

THE SILENT JUGGERNAUT

BY VANESSA GOMES

Datuk Kenny Goh and his brothers, Henry and Chee Seng, got their first computer in the early 1990s. They were, respectively, 17, 14 and 11 years old at the time.

Their obsession with video games ignited a passion for technology. And after they had internet connection, they began fiddling around with the computer to see how it worked.

"At the time, HTML coding was something new and no one really knew anything about it. But for some reason, we did not find it all that hard to understand. None of us had studied computer science, but we could understand this set of languages," says Chee Seng.

What started as a hobby quickly turned into a money-making venture. Growing up in a middle-class family in Subang Jaya, the brothers wanted to ease their parents' financial burden. So, they did some work to earn extra pocket money.

"We repaired the computers of our friends and family, wrote software, taught some classes at school on how to use a computer and built websites for people. It was a way for us to earn some money through our hobbies," says Henry.

Despite Kenny's obvious talent and interest in computers, he was whisked off to college, and then university, to study accounting and finance. "We were a typical Asian family, so the few professions my parents approved of were doctor, lawyer, engineer or accountant. I went on that path to fulfil their wishes," he says.

Kenny graduated in 2000 and looked around for a suitable job. However, his true calling was hard to ignore. So, he decided to turn his passion into a career and set up a company. His brothers eventually joined him and together, they built Macro Kiosk Bhd.

Henry received a diploma in electrical and electronic engineering in 2000, but pivoted because Kenny needed a hand in setting up and running Macrokiosk. "I completed my diploma, but realised that I was not really an engineering guy. Two years later, I did my Master of Business Administration and it has helped me a lot in building this company," he says.

Today, Henry is the company's chief operating officer while Kenny is the CEO.

Being the youngest, Chee Seng had the luxury of time as his two elder brothers took care of the company. He did a degree in economics and finance and, subsequently, law.

"My brothers said I could try out other things first. So, I worked with Deloitte for a while and then KPMG before joining them," says Chee Seng, who is chief corporate officer at Macrokiosk.

Today, the digital technology company is one of the world's leading mobile technology enablers. One of the platforms it designed helps entrepreneurs engage with clients on multiple delivery channels. The company's three core platforms and services provide notification services for companies, payment gateways and engagement solutions.

As with most businesses, getting start-up capital was the first hurdle. It was even more difficult in the early 2000s because the technology sector was still nascent in Malaysia. Also, the world had gone through Tech Wreck 2000, following the Nasdaq crash and dotcom bust. All tech-related companies were tarred with the same brush.

Luckily, the brothers were blessed with supportive parents who funded the initial stages of their business. "We would not be here had it not been for them. Although we were brought up in a typical Asian family environment, our parents were very supportive. We were free to do whatever we wanted as long as we did no harm to others or ourselves," says Kenny.

They needed to find other sources of funding. But at the time, most of the investment money was going into the manufacturing sector and bricks-and-mortar businesses. "Access to capital was scarce back then, especially because of the industry we were in," says Chee Seng.

The brothers decided to go to the press with their predicament. The result was a dramatic headline and an article that highlighted the lack of support for local tech companies.

"The focus of the story was home-grown technology companies that needed support. Thankfully, it managed to generate some traction and we received a few enquiries. That was how we got our first corporate investor, Goldis Bhd," says Chee Seng.

The investment was led by the company's CEO, Tan Lei Cheng, who was "quite visionary in the tech space", he adds. She trusted the brothers and believed in the business they wanted to build.

"She was more than an investor. She was like a mentor, motherly in a way, and she helped us grow when we were just three young guys straight out of school," says Chee Seng.

According to news reports, Goldis invested RM105,000 for a 70% stake in Macrokiosk in 2002. In 2013, the brothers forked out RM22.4 million to buy back the stake.

From a core team of three people, Macrokiosk has grown to 250 people in more than 14 countries. Today, about 90% of any mobile or digital engagement in Malaysia involves the company in one way or another. It now has more than 3,000 clients across 37 countries and 18 industries.

