn is to let go of ties that are no longer working. I know this sounds very ruthless, but it is the most practical way to get on in life and career. Like a romance gone sour, we had to look deep within us to see where we had gone “wrong”, and in the end we parted ways.

We never even came close to realising the traffic figures that we had projected – which was crucial to generating online advertising revenue. And besides, AltaVista had become passé by then. Many faster and more accurate search engines had emerged on the scene.

SKALI was one of the early adopters of Open Source. We were the first local portals to experiment with PHP programming. We were also one of the first few companies offering Linux-based hosting at our data centre (everyone else was sitting on the MS Windows platform). I figure SKALI has to date saved about RM15 million by using the Open Source platform and software.

In 2001, Dr. Mahathir decided that Malaysia should start looking at Open Source platforms and had instructed the Malaysian Administration Modernisation and Management Planning Unit (MAMPU) to look at the readiness of the country to adopt Open Source. We were invited us to give some input on the issue.

One of the key concerns of the government is whether there was enough technical support available for Open Source from among the private sector.

We provided with the government with a detail report of key players in the Open Source industry and their specialisations. We also included information on what other countries were doing with regards to Open Source. The government was delighted with our report and MAMPU proposed the creation of the Open Source Competency Centre, which Mahathir subsequently approved.

There were a few parties interested in implementing the Competency Centre. We were naturally interested in being involved. DRB-Hicom was also interested since they had just launched a Linux-based personal computer.

The government had decided to award the project to a consortium consisting of DRB as the lead partner and SKALI as the junior partner. We didn't mind DRB leading the project since they were the bigger company. Besides, with them in the lead, it allowed us to focus on our core competency of project implementation.

Chapter 8

Projects Rolling In

In early 2000, we got the chance to deploy NeoFission for Trifiniti Network, a travel agency owned by Tajuddin Ramli. It was a pretty basic informational website for a small company. Nothing fancy at all. But it's noteworthy because it was our first NeoFission customer. We also hosted the website at our data centre.

We secured our first high-profile project the following year in the form of the OIC Exchange website for OICNetworks. OIC Networks is a subsidiary of the Islamic Development Bank and is jointly owned by MIMOS.

The purpose of the website was to bridge the Muslim communities within the Organisation of Islamic Conference countries, hence increasing interconnectivity among OIC individuals, corporations and government bodies.

OIC Networks was actually a subsidiary of MIMOS but at the time it didn't have an appropriate content management system of their own to build the website. We did, so they asked us to tender for the project. Other IT firms, including big multinationals also pitched for the project but we emerged the winner.

It was truly a victory for the underdog and for the local IT industry. We asked them, "Why us?" because we wanted to know what we did right in our tender. They told us that our proposition was unique as emphasis was given not only on the technical aspect of the website but also the business and marketing aspects as well.

Malaysian Airports also played a big role in the development of NeoFission. They wanted a website that would allow the Flight Information Display (FID) to be viewed from the website. Sounds easy but because the FID was sitting on top of a different system we had to ensure that NeoFission could integrate with it.

It was an important project not only because Malaysia Airports was a shareholder but because it allowed us to gain competency in integration work.

Our first really big break came in 2002 when we won a RM3 million contract to build a website for the Employees Provident Fund (EPF). That was a tough one to tender for because there were about 30 other competitors bidding for the same project.

Actually, we almost did not bid for the project at all as we had no experience in bidding for government contracts and did not know anyone in EPF. Three days before the closing date for the tender, we decided to participate after some friends encouraged us to do so.

They felt we had a good chance because there were not that many portal builders in town. There were plenty of systems integrators and traditional IT companies but few of them actually had much experience building and operating a web portal.

EPF called us several times seeking clarifications on various aspects of our proposal. Initially, we thought this was because they simply did not understand the portal business. But our good friends in the industry explained that “they ask because they are interested”.

From that point onwards, we took their questions seriously and were eventually awarded the project.

Winning the project, hard as it may have been, was actually the easy part. Building it proved to be a bigger challenge. It was no standard website they wanted. EPF wanted it to be interactive, so that members could log on to make changes to their addresses and other personal details. Moreover our system had to be able to “talk” to their legacy systems and database. Fortunately, we had already learnt how to do this when we built the website for Malaysia Airports.

The project also proved to be a challenge because of the financing that was required. Previously, our jobs were small and short but the EPF one was a long-term project whose cost ran into the millions.

We approached a few commercial banks only to be told that they would finance the project if we put up something like RM800,000 as a deposit. Of course, if we had that kind of money we wouldn't be asking for a loan in the first place. I guess it was their way of saying “no” to us.

I couldn't believe it. We had a bona fide Letter of Award from the EPF, a government organization with billions of ringgit in its coffers, and no bank was willing to finance the project.

We were disheartened but we trudged on because the EPF portal was too important a project to let go. We had some cash to finance parts of the project but we still needed to get some external funding for this.

