

**Berinda: A fresh beginning**

CITY&COUNTRY Pullout

**Catcha making a comeback**

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THE EDGE⁺

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More clout under amended Acts

| BY CINDY YEAP |

Auditors who fail to report in writing any suspicion of fraud will face a maximum seven-year jail term and a RM250,000 fine when amendments to the Companies Act 1965 become law later this year. The amendments to the Act, as well as the Securities Commission Act 1993, were passed by Parliament recently.

Market watchers say the amendments make the letter of the law "more explicit" on issues like fraud, and are among measures to show Malaysia will not tolerate wrongdoings in its capital market. For instance, the amended law now clearly spells out an auditor's

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BNM to tighten insurance rules

| BY ANNA TAING |

Bank Negara Malaysia (BNM) is reviewing the Insurance Act to consolidate the supervision and regulation of insurance companies.

According to industry sources, this would involve bringing under central bank supervision not only the insurance companies, but also their holding companies, just as is the practice in the banking industry.

Currently, holding companies of insurance companies don't come under BNM's purview.

It is understood that amendments will be made to the Insurance Act to facilitate this "consolidated" supervision

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Spice to list at 48 rupees per share

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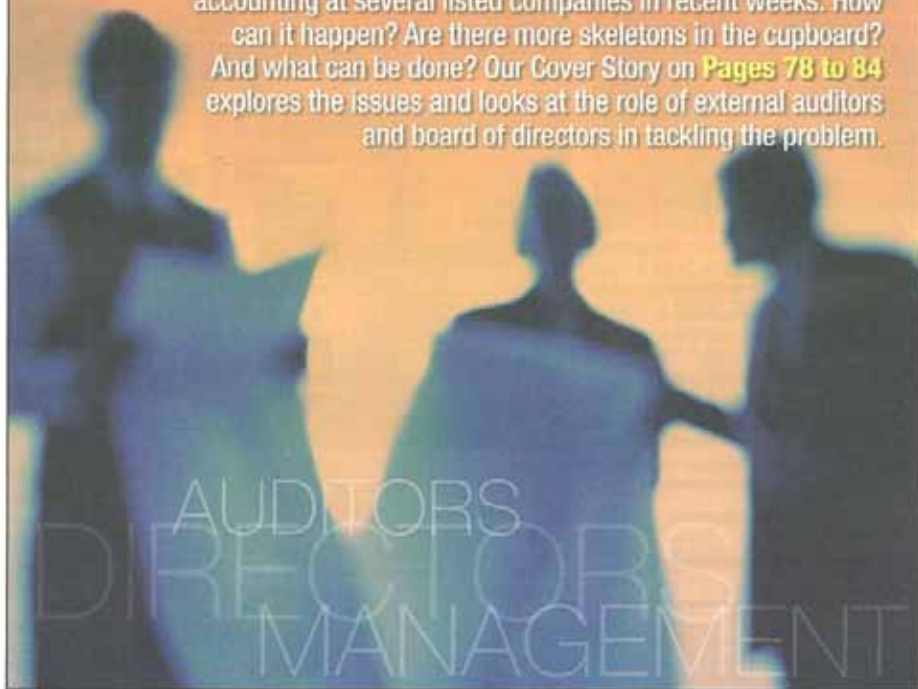


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ENRONS in our BACKYARD

Corporate Malaysia has been rocked by Enron-like false accounting at several listed companies in recent weeks. How can it happen? Are there more skeletons in the cupboard? And what can be done? Our Cover Story on **Pages 78 to 84** explores the issues and looks at the role of external auditors and board of directors in tackling the problem.



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Who knows you better

Catcha is back

BY TOH MEI LING |

Most Malaysians will remember Catcha.com, the poster child of Internet companies that made waves back in 1999 to 2002. However, the bursting of the dotcom bubble in mid-2001 eventually took its toll and Catcha quietly ended its ambitious portal game plan.

But the company carried on with its publication business which it had gone into in 2001. Boring as it may have seemed then, it is on the back of its growing print business that the renaissance of the group is riding.

Today, Catcha Media Group, as it is called, can proudly call itself one of the battle-scarred survivors of the dotcom era.

Catcha's dotcom story is a typical one — fast in its rise and hard in its fall. Launched in 1999, the portal became a household name in Malaysia due to its focus on brand strategy, a very media-friendly and savvy management team, ease of use and locally relevant content. (These were the pre-Google days when any attempt to find Malaysian content was as futile as looking for a needle in the haystack!) The company rose quickly to fame and in 2000, it received approval for listing on the Singapore Exchange. The dotcom bust happened when it was on the brink of its IPO.

"It is funny now when I think about it; the market crashed when we were on a regional roadshow, I remember arriving in Hong Kong — we were picked up in limos and treated like rock stars but on the way back, we were sitting in the cab like nobodies! After we got back to Malaysia, things just got worse because there was a lot being written about us not being able to survive the bust. This didn't help one bit when we were desperately trying to make presentations to clients," reminisces Catcha's group CEO and co-founder Patrick Grove.

