

1.0. INTRODUCTION

1.1. Background

Under the Malaysia Productivity Blueprint (MPB), sector Productivity Nexus were set up to drive the implementation of the planned initiatives in close partnership between the industry and government. As mandated by the MPB, Retail and Food & Beverage Productivity Nexus has started the implementation of initiatives at the sectoral level.

However, during the course of this time, the RFBPN has seen several changes, including turnover of staff within short periods of time, which has jeopardized the long-term sustainable outcome of the original blueprint. Efforts to locate old files have proven to be challenging as only basic information on historical projects were available for reference. Benchmarking status of all historical projects could not be ascertained, and as such, 2020 results from activity conducted was used as the basis of Benchmarking Period for the coming years.

In this sense, 2020 marks the first year of the implementation where all initiatives are expected to be put in place, and as such, the Strategic Brainstorming Session was a good chance to gather feedback from all key stakeholders in order to put forth a 2 to 3 year action plan to spring board the growth of RFBPN and the industry. The Strategic Session was also an effort to engage with the relevant industry players in formulating the appropriate direction and managing the potential challenges within the industry for the next three years.

1.2. Objective of Retail Food & Beverage Productivity Nexus (RFBPN) Strategic Session

Objective:

To gather input on the strategic direction for Retail Food & Beverage Productivity Nexus (RFBPN) for the immediate (2020) and long-term (RMK12 - 2021 - 2025) outcome - aligning with the aspiration of Shared Prosperity Vision 2030

2.0 ATTENDANCE:

The Strategic Sessions were opened to representatives from four retail & F&B associations as well as industry experts from the advisory clinic, MPC associates, KPDNHEP and MPC. The associations that were engaged during the strategic sessions were MRCA, MRA, MFA and BRO

Please Refer to Appendix for detailed attendance lists for each session.

3.0 OBSERVATION

Observation:

From the various pre-work as well as strategic engagement sessions that were conducted, it was clear that external stakeholder management was relatively low, with many stakeholders seeking updates and feedback on past projects. This could be attributed to the frequent staff change at RFBPN, with limited follow up on past projects.

Also, the industry seemed to want to actively participate in charting the course of RFBNPN for the future, and this bodes well for MPC's efforts. However, the general consensus is that the inputs and feedback could be better implemented with working teams coming from the industry it self.

Saya mengesahkan butiran seperti di lampirkan



Suzana Ismail
Pengurus Kanan (E48)

9/12/2020

3.0. SUMMARY OF INPUT

3.1. Discussion on Strategic Plan 2021 was focussed establishing a bench mark of the activities conducted in 2020, and to build and scale up from 2020 to accelerate activities into 2021 and beyond.

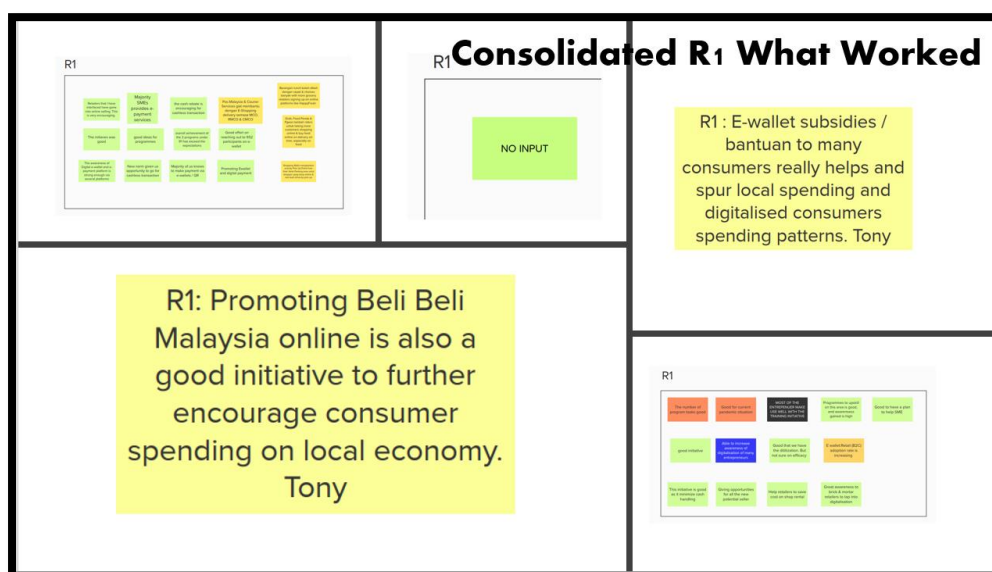
The sessions focussed on the 4 key Revenue Initiatives that were employed by RFBPN in 2021 which were

- R1: Provide support to high potential SMEs for digitalization of business operations and build e-commerce capabilities
- R2: Promote opportunities for sharing economy
- R3: Strengthen Retail and F&B competencies
- R4: Provide assistance to Retail and F&B players to grow internationally

Brainstorming among the Retail and F&B associations that were part of the Strategic sessions focussed on identifying What Worked, What Did Not Work So Well, And Possible Action Plans that could be executed in forming the basis of activation in 2021.

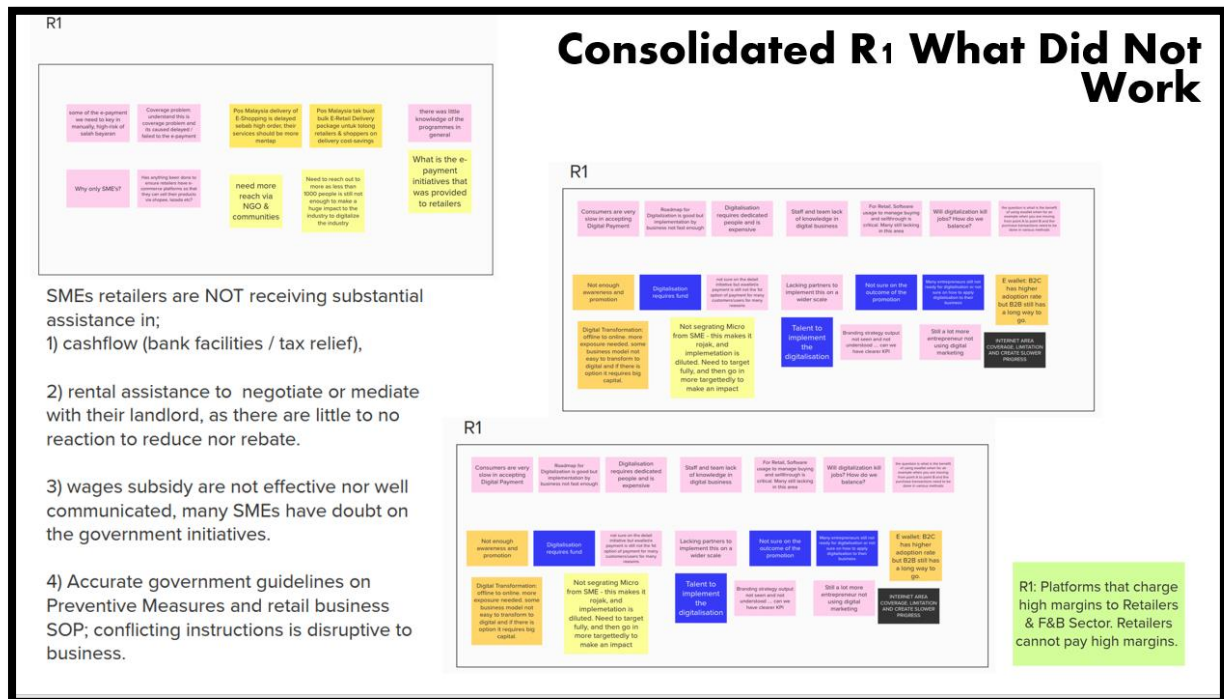
3.2. R1: Provide support to high potential SMEs for digitalization of business operations and build e-commerce capabilities

3.2.2 R1: Consolidated What Worked



Overall, the feedback from the session was that there were already several subsidies that are in place with PENJANA Prihatin and that the existing eWallets did already have some traction in the community – among both retailers and consumers

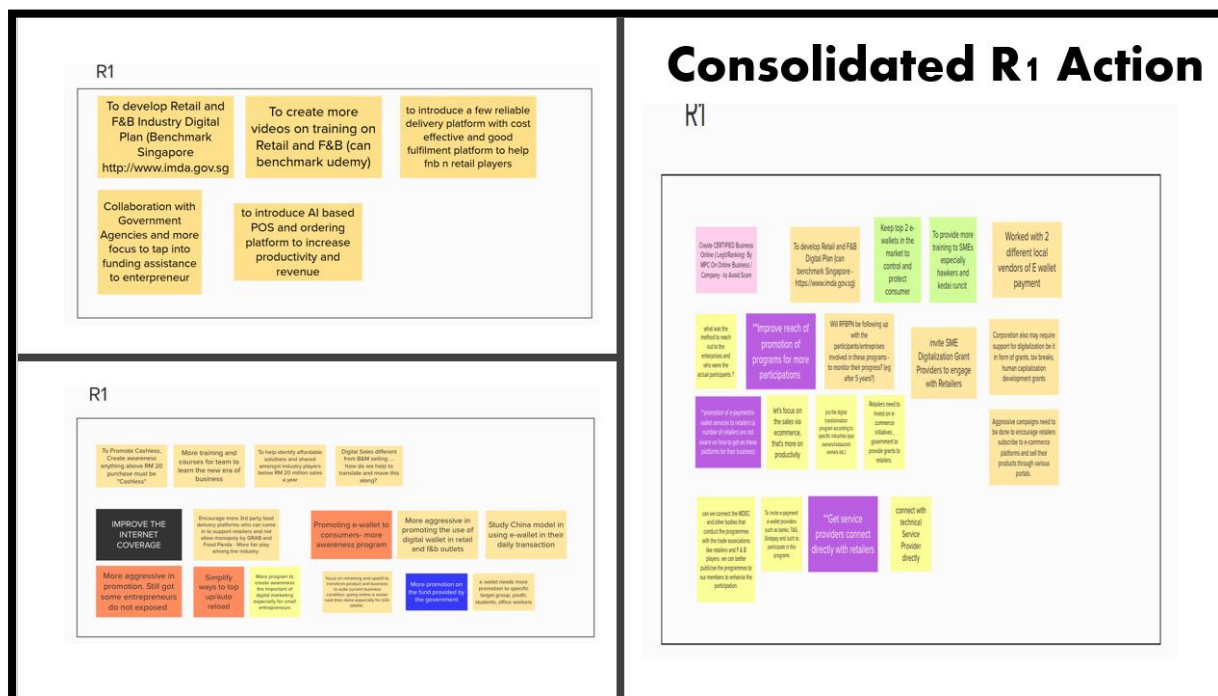
3.2.3 R1: Consolidated What Did Not Work