Fortunately for us, around that time, the Ministry of Finance had come up with Malaysian Debt Ventures (MDV), a project funded by the Japanese government to help local technology projects gain access to project financing capital.

MDV was headed by Jiro Suzuki, the son of Kazuma Suzuki, a famous local Japanese figure who has made Malaysia his home. The elder Suzuki was quite influential and was known to be Dr. Mahathir's advisor on Japanese affairs.

Once MDV was ready to fund projects, we were one of the first few companies that applied. We managed to get the financing we needed from MDV, in the form of affordable loans. This is a great example of how a government agency can really help the local IT industry.

The EPF website was hard work but it was a really good project to have. Not just because of the money but because it was the first time we were able to deploy NeoFission for a government agency. After that, we had the confidence to start bidding for other big government projects.

One project that we lost out on was the Malaysian Airlines website. The MAS Managing Director at the time, Md Nor Yusof, was a former boss of ours (Aimi, Azmi and myself) at Commerce Asset Holdings and of course he will always remember Azmi.

We were short-listed but didn't get the project because it involved building many components that we didn't specialise in. Frankly, we weren't the best company for that particular project.

This goes to show that connections, while useful and important, aren't everything. When you bid for big contracts with large organisations or for the government, you have to prove that you are indeed the best company for the job. They want to be sure you can deliver, and won't give you the job just because you know someone or have some prominent personalities on your board.

Another project that we lost out on was the Putrajaya website. That one went to a systems integrator, which eventually outsourced some of the work to us. They also used our data centre to host the website. Looking back, the Putrajaya project was something that we should not have bid for alone as 80% of the project requirements did not involve SKALI's core competencies.

When I think of the projects that we failed to win, I always remind myself of Sun Tzu's advice in the *Art of War*: "Pick the battles and terrains where you are strongest and where your competitors are the weakest".

Putrajaya was a terrain where we were not the strongest and because of that, we were weak in pricing. Our competitor, in contrast, was a systems integrator with strong links to hardware vendors, and thus could offer better prices. Again, this goes to show that contrary to popular opinion, winning government contracts don't come easily to us.

Chapter 9

Networking with the Community

As an entrepreneur, and a bumiputra one at that, I was particularly concerned about the lack of success among bumiputra entrepreneurs in the IT sector. I wondered why that there were so few of us.

So, in 1999 when I was invited to join the New Entrepreneur Forum (NEF), a grouping of bumiputra IT entrepreneurs founded by Mirzan Mahathir, I immediately accepted. It was a small group of only 16 people, all involved in the New Economy in some form or another.

We met for breakfast on the first Saturday of every month at Carcosa. The purpose of the meetings was to exchange ideas and provide moral support to each other. Half the time was spent bitching – about why the New Economy was not really happening, why our businesses were doing so poorly, why funding is so difficult to get.

The meetings probably served as some form of catharsis for the embattled entrepreneurs. But after a few months of this, members started skipping the bitching sessions. I don't think they got tired of it. It's just that when your business is on the verge of collapse, you have other priorities. Besides, breakfast at Carcosa is not exactly cheap.

I felt something had to be done. So, I sent out an e-mail to everyone saying that while it's been great meeting up with them and wallowing in group self pity, complaining about our problems won't get us anywhere. We're dropping like flies. How are we going to produce world-class technology like this?

My proposal was that the NEF had to become more pro-active. Perhaps set up a think tank to help the government devise policies that will benefit the fledgling IT industry in this country. The NEF should play a policy advisory role rather than be just a platform for downtrodden bumiputra entrepreneurs to complain about their problems. My e-mail sparked off some discussions and debate but sadly the idea never took off until much later.

Another issue that was being debated was whether the NEF should be open to non-bumiputra entrepreneurs as well. I was a bit torn on the issue but was more inclined towards opening it up to non-bumiputras as the problems being faced by IT entrepreneurs were the same, regardless of race.

However, most of the members wanted to keep the NEF bumiputra-based, so I deferred to the wishes of the majority. But I argued that the bumiputras cannot live in an unconnected world because the New Economy is by definition a connected economy. Networking with others is critical to success.

My arguments prevailed so when the NEF organised a networking function called NetBash, it was open to all. No booze was served though. We held NetBash once every quarter and invited people from the private sector as well as the government to attend. It was a smashing success, with each event attended by around 600 people.

After the dotcom bubble burst and things started to slow down, interest in networking dropped. But our NetBash events were still attracting at least 300 people, which was not too bad.

I think this had to do with the fact that we always invited interesting speakers to our events. Once we had Derrik Khoo, a former poster boy of the New Economy, to speak about his experiences as an IT entrepreneur. At the time, he had just shut down his own dotcom project, Go2020, but was still full of fire and could talk the good talk. One great thing about Derrik is that he is never at a loss for words.

