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bizpulse

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COVER STORY

RECALIBRATION OF BUDGET 2016 TO SPUR GROWTH IN ERA OF LOW OIL PRICES

by Dr Ghaz

For two successive years, Malaysia's annual budget has been revised in view of the subdued oil prices. Broadly speaking, the government's fiscal revision appears to be targeting at two key current macro headwinds – i.e. (i) the depressed crude oil prices and (ii) the subdued private consumption.

On January 28, Budget 2016 was recalibrated with the government reducing its Brent crude oil price assumption to US\$30-US\$35/barrel (previously US\$48/barrel) to 'realistically' reflect the current oil price trend while maintaining the fiscal deficit to gross domestic product (GDP) target at 3.1%. This seems reasonable.

Earlier, in mid-January, the Brent crude oil prices dipped below the US\$30 threshold, falling to an intra-day low of US\$27.5/ barrel on January 21. A prolonged slump in the oil price below the government's projection would lead to a shortfall from the targeted fiscal revenue collection of RM225.7 billion in 2016, of which 13.0% is expected to be oil-related revenue.

Tabled on October 23 last year, Budget 2016 had projected oil & gas (O&G)-related revenues to contribute 14.1% of its total revenue, down from 19.7% in 2015. For the record, oil prices have been seeing a downward trend since July 2014 before which it had peaked at US\$115/barrel a month earlier.

Following the Budget revision, the government's growth forecast is tweaked from 4.0%-5.0% to 4.0%-4.5% in 2016 – in line with the global softening of growth –

especially among the emerging economies. This seems much more realistic, all factors considered.

Recently, the International Monetary Fund (IMF) forecasts lower global growth of 3.4% versus its previous estimate of 3.6% this year on the back of slower growth in emerging economies (growth forecast to 4.3% from 4.5%). Our concerns are, should the Brent crude oil averages US\$30/barrel throughout 2016 – at real GDP growth around 4.5% level – Budget 2016 revenue could lose up to RM11.0 billion while fiscal deficit could peak to about 4.0%.

In essence, the government intends to adopt a combination of ad-hoc measures to cover the fiscal shortfall. It targets to save RM9 billion from delaying non-essential operating and development expenditures.

The projected lower fiscal revenues from weaker energy prices will be offset by reduced development spending of about RM5 billion which, in the view of Standard & Poor's Ratings Services (S&P), demonstrates the country's fiscal flexibility. "Malaysia's proactive budget cutbacks) has gradually lowered its deficits since 2010 and the government's latest target is in line with our expectation of a gradual fiscal consolidation over the medium term," commented the international rating agency.

WHAT'S IN IT FOR THE SMEs

For the small medium enterprises (SMEs), the revised Budget 2016 has proposed the rise in allocations to development financial

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SME Bank Group of Companies



■ Perspective

Vast Potentials in Malaysia's O&G Sector

By Roy Chen

The establishment of the Malaysia Petroleum Resources Corporation (MPRC) in 2011 as the second government agency to promote, grow and catalyse the oil and gas (O&G) services and equipment (OGSE) industry reflects the Government's commitment to help the industry adapt to a rapidly evolving and globalised industry landscape.

Since its formation, MPRC has embarked on a slew of initiatives that will help shape the trajectory of this industry. The initiatives cover the entire spectrum of the industry from upstream service providers to middle/downstream storage to petrochemical facilities and oil trading.

BizPulse speaks to MPRC's executive director Dr Shahreen Zainooreen Madros on how those initiatives would benefit SMLs and SMEs in their new market ventures.

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institutions (DFIs) and government venture capital funds by RM6 billion for the benefits of the start-ups and SMEs at large. This is in addition to the earlier Budget 2016 whereby a total allocation of RM10.5 billion has been set-aside for SMEs with a wide array of funding to spur their competitiveness during these trying times.

The SMEs need to react very quickly in their strategic business plan adjustments for the year. It is important to note that, at the end of the day, it is the willingness and the ability

of the consumers to spend that will spur the SMEs business performance. Lately, there has been moderation in domestic spending – this needs to be addressed because domestic spending has always been the driver when the economy is sluggish.

