

## #TECH: Digitalise for productivity gains



By [Izwan Ismail](#) - July 4, 2022 @ 11:20am



Many SMEs don't know the options that are available and the impact of embarking on a business digital transformation.

MANY small- and medium-sized enterprises (SMEs) are so focused on surviving day-to-day that they do not have the time to even look at the long-term benefits of digitalisation and the consequences of not adopting it.

The Access Group's (AG) head of Startup & Small Business Sales, Azlan Ahmad, said many business owners still don't know the options that are available and the impact of embarking on a digital transformation.

A recent survey by SME Corp and Huawei found that 60 per cent of business owners did not know that there are financing options to help them digitalise and innovate, and 34 per cent thought that cloud computing is an expensive technology to adopt.

## **ADVERTISING**

"It's a chicken and egg situation, really. Many SMEs strive with what they have and make the best within their limitations. They cannot grow, but they somehow pull through and remain in business," said Azlan.

## **HAVING THE RIGHT MINDSET**

According to Azlan, mindset is a key factor that SMEs need to have in their digital journey.



Access Group's (AG) head of Startup & Small Business Sales Azlan Ahmad. "There are some who are more adaptive, and others who dislike changes. Their preferences affect management style, leadership direction and largely influence the way they do business," he said.

Despite government assistance, about 50 per cent of SMEs in Malaysia cite funding as a key hindrance to digitalisation.

Another challenge, said Azlan, is a shortage of digital talent, a key driver in the adoption of frontier technologies.

"Looking at the rate of digital literacy among Malaysians, only 15 per cent are equipped with advanced ICT skills," he said.

How are SMEs different from bigger companies? In the most direct sense, they differ in terms of revenue.

SME Corp splits its official definition between the services and manufacturing industries. The definition classifies any services company with less than RM300,000 in turnover as a micro company. Those earning less than RM5 million are classified as small, and those less than RM20 million are classified as medium.

"From my observation, as companies go down in size, so do their ready cash reserves for uncertain times, and a higher need to maximise available resources," said Azlan.

SMEs must also always maximise their resources.

"With lower turnover, SMEs are typically lean and face financial challenges, having endured repeated hits from lockdowns. Many have acquired much debt and liabilities, and are still weighed down by financial burdens," he said.

"Putting aside funds to digitalise isn't always first on their list," he added.

## **STAYING COMPETITIVE**

SMEs must stay competitive, be it through customer service, pricing or carving out a niche.

"For any of these items, technology has always been an enabler," said Azlan.

He said being on a smaller scale, SMEs may think that they don't need to digitalise, but a study by the University Consortium of Malaysia found that the use of technology will significantly improve productivity, by as much as 26 per cent through social media and 27 per cent through e-commerce.

However, our SMEs are still unprepared.

"Only about one in three businesses here has implemented digital transformation strategies, and less than a quarter of businesses have a dedicated digital strategy team," said Azlan.

"The longer we wait to address these stumbling blocks, the more Malaysian SMEs will be held back from reaping the benefits of digital technology.

"Without adoption, many SMEs will feel the lack of a competitive edge, and along with it, the impossibility of expanding to regional and global markets," he said.

Therefore, there needs to be an ecosystem that holistically supports the digitalisation of businesses not only in the short term, but also in the long run.