The NEF is a lot quieter now but it's still around with 27 members and a renewed focus: lobbying the government to provide more opportunities for bumiputra technology companies.

I should make it clear that we are not asking for the government to spoon-feed anybody but to create an environment conducive for technopreneurship.

The line between spoon-feeding and providing opportunities may sometimes be a fine one but the difference is significant. I can best illustrate this with an analogy from my days at Road Builder.

One of our suppliers was a Foochow guy from Kuching. Our idea was to collaborate with him to produce three million bricks per month. He contacted one of his relatives who was a big-time developer and asked if he would buy our bricks. The relative agreed to buy up to one million bricks per month on the condition that we

could meet his exact specifications, with the quality he expected and the price he was willing to pay. “Can you do this?” he asked.

Now, that’s what I call giving an opportunity. Spoon-feeding would be: “I’ll buy from you at your price and at whatever quality you have.”

Another group I’m actively involved with is TeAM, which is open to all races. At the time of writing, I’m the president of TeAM, which was started in 2001 by Sivapalan Vivekarajah, an entrepreneur who can best be described as a venture capital broker. Basically, his job was to match entrepreneurs with venture capitalists.

Siva wanted to create an entity that could represent all IT entrepreneurs in the country, so they could speak with a united voice and therefore have a better chance to be heard by the government.

When he first asked me to become a committee member in charge of government relations, I responded, “Why? Is it because I’m Malay?” He gave me a sheepish smile and I agreed to sign on.

I was excited at the opportunity. The NEF has its place and is important, but we desperately needed a national organisation as well. I’m delighted to be a part of both organisations.

Siva did a lot to raise the profile of TeAM and got the government to take our white papers and recommendations seriously. After serving as president of TeAM for about a year, Siva decided to go to Edinburgh to pursue a PhD in venture capitalism.

Chris Chan of The Media Shoppe (TMS) was subsequently elected the president of TeAM while I was elected deputy president. TMS happens to be a competitor to SKALI, but Chris and I get along really well. I think this has to do with the fact that we had very similar experiences in building up our companies.

We both started our companies around the same time. We both left behind more lucrative jobs. And we both nearly became bankrupt as a result of it. But we managed to survive the bursting of the dotcom bubble and emerged a lot wiser, with bruises of course.

Chapter 10

Fostering Technopreneurship

The SKALI Netpreneurs Acceleration Program or SNAP actually had its humble beginnings in the early days of the dotcom boom.

We were hosting many dotcoms at our data centre. However, when the bubble burst, many of these companies could no longer afford to pay us. We could have pulled the plug on them but we decided this was not the right thing to do. After all, we had ample capacity in our new data centre and it didn't really cost us much to host them there.

Fundamentally, we wanted to help our industry comrades who were facing tough times. After all, we nearly went bankrupt ourselves just a few years before, and it was through the kindness of many of our suppliers and vendors, who gave us leeway when we couldn't pay up, that we managed to survive.

Over time, some of these start ups we were hosting fell by the wayside but a handful of them managed to survive – and went on to pay us their dues. We had to absorb the debts of those that went bust, but we really didn't mind. At least we did what we could to help them.

Our experience in hosting all these start ups had me thinking of creating an incubator of sorts to help other fledgling companies, not just in terms of hosting but in other areas like financing and marketing. We had learned all these things the hard way. Why not share it with others?

Azmi noticed that I was spending a lot of time with NEF and TeAM and mixing around with other IT entrepreneurs. One day, he asked me, “Why are you doing this?” I told him I wanted to share my experiences with others, and to help them if I could. His reply: “But why do it for free?”

Azmi had a good point. It made me think. Why not make a formal service out of this and charge fees for it? Perhaps SKALI could be an incubator of some kind.

The problem was we didn’t have any money to invest in start ups. Whatever funds we managed to raise was to fund our own activities. The solution, of course, was to tie up with an existing venture capitalist.

We had everything else including the infrastructure like software solutions and data hosting services. More importantly, we had experience and a good network of suppliers, strategic partners and clients. We could share all these with our incubatees. That’s the whole idea behind SNAP.

Unfortunately, SNAP became a source of a serious rift between Azmi and me. We had a heated discussion which quickly evolved into an argument where a lot of loose words were unleashed by both sides. Before this argument, Azmi had been involved in the development of SNAP and provided some vital input. After that incident, which saw the both of us storming out of the discussion, Azmi stopped contributing his ideas to SNAP.

This led many to think that Azmi did not like SNAP. Actually, it was the argument, which was never properly resolved, that caused him to disengage himself from the program. We had allowed the resentment to fester and it remained a sore point for the both of us for a long time.

So, Ida and I had to build up SNAP without Azmi's help. The business model that I came up with is one where we'd earn commissions for matching start-ups with investors. We'd also charge fees for nurturing the start ups as well as for the services they used. More importantly, if they looked like they have good potential, we could one day invest in them.

