3.0 THE PORTAL - MYBIZ.COM

3.1 Introduction

Online marketing is relatively new in Malaysia. The Malaysian Government, realising the importance of Electronic Commerce, set up the National Information Technology Council ("NITC"), as the country's premier organisation to strategically manage IT in the interest of the nation (www.nitc.org "et al").

With Electronic Commerce being the medium of business transactions in the future, home grown companies must seize every opportunity to implement a system that will allow them to compete in the global market. The Deputy International Trade and Industry Minister, in stating this said many countries now see Electronic Commerce as the key to competitive edge in international trade. Electronic Commerce, he said, was gaining momentum internationally with governments playing supporting but non-regulatory roles and almost all the Southeast Asian neighbours have "workable" Electronic Commerce models both on B2B and B2C basis. Electronic Commerce means that businesses will no longer be conducted via value chains with traditional supplier-producer-distributor-retailer models (Damodaran, Rupa NST 22JUL98).

As a part of the National IT Agenda (launched in December 1996), the NITC launched the Demonstrator Application Grant Scheme (DAGS), and the Electronic Commerce grant on the 21st April 1998. Through this grant scheme, the then BSN Commercial Bank came up with the myTradeNet, a trade financing portal in collaboration with MyBiz.com Malaysia, the country's first B2B e-marketplace created in 1999 by HiTechniaga Sdn Bhd together with the Small and Medium Sized Industries Development Corp ("SMIDEC"), which allowed SMI/SMEs to apply for online trade financing facilities like letter of credit, bankers acceptance, shipping guarantees, bank guarantees, trade
line enquiries and forex enquiries as well as remittances services (www.hitech.com.my).

3.2 About Hitechniaga Sdn Bhd ("Hitechniaga")

In early 1999, Hitechniaga created MyBiz.com, which was the first true Business Relationship Network™, a B2B electronic community for SMIs/SMEs. MyBiz.com is the abbreviation for My Business Network. It is a platform of the Business E-Community, which facilitates trade between multiple buyers and sellers. With MyBiz.com, the companies within the E-Community will reach other companies located throughout the world.

Hitechniaga helps business entities create links in three directions: Business to Business ("B2B"), Business to Consumer ("B2C") and Business to Government ("B2G"). For each of these they offer products and services that focus on both technology and business through developing and operating the Electronic Commerce applications, integrating the systems within the business and offering Electronic Commerce related services to the Business E-community (www.hitech.com.my).

Hitechniaga rolled out the Purchase Stream which was developed on 17th October 1997, in Malaysia's MSC. It was the first Internet-based product to effectively manage the business relationship between buyers and their preferred suppliers while delivering cost saving measures. In March 1999, Hitechniaga rolled out another world-class business to business application, Synapse. It was showcased during the Microsoft Asia Enterprise Summit 1999 in Hong Kong. Synapse is the engine that drives MyBiz.com (www.hitech.com.my).

In March of the same year, Bill Gates auctioned his wristwatch on MyBiz.com to demonstrate the Digital Nervous System, the technology behind the
MyBiz.com portal, at Microsoft's Asia Enterprise CEO Conference. In April 1999, MyBiz.com went live with 50 SMI/SMEs in Malaysia. By 1st January 2000, MyBiz.com had 330 SMI trading in 34 industry segments, buying and selling more than 6,000 types of products with over one million stock keeping units ["SKUs"] (chance for SMI to venture in Electronic Commerce. The Sum 14APR99).

3.3 About MyBiz.com Malaysia

MyBiz Malaysia Sdn Bhd. is the developer, owner and operator of MyBiz.com Malaysia, an electronic trading business environment for SMI. The MyBiz.com Malaysia business e-Community was developed under the NITC, SMIDEC, Microsoft Knowledge Capital Centre and Arthur Anderson. MyBiz.com was developed over a 2-month period and about RM10 million was spent by the companies involved in the project.