The recalibrated budget has done just that, i.e. by significantly increasing spending power of the man on the street by circulating cash into the market. The move to reduce the employees' contribution to EPF by 3% is expected to boost private consumption



Q: Many Malaysian SMEs are impacted by the cheap crude oil price syndrome. How could they build up the resilience to cope with the current gloom in the global economy?

A: This backdrop of continued cost pressures in the industry provide an opportune moment for SMEs in Malaysia to take a hard look at their business operations and identify ways to optimise their costs of operations and build up resilience. SMEs may want to consider participating in technology development initiatives championed by MPRC (via the 11th Malaysia Plan) and PETRONAS via its cost reduction plan CORAL2.0 to reduce the cost of doing business.

For other cost-reduction efforts, SMEs can also look at collaborative efforts with other firms in a bid to promote sharing of assets or resources. What's worth noting is that the push for cost reduction are pushing some major international O&G

expenditure by about RM8 billion a year.

On the financing ends, we are seeing continued growth especially among the SMEs and there seems to be no slowing down of borrowings from them. We believe this is the time for the SMEs to reap such opportunities in anticipation of a much brighter economic turnaround season, perhaps much earlier than expected.

Follow the Scouts Motto:
Be Prepared!

players to consider Asia as outsource centres for their products and services.

This can represent another potential opportunities for SMEs to meet these needs. Many Malaysian OGSE companies are primarily involved in domestic projects. Compared against the domestic O&G landscape, seeking out overseas projects need to be seen as a new way for Malaysian SMEs to create good jobs and support Malaysia's economic fortunes in today's gloomy global climate.

SMEs can turn to government agencies such as MPRC and MATRADE and participate in the specialised marketing missions to ASEAN and beyond to explore new markets and obtain good market intelligence. SMEs also need to be prepared for proper accreditation and improve process by having international standards in order to venture into new markets.

Q: More specifically, what are the prospects for SMEs involved in the midstream and downstream O&G projects? How can we prevent the retrenchment of workers (downsizing of operations) or even pay-cuts in view of the hardship posed?

A: The upstream O&G players were definitely directly affected by low oil prices. Still, while new projects have been put on hold, existing operations need to be managed and maintained. Therefore SMEs in the midstream and downstream segments can consider exploring operational activities that are required.

There are numerous opportunities in the downstream sector in Malaysia for SMEs to explore. In the south of Johor, there's the Pengerang Integrated Petroleum Complex (PIPC) which houses Dialog Group Bhd's deepwater terminal in addition to PETRONAS's refinery and petrochemical integrated development project or RAPID.

It is worth noting that the Pengerang Integrated Petroleum Complex is the single biggest investment under the Economic Transformation Programme (ETP). Other than Pengerang, there is the Sipitang Oil & Gas Industrial Park in Sabah as well as downstream operational activities in Kertih, Miri, Malacca and Port Dickson that presents potential opportunities to the SMEs.

The upstream oil and gas industry as a whole is moving further offshore and will require more sophisticated technologies. SMEs can get its employees involved and explore technology and research development in offshore development through partnerships with institutions of higher learning. SMEs also can look at upskilling options for management and staff via TalentCorp for professional certification programmes.

Q: On a similar note, how does lower oil prices impact the country's economy? What is your Brent crude oil price projection for 2016 (how long will the current cheap oil situation persist)?

A: The low oil prices will have a direct impact on the economy as around 14% of Malaysia's GDP comes from the O&G business. This, however, is significantly lower than the industry's 20% GDP contribution to Malaysia in 2011.

Low oil prices also presents a mixed bag to Malaysia's economy, carrying both positive and negative implications. While it has a negative impact for the upstream O&G players, weak prices have positive effect to the consumers and transportation industry. However, it is worth noting that the Government has taken steps via the ETP to build a stronger and more resilient economy and take steps to reduce reliance on oil, thus making the economy less vulnerable to commodity prices.

As a result, the economy is more able to cope with external headwinds. As for oil price projection, the global condition is quite volatile and unpredictable to say much. We believe it is best to focus on the initiatives we can embark on to assist the OGSE industry and ensure that we are prepared for the eventual upturn.