But with no source of funding I couldn't make a strong case to my partners for pushing ahead with SNAP. My opportunity came when I bumped into Jasmani Abbas, the CEO of Mayban Ventures, at Maybank's Hari Raya open house in 1999. I told him about my ideas for SNAP and he said, "Let's work together on this."

Jasmani saw the value in my proposition. Mayban Ventures had been given RM150 million by Bank Negara to fund technology companies. Mayban Ventures had traditionally been a VC investing in non-technology sector so this was a brand new field for them. Collaborating with SNAP would give them instant expertise at evaluating IT companies.

The original idea was for SKALI to help Mayban Ventures source for start ups. The fund was RM60 million to be invested over two years. We'd do the first round of due diligence and Mayban Ventures would do the second. The ones that they chose to invest in would be nurtured by SKALI.

Finding suitable companies for Mayban Ventures turned out to be a lot harder than I'd expected. We did have one good potential company that was involved in web development. We'd spent nearly a year nurturing this company before submitting their application to Mayban Ventures, which liked the company and approved funding for it.

Unfortunately, certain unforeseen events began unfolding in the company, which was run by three energetic young entrepreneurs. The CEO was a male individual who founded the company. He had an angel investor, a son of a prominent politician, who was given the role of executive director. The chief technology officer, meanwhile, was a smart girl who happened to be the CEO's girlfriend.

Apparently, the CEO was a bit of a playboy and things went sour with the CTO, who went on to date the executive director. When the CEO found out about this, he blew his top and pushed both the CTO and the executive director out of the company. The management team was broken and so was the value of the company. The CEO had taken things personally and lost his focus. His ego stood in the way and instead of building a team, he destroyed it.

This was a painful lesson for us because we failed to look closely at the human dynamics in the company and instead focused too much on their technology, which was good. In the final analysis, we did not manage the investee properly, and it cost us dearly. Almost one year wasted.

Fortunately for us, we had success in finding at least one company for Mayban Ventures to invest in. It was a start up involved in e-procurement. But one successful find during the course of a year is actually quite a pathetic track record. Something had to change.

The problem was that Mayban Ventures wanted to invest only in companies at the “start up” stage, which means those that already had a developed product. Before a company can reach the “Start-up” stage they need to go through Concept and Seed stages. These two stages are termed as Early Stages of a venture.

The reality is that there are not that many start-up companies in Malaysia, and the few good ones were already being courted by other venture capitalists. This approach was clearly not working, so I proposed that Mayban Ventures considered investing in Early Stage companies instead.

They were a bit sceptical because Seed-level funding is naturally more risky. Many will burn out, but a few will succeed and when they do, the returns on investment can be huge. I told them, “Before it hatches you need to identify the egg” and with our ability to be on the ground we could identify these “eggs”.

They agreed but reduced the fund size down to RM20 million. That was good enough for us. So, I went out and talked to the press about SNAP. I also tapped on my contacts to refer good companies to us.

The SNAP team, which consists of myself, Ida and staff members, Jeremy, Aida, Elis and Suriyanti, must have looked at over 150 different companies. Of that lot, we short-listed 22. Mayban Ventures ended up investing in 10 of them – all within a year.

It was a success by any standards. The program was also a commercial success for SKALI. By the end of 2003, SNAP had generated revenues of RM 700,000 and was a profitable division.

Chapter 11

Preparing for Listing

Getting listed is probably the aim of every IT start up – and we're no exception. It's been a goal of ours since day one, although during the first few years it really seemed like a distant dream.

In early 2003, it became apparent to all of us that this dream was within our grasp. Not only were we out of the woods, our fortunes had reversed quite spectacularly over the past three years.

Our group turnover was slightly over RM5 million in 2001. That's a growth of 90% over the previous year. However, because our overheads were high, we ended up with a loss of about RM2.5 million but an improvement over RM9.6 million loss in 2000.

The next year, group turnover ballooned to an impressive RM14.5 million, representing a 188% growth. We ended up with a respectable profit of RM92,000. Nothing to shout about, but it was our very first profitable year, which makes it significant.

Group turnover dipped by half in 2003, to about RM7 million. Things really slowed down that year due to the SARS and the Iraq invasion. However, because of better quality contracts, which gave us bigger margins, and new accounting rules that allowed us to offset losses with tax credits (thanks to our MSC status), we ended up with profits of nearly RM1.9 million. That's a 1675% jump in profit from the previous year. Now that's something to call home about.

Although the revenue dipped it also outlined the fact that our overheads and sustainable revenue (revenue not pegged to major projects) was respectable. Although revenue was RM7 million, revenue from long-term contracts from the data centre was RM5.4 million. This type of sustainable income contributed to 77% of 2003 income.

