Simplify, innovate and grow with technology

Exabytes empowers 100,000 SMEs globally with its cloud services

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For 38 year-old Chan Kee Siak, his remarkable 19 year journey has resulted in establishing the largest home-grown web hosting and cloud service provider Exabytes Capital Group Sdn Bhd (Exabytes) headquartered in Penang.

Fast forward to 2019, Exabytes is a web hosting and cloud service provider that aims to help micro, small and medium-sized enterprises (MSMEs) grow their businesses online. It specialises in providing cloud hosting, shared hosting, email hosting, Virtual Private Server, dedicated servers, domain name registration, digital marketing and others service. The com- ▶

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Helping MSMEs grow their businesses online

▶ pany currently serves over 100,000 MSMEs in 121 countries.

"When I was 19 years old while still attending my first year of college in Penang, I just wanted to create a website, so after I designed my website I realised that it needed to be hosted somewhere. That's when I discovered that there was such a thing as 'hosting', says Exabytes founder and group chief executive officer.

"I realised there is a huge opportunity as our digital industry grows more contents will be created and all this internet digital contents need to be hosted somewhere," he reveals.

Chan foresaw the proliferation of content hosting platforms will continue as companies clambered on to the digital economy bandwagon.

"Back then, 19 years ago the multi-media Super Corridor (MSC) and the Malaysia Digital Economy Corporation Sdn Bhd (MDEC) were in their infancy stage and still trying to grasp the implications for the future," he says.

"Since the industry was still new there were only a few competitors and a lot of room to grow and there were no established strong players in the market, so back then as a new entrepreneur the barriers to entry were minimal ," he reminiscences with *MALAYSIA SME®*.

Chan who is also Founder Institute, Penang director has successfully managed to grow his business briskly over nearly two decades and has expanded his business to three major countries and established offices in Malaysia, Singapore, and Indonesia where the local team tends to the requirement of clients.

"Today our tagline is helping businesses to grow their businesses online, commencing from the very basic requirement which is registering their website and domain name with Exabytes and buying a hosting account," Chan elaborates.

"Once their website is active, they may choose to conduct online e-commerce and later on they may want to do a bit of online digital marketing. They may also want to expand to more complex employee human resource systems, Customer Relationship Management (CRM) systems or cloud back-ups or cater to sophisticated e-commerce requirements," he points out.

Exabytes' data centres have four layers of security with Fort Knox-like (US bullion depository) security protocol to ensure data protection for over 100,000 existing clients. The Malaysia operation contributes 30% to the group's revenue, while 30% of Malaysian websites are hosted by Exabytes.

According to Chan, Exabytes has transformed from initially just offering conventional hosting services to being more involved with aiding MSMEs to digitalise their businesses.

"Exabytes does not only offer website domains but also helps MSMEs in their digital transformation by enabling them to promote and increase their exports.

Chan cites an example, "Our latest offering involves being appointed as Alibaba's partner to assist MSMEs to increase and promote their exports to get them featured in the Alibaba platform to enable them to increase the export of their products and services.

"Apart from selling cloud products and services, we have invested a lot of resources and time to organise events such as our annual e-commerce conference. The goal is to enable MSMEs to understand the digital environment better to excel in business," he says.

Chan sees a huge gap of what is happening within and outside the country. MSMEs want to be more involved with e-commerce but they are lacking the talent and knowhow.

"I have attended numerous conferences abroad and saw the opportunity to bring some of the contents back. And create a platform where MSMEs can exchange ideas and experiences. We conduct an annual e-commerce conference and the Exabytes Internet Marketing Summit (EIMS) which highlights digital strategies and digital marketing techniques," Chan adds.

Exabytes also conducts smaller technical workshops on how to enhance website security, how to optimise their website.

Challenges facing Malaysian MSMEs

Malaysian MSMEs are facing a myriad of challenges as the digital economy currently is a fledgling market, Chan notes.

MSMEs have to understand that the competition is not from the inside, it is no longer the neighbour's shop selling the same thing as the whole world is the competition. MSMEs need to differentiate themselves through their experience, branding and quality products in order to be successful, he stresses.

"At Exabytes we are quite clear on what we are heading to and what needs to be done in the process in order to call ourselves a modernised advanced digital nation. There are many role model set up by other developed countries like China, Japan and Korea," he reveals.

"We know that it is possible to capitalise on the digital economy and are in the process of empowering and upgrading ourselves to thrive in the digital economy. However the nation is still struggling to establish basic Internet infrastructure connections right," he laments.

He cites an example of going to a restaurant and taking out a mobile phone, only to find that there is no signal and end up asking the waiter for his WiFi password to gain connection and Internet access.

"When the minimum requirements are still not fulfilled, how can we even think of moving on to more advanced applications?" he questions.

Though connectivity comes under necessary utility, the connectivity is not uniform throughout the nation and totally absent in some areas. The vital ingredient here is to ensure that the coverage is throughout the entire nation.

For the nation to develop further efforts have to be placed to iron out the country's existing basic infrastructure woes with better coordination between the telcos, local private sector and the government.

He points out that there are areas super crowded with Internet Service Providers (ISP), while other robustly populated areas are devoid of connectivity.

"Sooner or later we will all transition to 5G by which time we hope the blind spots in connectivity will have been addressed," according to Chan.

"Education and knowhow also are at the top of the list for MSMEs to affectively adapt especially when it comes to marketing to effectively promote themselves there is definitely a big gap. This can be addressed through continued learning, workshops and seminars," he says.

Malaysia produces a lot of good products and services but we are not doing enough in terms of strengthening our own branding, as in the past we did a lot of original equipment manufacturing (OEM).

"In the current market scenario, the competition is everywhere so if you sell your product through the Internet because it is cheap, the value won't last very long. If more effort is placed on product and services branding and you have a strong brand the results will be positive," Chan acknowledges.

Exabytes launched a partnership with Alibaba.com, the world's largest sourcing platform in April and has been appointed as channel partner to recruit more Malaysian MSMEs to be featured and listed on the B2B Alibaba sourcing platform. This will strengthen their exposure to the export market.

"We have brought speakers and resources from Alibaba China to conduct education workshops. In the next few years 4G will transition to the 5G era and when this happens the Internet world will be reset, similar to when 3G was replaced by 4G," he elaborates.

Many tech unicorns will be created during the transition as witnessed from past experience such as Grab. China will see the emergence of influencer products such as its own version of YouTube, different way of online shopping and group buying.

"There are also a few start-ups in India and Indonesia which have prospered in the past five years, because of the superior capabilities and speed, which in turn has created a lot of new industries and opportunities," he adds.

Chan expects a similar response during the transition from 4G to 5G but he warns that this time around it might not be about more powerful devices.

"I believe we will work without devices because the Internet with 5G will be so much faster so Artificial Intelligence (AI) will play a big part and body actions will be captured by cameras or voice recorded so AI will follow the instructions. It is already being utilised in China," Chan elaborates.

AI has facilitated many transactions and currently cardless cash withdrawals from automated teller machines (ATM) can be made as AI ultilises facial recognition. 5G will eventually become mediumless backed by strong AI as enabler.

"It is definitely a lot safer because with digital technology and blockchain, everything is traceable so the need to carry cash is resolved. MSME

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