3.4 Objective of MyBiz.com

The main objective of MyBiz.com was to help the SMI to venture into Electronic Commerce through MyBiz.com, as a premier business network that connects businesses from across the globe to enable trade to occur via the Internet. MyBiz.com features a local SMI/SME community selling their products and services, which is linked to another business community comprising corporate buyers from around the world. Since its establishment in April 1999, MyBiz.com has been successful in attracting SMI participation in Electronic Commerce. There were 50 members in 1999 and the numbers increased to 403 companies registered on the portal as at year 2002, spanning more than 43 diverse industries.
3.5 Business Model

A business model is defined as the organisation ("or architecture") of product, service and information flows, including a description of the various business actors and their roles, a description of the potential benefits for the various actors and a description of the sources of revenues and benefits for suppliers and customers. The business model would be defined based on the business processes (Timmers "et al" Pg 32). In addition, an understanding of the company's marketing strategies is outlined, in order to assess the MyBiz.com's business model to ascertain the benefits derived by the users of MyBiz.com.

MyBiz.com connects buyers and sellers online through an electronic market place setup. MyBiz.com essentially targets SMI/SMEs by realising the additional benefits due to them by being an enabler for these SMI/SMEs to derive new sources of revenue through the usage of Electronic Commerce in addition to their existing brick and mortar structure, where applicable. Enablers are value adders that enable more transactions in the internet commerce market by providing necessary infrastructure. Typical enablers are payment service providers, clearing houses and trust guarantees (B2B "et al").

In this respect the business model of MyBiz.com would be analysed from the various applications offered by MyBiz.com ("Applications Offered"), the potential benefits that will accrue to the buyers and sellers through actively pursuing transactions via the MyBiz.com medium ("Benefits Derived") and marketing strategies that have been employed by MyBiz.com to enable it to be a successful B-2-B portal ("Marketing Strategies Employed") and the clientele that it targets as buyers and sellers ("Clientele Base").
Applications Offered

MyBiz.com offers many business online capabilities to create profits, which can be used by international companies as well as small and medium enterprises to gain international exposure and increase their sales worldwide. The solutions offered over MyBiz.com encompass the Private Business Network, My Supply Net™, My Procure Net™, My Sellnet™ and Business Relationship Network. The unique applications offered over MyBiz.com are to differentiate MyBiz.com from other B-2-B portals and provide the competitive edge for MyBiz.com over other internet portals.

The BusinessRelationshipNetwork™ represents an open collaborative business electronic community that provides SMI/SMEs the opportunity to become virtual multinationals. The BusinessRelationshipNetwork™ enables companies to conduct business with each other on the internet all over the world. Participating in this online trading environment enables business organisations to procure, sell and collaborate with other companies for increased savings and profit through efficient and effective procurement and sales processes and volume discounts. This application enables users to access various online trading zones namely the Malaysia Network, Singapore Network and Asia Furniture Hub.

As sellers, to be able to participate in the BusinessRelationshipNetwork™ a seller requires to submit an application form with the necessary documents and the requisite payment for charges. Whereas a buyer is not subject to any fees but nevertheless is also required to register online. Therefore trading on any of the business networks would require a user name and password to be keyed in prior to performing any transaction.
A BusinessRelationshipNetwork™ which is private to the companies is known as The Private Business Network, which allows a company to have an online private business network with the company's customers, suppliers and business partners vide their own private business environment or website, where the buyers, suppliers and business partners will log on to the website of the respective company and perform the required transactions in the form of making inquires, making orders or updating the information pertaining to the products/services offered. Thus offering a comprehensive procurement and sell-side functionality to maximise efficiency, which is scaleable, with the organisation's growth and expansion.

By logging onto the Private Business Network, customers will have access to real-time product information and a reduction in the product search time which will translate into improved customer satisfaction. The cataloguing system enables product positioning and pricing according to components and in different currencies. Other features include effective management and utilisation of inventory and the management of partnership applications and existing contracts.