Dr Shahreen is an Executive Director at the Malaysian Petroleum Resources Corporation (MPRC), a unit in the Prime Minister's Department overseeing growth of Malaysia's O&G industry. He can be reached at shahreen.madros@mprc.gov.my.



“... some studies show that it takes about seven contacts to convince a customer to buy.”

TOP TIPS TO MARKET YOUR BUSINESS DURING TOUGH TIMES

by Gugu Mjadu

During an economic recession, small and medium enterprises (SMEs) often adopt a survivalist mentality by focusing on cost cutting strategies that ensure short-term success but, ignore long-term prosperity.

Marketing tends to be one of the first spending areas to be cut when times are tough. Counter-intuitively however, the slower the economy, the more your investment in marketing efforts needs to be.

Such an investment does not have to be in cash. SME owners can cut their marketing budget, provided they raise their marketing effort in other ways such as increasing their team's focus on marketing or spending more time on it themselves.

Here are some insightful marketing tips that SME owners can consider during tough economic times:

CUT THE WASTE BUT BE CAREFUL NOT TO OVER-PRUNE: This principle undoubtedly applies to marketing efforts in which 80% of a business's success can be derived from 20% of its marketing efforts. There is therefore plenty of opportunity to cut activities that yield poor results. SME owners should subject marketing efforts to the same rigid cost-cutting and efficiency that every part of the business has to undergo in these tough times.

Notwithstanding this, they also need to bear in mind that the results of marketing efforts are often pending. It can take years of constant attention and experimentation before a business owner can be sure which marketing plans actually work.

MIND YOUR EXISTING CUSTOMERS: It is a well-established fact that winning over a new client generally costs six or seven times more than winning repeat business from an existing customer. Although some components of a marketing plan should always be aimed at gaining new customers, a strategy to sell more to existing customers will almost always yield more results.

Simple systems such as sending a note to a customer thanking him or her for a purchase – together with a special offer for an additional buy – can work wonders. Incentives could also be created for existing customers to send business in your way. Offering them a discount or a bonus for every new client they introduce is one of the ways of doing so.

DON'T COMPETE ON PRICE: Most owner-managed businesses are too small to compete based on offering the lowest price. That is the preserve of multinational corporations that can leverage economies of scale to produce products at a price

lower than SMEs. Rather concentrate on quality, the warmth of personal service and flexibility to meet individual clients' specific needs than on lower price.

REPEAT YOUR MESSAGE: It is very difficult to measure but some studies show that it takes about seven contacts to convince a customer to buy. This obviously differs from industry to industry, but whatever the average, the principle is that it will nearly always take more than one pitch to convince customers.

Hence, don't do one pamphlet drop and then drop the idea because the results were poor. Rather plan a series of them and evaluate their outcome after the entire campaign. The same applies to any other marketing efforts.

GET A WEB PRESENCE: If you are not online yet, you are making a huge mistake. Even if you are happy with your customer numbers at present, sooner or later your lack of Internet presence will catch up with you as the world becomes increasingly wired. Get connected.

Gugu Mjadu is the Executive General Manager (Marketing) of Business Partners Ltd, South Africa's leading investor in SMEs.



8 SALES RESOLUTIONS

FOR TOUGH 2016 (Part 1)

..... by Hanzo Ng

It is not uncommon to set our resolutions as we usher in every new year but fail to achieve a single one. This could be due to having too many unrealistic or overly ambitious (or fictitious) resolutions.

To prepare you for a tough 2016 ahead, you need to embrace the toughest warrior mindset. Here are 16 resolutions or 'goals' for you to achieve. If you truly want to achieve your sales targets, commit to them and work towards achieving them.

AGILITY: Resolve to be faster in everything you do. Got a new product? Learn it fast. The management has come out with a new direction? Adapt to it fast. The customer has an enquiry? Respond immediately. Prospect throws a price objection at you? Quick thinking to persuade them to buy from you.

Some time back, we won a deal from East Malaysia to provide training for one of the largest car dealers in Sabah. When I went there for the training, I asked the head of sales why she chose Sales Ninja

over other training consultants. Her reply was simply that our team responded to her enquiries "extremely fast".