Unfortunately there were several points which were raised under this section which can be summarised as follows

- Payment Platforms charged high commission for services and payment gateways
- Consumer acceptance was slow
- Digitization cost is high and cost of hardware and software is prohibitive to some retailers
- Fear of digitization would kill jobs
- HR Capital and Manpower not enough to help with digitization process and implementation of e-wallet among retailers
- Lack of knowledge on how to implement
- Internet Connectivity is a problem and unstable

3.2.4 R1: Consolidated Possible Action Plan

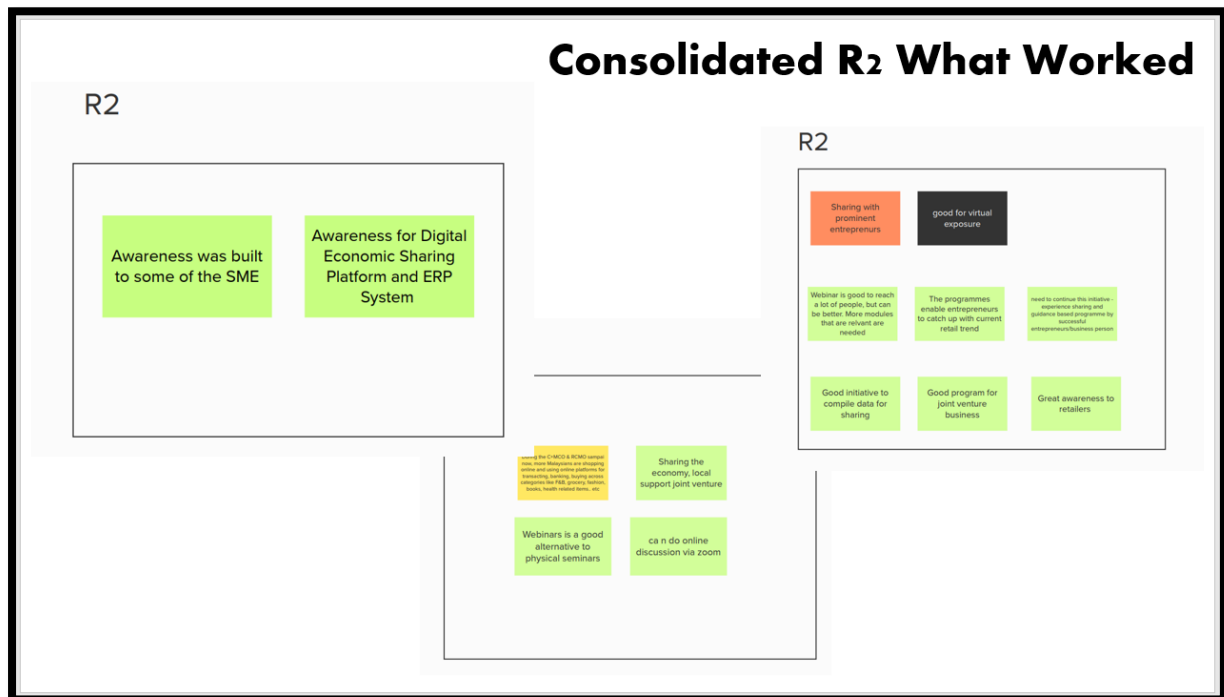


As a way forward, the respondents had identified several ways in which this initiative could be improved on, and some additional activities that could be used to move forward

- Benchmark IMDA of Singapore as a learning avenue to adopt for Malaysia
- Create more learning opportunities to assist retailers to adopt digitalization
- To introduce AI based platform to increase productivity
- Collaboration with other government agencies to focus and tap into funding assistance (matching grant)
- To have a security net for retailers who adopt digitalization
- Improve reach of promotion and branding activities for retailers to know programmes that are being offered by MPC

3.3. R2: Promote opportunities for sharing economy

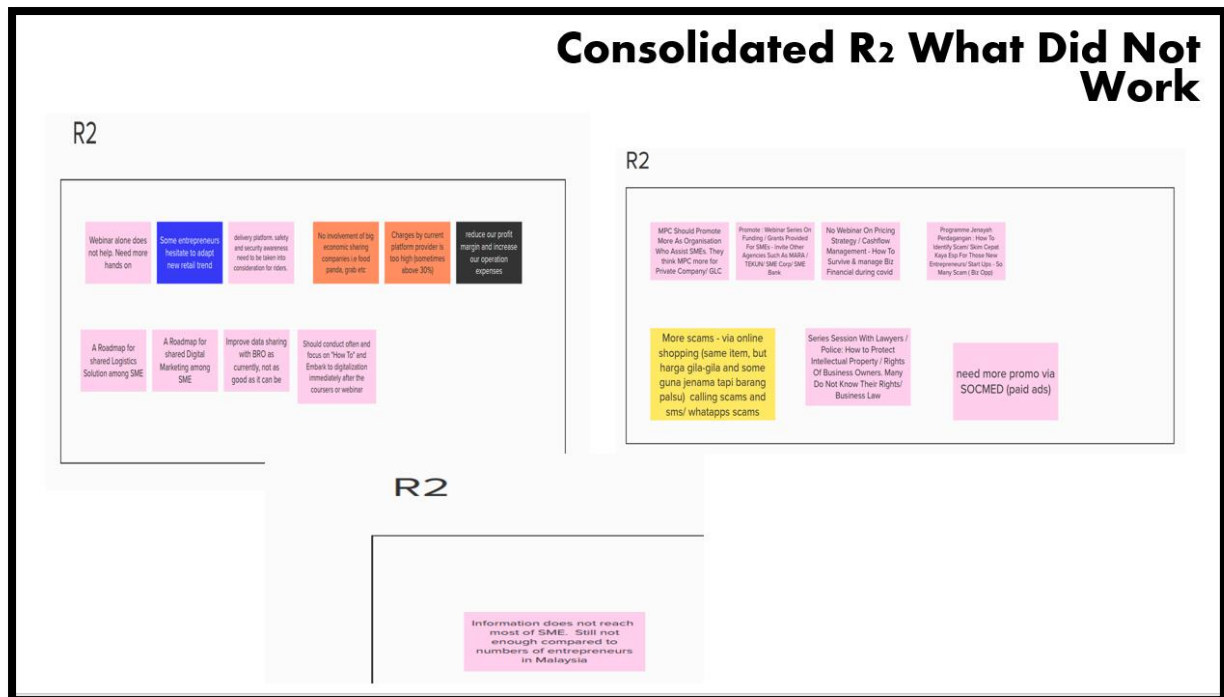
3.3.1. R2: Consolidated What Worked



The summary of the findings of What Worked for R2 are as follows:

- Awareness was built regarding this initiatives for creating a sharing economy
- Webinars were a good way to engage the retailers
- Creating a shared economy among the local community with good support form govt and retailers
- Healthy to promote joint venture for business
- Enable retailers to catch up with latest retail trends

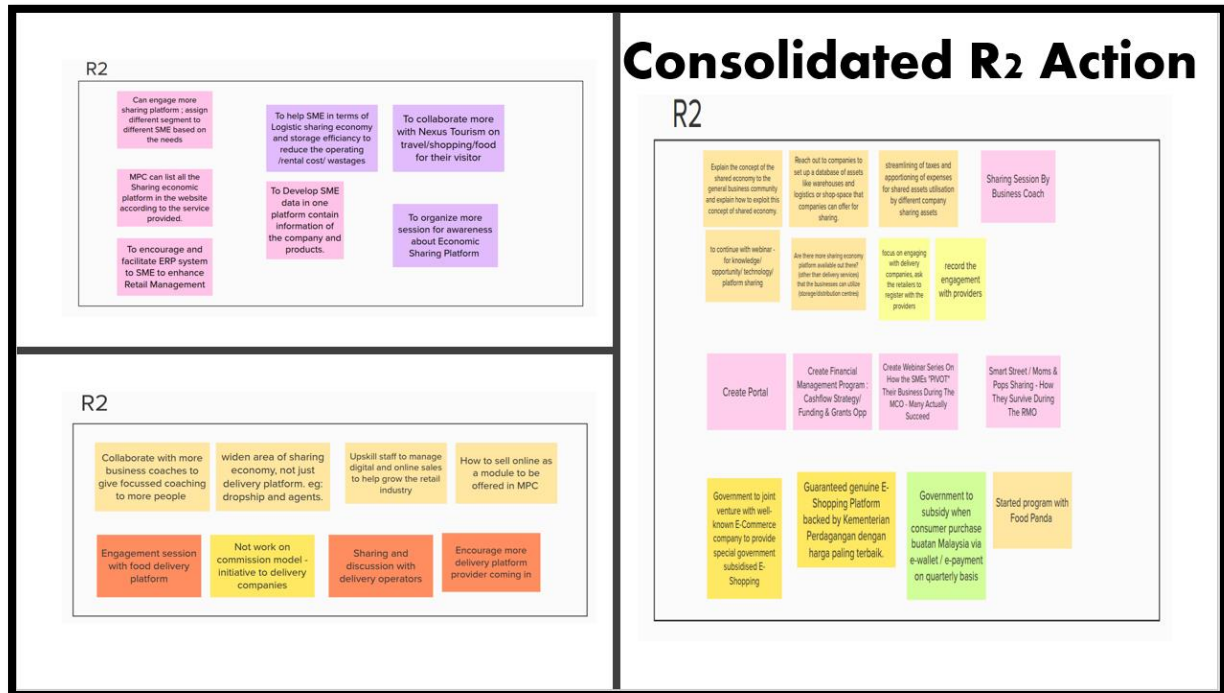
3.3.2. R2: Consolidated What Did Not Work Well



