

## **Towards a Knowledge Based Society: A Case Study on Entrepreneurship in Malaysia**

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### **ABSTRACT**

This paper as a whole will discuss the entrepreneurship development in Malaysia. The 21<sup>st</sup> century promises a world of challenges and opportunities to all the nations in the world. Malaysia has launched the Multimedia Super Corridor (MSC) to spearhead Malaysia's challenges in the new millennium. In line with Malaysia's objective to produce world class Information Technology (IT) –savvy-working forces, a University was born in center of Cyberjaya called Multimedia University (MMU). MMU is playing a pivotal role in the national entrepreneurship development in Malaysia, similar to that of Massachusetts Institute of Technology (MIT) and Stanford University in United States. In Malaysia, various business plans are held throughout the year providing university students a platform to demonstrate their entrepreneur skills. Besides that, many venture capitals sources are available in Malaysia for potential technopreneurs to seek funding and advise. Successful Malaysian entrepreneurs such as Mark Chang (CEO of Jobstreet.com) and Tony Fernandes (CEO of AirAsia ) can be the inspiration for many Malaysia's aspirants.

**Keywords:** *Entrepreneurship, Knowledge, Society, Technopreneur*

The Knowledge Era has reached; most of countries in the world have tried to work towards a Knowledge based Society. Malaysia on the other hands, do not lose out in the race of the globalisation. As a major step in building up a Knowledge Based Society, Malaysia has established a major information technology (IT) project called Multimedia Super Corridor (MSC) in 1996 to prepare its people for the knowledge revolution in the new century.

Under the MSC project, the development of entrepreneurship is given a high priority. A MSC technopreneurship development flagship was then established in 2001. The core objectives of the flagships are to facilitate the developments of technopreneurs, start – ups and existing information communication and technology (ICT) companies and to assist and facilitate the growth of ICT small and medium enterprises (SMEs) into world-class companies. The flagship aims to drive entrepreneurship in Information and Communications Technology (ICT) and other high-tech areas. Not only that the Technopreneur Development Flagship aims to strengthen the ICT, Biotechnology and life science industries in Malaysia by spawning a critical mass of entrepreneurs and nurturing world-class companies.

In order to successfully steer the country into the Information Age, the flagship not only pull together all efforts at Federal and State level, but also the private sector to boost the development of SMEs throughout the country. It is because if the flagship is too concentrated at federal level only, the problem of digital divide in Malaysia will be worsened.

With the co-operation of State governments as well as support from the private sector, Technopreneur Development Flagship aim to expand this network through the cultivation of new incubators, with at least

one incubator in each state. To encourage the setting-up of incubators, operators will receive MSC status and enjoy the incentives outlined in the Bill of Guarantees. Companies based in these incubators will also benefit from some of these incentives

In order to prepare a conducive environment for Malaysia's aspirants, a National incubator network has been established. Under the National incubator network, there are currently 9 incubators in Malaysia namely MSC Central Incubator, Kulim Technology Park Corporation Sdn Bhd , BT Multimedia Sdn Bhd, N2N Venture Solutions Sdn Bhd, YTL e-Solutions Bhd, Makmal.com Sdn Bhd, Usains Tech Services Sdn Bhd, BioEnterprise Asia Sdn Bhd and Bureau of Innovation & Consultancy ( BIP ), Universiti Teknologi Malaysia. Attractive incentives are given to incubator operators such as freedom of ownerships, income tax exemption, intellectual property protection, competitive telecommunication tariff and many more.

2 prototyping labs focused on enhancing technology skills and building Malaysia's human capital in the areas of advanced software development, embedded systems, intelligent systems and wireless & mobility was established too namely Java Technopreneur Development Centre (JTDC) in partnership with SUN Microsystems (SUN) and Multimedia University and .NET Technopreneur Development Centre (NTDC) in partnership with Microsoft. Under the MSC Technopreneur Development Flagship programme, 9 teams of Microsoft .NET software developers have been selected out of 90 to help to turn their ideas into viable businesses.

At university level, the work of promoting entrepreneurship has been quite aggressive. Multimedia University, a university, which has been given the role of

producing entrepreneurs in Malaysia, has established the Centre for Commercialisation and Technopreneur Development [CCTD] for both the commercialisation of Multimedia University's research and also the development of technopreneurs among the university community. CCTD is seen to provide the link between academia and industry for the development of commercially viable technologies and is committed to building beneficial partnerships between academia and the commercial sector.

Currently there are a few starts – up companies set up by the Multimedia University students namely RiteUni Dot COM, Xirien Technologies, E-Transact and many others. Multimedia University latest start-up will be Roommart. Roommart was founded by an undergraduate of Multimedia University. Roommart is Malaysia's 1<sup>st</sup> online roommate finder. It is a portal, which helps students from higher learning institutions to find rooms, roommates and houses. Roommart define a new way of finding accommodation through Internet as most of the students today are avid Internet users.

In Malaysia, university students have a lot of business planning competition opportunities such as HSBC Young IT Entrepreneur Awards to serve as a platform for them to demonstrate their business writing skills. The 2004 HSBC Young IT Entrepreneur Awards has successfully attracted 250 proposals for the competition showing that entrepreneur competition like this are well received in Malaysia. University Cradle Investment Programme (U-CIP) is also being introduced to facilitate university research outputs into marketable products/services, as a first step in the commercialisation roadmap.

Many venture capitals sources are available in Malaysia too for technopreneur to seek funding such as Malaysia Venture Capital Management Sdn Bhd and MSC venture

capital corporation Sdn Bhd. The setting up of MALAYSIAN EXCHANGE OF SECURITIES DEALING & AUTOMATED QUOTATION BHD (MESDAQ) which is a stock exchange targeted to the growth of technology companies has creates a new vista for companies to seek for potential investors and vice versa. Through a listing on MESDAQ, companies can now have access to public funds. With the help of some organisations such as Technopreneurships Association Of Malaysia (TEAM), which acts as a think tank for technopreneurs in Malaysia, the future of entrepreneurship really look good in Malaysia.

For a developing country like Malaysia, it is very important for the nation to have its own successful entrepreneur who can become a fine example for the youth to follow. In Malaysia, the success story of Mark Chang (CEO of Jobstreet.com) and Tony Fernandes (CEO of AirAsia) has boost up the confidence of many young Malaysians and encourage them to start their own business and become an entrepreneur.

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