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Relentless Innovation At Scale

Lessons from Malaysia's Entrepreneur Ecosystem

In April 2021, Ecosystm supported by their partners Hewlett Packard Enterprise and Peering One, conducted an Executive Think Tank where a virtual boardroom of business innovation leaders and entrepreneurs from Malaysia came together to discuss the role of the right emerging technologies in empowering businesses to achieve their innovation and agility goals. This report discusses the salient points that emerged from the discussion.

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Executive Summary

The rising Asian Digital Economy centres around the innovation ecosystems spurred on by emerging start-ups. As these businesses traverse their unique journeys, they impact the industries they operate in. However, scaling up continues to be their biggest challenge. There is a need to futureproof their roadmap through constant innovation and evolution – and at the same time build the right framework for Security, Data Privacy, and infrastructure Cost Optimisation.

A start-up's growth plans can (and should) shift and pivot based on market demand and feedback. Having secure digital infrastructure rails allows these companies to focus on staying their course on what is most critical – continually shaping their business models; implementing the most relevant emerging technologies; and to confidently drive their investment roadmap.

These were some of the themes that emerged at the Ecosystm Executive Think Tank supported by their partners, Hewlett Packard Enterprise and Peering One that was attended by innovation leaders and entrepreneurs in Malaysia. The session was moderated by Ecosystm CEO, Amit Gupta, who leveraged not only his insights based on in-depth Ecosystm research but also his personal experience in driving a robust digital roadmap. This report discusses the salient points that emerged from the discussion.

Challenges of Scaling Up

As start-ups move from the initial stages to being scale-ups, they face several challenges. Being aware of these challenges and dealing with them proactively is the key to a start-up's sustained success. Finding ongoing sources of capital is of course a challenge – but there are other organisational and cultural challenges as well.

As the number of employees grow it is important to grow a team that is aligned to the vision of the organisation. It is also important to find talent that fits in with the organisational culture – every start-up has a distinct culture that often contributes to its success.

Perhaps the biggest challenge is evolving the vision of the organisation. Without a core vision and roadmap, it is difficult to achieve success – but at the same time there must be some flexibility in the way the vision can be achieved, and minor tweaks made along the way. The key strength of a start-up is its ability to be agile – finding the right balance between staying focused on the longer-term vision and short-term agility is important.

Here are the 3 key challenges that were discussed during the session:

#1 Investment – Evolving Strategic Partnerships

There can be multiple reasons why start-ups seek ongoing funding – such as business expansion, R&D, or to fund access to regional markets. But as they scale up it is important to look out for more strategic investment partners, that are relevant at each stage of the scale-up. For example, at the early stages an organisation may want to engage with a VC that is able to function as a C-Suite or provide guidance on niche areas such as legal advisory or compliance. As the start-up goes beyond that early stage the kind of investment partner that they engage with should also evolve. As the CEO of a fintech start-up mentioned, one of their strategic investment partners now that they have raised a few rounds, is also a customer who is able guide the product roadmap.

"Investors can open doors for you and have a strong impact on your roadmap."

Start-ups should look beyond financial capabilities and investment backgrounds and seek out investment partners whose value is more strategic – such as offering complementary services, opening up new markets and so on. The investment partnerships that will be most beneficial in the longer run are those that bring transformative and market access value. Strategic partnerships will also ensure that there is an alignment between what the start-up is aiming to achieve and the investors' expectations in terms of returns, timelines, and time scales.

#2 Data – Futureproofing through Digital Resilience and Flexibility

New businesses today have to be Digital First, 'born in the cloud', data-driven, and customer-focused. This requires having strong digital rails for initial and long-term success. The good news is that they do not have legacy data architecture and can leverage, where possible, open-source datasets and focus on creating their own data algorithms. The bad news is building data platform layers from scratch can be challenging.

"The challenge in mindset that we have sometimes is that we are so fast paced and so focused on delivering the next feature for the next release that it's easy to forget to step back and focus ahead."

A key consideration is how best to leverage infrastructure services to sustain a scale-up's data requirements. Futureproofing the start-up will require collecting the right data, analysing it, taking data-driven decisions – and having the right view of the infrastructure required as the business scales up, from the outset.

An aspect of data governance that all start-ups should focus on is data residency requirements – especially as they look to expand to newer markets. In some industries the requirement is driven by governance and regulation – and in other industries the requirements are more internal. While keeping an eye out for country-level regulations and keeping track of the changes is imperative, it is also good practice to look at global references for governance such as Europe's GDPR.

#3 Technology – Outsourcing for Scalability

Start-ups have to make a lot of technology investments in areas such as AI/ML, marketing automation and so on – especially during the product development stage cloud and platform services need considerable investment. And as technology offerings evolve, usually a small internal digital team is required to keep track of emerging technologies, newer SaaS offerings, development software and evolving cybersecurity products and offerings.

> "Sometimes it makes sense to outsource even if it means paying a margin to the IT company because they have access to a stronger talent pool than you have."

It is true that with advancements in technology, it has become easier to leverage cloud solutions and look to deploy low-code/no-code platforms. However, one of the biggest challenges that start-ups face is in finding the right technology talent.

If we look at it from the data governance angle again, businesses are increasingly moving to the Edge – building data sets and running analytics – and using cloud for longer-term inferences and learnings. The hybrid cloud model is becoming increasingly relevant – they maintain on-premises servers for mission critical data and data governance; and look to cloud for scalability. It is important to evaluate what data and applications can be on cloud and migrate gradually. Hybrid cloud management is an emerging skill that the IT team needs to have – or outsource to a partner that has the right capability and the ability to triangulate with other local service providers.

Futureproofing your start-up requires having the right technology stack – and the right technology partner can help you create your infrastructure and technology roadmap.

Conclusion

Start-ups come in multiple shapes and forms. You might be an early-stage start-up, or looking to scale your operations, product offerings or go into newer markets. You could also be a 'start-up team' within a large enterprise looking to innovate. Depending on where you are in your journey, your thought process around what your technology roadmap should be, can be very different. Your initial focus will be taking your product to market, but if you do not look to futureproof your organisation you are not likely to succeed when you need to scale up. To futureproof your organisation, you will have to have a technology stack that is future ready. That will not be possible without having the right infrastructure and data governance in place from the very start.

This report is based on the conversations at a virtual Executive Think Tank conducted by Ecosystm, in partnership with Hewlett Packard Enterprise and Peering One. It is also based on the analyst's subject matter expertise in the area of coverage in addition to specific research based on interactions with technology buyers and technology vendors, industry events, and secondary research.

About HPE

Hewlett Packard Enterprise is the global edge-to-cloud platform-as-a-service company that helps organizations accelerate outcomes by unlocking value from all of their data, everywhere. Built on decades of reimagining the future and innovating to advance the way we live and work, HPE delivers unique, open and intelligent technology solutions, with a consistent experience across all clouds and edges, to help customers develop new business models, engage in new ways, and increase operational performance.

About Ecosystm

Ecosystm is a private equity backed Digital Research and Advisory Platform with global headquarters in Singapore.

As a global first, Ecosystm brings together tech buyers, tech vendors and analysts into one integrated platform to enable the best decision making in the evolving digital economy. The firm moves away from the highly inefficient business models of traditional research firms and instead focuses on research democratisation, with an emphasis on accessibility, transparency and autonomy.

Ecosystm's research originates from its custom designed "Peer-2-Peer" platform which allows Tech Buyers to benchmark their organisation in "real-time" against their industry or market.

This bold new research paradigm enables Ecosystm to provide Tech Vendors access to ongoing and real time Market Insights in an affordable "as-a-Service" subscription model.