Agility can win sales. You must have the sense of urgency to get things done – whether it's filling up the CRM or following up with a proposal. In today's 'instant' world, you must be agile to adjust your knowledge, strategy and skill.

AGGRESSIVENESS: Resolve to be hungrier than 2015. Complacency tend to creep into our world without us knowing. My classmate had been running a successful furniture retail shop for a few years. Business had been growing steadily and he was doing well.

One day, I visited him to see if I could purchase a coffee table from him. He assigned a staff to show me around. Shockingly, I saw him sitting around playing with some Facebook games.

The outcome? Few years down the road, he had to close down his business. My favorite question for aggressiveness is "do you really want it more than anything else?" I am not advocating the idea of pushing customers to buy something worthless – I am pushing the idea that if you are persistent and able to persevere, you can achieve your ultimate target.

HABITS: Resolve to be disciplined in the necessary activities that bring sales. Many behaviours and habits in sales are very simple but tough to execute.

Two of the biggest challenges almost all my clients have, are that their sales teams are not finding new clients or are not following up effectively on their prospects. Prospecting and following up is a habit.

Embarking on cold calling consistently is a habit. And as you are aware, being disciplined in good habits is tough. If you think 2015 had been tough for you, then I suggest you better change some habits in 2016 so you can transform your sales results.

TOUGH QUESTIONS: Resolve to probe and provoke clients with tough insightful questions that make them realise that their current situation needs to change.

How many times have you met a prospect who doesn't want to change? One may say the biggest competitor is not your competitor but status quo. I have some clients who sell software to improve productivity, time and cut cost for their clients. Their enemies are not other software vendors but Excel spreadsheets. It's slow, it's messy but it works.

We need to dare ourselves to pose tough questions to customers by not being afraid of being disliked or having fear of disrespecting them. I once asked a CEO, "Do you want to save cost or do you really want to transform your sales team?"

(To Be Continued In The Next Issue)



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Datin Rosnah Abdul Latif

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S: Bolehkah Datin menceritakan secara ringkas mengenai Mariwasa?

Mariwasa pada asalnya dikenali sebagai Saunders Jewelers. Genap empat tahun beroperasi, nama syarikat di tukar kepada Mariwasa pada tahun 1979. Dalam bahasa Tagalog, *Mariwasa* bermaksud kemakmuran.

Barangan keluaran utama Mariwasa adalah pingat dan darjah kebesaran dari Seri Pahlawan Gagah Perkasa (S.P), Darjah Kerabat (D.K) sehinggalah Pingat Perkhidmatan Awam (P.P.A). Produk-produk lain termasuklah kotak kemas lacquer mahupun pedang istiadat dengan Mariwasa berperanan sebagai pengedar tunggal bagi syarikat Jerman terkemuka WKC, selain aksesori pakaian seragam.

Saya berkecimpung dalam bidang ini secara kebetulan. Arwah suami saya, Dato' Hj. Megat Mohamed Abdul Wahab bin Haji Megat Abu Bakar, telah meninggalkan kerjaya perguruan untuk bekerja dengan syarikat Mariwasa.

Pada tahun 1987 bila kegawatan ekonomi melanda, syarikat Mariwasa hampir mufliis. Tetapi arwah suami saya sedar potensi Mariwasa mampu berkembang maju lantaran kegigihan para pekerjanya. Beliau telah mengambil risiko dan mengambil alih syarikat ini dengan berbekalkan RM70 sahaja.

Para pekerja Mariwasa masih setia berkhidmat meskipun tidak bergaji selama tiga bulan. Namun dari sehari kesehari, rezeki mula mengalir masuk. Pada waktu itu, saya selaku pemegang

saham kedua selain daripada Allahyarham suami saya turut berhenti bekerja sebagai guru.

Memandangkan arwah ada melakukan perniagaan lain, dia dapat membeli sebidang tanah untuk membina sebuah kilang di Kuala Kangsar pada tahun 1991. Pada 2006, kami turut membeli sebuah lot kedai empat tingkat di Bandar Permaisuri, Cheras untuk tujuan pemasaran dan bilik pameran. Daripada tenaga kerja seramai 40 orang, Mariwasa kini mempunyai 110 pekerja.