At the end of 2000, Catcha was in dire straits financially. It was fast running out of money and burdened with huge expenses and redundancies. The company was operating with 150 people in six countries with revenue of only RM2 million back then, and a chunk of its profits was being spent on marketing efforts. Employee motivation was at an all-time low with numerous news reports and industry talk about Catcha folding (Grove calls it a "self-fulfilling prophecy"). Catcha's board of directors wanted to close the company, but the founders refused to give up.

Surviving two near-death situations

Pointing out that Catcha should have died twice, once in April 2000 and again in September 2001, Grove and the other founders — Nic Lim, John Wong and Ken Tsurumaru — as well as three senior managers — Alan Ow, Luke Elliot and Brian Wong — decided to go without pay for nine months instead of shutting down. "I was young and naïve then. If I had the experience then that I have now, I would've shut down the company, taken a one-year sabbatical and made a comeback when the market was better," he laughs.

Thus, in September 2001, with only 25 employees left in Singapore and Malaysia, Grove and his team embarked on the challenging task of turning the company around. After a lot of soul-searching and deliberation, they decided to acquire *Juice* magazine (a lifestyle publication on local nightlife) in Singapore in 2001 even though the company was near bankruptcy.

"When we purchased *Juice*, a lot of people said it wouldn't work because it was a free magazine. On top of that, we were giving it out at clubs and cafés... everyone said people who go to clubs don't read. But we believed that it would work, so we went ahead

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Wiser and more experienced, Grove and his team of young managers hope to liven up the online scene again

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Dos and don'ts for start-ups



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Improved portal in pipeline

FROM PREVIOUS PAGE

and did it. Today, *Juice* is available in Malaysia, Singapore, Indonesia and Hong Kong, and the 30,000 print run per issue per country that we do is just not enough! That's 120,000 copies per month with an average of 3.5 readers per issue. We can't afford to print more," says Grove.

Getting back on track

The purchase of Juice became the catalyst for Catcha's foray into publishing. Catcha now has an impressive 16 publications under its wing, making it the largest English language magazine publisher in the country. In an aggressive move, 14 of the publications were acquired in the last two years. "We have a knack for purchasing titles that have shut down because we believe we can do a better job at it than others," Grove smiles.

The magazines in Catcha's portfolio cover a wide range of topics, from cars (*Evo* and *Supercars*) to high society (*Prestige*) and sport (*Four Four Two* and *F1 racing*). Aside from publishing, the group has a model and talent management agency (*Looque*), television production arm (*Entertainment Now* and *Box Office Now*) and organises the annual al-fresco movie-going experience, *Starlight Cinema*. Moving away from its original Internet business has helped make it profitable again.

However, Catcha's journey in publishing is not without its failures. In 2003, the group introduced *PM*, a lifestyle magazine for men, which only

lasted six months before it was shut down. Grove says they were too bold in believing that they knew everything, only to find out that they did not. "It wasn't at all what we expected. We thought we could handle it but soon we realised that we were in over our heads!" he adds.

Making its way back online

While it has made its mark in the offline world, the lure of its roots is proving too strong, and Catcha is making a comeback.

"We have always been passionate about the Internet business and we moved into publishing as a means to survive and get the company off life support. We are definitely looking at going back online aggressively soon. The problem with Catcha back then was that we didn't have enough content. We were very strong horizontally and very weak vertically. But now, we own all the content that we have in our magazines so overall, it is a stronger proposition as it allows us to build very strong verticals," Grove stresses.

Now that Grove has figured out what was wrong with Catcha's first online approach, an improved version is in the pipeline. The new portal will incorporate the content that it has in its magazines in one website. Adding more value for consumers is the fact that the online content will have additional items that are not available in the print magazine, such as videos and exclusive write-ups.

Catcha will also be looking to

launch sites in areas where it does not have a magazine but which it feels has potential. It recently acquired an up-and-coming real estate site, *iproperty.com.my*. The portal was started by a few Malaysian entrepreneurs and has garnered quite a following from local real estate agents.

"These days, people want to do everything from their PCs because it is so much more convenient. The portal not only allows Malaysians but also expatriates to rent or buy property here. There was a guy from the UK who actually purchased an apartment in KL recently. He lived here for a while and was interested to invest in a property here but he just didn't have time to come down to view any. But he found *iproperty* which has floor plans and pictures of properties it carries. The entire sale and purchase was done via the Internet," he enthuses.

In view of *iproperty.com.my*'s success in Malaysia, Catcha plans to launch this portal in Singapore, Thailand, Hong Kong and the Middle East in the near future. The content on each of the portals will cater for the local market. This will not be the only new addition to the company's portfolio this year. Coming next is *top18deals.com* — a travel site that will list the top 18 deals on a weekly basis.