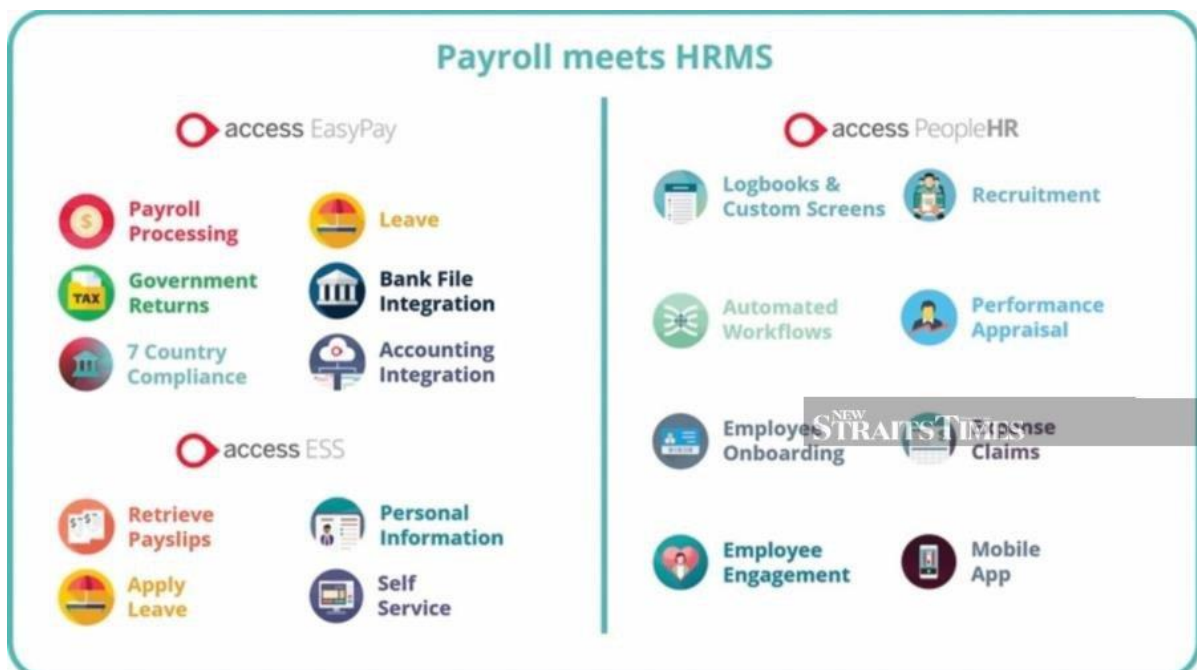
## ASSISTING THE SME

Having been in the industry for 17 years, Azlan said AG understands the "ins and outs" of SMEs.

"Our intent is to make our customers more efficient, saving them time and money in the long run. It starts by providing solutions to help with productivity and letting them do more of what's important. So we're incredibly focused on delivering an approach that benefits both the business and its people," he said.

For technology, AG provides business management software solutions, which include cloud services and business outcome automation tools.

"These can be used to drive powerful collaborations and insight across organisations by reducing laborious tasks so businesses are ready for quick-thinking decisions, with faster and better data-driven tools," he added.



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"We try to educate businesses to allocate time to improve themselves as the time put in to diversify and increase sales is important for growth. Time spent on tech adoption is not time lost, but gained," said Azlan.

"Businesses that can change their mentality and understand the efficiency brought by technology will see that efforts spent on tech adoption will free up more physical resources and time, which can then be used to create more opportunities."

Technology and business are inseparable. In the past, the simple calculator revolutionised day-to-day dealings by cutting the time needed for business deals and operations.

"Fast forward to now, what technology continues to do is not so different in enabling businesses to function efficiently and stay competitive, always requiring new strategies and practices, more so in a world accelerated by Covid-19," said Azlan.

"Similar to the calculator, what modern digital solutions have in common is the aim to free up previously time-consuming manual processes and let employees focus on important tasks," he added.

Besides business management software, AG also provides an accounting system called Access UBS Accounting that is used by more than 500,000 SMEs.

"Businesses adopting this software have been able to enjoy a 50 per cent discount with the MDEC Matching Grant. The grant, worth RM500 million, is given to the first 100,000 SMEs applying to digitalise their business operations," said Azlan.

## **MIGRATING TO THE CLOUD**

With the pandemic affecting the way businesses function, a robust payroll system is more important than ever to ensure efficient, stable and smooth operations.

"Cloud-hosted software enables payroll professionals to process payroll anytime, anywhere, which means they can comply with work-from-home guidelines. They also provide security protection, which safeguards against data breaches or loss," said Azlan.

Another key benefit of cloud-hosted software is the cost savings. Such software doesn't require any physical hardware to purchase or replace, and there are no maintenance and depreciating costs — any upgrades and patches are provided by the vendor.

"Our payroll solution, Access EasyPay (formerly Sage EasyPay), does just that. It is used by more than 4,000 companies and 18,000 users across Asia," he said