Getting listed doesn't just make millionaires out of a company's founders – although that's always a nice thing. It provides the capital needed to fund research and development and for the implementation of expansion plans, which are so crucial to a high-growth company like SKALI.

We cannot afford to rely on our current technology to keep generating profits for us. Within a year, what we have today will become obsolete. Standing still is the kiss of death for any IT company, so we must keep working towards developing new and better technological offerings.

One of the first things we want to do upon successfully listing our company is to upgrade to better R&D facilities so that our programmers can undertake development activities in an environment that fosters innovation and creativity.

R&D is not cheap. Every new R&D project incurs its own set-up costs, as most of the equipment and tools will be new. In addition, further training cost may need to be incurred in order to enhance and upgrade the technical skills of our R&D personnel.

The acquisition of intangible assets in the form of technological knowledge is crucial for our company's leadership in the industry and for our competitiveness. At the same time, the values brought about by these intellectual properties will act as effective barriers-to-entry against potential competitors. The R&D culture missing in most companies in Malaysia. We don't want that to be the case with SKALI.

R&D has been critical to our growth in the past years. SKALI's Cumulative Average Growth Rate from 1998 to 2003 is at a commendable 111%. The growth is driven by both the data centre business and also NeoFission. Both depend on technology that was developed in-house by SKALI.

Another area we need to expand on is advertising and promotion, something that we didn't devote much resources to in the past simply because we did not have the funds to do so. We mainly relied on guerrilla marketing to get the word out.

I remember in the early days, we engaged in really cheap forms of marketing like printing bookmarks, calendars and brochures, which we'd give out at expos and trade exhibitions. And of course, we'd also issue press releases, give media interviews and hold events to generate free publicity in the newspapers.

All this helped to increase awareness of SKALI. But to be able to go for the really big corporate jobs in this country, and in the region, we need to have a proper advertising and promotions budget.

In addition, infrastructure needs to be improved and expanded. This includes constructing yet another new data centre. Instead of renting the premises like we do now, we plan to buy our own land to house the new facilities.

Getting listed is a complicated process and there are drawbacks to being a listed entity. Shahrir, my brother-in-law, who is on the board of SKALI, warned us that listing is sometimes troublesome and the reporting will be very demanding.

He had a point but I also felt an obligation to our investors, MAB and PUNB, who clearly are looking at exit strategies. That's what all investors want.

Besides, all of us wanted to take SKALI to the next level. To become a big player, even to go regional. To do this, we can't remain a privately-held company. All our competitors were listed companies.

We invited a few merchant bankers to be our lead advisor for the listing. The evaluation was made by Ida who looked at things like fees and technical qualification. We ended up choosing CIMB.

Getting a company ready for listing is quite a costly process. All in, it will probably cost us around RM2 million in professional and regulatory fees to get successfully listed on MESDAQ.

Professional fees include the cost of hiring a merchant banker, lawyers, reporting accountants, researchers, tax consultants and a company secretary. We estimate these costs to come up to about RM600,000. The remaining RM1.4 million will be for a host of regulatory and ancillary fees.

Writing a pre-listing business plan is nothing like doing one for a start up, where figures and projects can be literally plucked out from thin air. We should know because our figures for the AltaVista mirror site was way off course. When you're going for a listing, your business plan must have realistic projections that must be substantiated by past performance.

These figures and projects will be checked and double-checked by the reporting accountants, who might ask you to reduce this figure or adjust that projection. All this will affect the business plan, so quite a lot of revision is involved.

Internally, we also have a lot of housekeeping to do. Currently, there are way too many divisions within the SKALI group – a reflection of our haphazard evolution. Some of these divisions, like our e-commerce joint venture with Camtech, is way too loose, and really needs to be tightened up.

We need to rationalise and streamline the company to better reflect the core operations of the company before we go for listing. If not, we risk confusing analysts and potential investors. In fact, today, people still ask us: “What, exactly, is SKALI?”

I don't blame them. It's perfectly understandable why there is such confusion about our business model because we've changed it so much over the past few years. It's amazing how many people still think we're a portal company, even though we'd abandoned that business a few years ago.

Yet, another common misperception is that we are a systems integrator. We aren't. In fact, we typically outsource the systems integration part of the work we do. So, what exactly, is SKALI?

Essentially, we're an e-business solutions provider, and that includes having a content management system and a data centre. Those are the two main prongs of SKALI's business model.

We seemed all set for listing in 2004. But it didn't happen.

Chapter 12

One More Time . . .

We were all geared for a public listing in 2005 and we received our approval from the Securities Commission on July 21, 2005. However, that year was a bad one for us. We were winning lots of projects – that year, we had 36 concurrent projects – but it led to problems for us.

Firstly, in order to cope with the projects, we had to increase headcount. In 2003, we had about 70 employees. We now have over 100. This increased our overheads tremendously. Secondly, big projects need serious financing and you don't get paid until the project is completed. These two factors created cash flow problems for us.

