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TECHNOLOGY | TECHNOENTREPRENEURSHIP | POLICY

Then-second finance minister Tan Sri Nor Mohamed Yakcop officiated at the SME conference organised by Cyberview in 2008. The event was one of the initiatives taken by the company to achieve its goal of creating a thriving ecosystem in Cyberjaya.



Transforming Cyberjaya

BY KARAJAMIT SINGH

Danik Redza Rafiq, the amiable managing director of Cyberview Sdn Bhd, has been involved in the development of Cyberjaya since its launch in late 1996. He jokes that he had a lot more hair on his head back then. This writer was at the launch too and has his own hairy tale — no facial hair and a lot less hair on his head.

Redza has an easy-going air about him and a quick laugh that belies the go-getter he is and the part he has played in transforming Cyberview from a pure property developer to one that looks at its role in developing Cyberjaya in a holistic manner. He likes to use the term "ecosystem".

Such has been Redza's success in changing Cyberview that it is seen today as being as equally important as Multimedia Development Corp (MDeC) in ensuring the growth, development and sustainability of Cyberjaya and the MSC companies that reside there. Indeed, at the launch of a RM19.2 million green data centre last week by Basis Bay Sdn Bhd, a hometown ICT company that is moving up the value chain, its CEO Datuk Praba Thiagarajah thanked Redza for his help.

When asked about this, Redza says Cyberview basically asked Basis Bay what it needed help with and then made it happen on the latter's terms. This is certainly not how most landowners think. Redza quickly remarks that this was why the development of Cyberjaya was held back prior to 2005.

"The development of Cyberjaya was seen purely as a property play but while this worked with the multinational corporations, it was not conducive to building an ecosystem that could sustain hometown ICT companies, many of which are SMEs by definition," he says.

Redza takes seriously the issue of Cyber-

jaya being able to provide opportunities to MSC companies. For instance, Cyberview is about to solve a long running complaint about Cyberjaya — that it has no public hotspots. A tender is about to be put out to companies to provide wireless coverage in all the populated areas of Cyberjaya. However, the tender is only open to MSC companies that are located in Cyberjaya. A company could be located in another MSC-status location but it will not qualify. For Redza, the reason is simple. The money is coming from Cyberview to fund this and as it is responsible for Cyberjaya, it will give its business to a Cyberjaya-based MSC-status company.

Providing opportunities to companies in Cyberjaya is one small part of helping make the ecosystem work. Indeed, Redza reminds this writer that the reason the government set up the MSC was to "help leapfrog our nation into the knowledge economy on the back of our ICT companies that find global success". He shares a power point from the earliest days of the MSC, which showed a self-sustaining ecosystem that feeds itself. The idea was to create an ideal multimedia environment to attract world-class companies, which would produce value from information age businesses. This would then catalyse a competitive and thriving cluster of Malaysian ICT companies, some of which become world class over time. Both the cluster of international and hometown companies would enhance domestic productivity and help move the economy up the value chain.

But with the critical domestic cluster of ICT companies conspicuously missing from the Cyberjaya community, this needed to be urgently addressed. Thus, Redza was called in by the Ministry of Finance and asked to share his views on how Cyberjaya could be managed with a sustainable business model. This was in 2004. At the time, Redza was attached to MDeC to help it sort out its funding model.

But why did the MoF call Redza in? He thinks it was because the thesis of his Master's was on how the problems of Cyberjaya could be addressed categorically.

Subsequently, he was seconded to Cyberview for three years from July 2004 to implement his own plan and Cyberview was given the mandate to spearhead the development of Cyberjaya with Setia Haruman, the project manager and controlling shareholder of Cyberview, basically working on the infrastructure part and selling off whatever land it had left to pay off debts.

Redza explains that during the 1997/98 Asian financial crisis, the four shareholders of Cyberview had funding problems with the banks and Cyberview had to restructure and remove them so that it could take loans itself to acquire land without being weighed down by its controlling shareholders.

Executing the plan
What were the key elements highlighted in his plan to the MoF? "Basically, I pointed out that the cost of doing business was high in Cyberjaya and this was compounded by the fact that there was no ecosystem for companies to prosper here. It was a real estate game. There were other problems, such as overpricing and lack of transport, and if you recall, from 2002 to the middle of 2005, the maintenance of Cyberjaya was poor," he says.