S: Bolehkah Datin berkongsi mengenai landskap industri kraftangan. Apakah cabaran-cabaran yang dihadapi serta adakah ianya dipengaruhi oleh keadaan ekonomi semasa?

Industri kraftangan memerlukan daya kreativiti yang tinggi dan berterusan, disamping mempunyai kualiti yang konsisten. Salah satu cabaran yang dihadapi oleh Mariwasa adalah kesukaran untuk memelihara hak milik rekaan-rekaan kami. Dengan adanya medium terbuka seperti internet dan teknologi maklumat, rekaan-rekaan berisiko untuk ditiru oleh pengeluar-pengeluar lain.

Selain daripada itu, industri ini juga menghadapi persaingan daripada barangan-barangan murah dari negara seperti China. Banyak peniruan mampu dihasilkan dengan harga yang murah dari luar negara, namun kualitinya jauh lebih rendah berbanding apa yang kami hasilkan.

S: Di manakah letaknya peluang untuk berkembang dalam industri dan apakah strategi untuk pemain dalam industri



Mariwasa Kraftangan adalah pengeluar utama pingat dan darjah kebesaran. Diasaskan pada tahun 1975, Mariwasa mempunyai hampir 40 tahun kemahiran dan pengalaman untuk menawarkan produk yang unik, elegan lagi eksklusif kepada para pelanggan.

Lantaran pemberian tumpuan yang tidak berbelah bagi kepada kualiti dan kecemerlangan dalam reka bentuk, Mariwasa telah mengukir nama dalam pembekalan pingat, hiasan dan ukiran. Baton *Queen's Relay* untuk Sukan Komanwel Kuala Lumpur 1998, perkakas untuk Istiadat Kemahkotaan Sultan Johor DYMM Sultan Ibrahim, Istiadat Pertabalan Sultan Perak ke-35 Sultan Nazrin Muizzuddin Shah dan hiasan dalaman untuk Istana Iskandariah Kuala Kangsar adalah antara hasil kerja Mariwasa.

Baru-baru ini Datin Rosnah Abdul Latif, Pengarah Urusan Mariwasa Kraftangan Sdn Bhd yang dicalonkan untuk Anugerah Usahawan Paling Inovatif SME Bank 2015, telah sudi meluangkan masa bersama *BizPulse* untuk berkongsi pengalaman dan pengetahuan beliau dalam dunia keusahawanan

ini dalam menghadapi cabaran persaingan serta ekonomi semasa?

Memang persaingan dalam industri ini amat tinggi, samada dari dalam atau luar negara. Tidak boleh dinafikan industri ini amatlah mencabar kerana ia melibatkan seni tangan yang halus.

Bagi Mariwasa yang telah mengeluarkan produk berasaskan logam selama 40 tahun, kami bertumpu kepada pasaran niche (*niche market*) dan Alhamdulillah kami terlindung dari kesan ekonomi negatif. Kami menitikberatkan produk yang cantik, berkualiti serta perkhidmatan *after sales*. Bak kata pepatah, alah membeli, menang memakai.

Antara peluang-peluang dalam industri ini termasuklah mengeluarkan produk yang cantik dan unik (*customised*) mengikut kesesuaian pelanggan, penghasilan reka bentuk dinar dan dirham eksklusif untuk kegunaan seperti mas kahwin dan zakat, serta penambahbaikan hasil pengeluaran produk menggunakan teknologi dan kaedah-kaedah baharu.

S: Apakah nasihat perniagaan terbaik yang pernah anda terima?

Suami saya pernah menasihati saya *"not to put all the eggs in one basket"*. Kalau kita hanya meletakkan sepenuh harapan dengan satu produk untuk mencari rezeki dan ia tidak berhasil, maka apakah yang akan terjadi kepada syarikat kita? Justeru itu, kami banyak membuat produk seperti pingat, anugerah, kraftangan perak, perhiasan, pedang dan yang terkini, peralatan untuk majlis perkahwinan.

