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Cover Story: Of trials, tribulations and triumphs

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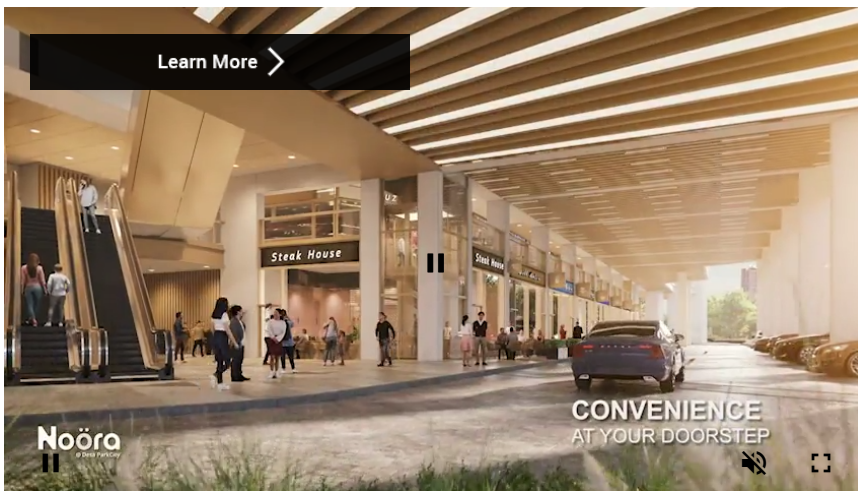
When Puan Chan Cheong, better known as C C Puan, returned to helm Green Packet Bhd after a five-year hiatus, he did so with a plan to turn the company on its head.

Green Packet has been a challenger telecommunications company since it was established in 2005. But, with competition heating up in the digital space, innovation is the key to moving forward, he tells *Digital Edge* in an interview.

“My sole mission since coming back has been to prepare the whole group for a new transformation journey. We really need to build the foundations for Green Packet 5.0. For that to happen, Green Packet needs to be an agile organisation — nimble to respond to whatever curveballs come our way,” he says.

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Curveballs have been pretty much a normal occurrence in Puan’s colourful life. The youngest of a large family of 10 children (his parents were rubber tappers), he survived without either running water or electricity until he was 13.

By the time he was 30, however, he had graduated from a college in the US with a degree in finance and management information systems. He had also worked at several interesting companies and even consulted on a US\$2.8 million bridge project in China and won the toll concession for the Nanning Airport road.

Having amassed some wealth by then, Puan established Green Packet in Silicon Valley in 2000. But the collapse in the telecommunications industry, followed by the dotcom boom and bust that year, also known as Tech Wreck 2000, forced him to reconsider the position of the company. He relocated to Malaysia and focused on expanding in Asia instead.

He listed Green Packet on Bursa Malaysia’s Main Market in 2005. Its market capitalisation at the time of its listing was RM350 million, rising steadily to RM2.7 billion by early 2007.

The group’s biggest endeavour was to raise substantial capital to launch and operate Packet One Networks (P1) — a WiMAX operator. WiMAX (short for Worldwide Interoperability for Microwave Access) is a wireless

technology that was proposed as an alternative to cable TV and DSL, especially in rural areas where good internet access was not typically available.

WiMAX lost its momentum, however, as Long-Term Evolution (LTE) came along and became the standard for wireless broadband communication for mobile devices and data terminals. This change in the standards of broadband technology had a profound impact on Green Packet.

In 2014, P1 was acquired by Telekom Malaysia Bhd (TM) and Puan relinquished his role as group CEO to Tan Kay Yen to assume the role of P1 CEO for a period of two years. P1 was rebranded as Webe in 2016 and is known today as Unifi Mobile.

“We built a large infrastructure and a national distribution system from scratch over a three- to five-year period. We took on the challenge and were very confident. [But in the end,] we had to bring in a new investor to upgrade to 4G LTE,” says Puan.

“I believe that if a challenge doesn’t kill you, it will only make you stronger. So, I took that as feedback and an opportunity for us to grow stronger. The capability in terms of fast-skilling, which we like to call ‘blitz skilling’, continues to stay with us.”