For this section, there were also several key clusters which were identified and highlighted by the panelists as not working so well. A snapshot of the issues that were raised by the Strategic Session panelists are as follows:

- Webinars alone are not good enough to get a change management going for adoption. Need more hands on and F2F session
- A clearer roadmap of the digitization journey is needed
- Many entrepreneurs hesitate to adopt new technology in a new world
- MPC should collaborate with more govt agencies to ease in digitization to assist retailers on the ground
- More Social Media promotions are needed to hype up the system
- Some cyber security modules need to be added in to help retailers understand risks, and also help take mitigative action
- Information does not reach SME to join, hence the need for more branding and publicity to be done to engage more retailers

3.3.3. R2: Consolidated Possible Action Plans

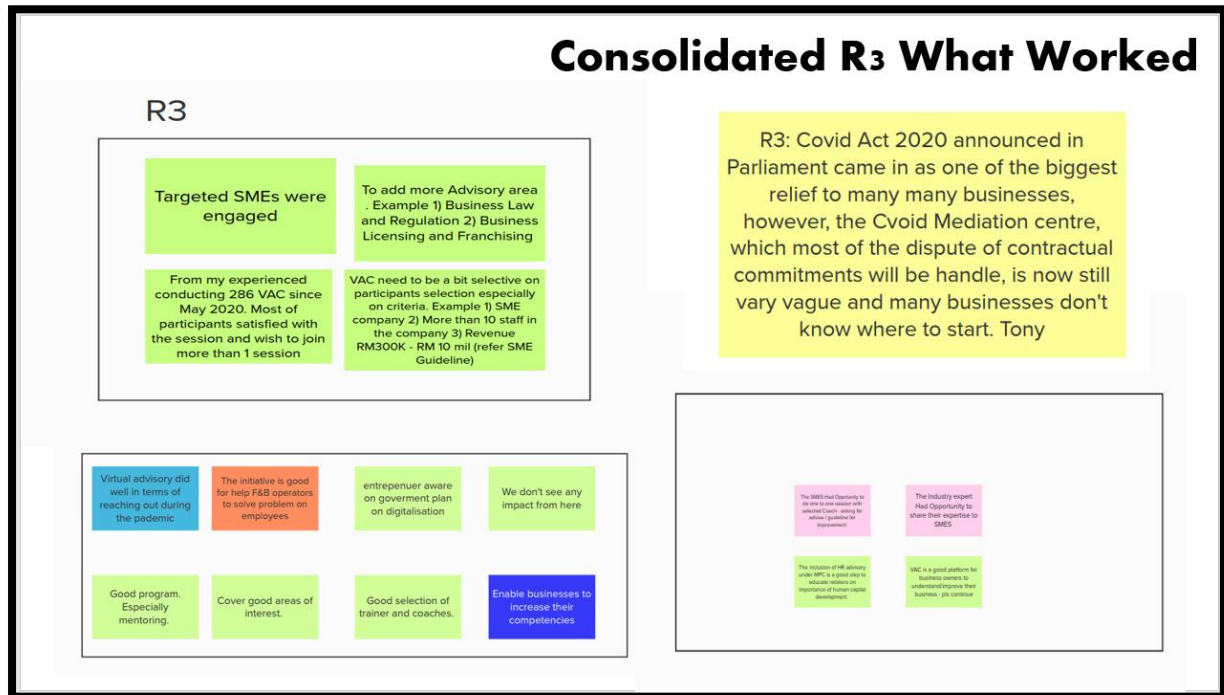


For R2, there were also several action points that were highlighted in which it was felt would be able to bring benefit to the industry and segment.

- Setting up and streamlining alternative platforms to work with
- Closer engagement with delivery platforms to foster better rates and better understanding
- Breaking if monopolistic practices and build alternatives
- Create shared portal to grow this segment for retailers and F&B outlets to manage
- Collaborate with Tourism Nexus to create travel / shopping / food portal to add value
- To help SME in logistics and 3PL provider efficiency
- All providers platforms in one shared service website
- Publicity and education on concept of shared economy to the business community and how to utilize the concept of this ecosystem
- Buy Malaysia campaign to be subsidized / promoted by government
- KPDNHEP accredited e-shopping platform
- Streamlining rates, taxes, commissions etc associated to the platforms

3.4. R3: Strengthen Retail and F&B competencies

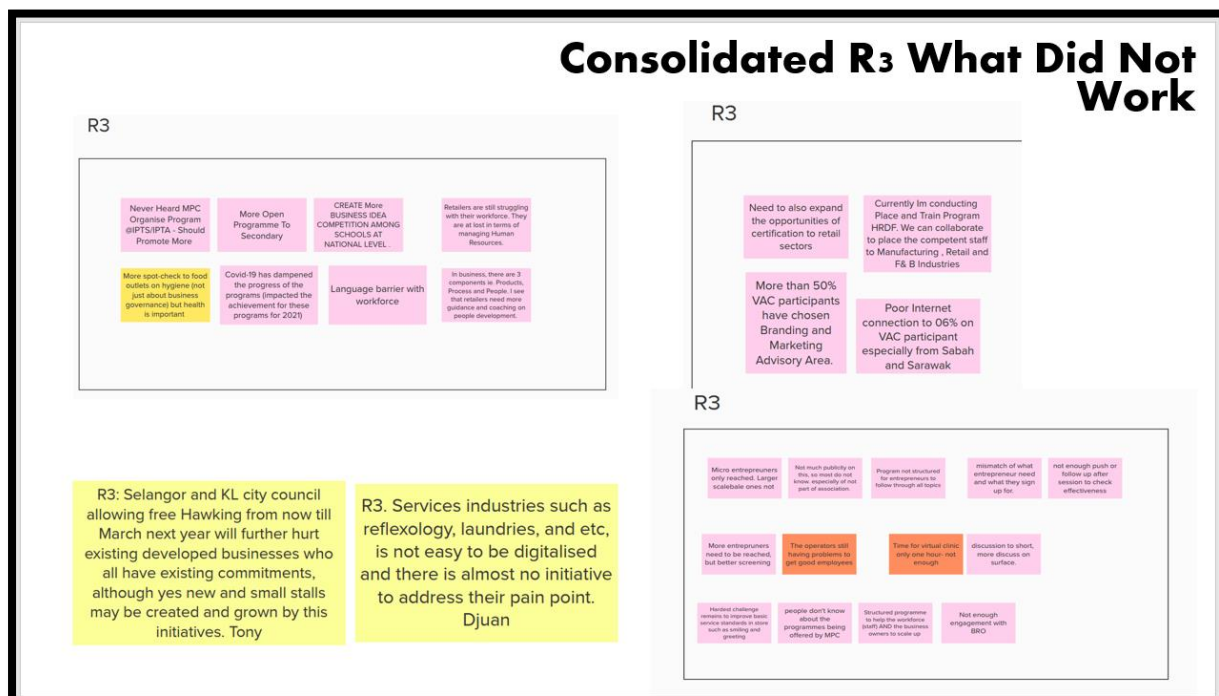
3.4.1. R3: Consolidated What Worked



This Initiative garnered plenty of feedback, namely because it was extremely timely and was seen as a huge value add to the industry. Some of the feedback on what worked for R3 are as follows:

- The virtual advisory was seen as a big help to businesses and there was a lot of value creation done for the participants
- The target businesses were reached appropriately and were well engaged
- Businesses were able to increase basic competency on problem areas
- Peer coaching by business coaches exposed the businesses to new dimensions of help available in the market

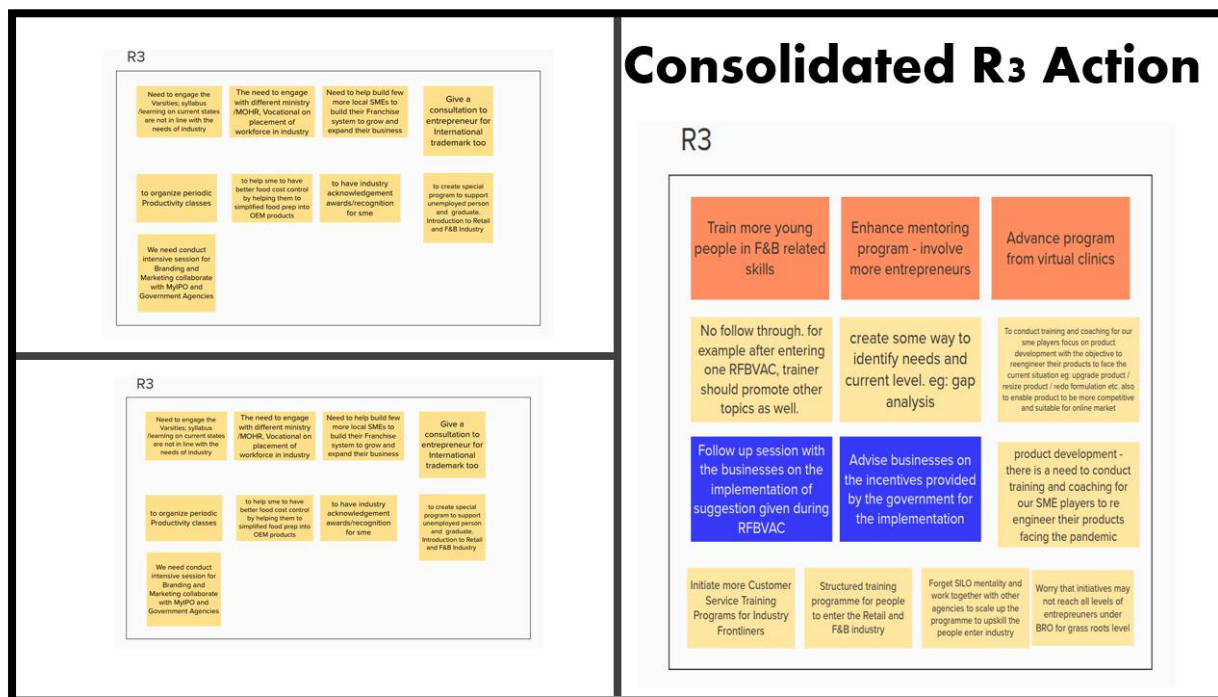
3.4.2. R3: Consolidated What Did Not Work