Don't get me wrong. Big projects are good because they are lucrative. But they also pose a problem in terms of financing. Banks do not understand the Knowledge Economy. If we were in the construction industry we'd get bank loans easily because construction companies have assets that could be collateralized. What we have is software – something that banks still don't understand or appreciate.

Fortunately, there is Malaysian Debt Ventures. We went to them to finance a lot of our big projects. We have a good relationship with them. Four out of five loans they gave us have already been repaid. But there is still the need to finance day-to-day operations and that is a constant struggle, not just for us but with most local software companies.

We were also financially prudent that year and made a bad debt provision of approximately RM1.5 million, for old and aged debtors. As a result, we didn't meet the profit targets for the year and applied for an extension of the approval for an additional six months to 21 July, 2006. Market conditions are still not good so we are probably looking at a listing exercise sometime in 2007.

The delay in listing was a bit disappointing for all of us but in a way it's a blessing in disguise.

In our rush to increase revenue for the listing, we took every project that came our way, including those that frankly, were not suited for us to do. This became a vicious circle. SKALI became a multi-tasking nightmare.

We were stressed out and learnt the hard way that our old methodologies were not adequate for our needs anymore. We were fumbling over each other and started missing crucial deadlines. Client management and technology transfer of our NeoFission MX software to our various partners could have been improved. This is important so that we can scale up quickly when needed.

The solution came to us during our annual strategic planning exercise at the end of the year. The year before, our strategy was to make as much money as possible. Well, that landed us in hot soup. So, we decided 2006 would be the year to be focused.

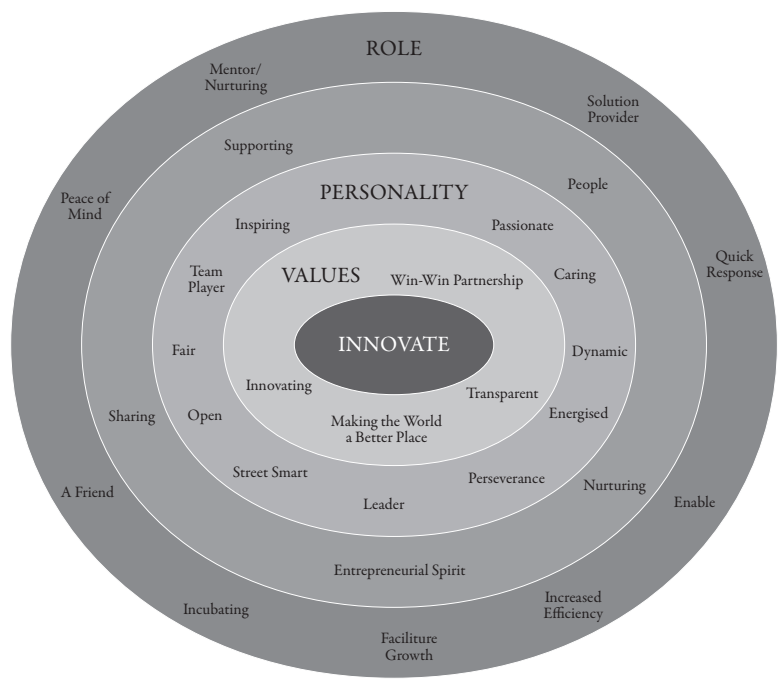
Focus was what we needed and the solution lay in answering the question: what kind of animal are we? We decided we were a Hedgehog.

At the time, we were studying the book *Good to Great* by Jim Collins and adopted his Hedgehog Concept to help us understand ourselves better. The concept flows from a sound understanding of the intersection of the following three factors:

1. What you can be the best in the world at i.e. what you are genetically encoded to do.
2. What you are deeply passionate about i.e. what motivates you, your sole purpose and core values. Your passion is your underlying principle that never changes regardless of the environment.
3. What drives your economic engine i.e. what activities pays best.

Collins says great companies will only do the things that they can be the best in the world at, that they are passionate about, and which they get paid well for it.

The first was realized in mid-2005 when we rediscovered our values and purpose via a branding workshop. We locked all key management and pioneer Skalians in a room to brainstorm about our brand essence. The outcome of was the Brand Onion below.



The second was easy: the Internet. We are an Internet-driven company. Even before we formed SKALI all of us were already crazy about the Net. Don't forget, our first business model was completely web-based. And we are not going to run away from that. We were genetically encoded to do web-based business and solutions.

Figuring out what drives our economic engine was a bit harder. We decided it would be “x per customer” thus focusing on revenue or profit per customer. This also means instead of trying to have lot of different customers, we focus on a smaller group of good customers whom we do a lot of business with.