This culture helped the company to constantly reinvent itself. In the last few years, Green Packet has been investing heavily in digital services, with a focus on financial technology (fintech), artificial intelligence (AI) and the Internet of Things (IoT).

In the light of the Covid-19 pandemic, these investments have hit home. “This crisis has given us a very good opportunity to take stock and also change our product and business model to fit with the demand,” he says.

Puan wants to talk about the rise of the low-touch economy (a term coined by business strategist Philippe de Rider in relation to the economic and behavioural shifts caused by Covid-19).

“In this new normal, everybody fears touching everything. That is why businesses have to adapt by adopting new technology and new practices to keep people safe,” he says.

Green Packet’s Kiple solutions have been a key component in facilitating this transition and pivotal to the company’s prowess as an upcoming technology powerhouse.

“The thing is, we know we have the solutions that can help Malaysians to digitally bridge that physical barrier brought about by Covid-19 and the Movement Control Order (MCO), which we were all forced to operate in earlier this year, to continue conducting their business. The MCO back then and the Conditional MCO now are necessary to flatten the curve. That is the utmost priority,” says Puan.

“But being able to continue doing business and earning an honest living in this environment is also important. That was why we launched the We Are Ready (WAR) campaign on May 7, to help businesses in their digital transformation programmes and for workplaces to restart. The response has been overwhelming, particularly for KipleLive.”

Green Packet's Kiple ecosystem is a comprehensive end-to-end solution aimed at helping businesses resume operations with relatively low cost and effort, he says. The software system was developed in partnership with SenseTime, one of the top AI start-ups in the world.

KipleLive, which is essentially a flagship product of the company's foray into property technology (proptech), integrates AI facial recognition, cloud-hosted services, FR thermal scanners and a visitor management system as well as services that bridge the gap between property management and residents (kipleHome), smart parking (kiplePark) and e-payments (kiplePay).

From as low as RM399 a month, the first 1,000 customers had access to thermal scanners, facial recognition solutions and cloud-hosted services; an app for customers, employees or visitors; and software for business owners to help them capture necessary information related to the virus outbreak.

"We also have our KipleBiz 1-Click Payment Solution, which enables businesses to sell online using social media, without a website. It allows them to take orders, manage payments and arrange for deliveries — simple, yet effective solutions that are purpose-driven," says Puan.

"By the end of May, just two weeks after our launch, we achieved a sales pipeline of 10,000 units of the KipleLive solution."

One of the projects undertaken by Green Packet during the pandemic was the Warong Digital e-Bazaar Ramadan programme, a collaboration between KiplePay and the Coalition of Malay Small Traders Association. Leveraging the KiplePay e-wallet, local traders were able to conduct their businesses online during the month of Ramadan, enabling customer access to an entirely cashless experience.

"We also work closely with entities such as Digital Perak Corporation Holdings on its Digital Perak web portal. Merchants under Digital Perak's S.M.A.R.T Niaga@Perak programme will be able to conduct cashless payments for in-store and online transactions through KiplePay," he says.

"The KipleBiz Unified Payment platform will support merchants who sell their services or goods online with payment gateway services that facilitate multiple modes of payments such as online banking, debit/credit card and multiple e-wallets."

Pillars of transformation

Fresh off the company's recent achievements, Puan is now focused on growing its five key business pillars: cloud and data centres; digital and financial services; smart devices and semiconductors; smart city and urban tech; and early and late-stage investments. "We believe these pillars are critical in preparing ourselves to be a leading player in the digital transformation business," he says.

Green Packet, in partnership with G3 Global Bhd, is planning for the country's largest hyperscale data centre in the proposed AI park in Bukit Jalil, starting with three 10mw hyperscale data centres in the first phase of development. At maturity, the data centres will have a potential end state of 100mw.

This came after Green Packet inked a 10-year exclusive agreement with Tencent Cloud in August to set up servers in Malaysia and offer the latter's services — part of its international node coverage — as well as meet demand from other large-scale anchor cloud operators.