Saying that, there were still areas in which this initiative could have been improved. Namely they were in the following areas

- Not enough publicity of this programme and as such many were left out as most did not know about this programme at all
- Sample size of outreach is too small, as there are many more retailers who need help
- Poor internet connection hindered some of the session
- More modules need to be added in order to offer a more holistic learning session
- Segregation of level of expertise needed – basic vs intermediate vs advanced – this will be of more value added to more established businesses
- This programme had more outreach to Micro businesses and not SME
- Discussion time too short – need longer hours to coach and address issues
- Very once off - Not enough follow up to check on progress and implementation
- Language barrier in the workforce for untrained and unskilled workers
- No systematic holistic and structured programme with IPT and practical on job training

3.4.3. R3: Consolidated Possible Action Plan

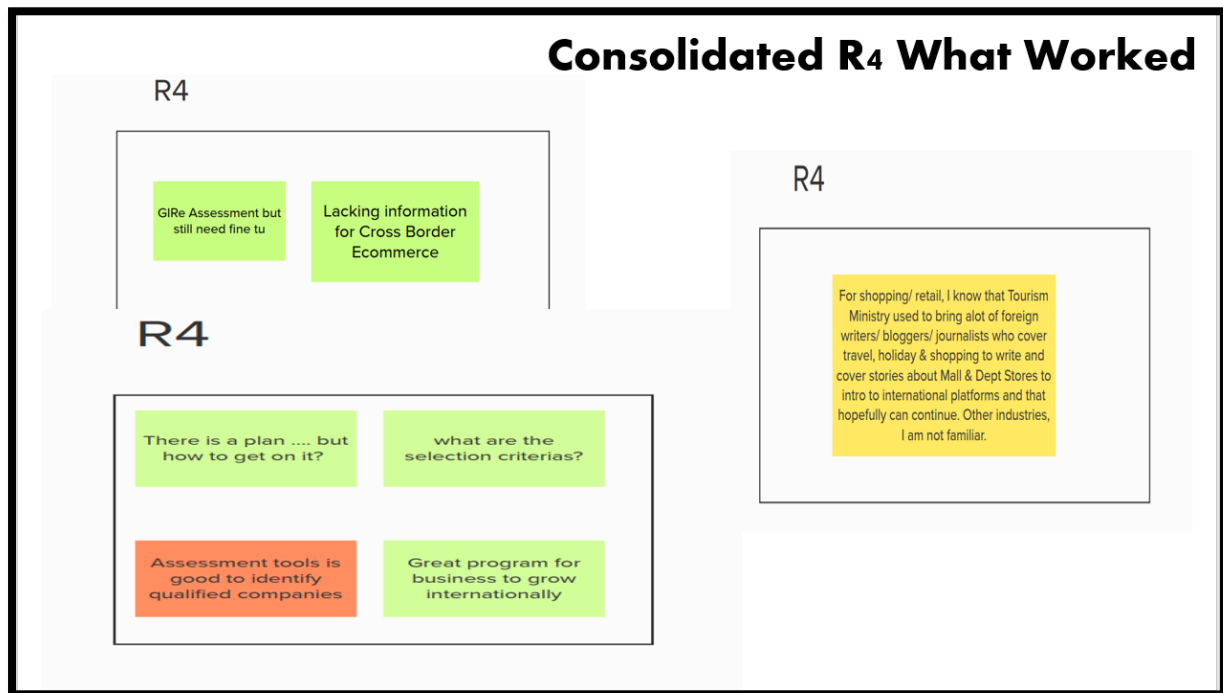


Building from the earlier discussions, participants had identified a few key areas in which can be improved a bit more ...

- There is an urgent need to conduct more (structured) training for younger people to enter the retail and F&B arena
- Involvement of IPT in coming up with structured modules – both in terms of Retail Management, Supply Chain and even Hospitality & Catering
- Vocational training with industry to be made a part of the learning experience.
- Industry Awards to the RF&B industry to encourage upskilling and exceptional services
- Expanding modules offered by the RFBVAC
- Better follow up and mentorship from RFBVAC to ensure that what is learnt is practised

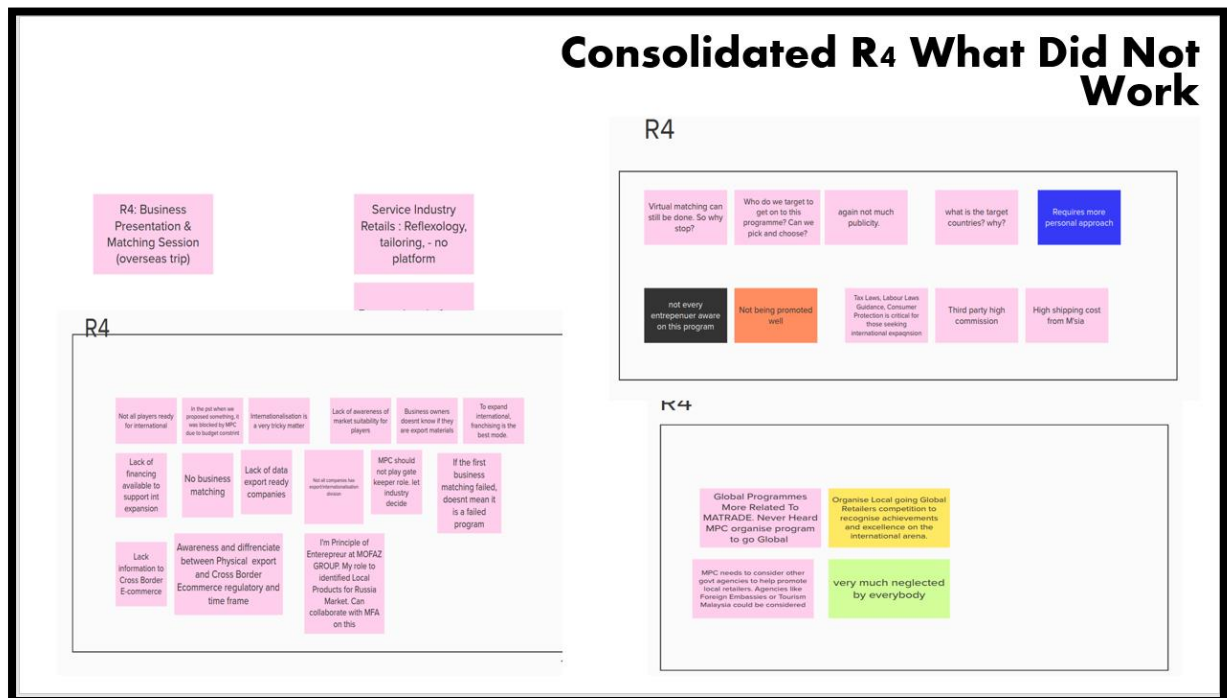
3.5. R4: Provide assistance to Retail and F&B players to grow internationally

3.5.1. R4: Consolidated What Worked



From the panellist that were involved in the Strategic session, the overall consensus was that they like the concept of the initiative but were unclear about how to get involved with this initiative.

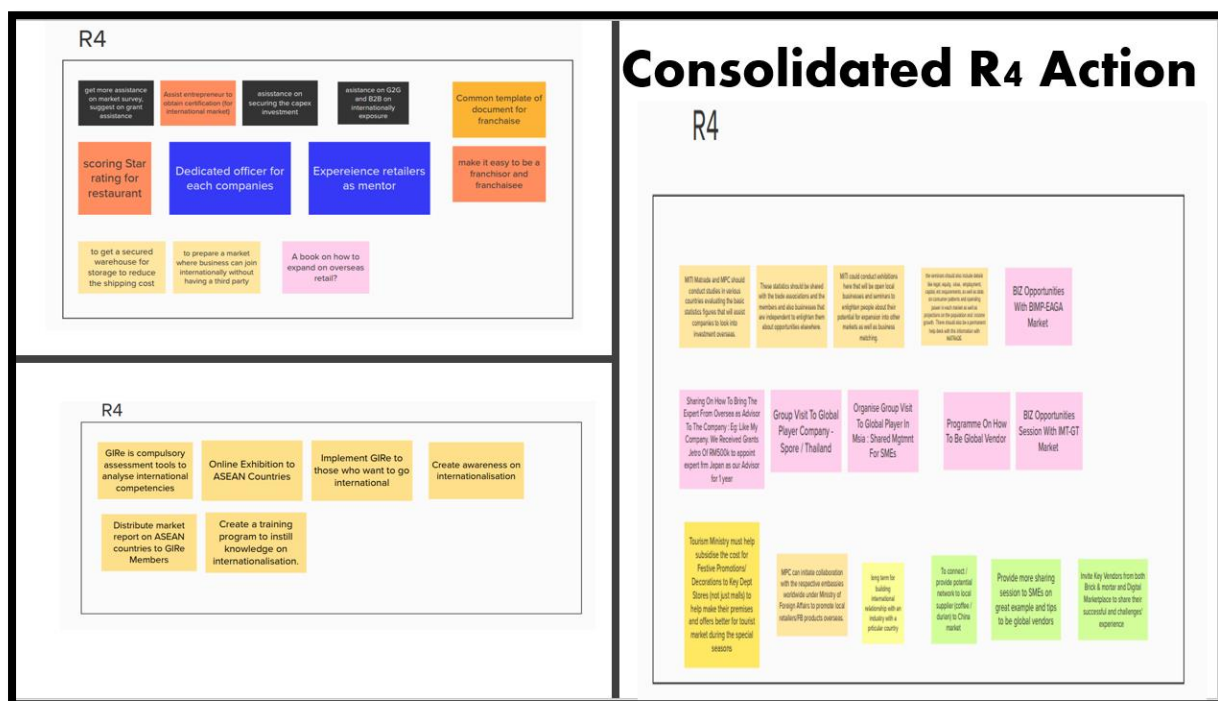
3.5.2. R4: Consolidated What Did Not Work



It was generally felt that while this initiative was good, there were many areas in which improvement could be sharpened. Among them are as follows:

- Business Matching Trips did not materialise
- Service Industry Retail did not see an area for which they could be a part of this initiative
- More were aware about initiatives by MATRADE, SME Corp but were not aware of the assistance that MPC had to offer
- Some parties felt that there was no focus on this, and it was very much neglected by MPC
- Some participants highlighted that Virtual matching could still be done, so asked why was this initiative abandoned
- Awareness about requirements to export and scale up were lacking, and many did not know where or how to start. As such, there is a need for more education to start in this area
- Some felt that there were not enough export ready retail and F&B companies in Malaysia, and we need to target more established companies to manage this

3.5.3. R4: Consolidated Possible Action Plan



From the feedback on what did not work in this Initiative, several action plans were then mooted for proposal to be adopted by MPC.