With our Hedgehog concept in place we knew what we needed to do and what we do not need to do. The strategies we undertook were

1. Break up the company into four main divisions

SKALI was becoming too big to stay the way we were. The main divisions will later on be spun out as Strategic Business Units of their own. The main divisions are E-Business Solutions or EBS (the solutions business), Managed E-Business or MEB (Internet Data Center Business), Maintenance And Support (MAS) and SKALI E-Ventures (SEV) where SNAP is implemented.

2. Enhance MEB Business

We lost our focus when we got too excited about NeoFission and the solutions business in 2001 and neglected our data centre business. The irony is that the data centre business has always been our pillar and in fact pulled us out from the crisis in 97/98.

This is the so-called Innovator’s Curse where, nifty companies tend not to focus on their innovations for too long and always come up with new things. Unfortunately, this sometimes affects older but profitable divisions in the company.

3. Refocus SEV – SKALI E-Ventures

SNAP gave us money and it was profitable but it was not synergistic and how to sustain the business soon became a big question. With our new Hedgehog Concept we knew that SEV (and SNAP) had to be refocused to SKALI's core business.

4. Promote a new management

At this time there was only myself, Aimi, Ida and Saiful Khairi as exco members. This was not enough to manage the whole of SKALI, so we promoted new exco-members: Hasri Saidin - Group Financial Controller, Shahizah - VP of Corporate Affairs, Abdul Hakim - in charge of Sales for EBS, Roslan Brahim – in charge of MEB and Basrihuddin Hasan – head of MAS.

This allowed Aimi and me to focus on strategies rather than be bogged down on operations. Among the key things we did:

Enhance the foundation of EBS project implementation.

The main problem with past implementation was the need for better methodologies, project management and client management. We revamped the overall process and underwent a rigorous training and testing exercise for the necessary personnel.

We also beefed up the Project Management office by hiring experienced project managers. These new managers are to ensure the proper enforcement of the new methodologies.

Better cash flow operations

Cash flow is king and we identified a few weaknesses in our business model that needed to be rectified. Therefore, EBS had changed its main terms for project implementation to ensure better matching of cash out (project cost and expenses) and cash in (project payments from clients).

The average collection time period at the end of 2005 stood at 3.9 months which was appalling. We reexamined the invoicing and collection process and had re-designated the responsibility of collection to the Group Financial Controller instead of the respective sales team. The results are encouraging. At the time of writing the average collection period reduced from 3.9 months to 2.9 months but we still had to work hard to our target of 30 days.

Cut cost like there's no tomorrow

We gathered the middle management and told them we will be going into tough times and we all need to tighten our belts. We terminated allowances and unnecessary traveling. We also apportioned much overhead costs to project costs which cut substantial burn rates and allowed us to closely monitor project costs. For the year 2006, we estimated we saved RM1.2 million under such cost cutting exercises. This made a big difference to the bottom line.

Implementing the above was not as easy as it sounded like. A lot of the team members were demoralized with the existing situation, but we had to keep going. The core team was resilient and determined and it provided a momentum like Jim Collins “fly wheel” in his book. When you first start to turn the fly wheel it will be hard but as the momentum gets going and people see the improvements, it will move faster and much easier. At the end of the day, SKALI became a better company.

But what happened to our listing plans?

With all the above being implemented, I have never lost my focus to list SKALI on Mesdaq. Although many of my exco members think it's better to wait. Because of the chaos of 2005, it made sense for us to delay our listing. However, I was intent on pushing it through and didn't want to listen to others who said we should wait. I had shareholders who wanted an exit strategy so they can make their money. We need to go listing, I thought.

Then, one incident made me change my mind. One of my friends brought me to an investor who was interested in SKALI. He told me “I can support your shares up.” I asked him which company he had supported in the past. They were all trading lower than their IPO prices.

I thought to myself: This is a raw deal. This guy doesn't know what he's talking about. I didn't want to offend an older guy so I kept quiet and later asked my friend what that was all about.

He responded bluntly: "You don't understand how it's played, do you? These people ramp up the share price then when everyone's all excited, they sell their shares and make a big profit."

Of course this necessarily means some poor sucker will lose out. That's usually Mr. Joe Public who doesn't know better. But that doesn't matter to these big time players.

I didn't want this to happen to SKALI, because no serious investor would look at SKALI again if we did that. So I walked away from that investor without looking back. I felt disgusted. And with Mesdaq counters below their IPO price, I sometimes wondered whether it's better not to list.

However, if we do list the company, it'd be on Mesdaq. I am nationalistic and if I am to list my company, I'd like to do it on a Malaysian bourse. Mesdaq is undergoing its natural process of cleaning up but this will take time. With RM62 million contracts in hand we are in no rush. We can wait.

In looking back, did we make mistakes in 2005? Yeah, we did – big time. But you don't learn if you are scared of making mistakes. So, we went all out to make money that year and paid the price for it.