Apabila mantan Perdana Menteri Tun Dr Mahathir Mohamad melawat kilang kami pada tahun 1998, beliau menjemput pakar dari Jepun untuk mengajar kami cara untuk membuat kotak hiasan *lacquer* selama dua minggu secara percuma. Sejak itu, kami bukan sekadar berjaya menghasilkan kotak hiasan *lacquer* yang berkualiti tinggi, malahan menemui satu produk yang sangat laris.

S: Apakah aspirasi anda untuk masa hadapan?

Aspirasi saya adalah untuk meningkatkan martabat seni kraftangan Melayu di seluruh dunia. Secara peribadi, saya ingin mengembangkan perniagaan ke bidang yang lain. Sekarang kami sudahpun mengeluarkan produk minuman seperti kopi dan teh gaharu di bawah jenama LeafLife melalui anak syarikat milik kami, RAL Plantations Sdn Bhd.

HARSH REALITY: THE COSTLY 'CHEAP OIL'

by Roy Chen

While cheap oil is great for the Malaysian consumers – motorists would rejoice over lower pump prices – people on the street may not be aware or comprehend how this can be a bane to the country's economy over the medium-to long-term.

The performance of the Malaysian stock market (Bursa Malaysia) as well as the ringgit has somehow been impacted with the Brent crude or the global oil price benchmark currently hovering at the US\$30/barrel mark or very near to its lowest level in more than 12 years.

According to MIDF Research, Malaysia recorded a net withdrawal of foreign funds from equities listed on Bursa Malaysia amounting to RM19.5 billion (an equivalent to US\$5.0 billion) in 2015 (RM6.9 billion in 2014). The quantum of outflow was the highest among the seven Asian markets (also include Thailand, Indonesia, the Philippines, South Korea, Taiwan and India) tracked by the research house and the most severe foreign attrition since the 2007/2008 Asian Financial Crisis.

In October 2015, it was reported that Shell Malaysia which is often been looked upon as one of the country's best employers, planned to axe as many as 1,300 jobs over the next two years as a drastic decline in oil prices since July 2014 (before which the Brent Crude peaked at US\$115/barrel a month earlier) has derailed the oil giant's business plans especially for the upstream division.

Aside from Shell Malaysia, many oil and gas (O&G) service providers (majority of which are SMEs) have also resorted to retrenchment, contract termination, pay-cuts or re-deployment of employees to keep their operational costs as lean as possible.

In noting that crude prices could average US\$30/barrel, Petroliaam Nasional Bhd (PETRONAS) has cautioned that the Malaysian state oil company "faces two to three tough years".

GLOBAL PAIN

The deepening slump is adding fresh pain for PETRONAS as it juggles investing in long-term projects for future growth and meeting dividend obligations to the government. According to government estimates, the net-oil exporting nation stands to lose RM300 million for every US\$1/barrel decline in crude.

With PETRONAS' crude oil based revenue expected to fall from RM64 billion in 2014 to RM29.4 billion in 2016, the national oil corporation has announced a lower dividend payout to the Government of RM16 billion in 2016 compared to RM26 billion for 2015.

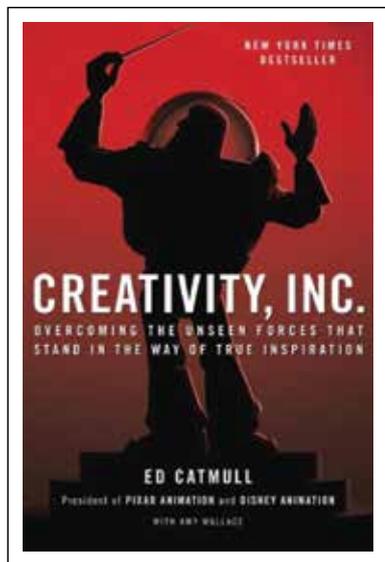
It is worth noticing, however, that this is not a problem peculiar only to Malaysia. ConocoPhillips is losing US\$1.79 billion in net income each quarter for every US\$10/barrel drop in prices, according to analysts at Barclays Plc.

Petrobras, Brazil's state-controlled oil producer, has slashed its five-year business plan to US\$98.4 billion, the latest adjustment to the original US\$130 billion announced last year.