- Common templates for documentation required for franchise and also to be export ready
- Experienced retailers to be brought in as mentors to those seeking export and expansion
- Assistance in way of support to get certification and documentation to be export ready
- Group Visit (physical is preferred) to global players (even in ASEAN region) to see how they scale up for export and learn new techniques / skills to bring back for local adoption
- Request for Tourism ministry to step in to help ease the burden of travel and stays to help this Initiative
- Bring in overseas experts to impart requirements from their home base countries in order to guide local companies on do's and don'ts to enter that particular market
- Invite players from both brick and mortar as well as online businesses to come and share their experience in this arena so that more players can then also participate
- MPC to organise sessions on HOW to become a player in export expansion
- Peer mentorship for those wanting to export / expand.

4.0. PROPOSAL OF WAY FORWARD

Based on the discussions during the Strategic Session, it was generally felt that all the Broad Based Revenue Initiatives would need to be continued, with some minor tweaking and expansion of the components within the initiative.

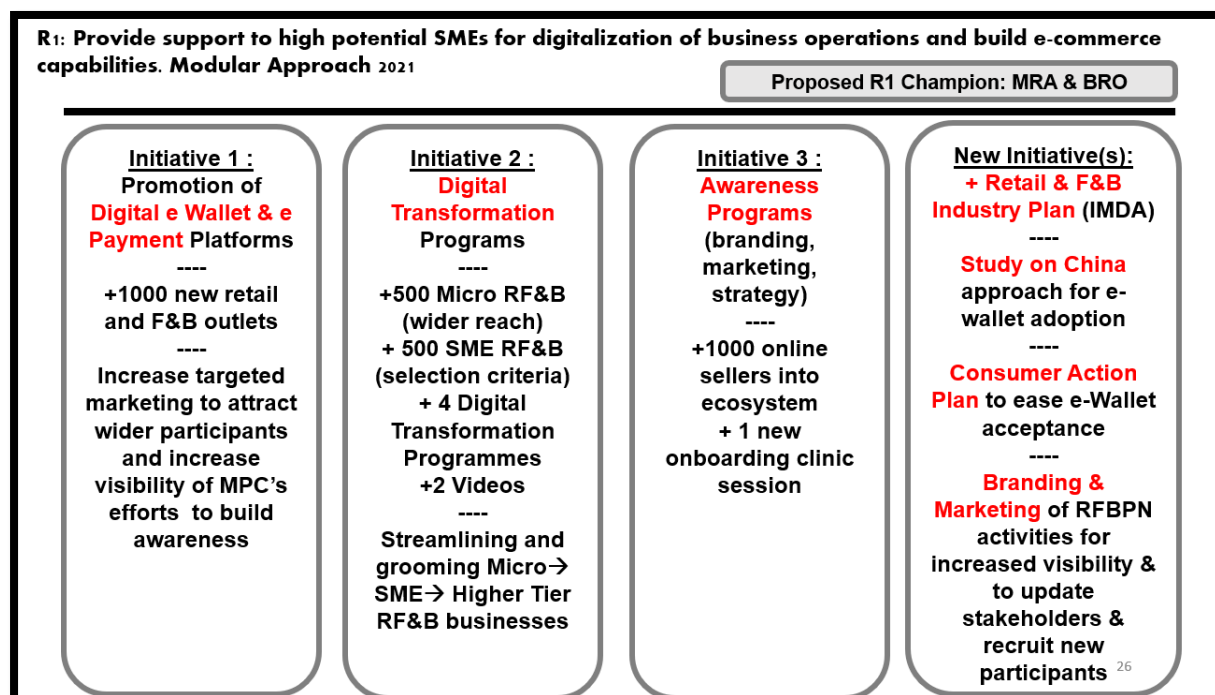
2020 being the benchmark baseline for RFBPN would then serve as a starting point to take this forward. The proposals put forth in this paper are based not just on a modular approach for 2021, but also outlines a broader direction to 2022 and beyond to highlight the direction and potential of scalability for each initiative.

The Modular approach to this way forward will outline the basic activation ideas and plans for the way forward, putting together a series of smaller activities within a much bigger framework on the overall Revenue Initiative stage. The Revenue Initiative levels (R1 – R4) is proposed to be championed by selected Retail, F&B Associations that have a vested or corresponding interest that lies within the overall R Initiative. The associations selected and matched to the overarching initiatives also have been identified to have the necessary skillset as well as manpower bandwidth to add value to either lead or co-lead the initiative

The inclusion of the Associations in the implementation stage is highly recommended to address some of the issues highlighted by the associations on limited engagement and involvement with MPC, hence the inability for the associations to contribute meaningfully in the Productivity initiatives conducted by MPC. This will also address part of the external stakeholder management challenge.

In view that data and documentation prior to 2020 is very limited, we will take and use 2020 as the benchmark for the forward initiatives of RFBPN. The Proposed Blueprint that has been included in this paper is part of a plan to have a longer term horizon for the planning and implementation of activities for RFBPN. This will avoid ad-hoc implementations, and will enable RFBPN to have a clearer vision on the longer term sustainability of Initiatives for the future. The forward planning of the blueprint will also allow for adequate resource allocation as well as a more structured approach in conducting activities and projects within the overarching initiatives. The Blueprint will also allow us to have a longer terms scale up programme which can then be better measured in terms of outcome and KPI delivery.

4.1.1 Initiative R1 2021: Provide support to high potential SMEs for digitalization of business operations and build e-commerce capabilities



The modular approach of this Revenue Initiative (R1) will be to break down the activities into smaller components for ease of execution and implementation.

Initiative 1 to 3 are carry forward initiatives from 2021 – but with an added dimension of scalability and fine tuning built in to it.

Initiative 1 under R1 (eWallet & ePayment) will be to continue to promote the usage of Digital e Wallets and e Payment Platforms. We aim to match the achievement of 2020 and in order to do so, will need to increase marketing efforts to build visibility and awareness of MPC's efforts

For Initiative 2 (Digital Transformation), we will continue to reach out to RF&B owners in order to educate and prepare them for this next stage. However, taking from feedback and action plans during the Strategic Sessions, we will need to segregate the Micro and SME RF&B businesses in order to conduct more meaningful and relevant outreach programmes. These programmes can be conducted online in order to be cost effective and more efficient.

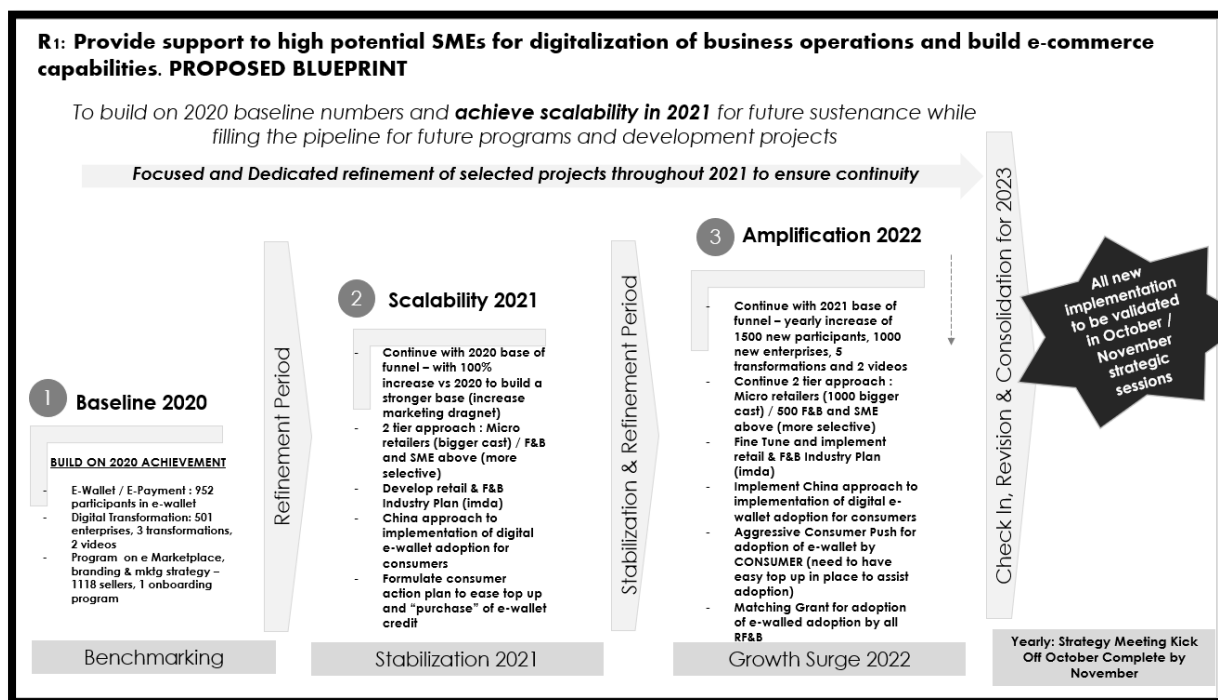
Under Initiative 2 of R1, we will also aim to increase the Digital Transformation Programme to 4 (increase of 1 vs 2020), and will also produce 2 new videos on this area

We will also continue to conduct awareness programmes for branding, marketing and strategy. This is a direct request and action plan outcome from the strategic session, where 50% of requests from RF&B owners are in this area. We also aim to assist and help onboard 1000 new business onto the online ecosystem from the current Brick & Mortar (B&M).

