

# Business News

Saturday, 5 March 2016

## The future is now

by [datuk yasmin mahmood](#)

If you are not familiar with Amazon Prime Air, I would recommend you google it. Prime Air is an unmanned flying drone delivery programme that Amazon has in advanced stages of beta test. It's disruptive. You order your product online from Amazon using your phone or tablet, pay using a mobile payment system, then an automated picking system selects your good, loads it into an unmanned drone, which takes off vertically, flies to your house, using "observe and avoid" technology to ensure it doesn't "hit" anything on its journey, it will land in your garden, drop off your package within 30 minutes of placing your order, then return back to base.

Just for good measure whilst your package is in transit, you can view an on board camera on the drone to track its journey to your house with a delivery time count time accurate to the second.

A few short years ago, this would have been classified as "the future". Well, the future is now. Prime Air exists and works today, and regulatory frameworks are on catch up mode to keep up.

### The digital economy ecosystem

Let's look at the technologies that make Prime Air possible. Big Data, IoT, Cloud, e-commerce and e-payment Mobile Devices are all combined in the chain of events from browsing for your product through to receiving the delivery.

Each of these technologies are specialist in their own right with experts pushing the boundaries in each discipline. At the same time, these technologies have to be integrated in order to build what will become our Digital Economy.

What does it take to make these disruptive innovations be ideated, developed and commercialised? It's the ecosystem.

### A unique blend that builds an ecosystem

Let's take a look at the most holistic, the most effective, the tech ecosystem to which all other aspire – Silicon Valley.

Silicon Valley has naturally evolved since the 1950's built on a blend of intersecting components that have combined to create the world's biggest hotbed of technical innovation. The key ingredients towards building this ecosystem that has and continue to draw the smartest and brightest people from all over the world include the huge depth of STEM academia led by Stanford and its associated research facilities, and the abundance of venture capital companies centred around Sand Hill in Menlo Park.

This VC community really is a cornerstone of the Silicon Valley ecosystem. Early investment in companies like Google, Baidu, Skype and AliBaba came from Sand Hill. To give you an idea of their scale, in the third quarter of 2015 alone they made investments valuing US\$9bil.

There also is a kind of magic to the Silicon Valley ingredients which you simply can't bottle. The weather in this part of California is an attraction in itself. There is the "easiness" and liberalness about the place that means the unique, flamboyant and even the brilliant "geeky" eccentrics are able to blend in. It's a place where having the courage and drive to "go for it" is celebrated whether or not the outcome is a success or failure.

### **We can't replicate but we can connect**

When MSC first started, people talk with excitement about it being the "next Silicon Valley". We neither can nor should try to replicate this totally unique ecosystem. No other ecosystems, even others in the US have successfully replicated what has been achieved in Silicon Valley. Each Ecosystem has to evolve based on its own unique blend of ingredients. The evolution needs to be organic for it to truly work.

Take New York's tech ecosystem, it clearly plays to the strengths of that region. New York is traditionally a hub for finance, fashion and marketing so it should be no surprise that companies like Tumblr, Shutterstock and Kickstarter are among the New York ecosystem success stories. But despite these successes, the New York Ecosystem is only about ¼ of the size of Silicon Valley.

While we couldn't and shouldn't be replicating it, there is tremendous value from being connected to it. For this reason, we placed a footprint in Silicon Valley last year opening and staffing an MDeC office in Palo Alto and by appointing a seasoned "valley" entrepreneur to our board.

### **Ecosystem boleh?**

Returning to Malaysia, some indicators are showing that we are moving in the right direction towards our own Digital Economy goals. Malaysia's Department of Statistics show Digital Economy contributed 17% to our GDP in 2014.

In 2011, beyond attracting investments and growing local MSC companies, MDeC was given the mandate to drive Malaysia's digital economy in a more holistic manner. With this in mind, catalysing Malaysia's Tech Ecosystems has become a critical focus for MDeC.

It's a task that has to be done in tandem with a host of other agencies who all have their part to play in developing this broad ecosystem. Bodies including MCMC, the country's ICT regulatory body as well the responsible for building world-class digital infrastructure and connectivity in Malaysia. Others include MaGIC whose focus is to catalyse the tech start-up and incubation scene, MIMOS who drive innovation in R&D and MAVCAP with a focus on funding and VC.

We do have a lot of cooks trying to blend the Malaysian ecosystem ingredients. Provided that each agency stays true to its core mandate we avoid overlap, look for synergies and complement each other's efforts.

### **Collaborating to Catalyse our future**

Ultimately our role is to create a big open "dance floor" of opportunities, then attract the right blend of expertise and people to come and dance together and build a strong vibrant ecosystem of our own that will play host to the next wave of people and companies that our future will be built on.

At MDeC we are putting significant focus into expanding the "dance floor" in disciplines like eCommerce, Cloud, Creative Tech, Internet-of-Things as well as Big Data Analytics, through our various initiatives. However, at the core of any ecosystem, is the enabling component of talent and digital infrastructure. The challenge is to bring these strands together and drive collaboration across the country, between public and private sectors. In my next article I will share some of the initiatives we are working on to encourage this collaboration, such as in Big Data Analytics. This is becoming increasingly important as we ready the nation for the inevitable coming of the Data Driven economy.

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