You will never know how you are doing if you don't put yourself through a stress test. If you don't stress your heart then you will never know what blockages and weaknesses you have. Likewise, SKALI had to go through a stress test that lasted throughout all of 2005.

We found out what our weaknesses were and we quickly rectified it. In spite of the difficulty we faced that year, we still managed to increase our order book from RM40 to RM62 million. We have another RM20 million in closing stage by end of 2006 and have already achieved 82% of our profit targets at the time of writing.

That's a pretty fast turnaround.

Yes, there are some casualties in the form of people leaving. Our head of Strategic Marketing and Communications, Yap Keng Teck, left because he saw that not much marketing activities would be undertaken due to cost cutting measures. He became an entrepreneur specializing in branding.

The pioneer team in SNAP, Jeremy Tan and Elis Anom also left because of the revamp of the division, which meant less focus in investment activities. Much of their passion was still in investments and with the directional change in SEV/SNAP they could not see any career advancement in SKALI, so they left. This is fair enough.

These were good people. Although I regret losing them, deep down inside I am happy that they are able to advance their careers after leaving SKALI.

However, some left SKALI simply because they could not take the heat of the revamp and cost cutting. At the end of the day, the hard times provided a natural vetting process to ensure that only the true Skalians stayed. At SKALI there is a strong culture of banding together through good and bad times.

When Aimi, Ida and I look back at our journey thus far, we say to each other, what a ride it's been. We've been through a lot – we've won a lot and lost a lot too. But we're still here and going strong.

Will there be more stumbling blocks ahead of us? For sure there will be, but each time we fall down, we will get up again and again and again. At the end of the day, that's what entrepreneurship is all about, right?

Epilogue

Epilogue

When I started this journey of entrepreneurship, I was only 25 years old and my hair was still dark. At the time of writing, I'm 35, and my hair has greyed prematurely. What a roller coaster ride it's been!

Although I'm hardly what you'd call rich, over the past ten years I've gained a wealth of experiences that I wouldn't trade for the world. I've learnt so much and it has helped me grow personally and professionally.

One attribute that will stay with me forever is the "Never Say Die" attitude. Why? Because we came so close to going under so many times, yet we always managed to survive. I think this is largely because unlike some of our compatriots in the dotcom scene, we simply refused to give up.

No matter how dire the situation was, failure was never an option – not when you collectively have RM11 million worth of personal guarantees hanging over your heads. That was how deeply in debt all of us were after borrowing money to get the SKALI project started.

I wouldn't have faced anything like this had I stayed on as a banker in CIMB or as a corporate executive at Road Builder. But I would have also missed out on all the intangible benefits I've gained from being involved in SKALI.

For one thing, I can safely say I appreciate the value of money more than any of my friends who chose to stay put in their high-flying corporate jobs. You really don't have a true sense of money when you have a corporate expense account and steady income every month. When you have to ride a scooter to work and take a daily RM10 allowance from your wife in order to pay for parking and lunch, that's when you appreciate every single sen.

Secondly, I've also developed a lot more empathy as a result of what I've been through. When I see other budding entrepreneurs today, I really feel for those who are going through difficult times. I understand their plight because I've been there myself. And that is why SKALI will always help out other entrepreneurs where we can.

Thirdly, you really know the true meaning of family and friends. When you are down and out, it is family members and friends who stay by your side and give you moral support.

Fourthly, the bonding and relationship with my colleagues in SKALI has special meaning to me. I saw a lot of self sacrifice, compassion, commitment and perseverance. For example, in one instance when cash flow was bad, even middle management (people who do not have a stake in SKALI) agreed to a suspension of pay so that junior team members could get paid first.

Lastly, and perhaps the most gratifying of all, is the opportunity to meet all sorts of people from all walks of life. I'm by nature a "people person" and I love talking and sharing with others. I'm most fortunate that my job in SKALI and my involvement in the local technopreneur community allow me to do just that.

SKALI LAGI

*The bumpy road to success,
breaking through,
from concept to market.*

One More Time...



Tengku Farith Rithaudeen

is Group CEO of SKALI as well as the President of Technopreneur Association of Malaysia (TeAM).

He began his career working in an investment bank and subsequently moved to the construction industry before the technopreneurship bug bit him in the mid-90s.

Having survived the roller coaster ride of technopreneurship and the bursting of the dotcom bubble, Farith actively helps others in making it in the fast-moving tech sector.

Advance Praises

"Farith shares the team's experience, their ups and downs, in a very readable and entertaining fashion, showing his commitment to helping others."

~ Dato' Nazir Razak, Group Chief Executive, CIMB Group

"As a fellow technopreneur, I can certainly empathize with the ups and downs that Tengku Farith recalls in his excellent book, Skali Lagi, which should be required reading for anyone thinking of starting their own Internet-based company."

- Mark Chang, CEO of JobStreet

RM39.95

Non-Fiction
Popular Subject

A Collaboration Between



www.skallagi.net