Other initiatives that are new that need to be further evaluated for execution are

Feasibility Study of a (Retail & F&B Industry Plan) which will take its form from a modified IMDA programme out of Singapore for the industry.

A study on how China has managed to seamlessly and very rapidly developed and moved into a large and prevalent eWallet economy. This is to understand how we can also improve the adoption of eWallet and ePayment for our nation, as current rates of adoption is low. This will allow us to formulate a Consumer Action Plan in order to increase the acceptance and adoption of eWallet in Malaysia.

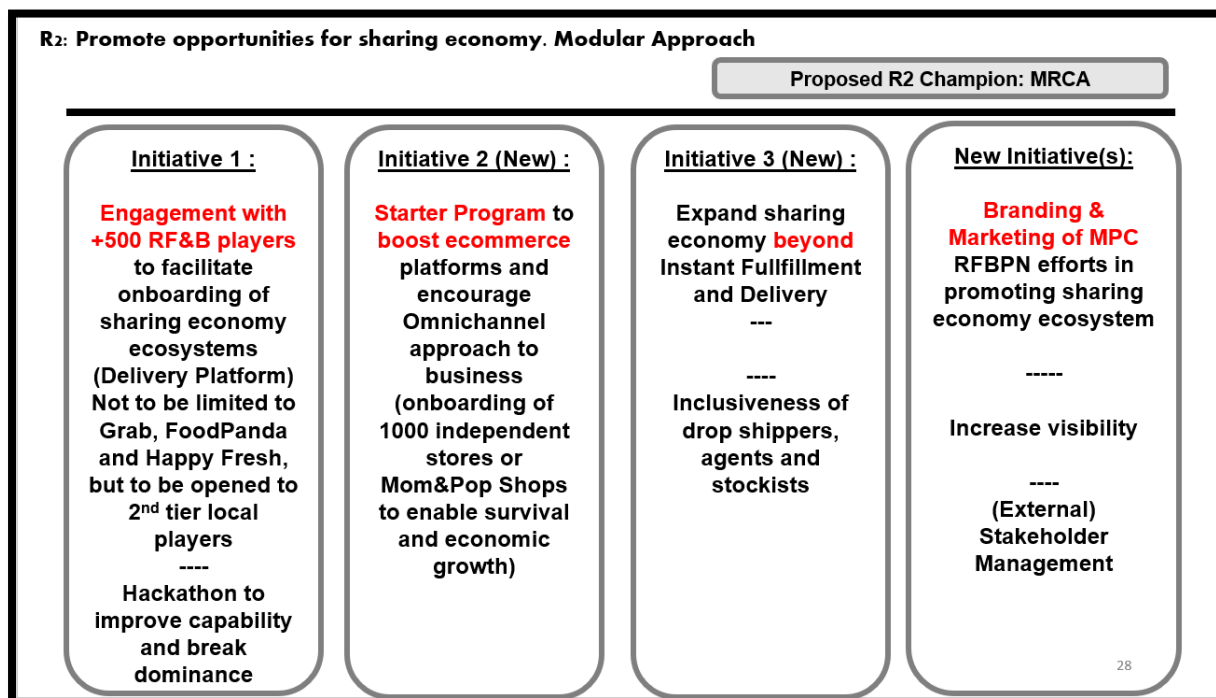


For Initiative R1 Proposed Blueprint – we have also put together a 2 year forward plan in order to show the follow through on activities conducted in 2020. 2021 will attempt to scale up and magnify the impact to RFBPN and its stakeholders. This will also enable us to have a more holistic view of how we intend for the initiatives and activities carried out in 2021 to be built upon and with a solid plan to be amplified in 2022. Of course, checks and balances will be in place to ensure that constant check ins, stabilizations, revisions and refinements will be carried out in order to adapt to the market situation and improve accordingly

The Proposed Blueprint will be re-evaluated in October 2021 (and every subsequent year) to ensure that impact activity is still relevant and giving MPC the necessary returns. Strategic Sessions should be conducted yearly in the month of Oct-Nov so that proper planning can be then carried out

For R1 – we intend to continue to work on ALL activities proposed for work in 2021, but with a tweak in IMPLEMENTATION of the IMDA project as well as the China approach of eWallet adoption. We should also at the end of 2021 put in a plan to source for matching grants for RF&B businesses to move into digitization of their payment gateways.

4.1.2 Initiative R2 2021: Promote opportunities for sharing economy

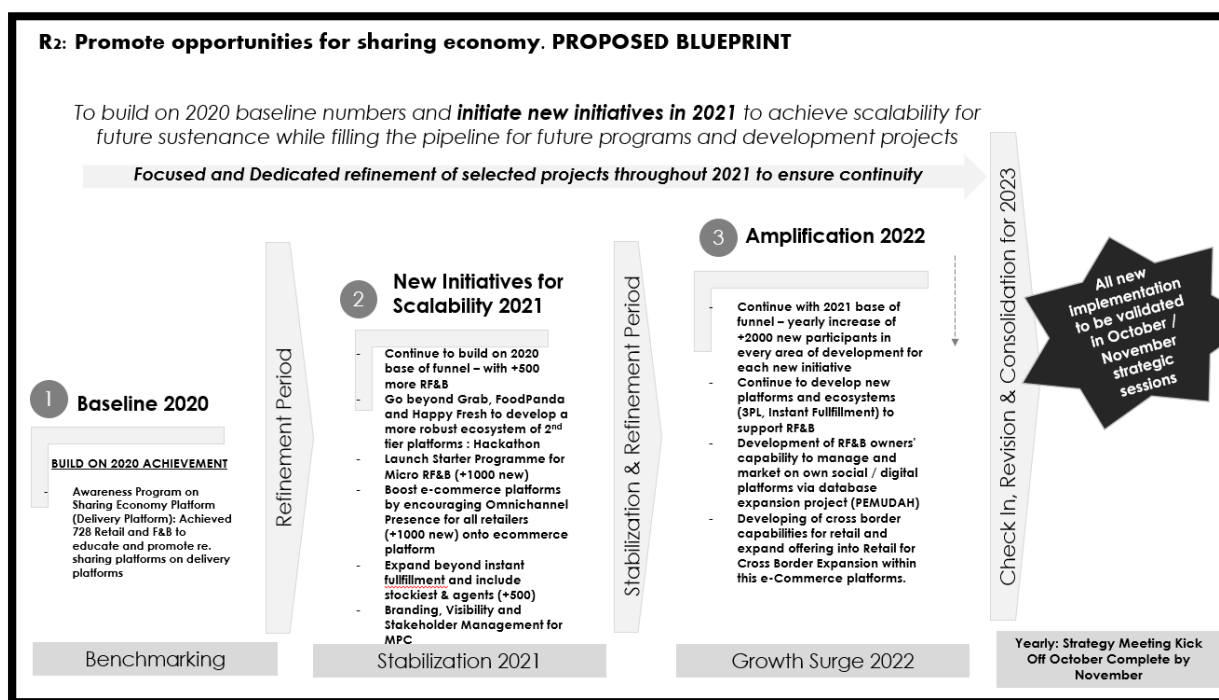


For Revenue Initiative R2, we plan to carry on with the initiative 1 that was carried out in 2020 which is to continue to have engagements with RF&B players in order to allow the onboarding of more parties into this ecosystem.

We also propose to expand this ecosystem to go beyond the current big players and be more inclusive to second tier players whom we feel will benefit from the upskilling activities that is to be done in a Hackathon programme.

In R2 Initiative 2, we also propose to start a programme to boost ecommerce adoption among retailers (micro and SME) for them to adopt an Omnichannel approach to business. This will be critical in the survival of many Smaller retailers. For Initiative 3 in R2, we will also try to make the ecommerce ecosystem more inclusive by expanding to include drop shippers, agents and stockists. We also intend to expand the R2 initiative to grow beyond Instant Fulfillment as well.