More broadly, economists are concerned that oil price slump would raise the risk of a full-blown crisis in the emerging markets. Many economies like Brazil, Venezuela, Colombia and Russia are powered by energy exports. Brazil's longest recession since the 1930s is getting worse while Russia's currency has recently plunged to an all-time low.

On the hindsight, the idea that cheap oil is a net positive on the consumers hinges on them spending the money they are saving at the pump. But it remains to be seen at a significant level given the escalating cost of living stemming from the weak ringgit coupled with the implementation of the Goods and Services Tax (since April 2015). This has led the Retail Group Malaysia, the country's leading retail research firm, forecasting limping sales for 2016 – a mix note of caution to the SMEs.

Available at
amazon.com



Review by Azuar Zainuddin

Author : Ed Catmull with Amy Wallace
Hardcover : 368 pages
Publisher : Random House (2014)
ISBN : 978-0812993011

HOW TO CREATE CREATIVE CULTURE

For nearly two decades, Pixar Animation Studios has dominated the world of animation, with films such as *Toy Story* trilogy, *Monsters, Inc.*, *Finding Nemo*, *The Incredibles*, *Up*, and *WALL-E*, which have gone on to set box-office records and garner 30 Academy Awards.

In *Creativity, Inc.*, Ed Catmull, co-founder of Pixar Animation Studios (and also the current president of Walt Disney Animation), reveals the ideals and techniques that had made the animation studio so widely admired and profitable. At the heart of *Creativity, Inc.* are the tools behind building an organisation's creative culture and as Catmull writes, "an expression of the ideas that I believe makes the best in us possible".

Catmull shares the Pixar's philosophies that protects and defy convention that are essential to their success. The book outlines seven core principles for a creative culture which are: quality is the best business plan; failure isn't a necessary evil; people are more important than ideas; prepare for the unknown; do not confuse the process with the goal; everybody should be able to talk to everybody; and give good notes.

While *Creativity, Inc.* may not be able to reveal every tools that led Pixar's success,

it does showcase several major arrows in their major quiver. One such tools is the concept of "Brain Trust", consisting of leadership, directors and producers which provides actionable feedback in candor to the director. The responsibility and trust in making the right decision should still rest on with the director. As ideas takes time to germinate, the Brain Trust typically meets every three to four months.

Flipping through the pages of the book, one can't help but feels being taken on private tour through the corridors of Pixar's famous "Steve Job's Building". The book is interspersed with stories of the trials and successes behind many of the movies that they have made. Catmull also shares his now realised dream to make the first fully computer-animated movie, his days as a PhD student at the University of Utah, and the partnership with George Lucas which indirectly led to the founding of Pixar with Steve Jobs and John Lasseter in 1986.

In conclusion, *Creativity, Inc.*, is a must read for anyone interested in cultivating creative culture in their organisation. It doesn't hurt if you just happen to be a fan of Pixar or Disney and would love to learn more about them.

ENTREPRENEURS' EVENT CALENDAR

2016

26-27
Feb

HOW TO START A FOOD TRUCK BUSINESS

Venue:
Menara SME Bank,
Kuala Lumpur

CEDAR's "How To Start A Food Truck Business" in collaboration with FriedChillies.com, is a specially designed two-day programme with the sole-purpose of enabling new and existing entrepreneurs to start, develop and run a successful food truck business.

www.cedar.my

9-12
March

EXPORT FURNITURE EXHIBITION (EFE2016)

Venue:
Kuala Lumpur
Convention Centre

The Export Furniture Exhibition (EFE), one of Southeast Asia's largest and most important international furniture business platform. Attendees can expect to see brand new products from over 270 furniture manufacturers from Malaysia, China and the ASEAN region.

www.efe.my

11-12
March

WHARTON GLOBAL FORUM

Venue:
Sasana Kijang,
Kuala Lumpur

Join the Wharton community on March 11-12 at Sasana Kijang Kuala Lumpur for an extraordinary opportunity to make new connections and learn from innovators as well as thought leaders who are mobilising ASEAN through dynamic partnerships.

www.whartonkualalumpur16.com