

## Riding on cloud solutions

By JOY LEE



SME

Saturday, 01 May 2021

***“The opportunity is always there for the people who are prepared for it and a crisis is an opportunity.”***

Khor Kok Khiang



LIKE many other companies, 3DTech Solutions Sdn Bhd took a hit last year.

Business suffered at the height of the first movement control order as the software provider could not follow up with customers on their subscription renewals and some had opted to hold back on their spending due to the uncertainty ahead.

Subsequently, 3DTech saw an unprecedented reduction in revenues.

The company had relied on the wage subsidy programme to reduce its financial burden which enabled them to maintain its current staff without the need to implement a pay cut. In total, the company secured nine months of wage subsidy from April till December 2020.

Although business started recovering around July, sales went downwards again towards the end of last year as consumer confidence remained weak.

“Most people had predicted that the property market would slump after the automatic loan moratorium ended in September and consumers’ buying behaviour has changed as people became mostly cautious on their spending. People’s purchasing power has dropped significantly, ” says managing director Khor Kok Khiang.

With the majority of its customers coming from the construction and manufacturing industries, this certainly didn’t bode well for the company.

However, with the accelerated pace of digital adoption forced about by the pandemic, Khor notes that there are growing opportunities for 3DTech in the area of assisting other companies in their automation efforts.

Digitalisation and automation have become essential elements for companies as they strive forward in this new norm.

And as businesses look at ways to position themselves in the changing landscape, Khor hopes that 3DTech can play a role in helping them automate their business processes and kickstart the implementation of projects that would push for the adoption of such technologies.

This, he notes, can help bring its business to another level.

The company provides solutions for the construction industry to digitalise their workflow as well as manage and coordinate their data for various building professionals including architects, engineers, contractors and real estate developers through the Autodesk BIM 360 Cloud platform.

“We managed to adapt and change to cloud solutions. With work from home becoming a new normal for us now, the sharing of data remotely has become essential to make work from home effective.

“Our cloud data management solutions have picked up progressively and opened up a lot of new opportunities for us. Besides product sales, we also provide value engineering and BIM consultancy services, which helped bring our business back to pre-pandemic levels as last year came to a close,” he shares.

Notably, the Industry 4.0 trend in Malaysia is still in the nascent stage despite the push from regulators in recent years for businesses to invest in new technologies to increase their efficiency and productivity.

Many SMEs are still not keen to look at Industry 4.0 technologies mainly due to concerns about the capital required for investment and the lack of local skilled workers to help them adopt, implement and maintain the technology for the automation process.

Small businesses make up about 70% of 3DTech’s customer base, with the remaining 30% being large corporations.

“If SMEs don’t adopt new technology, they will lose their competitiveness in the market. Many of them are not able to compete globally due to their low productivity and the absence of automation in their business operations,” Khor says.

The government has provided some matching grants through the Malaysian Investment Development Authority and Malaysia Digital Economy Corporation for services companies to help them automate their business processes, transform into smart manufacturing and move towards digitalisation.

Khor urges SMEs to make use of these grants and to seriously consider kickstarting their digital adoption journey.

Certainly, as more SMEs look at Industry 4.0 technology adoption, this would also mean greater sales potential for 3DTech.

For now, though, Khor is still conservative on the company's growth.

The group recorded revenues of around RM18mil in 2020. He expects a marginal growth of 10% for this year and 20% of organic growth for the next few years.

“We don't have high expectation on the growth of sales revenue but we are confident that we are able to have a marginal growth at around 10% for this year. We believe the opportunity is always there for the people who are prepared for it and a crisis is an opportunity, ” he adds.

No doubt, with the increasing need for digitalisation, there is also increasing pressure on product development.

Software developers will be kept on their toes to come up with the next generation of smart products that will equip smart factories with ever smarter, faster and cheaper robots. They will also need to keep up with rising trends in additive manufacturing processes.

“Software as a service will be the future trend for our industry. It is more efficient and cost effective for a company to manage their operation instead of installing and maintaining software.”

There are notably many regional and global players here in Malaysia that are promoting their technology and solutions for digitalisation. This means that there is intense competition among players in trying to capture market share and 3DTech will have to also keep up.

However, Khor points out that the competition will be good for SMEs as it gives them more options and better value.

<https://www.thestar.com.my/business/business-news/2021/05/01/riding-on-cloud-solutions>