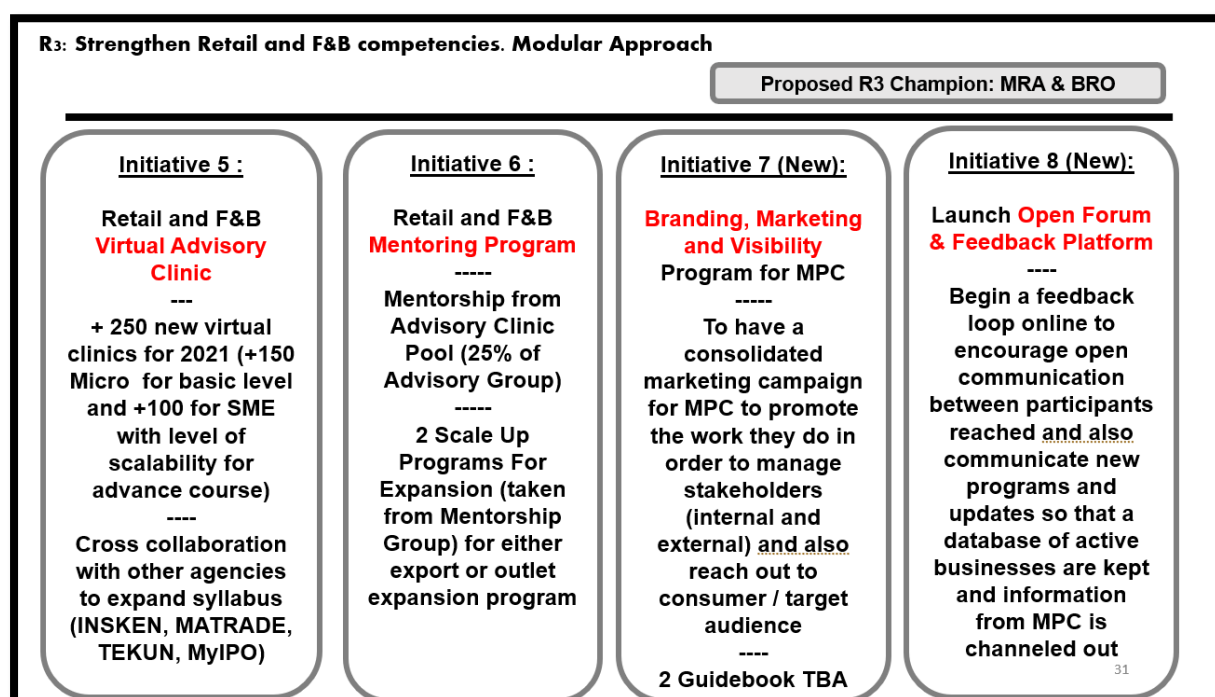
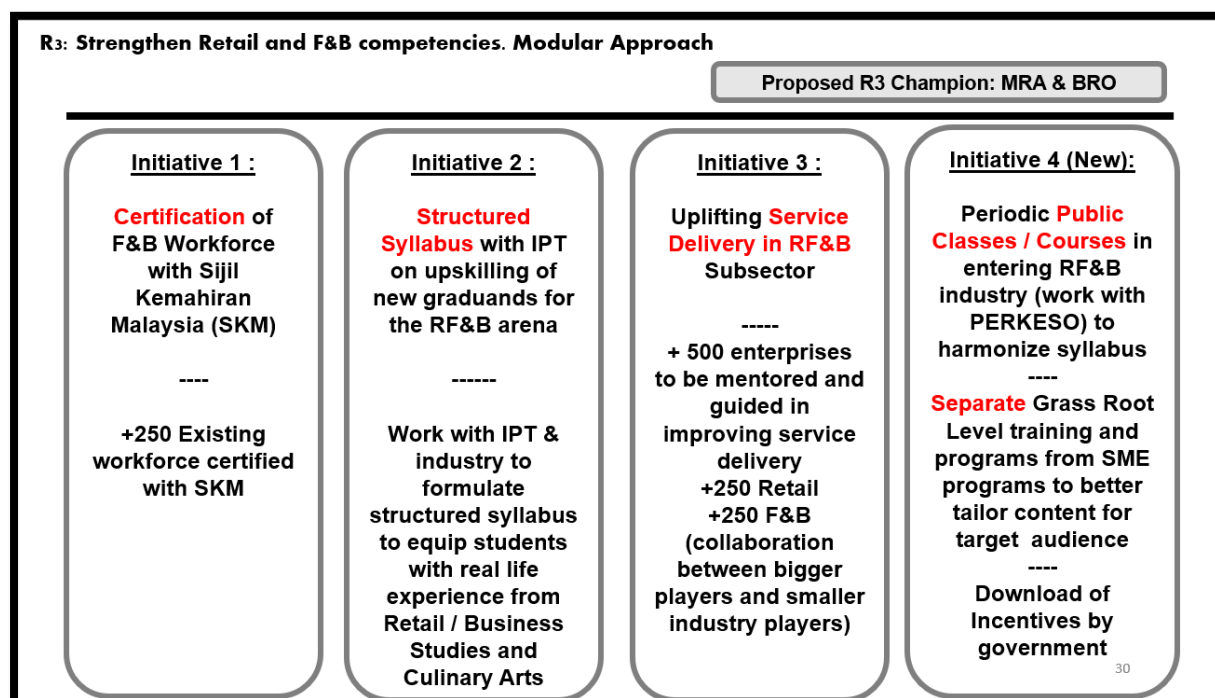
The added effort that we need to do in order to grow in R2 is to continue to market the programmes and initiatives that are done for this particular Revenue Initiative.



For the Proposed Blueprint for R2 in 2021 and beyond, we will apply the same principle which is to use 2021 to stabilize and scale up on 2020 initiatives and further on in 2022, amplify the results by potentially strengthening the capability of the RF&B players themselves by empowering them to market and deliver their own products via an integrated platform using a wider database (PEMUDAH project)

Also, we will look at expanding and developing cross border capabilities for both RF&B players within a sharing economy platform.

4.1.3 Initiative R3 2021: Strengthen Retail and F&B competencies



R3 2020 was one of the most talked about Initiatives in 2020, with many of the activities in this section being impacted during the Pandemic. MPC also had to pivot quickly to put in place an active programme to replace the activities that had to be put on hold.

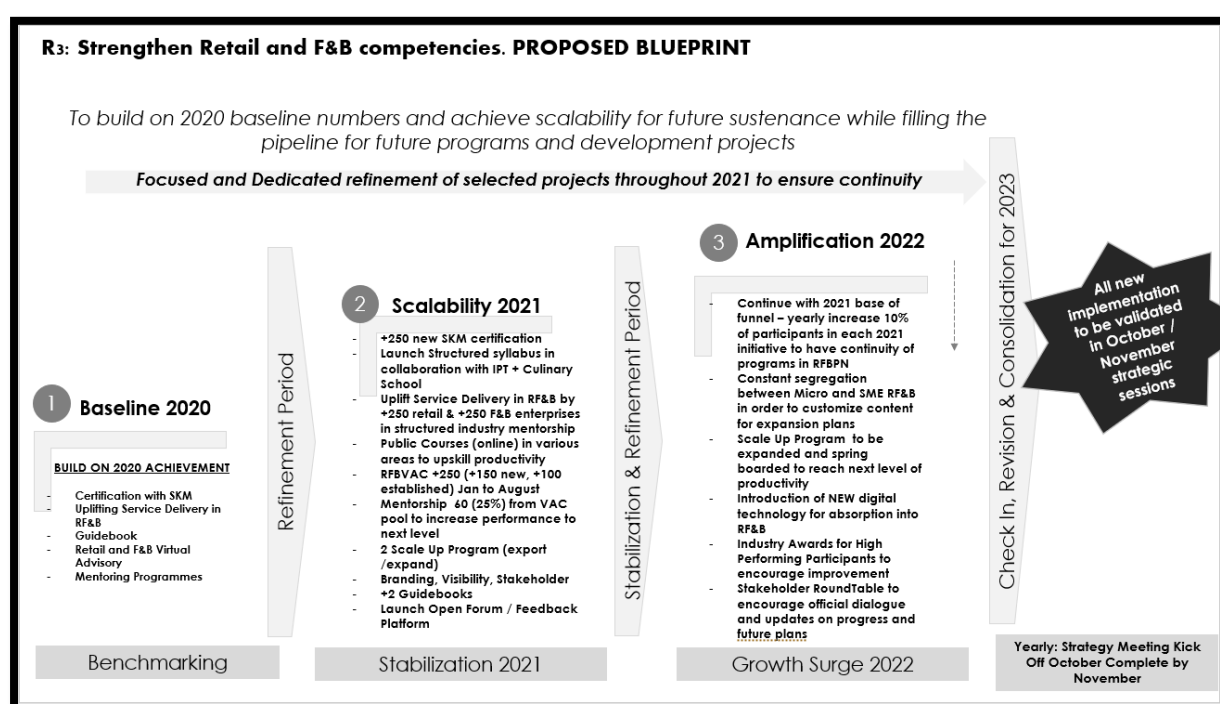
For 2021, the proposal is to Revive Initiative 1 by targeting 250 workers with upskilling using Sijil Kemahiran Malaysia (SKM). On top of that, we are proposing that a collaboration with IPT and culinary schools to come up with a more structured syllabus that is more relevant to the

industry needs and able to feed qualified and trained individuals to be released into the workforce for RF&B.

We are also proposing that a peer mentorship programming where smaller players are mentored by more established businesses in terms of improving service levels. We propose that Associations take charge of this initiative by helping their own members in improving and scaling up their service levels.

Initiatives 5 & 6 in R3 were two of the most popular and well received initiatives of R3. This is because it came as a big help to businesses during the lockdown during MCP. As such, we are proposing that these two initiatives be continued, with modification and tweaking to strengthen the deliverables by having two tiers of advisory – basic for Micro and Intermediate / Advance for SME and above. These two initiatives can also be expanded by collaboration with other government agencies.

The other new initiatives that are proposed are actually build ups / scale ups from current activities ie Public Webinar and Open Forum Platform for Interaction with MPC (using UPC portal). These are just fine tuning to current MPC assets and programmes, that can be used to build branding and visibility for MPC in R3.