The brothers wanted to develop something that would put Malaysia on the global tech map. They knew that the fundamentals of their digital technology business had no national boundaries.

Kenny says that while the business was supported in Malaysia, they needed to take it to the next level. "We could not rely on just one country. That was why we decided to go regional in 2004."

Establishing an international company was not their main focus. The brothers wanted to build a home-grown outfit the country could be proud of.

"At the time, we saw people in other countries doing this, especially young people in the US. That inspired us to create something Malaysian," says Henry.

To begin its regional journey, the company crossed the Causeway. "For the other countries, we went with the flow, only moving there when we needed to, based on our timeline. But from a macro perspective, our position and focus was very much on Asia as we considered it one marketplace," says Kenny.

Macrokiosk worked to position itself so that any company looking to enter the Asian market would need to approach it. Then, it would provide the company with end-to-end solutions.

"How did we get to where we are today? It was just a continuous process of discovery, egged on by the will to build a successful business. We just focused on



building the company. We never envisioned making it this far," says Kenny.

Now, Macrokiosk has offices in Australia, China, India, Indonesia, Hong Kong, Macau, Myanmar, Serbia, Singapore, Taiwan, Thailand, Vietnam and the Philippines. It handles 300 million transactions across its service verticals every month.

PROVIDING MOBILE TECHNOLOGY SERVICES

The first company to use Macrokiosk's services was a French hypermarket chain, which would inform customers of its latest deals via SMS. But the real breakthrough occurred when a bank decided to employ its services.

"It was not a very big bank, but there was a lot of traction from the banking industry after that. The top Malaysian banks started to use our services and now, almost every bank in the country uses our services. The banking industry catapulted us to success," says Henry.

Macrokiosk currently provides its services to more than 40 banks across Asia and sees more than 150 million banking transactions a month. Interestingly, most Malaysians do not even realise that they use the company's services every day.

One of Macrokiosk's pioneering services was the one-time password (OTP) authentication process. According to Henry, Malaysia was one of the first countries in the region with access to this technology. "This was when local banks started to adopt the OTP authentication technology. From there, a lot of countries in the region followed suit. We are proud of this," he says.

The company then built its three core platforms and services — payment, engagement and notification. The notification platform, a cloud-based communication service that allows companies to communicate with customers easily, is its biggest revenue generator.

"Our platform is something companies can leverage very easily. They can use it to SMS, WhatsApp, email or voice call whomever they need to communicate with, be it their customers, employees or suppliers," says Henry.

KENNY YAP/THE EDGE



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“We believe that communication is very important to any company. You can have a very good product and good customer service, but that has to be maintained through communication.”

The notification platform is currently used by insurance companies, airlines, the media and even funeral service providers.

Chee Seng says funeral service companies use the platform to help grieving families inform relatives and friends of the passing of a loved one. “Sometimes, it is hard for people to call distant relatives and friends to tell them that someone has passed on. So, these companies have turned to digital technology to send messages on behalf of the family.”

For this service, the company simply requires access to the person’s address book. Though it may seem impersonal, Chee Seng says he has noticed that most people use this service to inform acquaintances and disseminate information to as many people as quickly as possible.

The platform offers everything from push notifications to SMS alerts. Interestingly, SMS is still the most popular method of communication.

Henry says it all boils down to accessibility. “Let’s say you are using an OTP. You need two things — one, make sure everyone and any kind of mobile phone can access it and two, security.”

“It is not that other channels are not secure. But SMS is ubiquitous and the channel is endorsed by our central bank. It is also endorsed by many central banks in the region. So, people consider it safe and accessible.”

Ultimately, this depends on what the company is focused on and where it is based. For instance, WhatsApp is popular in Malaysia and Indonesia while Line and Viber are widely used in Thailand and the Philippines respectively.

MacroKiosk’s engagement platform handles customer relationship management. The idea to expand into this segment came about when the brothers realised that there was a lot of data going through their platform. So, they decided to create an analytics plat-

form for companies that use its notification service.