While the overpricing was a complex situation involving previous master developer Setia Haruman, which was heavily overlevered, Redza set out to harvest the low-hanging fruits for some quick cash. Because the look and feel of Cyberjaya was important, the company took over its maintenance — even of the traffic lights — from Majlis Bandaraya Sepang. This was a small part of the overall strategy to add value to companies in Cyberjaya.

Cyberview then worked on the transport

system. Today, there is service from Cyberjaya to Klang Valley.

Next came the crucial were companies not happy the answer from the loc there was no place for it and thrive," says Redza.

The first development based on was a SME te in 2005, which was all ab pany a low-cost place without worrying abou up rate, when it opened, building is essentially it

To Redza, this was siq first time the company's secondary, with the focu es for entrepreneurs. "Su falling into place and it i looking at the developm a non-property lens."

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Next came a second building, which served a for small companies the space in the first building. "The idea is for Technopreneur Building 1 to act as a feeder for Technopreneur Building 2, which would act as a feeder for Cyberjaya itself. Indeed, one company, Internesia, is now ready to move into its own office and because it has had a long relationship with us, it has asked us to build

CONTRASTS ON PAGE 4

FROM PAGE 1

its new premises in Cyberjaya," says Redza. (See interview with Internesia on Page 2.)

Aware of the downside of being in the technopreneur buildings — "entrepreneurs can get too comfortable with the low rents, free parking and services we bundle together" — Cyberview has a six-year limit for tenants, which means no company can stay in any one building for more than four years and no more than six years in both buildings. Another indication of the mindset at Cyberview is that its criteria for success in the technopreneur buildings is not how much space is rented out but how many companies graduate out from there.

Heading for record year

Surprisingly, Redza says if things continue as they are, Cyberview is looking at a record year. "I do not know if this is a trend but we had a very good year in 1998 during the downturn," he says.

One of the company's targets is to sell five million sq ft in commercial space by 2010 but it will, in all likelihood, surpass that in 3Q2009, with 5.8 million sq ft sold.

What lies behind the success of the company is the zeal with which it aims to build an ideal ecosystem to ensure companies in Cyberjaya thrive. As its role evolves from landowner to master planner of Cyberjaya's development, Cyberview has been given additional responsibility by the government to come up with other initiatives to improve the ecosystem in Cyberjaya. Under the RM7 billion first stimulus plan announced last November, the company received an allocation of RM13 million to implement a number of initiatives.

The first is the Hot Zone project, which is to offer limited free WiFi services in Cyberjaya. The second is to create a high-tech gaming cluster in the Knowledge Workers Development Institute. Among the components is the Malaysian Games Operations and Research initiative or MyCore. This is part of Cyberview's expanded role to help nurture the creative and multimedia industry. It is partnering AMD, which will be the anchor for this cluster, and will work with MDeC to develop MyCore and cutting-edge knowledge worker development programmes.

MyCore is part of MDeC's MAC3 initiative that focuses on the development of professional gamers by providing a world-class gaming centre. Redza says AMD will take over a 4-storey building previously run by MDeC and will conduct some R&D here. There is also a plan to set up a library in this zone. Redza says the company is in preliminary talks with Perdana Leadership Foundation to set up a digital version of its library here.

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The nation's most critical high-tech initiative

resting RM27 million investment made by Malaysia Debt Ventures Bhd in Fabtronic Sdn Bhd, a subsidiary of Cyberview based in Penang, in 2007. This was a specific incentive for AMD to help it with its human capital needs while encouraging it to expand its manufacturing in Penang. "This was a factory with a concept where the staff are ours but they work for AMD in designing and making products for them in its own factory in Penang. Some call it an asset-light approach. We currently have over 200 staff in this subsidiary."

To be sure, these are not typical initiatives of your average master developer but then, Cyberjaya is the most ambitious high-tech development project in the country's history and much lies on its successful execution. Fortunately, Cyberview is proving itself to be up to the immense responsibility and is wisely working with many partners, not least MDeC, to transform Cyberjaya into a thriving community of high-tech workers and innovative and creative companies.

When asked what is his biggest challenge, Redza says: "Affordable housing for K-workers." To this end, Cyberview is going to provide affordable housing to those who work in Cyberjaya. With the cheapest property at around RM300,000, which puts it beyond the reach of the average K-worker, Cyberview's development will be an eye-opener, promises Redza.

Yet another piece of the ecosystem will come together then. You can bet Redza and his Cyberview team are already planning the next move to ensure the ecosystem of Cyberjaya eventually takes on a self-sustaining life.

On a bigger scale, there is the in-

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