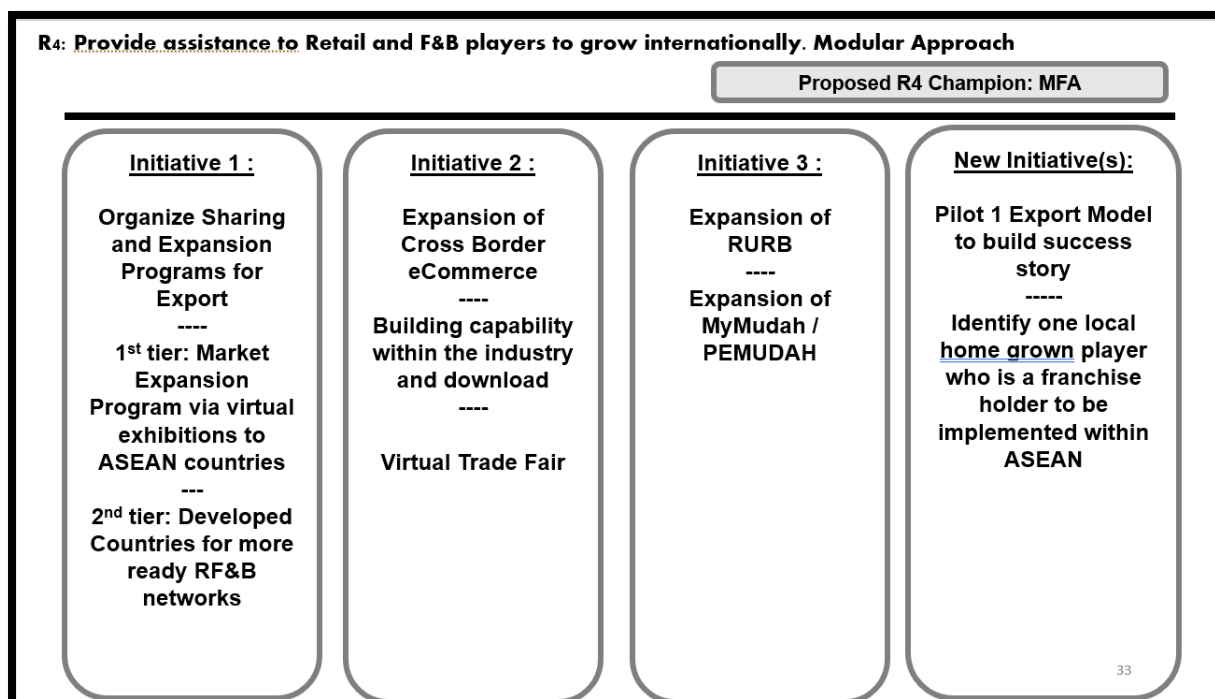


For R3, we propose that in 2022 amplification, we continue to segregate the activities done in this arena to Micro (Beginner / Basic) and SME (Intermediate / Advance) to better curate content and activities for better engagement and value up for the industry. This will also enable us to continuously recruit new participants and have a upskill factor in our long term action plan

One of the suggestion that is proposed by the association is to establish an award for RF&B players to encourage continuous improvement and also to have continuous stakeholder

managements to have official dialogues and progress updates with all associations and external stakeholders.

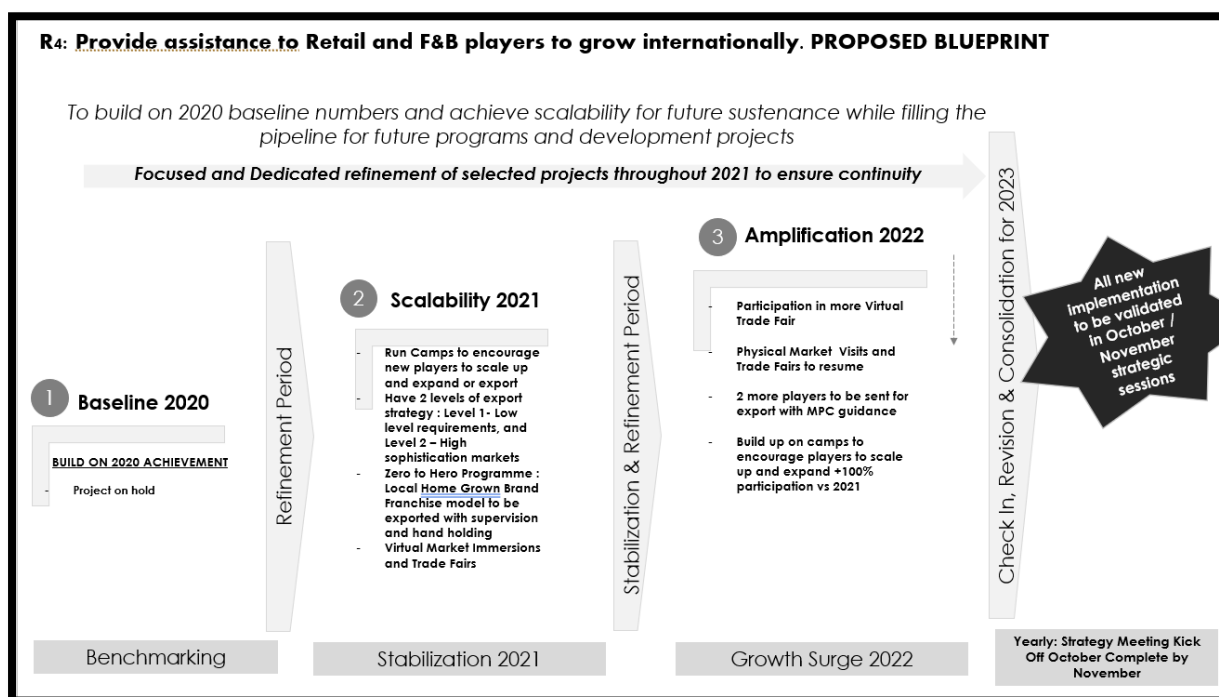
4.1.4 Initiative R4 2021: Provide assistance to Retail and F&B players to grow internationally



For Scalability and Export, we will take R4 to a new level by leveraging the expertise by MFA as Initiative Champion. We will need to put together a structured plan with an organised programme – at two levels. Level 1 will be focussed for ASEAN countries and other countries that do not require high levels of sophistication. Level 2 will be for companies that already have a high level of structure and expertise to be able to manage more complex countries with stringent regulation like Europe, Australia etc.

Initiative 2 under R4 will focus on expansion of cross border e-Commerce, and this will focus on capability building within the RF&B sector – it will also need to cover legal, logistic and warehousing matters.

For the new initiative under R4 – the proposal will be to take one local home grown player to be implemented in an overseas market. The proposed player will be chosen and we will work together with the relevant agencies to take the brand / player to other ASEAN markets. This will then be able to build a clear success story for the RFBPN.



For the R4 Project Blueprint, We need to re-start the entire initiative and being to run camps for getting new players to start. However, for 2021 and beyond, we will then build on the learnings and experience in 2021 to build more export ready companies which can be scaled even further.

5.0. NEXT STEPS

With the proposed Way Forward Initiatives for 2021, we intend to do the following to manage the implementation in a more seamless manner

1. Association Debrief on Initiatives post Strategic Session
2. Obtain buy in from Association on Initiative Champion
3. Present to NGC
4. **Formal appointment as Initiative Champion
5. Selection of Working Committee by Association
6. Roll out Plan by Working Committee
7. Monthly Check In / Updates / Engagement with MPC on Initiatives
8. Quarterly Review on Project Updates
9. Year-end KPI review
10. End of Year Strat Meeting to set way forward for the next year

APPENDIX

Attendance List for Strategic Brainstorming Session:

No.	Association	Organisation	Email Address
	MRCA (Friday, 27 November 2020)		
1	En. Tony Lim	Boat Noodle	tonylim@u5fb.com
2	En. Michael Liew	Marrybrown	michael@marrybrown.com
3	En. Vach Pillutla	Al Ikhsan	vach@al-ikhsan.com.my
4	En. Raymond Woo	Aladdin Group	
5	En. Paul Liang	CIMB	
6	En. Jason Woo	Clara International	
7	Pn Siti Norayu Bt Hj Waluyob (NGC Member)	KPDNHEP	norayu@kpdnhep.gov.my
8	Dr. Mohhidin Othman	MPC Associate	mohhidin@gmail.com
9	En. Djuan Onn bin Abdul Rahman		djuanonn@gmail.com
10	Adira	MPC	
11	Suzana	MPC	
12	Sonia	Facilitator	
13	Irwan	Facilitator	

	MRA (Saturday, 28 November 2020)	
1	En. Kamal Kamdar (NGC Member)	Kamdar Sdn. Bhd.
2	Pn. Michelle Oon	Tenmoku Pottery
3	Cik Salmieah Mohd Zin	Aeon Big
4	Cik Hasnah	Parkson
5	En. Adrian	Parkson
6	En. Jason Kumar	7 Eleven
7	Pn. Amanda Peter	KPDNHEP
8	Pn. Haslinda Hashim	MPC Associate
9	En. Azlan bin Ismail	

Retail, Food & Beverage Productivity Nexus (RFBPN)
Strategic Session Report, Proposed Activity Blueprint & 2021 Modular Systems Execution
November 2020 via Online Strategic Brainstorming

10	En. Abd Azharee Bin Abdul Wahid	
11	Suzana	MPC
12	Adira	MPC
13	Irwan	Facilitator
14	Sonia	Facilitator

	BRO (Sunday, 29 November 2020)	
1	En. Mohamed Mustakim Manaf	Global Retail Venture Sdn Bhd
2	En. Mohd Najib Abdul Hamid	Serai Group Sdn Bhd
3	En. Isa Bin Johari	Yosh Ventures Sdn Bhd
4	Pn. Nadiah Binti Abas	World Tour Ambassador
5	Pn. Hjh. Mastura Binti Abd Manap	Scubatex Resources Sdn Bhd
6	En. Mior Azim bin Badali Shah	Mios Gastronomy Sdn Bhd
7	En. Mohamad Zareman Bin Zulkefli	Edaran Jutamas Sdn Bhd
8	Pn. Yani Ab. Hadi	LC Merchandising Sdn Bhd
9	Tn. Syed Ashraf Bin Syed Ali	Palace Butcher Resources Sdn Bhd
10	Pn. Amanda Peter	KPDNHEP
11	YM Tg. Badree	MPC Associate
12	En. Yusainy bin Yusop	
13	Suzana	MPC
14	Adira	MPC
15	Irwan	Facilitator
16	Sonia	Facilitator

	MFA (Monday, 30 November 2020)	
1	Wan Muhammad Zainal Wan Yahya	MFA
2		
3		
4		
5		
6		
7	En. Mohd Abdul Kadir Bin Darail	KPDNHEP
8	En. Adam Dahlan	MPC Associate
9	Pn. Roszie Amir	
10	Suzana	MPC
11	Adira	MPC
12	Irwan	Facilitator

13	Sonia	Facilitator
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