“For example, if companies run campaigns such as contests and surveys, we can let them know how many people clicked on an SMS link, from which location and what kind of phone they used. We built a platform with all this information so we could tell our clients what the results were and recommend the right engagement action for them,” says Henry.

The engagement platform is not only used for contests and surveys but also to determine the user experience of a company’s service or provide vouchers to repeat customers. All the data that goes through this platform is kept securely and not shared between customers, says Henry.

The payments platform provides companies with a gateway to collect payments at online or physical stores. While the feature is not particularly uncommon, MacroKiosk has managed to make it better with a “QR code that fits all”.

Henry explains that typically, at bricks-and-mortar merchants, there are several QR codes on display at the point of sale. What the company has done is to consolidate all the payment methods under one QR code.

“Essentially, people will scan just one QR code and a screen will pop up, allowing them to choose a payment method such as QRPay, Boost, GrabPay, Alipay or WeChat Pay. They also have the option of paying with their credit card or via online banking,” he says.

“Our focus is very much on the merchant side so that when they connect to our payment platform, they can offer more payment methods and gain access to a larger market. Now, there are so many ways to make payments, causing merchants to run around like headless chickens, trying to figure out what payment options to offer. So, that is where we come in.”

MacroKiosk also offers the carrier billing method, where it connects to mobile network operators and allows users to charge the payment to their mobile phone bill. This is to empower the unbanked, says Kenny. “E-wallets were developed to try and cover the unbanked. But the mobile phone is something more ubiquitous — everyone has access to one.”

INVESTING IN TALENT

In building the company, the brothers faced a number of challenges such as raising capital, managing cash flow and finding the right talent. They realised early on that it was important to invest in human capital because it allowed for better decision-making. Chee Seng believes this is what helped the company grow exponentially.

“We did not want to be in a position where decision-making becomes slower as we bring in more employees. And we managed to overcome that challenge,” he says.

They also restructured the company so that each department and business unit could operate like a start-up. Each unit had its own complete team, from human resources personnel to engineers, and was led by its own general manager.

“We wanted to give them a sense of empowerment and allow our talent some form of delegation of authority so that they have a sense of belonging. More than 75% of our expenditure goes to acquiring talent because it is a really big part of the company,” says Chee Seng.

“Every time someone asks if we have a vacancy, the answer is yes because we are continuously hiring. We want to grab hold of as much talent as possible, especially since they are not easy to come by.”

“As we expand, it gets tougher. Perhaps IT may not be as inspiring in Malaysia now, which is why we opened our talent scope beyond the country, although it is still our priority to get local talent.”

But attracting talent is one thing, retaining them is another. The company constantly conducts upskilling programmes and training whenever a new technology becomes available in the industry.

“Even if you are a top student, there will be something new in the industry in 18 months. But I think our employees are quite happy to be upskilled because they get to learn something new, even if they choose not to stay with us. It is actually more cost-effective to train your own people than trying to find new ones,” says Henry.

The work culture at MacroKiosk has allowed the brothers to build a good relationship with their employees. Many of them have been with the company for a long time. The best part is watching them grow with the company, personally and career-wise, he says.

“Some of them joined us at a young age and we wanted to make sure that they grew with us as well. Not just to get a better position in the company but to feel that they are part of the company and have the ability to help it grow,” he adds.

“The people here are our assets and we cherish them. Over the years, we have come up with many ways to retain talent so we have plenty of HR benefits.”

The brothers have come up with novel ways to encourage their employees to spend time and bond with their families. For instance, they can claim for dinners with their parents on a quarterly basis. The company also covers the medical expenses of its employees’ spouses and children.

“We want to encourage good work-life balance because our people work so hard. We want them to spend time with their families as well,” says Henry.

The company also tries to instil an entrepreneurial mindset among its employees, says Chee Seng. “I do not mean that we are teaching them how to start their own business. What we want is to develop their entrepreneurial characteristics and leadership talent.”

“We have always believed that people should be ‘opportunity’ rather than ‘necessity’ entrepreneurs — meaning, do not be an entrepreneur for the sake of it but because you see the opportunity to be one.” ■