The vendor of the services will be able to update the profile of their company in their deemed manner which can be accessed easily even via remote access, have access to reports reproduced from the data captured about the customers which can be used to formulate effective marketing strategies and improving the business analysis and workflow management to effectively manage the approval hierarchy.

For instance the personnel who raised the purchasing order will have to route it to a higher authority to approve the purchase. Approval limits can be set accordingly for different personnel to ensure errors are
eliminated. At the same time, after a pre-set period of "no-action", the Purchase Order is routed to other personnel for action. Another capability of such systems is that the approving authority need not be physically present in the office to execute the transaction. Internet access capabilities enable one to access and authorize the purchasing order from anywhere as long as there is access.

MySupply Net™ is designed for business or manufacturers who are in search of a successful and effective supply chain management solution by assisting manufacturers to source more effectively, perform product customization to meet their customer’s needs and manage delivery to the buyers efficiently.

In today’s competitive market environment, many companies have to resolve to squeezing their suppliers’ margins in order to be profitable. The open architecture of MySupplyNet™ supports integration to other solutions such as ERP and provides the opportunity for visibility of the entire supply chain. It allows manufacturers to optimize their production output with timely information and understanding of the supplier’s capacities and the customer’s requirements respectively. MySupplyNet™ recognises that a supplier is at the same time a customer to another supplier and manages this process effectively.

Similar to other MyBiz.com solutions, MySupplyNet™ is also designed to foster and nurture new as well as establish relationships along the supply chain.

My Procure Net™ seeks to reduce the time wasted in relation to inefficient purchasing processes by automating and streamlining the purchasing process through connecting with as many potential/existing
suppliers of the customer online by ensuring on-contract purchasing and simultaneously reducing associated operational overheads.

It enables the purchasing officers to aggregate requisition from the entire organisation and in turn requesting for quotations and orders from approved suppliers. This feature revolutionises the entire procurement of the company through IT and allows electronic negotiation simultaneously with all suppliers and thus reducing procuring time. An example of the procurement process is illustrated as follows:

Figure 3.1: Illustration of a procurement process (www.mybiz "et al")
MyProcureNet™ is a relationship-based solution offered by MyBiz.com, enabling organisations to reap the benefits of electronic procurement.

My Sell Net™ is specific for companies who choose to expand their market share and sell their products via the Internet which allows for tracking, monitoring and managing the business relationship by the companies. MySellNet™ is a relationship-based online sales solution offered by MyBiz.com.

It transforms the sales process between the user and customers by replacing paper-based catalogues with an online sales channel. This enhances the sales process enabling it to become even more efficient, provide better customer relationship management and reduce associated operational overheads. The application caters for customers to raise and send online request for quotations and purchase directly and also allows the seller to raise and send online quotations to customers.

In furnishing the above application, MyBiz.com has provided a platform for the companies registered on its website to have different pricing based on the customer’s profile and business relationships. This will limit the buyer to the prices that the company intends him/her to see.

There is also sufficient security with regards to the online payment system, which encourages companies to perform online transaction. The involvement of the banking industry assures the security of the payment system. Some of the banks that are involved are Affin Bank Berhad and Bank Bumiputra Commerce Berhad.
Benefits Derived

SMIs/SMEs are able to penetrate the markets world-wide, gain access to technology and resources without having to incur high costs as well as tap into the knowledge bank of the industry's best practices.

As a seller in MyBiz.com's Rel@tionet™, the business electronic community technology allows SMIs/SMEs to focus on the business development, new product and service development as well as customer retention. This opens opportunities for SMIs to increase their revenue and reach more buyers by accessing a wide range of buyers and industries already in the MyBiz.com community.

Sellers also have the option to make use of the MyBiz.com business support services which help the SMIs/SMEs to match their business with new buyers, promote their products to new markets and promote the business through MyBiz.com's participation in international road shows and trade fairs. By utilising these features from MyBiz.com, SMIs are able to improve their electronic transactions, cut costs, reducing order processing costs by increasing accuracy of transactions, reducing turnaround time and improving competitiveness through direct dealings with the buyers, gain control of their business processes by managing reports on their business transactions and gaining valuable information to enhance their businesses.