"There are actually a lot of fantastic travel deals around in the newspapers and also at the various travel agencies around town. However, a lot of people don't really read the papers anymore, preferring to read online. On top of that, people also pre-

fer to make their travel arrangements — from air tickets to hotel bookings — online, looking everywhere for the best deals. *Top18deals.com* will allow users to do everything on one website," says Grove.

Ever the entrepreneur

Throughout Catcha's ups and downs, Grove has remained very much an entrepreneur at heart. "I'm always open to new ideas. Anyone with a good idea is more than welcome to approach me with it," he smiles. One of the reasons Catcha has such a diverse portfolio is in part due to Grove's belief in people and their ideas.

"Given a choice between an average person with a great idea and a great person with an average idea, I would fund the latter. This is because we can work with someone to turn an average idea into a great one, but with a person, we can't do that. I don't want to buy the idea and run it myself — I already have enough on my plate. I'm looking for people who are passionate and believe strongly in their idea as they are the ones who will push on when things get rough... and they definitely will at some point," he says, speaking from experience.

With Grove and his young team of managers taking the lead in Catcha's comeback, it seems like the company is ready to make a splash on the Internet scene again. Only this time, with a lot more experience and wisdom.

Comments: feedback@bizedge.com

Guerrilla humanity

BY JAY CONRAD LEVINSON

Guerrillas are well aware that the highest form of public relations is human relations. They are able to blend warm relationships with sizzling profits.

No matter how good your marketing is, it can rarely bring customers back for more if they were disappointed with their first go-round with you. It cannot generate profits for you if your word-of-mouth marketing works against it. It can only get prospects to buy from you once. The rest is up to you — and up to your sense of humanity in marketing.

If you can't see the connection, perhaps marketing is not your strong point and you should become involved with something that does not involve human beings. Marketing very definitely does involve them. The more humanity they experience from your company, the more involved they'll be with you — and they'll prove it with repeat and referral business.

One guerrilla truism is that people like to buy from friends. Another is that it is crucial to make the human bond before you can make a lasting business bond.

To avoid the depersonalisation that has been an unpleasant side effect of the digital age and endemic within the business community, several guerrilla marketing weapons may be employed to add more humanity to your marketing and more profits to your tiller.

On the retail level, it means using the weapons — and don't you dare underestimate their importance just because they're free — of a warm, sincere smile, clear eye contact, and whenever possible, using the person's name. Think of ways to make it possible. Realize that it feels human. It feels comfy. And that makes the person feel good. When the customer feels good, the customer con-

nects you with that good feeling. That's why good feelings lead to good business.

Naturally, this should be your modus operandi during trade shows, whether you're an exhibitor or a browser. Parties on trade show evenings for key customers and prospects have been wise investments for the companies that want to intensify their human bonds. Guerrillas do not hesitate for a moment to play favorites.

The personality of your company, as heard on the telephone, can turn your customers on — or it can turn them off. A warm, friendly person answering the phone can lead to a warm, friendly relationship with your company. A cold, unfriendly person on the phone can make the caller feel intrusive, like an interruption of work rather than like the reason you exist.

If you absolutely must put the callers on hold, let them benefit from your on-hold marketing by listening to music in your identity and fascinating news about your company, especially about special offers and new products and services. Instead of resenting you, callers will appreciate you.

All contact time with customers should be oriented to the customer's needs, devoted to saving time for the customer. Even with your respect for the customer's time, there is still ample opportunity to strengthen the human bond by making the purchasing process as simple as possible. The idea is to be personable, to be streamlined, to be easy to do business with.

Accept all credit cards. Provide partial payment plans. Offer overnight delivery. Encourage telephone ordering. Engage



One guerrilla truism is that people like to buy from friends, says the writer

in sales training that includes pointers about human behavior and the immense power of a smile. Offer memory training to salespeople so they can connect names with faces. Be certain that your reps — anyone who will be in contact with your public — are clear, pleasant, warm and a reflection of your company identity. Naturally, the best way to do this is when you are hiring. It is very difficult to train for lovability.

Your prospects are going to have to buy you and your reps before they buy what you and your reps are selling. Humanity that is sincerely added to a cold business situation warms up the transaction. It motivates the customer to be a source of repeat business and word-of-mouth referring.

Add humanity by asking questions, listening attentively to the answers, wanting to be of maximum service to the customer, providing free data in the form of brochures, newsletters, videos, an online service that responds instantly, the full gamut of guerrilla marketing weapons.

Make warmth and humanity part of your written marketing plan. As Los Angeles Lakers coach Phil Jackson says that his starting point in all relationships is compassion, make yours caring.

Most of the marketing weapons I've mentioned cost very little money. They are attitudes that serve to warm up your overall marketing. They make doing business with you more of a pleasure than a chore. Who would ever think that a hallmark of the guerrilla is love? I hope you think it now. — *Guerrilla Marketing International*