Capitalising on Malaysia's cloud market, which is set to deliver revenue at a compound annual growth rate of 12% from 2020 to 2024, the data centre market has a few key players but no clear leader in the hyperscale space, says Puan. "Our subsidiary, NGT Networks, will spearhead operations of the data centre. NGT is now in the business of wholesaling voice minutes and data.

"The world's top four cloud providers — Amazon Web Services, Microsoft, Google and Ali Cloud — are all operating themselves. So, it's a tremendous achievement to convince Tencent Cloud to partner with us, because it is the fifth largest player worldwide and it has the highest growth, at 130% last year, while the others are growing in double digits."

Malaysia is in a favourable position as many of the tech giants are looking for alternative hubs in Asia apart from Hong Kong and Singapore. Hong Kong, which has long been Asia's financial centre, is no longer free from the influence of China, whereas Singapore lacks sufficient land mass and power to contain more data centres. While there are plenty of data centres in Malaysia, none are large enough for the world's biggest cloud operators, he says.

The AI park also fulfils Puan's ambitions of building a smart city and developing urban technology. The park is envisioned to be Malaysia's first AI-powered technopolis, which is an integrated development with schools, residences, factories and transport and infrastructure facilities, all equipped with the latest AI solutions.

"The AI park will be an embodiment of our single unified multiple technology suite seamlessly woven into the fabric of its development design to showcase that the future is here and it is real. The residential component that we plan to develop will be smart homes suited to online and offline working environments," he says.

"There will be smart cameras that will follow your voice and movements. You can even hail a car by voicing your request, because not everyone will want to own a car. So, there will be on-demand e-hailing options."

As part of its digital and financial services, KiplePay has already established itself as a leading e-wallet provider, especially after venturing into the university vertical through a collaboration with Universiti Utara Malaysia and Bank Islam last year, says Puan. "We have also acquired Xendity Pte Ltd, an e-KYC (electronic know-your-customer service) pioneer for all the financial institutions. Apart from e-KYC services, we are also able to issue debit and credit cards, following our collaboration with Visa Fintech."

All that is left are the lending and remittance segments, for which Green Packet is gearing up. "We are in the process of applying for our remittance licence from Bank Negara Malaysia and lending licence from the Ministry of Local Government and Housing. We are also looking for acquisition opportunities. Once we have that, we will literally be able to offer all the services that a bank provides," he says.

To bolster the digital devices section, Green Packet is in the process of bidding for Silterra Sdn Bhd, Khazanah Nasional Bhd's chip foundry. Puan points out that the electrical and electronics (E&E) sector contributes 38% to Malaysia's exports, of which 52% comprises semiconductor-based products and solutions.

"We have put up a compelling bid for Silterra and we have solid plans to help the company optimise its operations and grow by creating new demand opportunities through better connections with the international E&E value chain," he says.

Lastly, Puan hopes to continue to invigorate Malaysia's technology landscape by dedicating RM50 million to KipleX, a co-creation innovation lab and early-stage venture capital firm for start-ups. "Green Packet started as a small technology start-up in Silicon Valley. Some 20 years later, our start-up mindset remains deep. Innovation is at the core of Green Packet," he says.

One of the first investments KipleX has made is in smart mobility technology. Dubbed as the Tesla of Southeast Asia, it is in the process of making electric motorbikes — a prevalent mode of transport in the dense region, which is also poised to become the world's third largest economic bloc in the next three decades, says Puan. "We can expect to see the birth of new unicorns and we will be able to leverage our investments."

Meanwhile, the bid for Silterra is part of Green Packet's late-stage investment focus. "If you are able to visualise this and connect the dots with me, you will be able to see that we are working very hard to build an optimum environment that will enable us to deliver our massive transformative purpose — to ensure every human thrives with life-improving digital innovations," he says.

For Puan's plans to fall into place, he recognises that he has the uphill task of changing the mindsets of his team members. "I truly believe that to grow the business, we really need to grow our people. I still remember the first thing I asked them at a town hall meeting after I returned: 'How do you grow new muscles?' The answer was that we needed to break our old muscles," he says.

"That is exactly what I am here to do. To grow new muscles, you need to suffer the growing pains. My job is to get them out of their comfort zones, which is pivotal to turning Green Packet into a data-driven and agile organisation."