As for a buyer, they will be able to focus on creating new products and refining specifications, finding new sources and developing long term supply relationships. By buying on-line, SMIs can source from more sellers and access more products at optimal prices, reduce transaction costs and improve competitiveness by reducing costly paperwork through smart electronic transactions, creating tightly-coordinated supply chains and reducing order cycle times and automating the cost.
of intra-company interaction, and gain control over their business processes

MyBiz.com allow SMIs/SMEs to request and raise quotations, place and accept orders, post and respond to auctions, tenders and fire sales, apply for trade financing, control their worldwide web presence via remote administrations, monitor, record and analyse transactions. All transactions are logged and can be easily analysed for potential cost reduction, for instance choosing a cheaper supplier. Equipped with more knowledge suppliers are able to negotiate for better rates, terms and conditions. With additional information and knowledge, it may even be possible to identify alternate or substitute input materials or supplies.

(c) Marketing Strategies Employed

To increase the visibility of its clientele, MyBiz.com submits the company's URL to major search engines to create foreign demand and also advises companies to feature their URL on their printed stationary and marketing collateral. In addition, MyBiz.com actively participates in trade shows and missions to promote their site.

Effective maintenance of the Company's and customer supplier and business partner's information ranging from user's details, preferences, access rights and maintenance of updated information on the company's products, services and bank information will enable user's access to updated information.

MyBiz.com offers the most cost effective and fastest way to start an electronic business, that is within 60 days, a company will be able to have both a fully operational electronic procurement facility and sell channel, which makes it very attractive for a potential company to
become a member of MyBiz.com and thus increasing the attractiveness for companies to be members of the portal.

Extensive usage of technology to build/maintain business relationships utilising MyBiz.com's proprietary technology known as Covalence™, which provides the opportunity for business to create, build and strengthen their customer and supplier relationship's online; which is achieved via improved communication within the business network. MyBiz.com provides key valued added services such as website hosting, email hosting and data centre facilities for SMIs/SMEs who choose the convenience of not having to maintain the site and information themselves.

MyBiz.com markets itself as a horizontal B-2-B portal that is one that spans across different industries which therefore is centred on products and services that many or all would use regardless of the type of industry that they are in. Examples of these products are the likes of those who offer products such as office furniture, car components, textile related products, biscuits, business and information searching services and many others. The Chief Executive Officer (Mr Cheong Yok Wai) of MyBiz.com once commented at a seminar to promote MyBiz.Com attended by the author that mandarin ranges were bought and sold via this site during its initial operation period.

My Biz has strong strategic shareholders who increase the confidence of the users of its portal which are well known names within their own right and are inclusive of Citibank Group which is a global conglomerate in financial services via its private equity arm, namely Citicorp Capital Asia who has invested in MyBiz.com International.
Another strong shareholder is in the form of Electronic Data Systems ("EDS") which is a leading technology provider.

An illustration of MyBiz.com's business model is as follows:

![Diagram](image)

Figure 3.2: Positioning of MyBiz.com

(d) **Clientele Base**

A list of companies registered as suppliers on MyBiz.com's portal are appended in Annexure 3.

3.6 **Current position of MyBiz.com**

Information pertaining to the revenue generated from Electronic Commerce transactions through the MyBiz.com portal is unavailable. However, the number of companies registered on the MyBiz.com portal has increased substantially to stand at 403 companies to date from more than 43 diverse industries.
Kein Hing Industry Sdn Bhd is an example of one of the companies registered on the MyBiz.com portal and is linking its suppliers, most of which are small and medium enterprises (SMEs), to its online supply chain through the implementation of one of MyBiz.com's application being MyProcureNet, an e-procurement solution as part of its efforts to integrate to the global supply chain. A total of 14 suppliers have joined the Kein Hing private business network, established under the auspices of the national TiGeR (Technology, Industry and Government for eEconomic Revolution) initiative.