



Mohd Izzairi Yamin never saw himself starting a logistics company. But six years ago, he did, when he founded ZeptoExpress. Like many start-ups, the early days were tough. But Izzairi, in his thirties, is among many young Malaysians today who have not allowed obstacles to deter him, forging ahead in a rapidly changing world driven by technology advancements.

The computer science graduate, who spent many years as a software developer in a multinational firm before eventually setting up his own software house, did not think that he would delve into the world of logistics. It was all because of a battery, he says, by way of explaining how he made that fateful foray into the delivery business six years ago.

"It was a Friday evening and I ran out of batteries for a drone I had. I called up a retail outlet located at a mall in Petaling Jaya and asked if the batteries could be delivered quickly and was told that if I made the purchase online, it would be delivered the next day. So I paid the RM400 for the battery and the RM38 for delivery," he recalls. No sooner had he made the payment and attempted to book a delivery for the following day, the delivery company informed him that the earliest he could receive the item was Monday. "I was annoyed and frustrated. It struck me then that why do courier companies control the delivery time?"

Brainstorming with a few friends, he channelled his frustration into creating a delivery start-up. Izzairi,



For us as a tech-driven company, we need the data not to tell people we are sexy in terms of tech but to help us improve our manpower and delivery routes, and forecast for future deliveries.

Izzairi



Making that last mile count

A young start-up competing against established names in the logistics field can sometimes be likened to the story of David versus Goliath, but ZeptoExpress founder Mohd Izzairi Yamin reckons that it may well be playing with the big boys in three years

who developed the website and mobile app that promised a three-hour on-demand delivery service, says the company garnered some attention from the media. But that endeavour was short-lived because of issues with the other founders, and so the company was dissolved.

Undaunted and convinced he was on to something, Izzairi then decided to strike out on his own - believing that the last mile delivery is one of the most important steps in a parcel's journey. It's the moment in the supply chain that matters most to customers especially given that the last mile delivery person is often the only face a customer will see in the entire purchase process, he says. In an industry already populated by big name delivery and logistics players, his goal with the start-up was to disrupt traditional delivery services by guaranteeing a maximum delivery time of three hours.

He named the new venture, ZeptoExpress to reiterate the service's unique selling proposition. A unit prefix in the metric system denoting a factor of 10⁻²¹ a zeptosecond is a trillionth of a billionth of a second.

Established in 2016, the crowdsourced on-demand delivery platform allows customers to make delivery bookings at their convenience. From the first service, ZeptoBike, the company has since expanded its offerings to include the transport of larger, bulkier items via ZeptoCar, ZeptoTruck, ZeptoAir and most recently a carbon-friendly option, ZeptoRun for pick-ups and deliveries. In addition the company also introduced ZeptoStore, its warehousing and fulfilment solution for clients in the fast-moving consumer goods (FMCG) business, which offers storage, packing and delivery.

Izzairi sees himself as a problem solver, and that has attributed to ZeptoExpress' various product offerings. With one of its more recent products, ZeptoFinance, for example, he believes there's a need for financial institu-

tions to ramp up and speed up the entire process from onboarding of a customer to performing transactions.

"As ZeptoExpress is a tech logistics company we see that we can play a role in the financial inclusion sector by providing services such as face to face verifications (know your customer) and cash (foreign exchange notes) or cards (credit and debit cards) delivery."

Tech to analyse, forecast and improve

The company's express delivery services are available in the Klang Valley, Johor and Penang. ZeptoExpress counts small and medium enterprises and corporations as its clients including Digi, Walt Disney, DKSH Holdings, Holabebe, to name a few. One of its largest clients is PosLaju - ZeptoExpress delivers 25,000 parcels a day for the national courier company in Ipoh, Kuantan, Pagoh and Penang.

It has some 4,900 approved drivers on its database, although only about 4% to 5% of them are active daily. Though we undertake consistent recruitment, at the same time we also want a balance to ensure that the jobs we bring in are enough for the drivers to sustain a living, says Izzairi.

Over the years, the company has seen its revenues and profits steadily increase, from RM700,000 revenue in the first year to RM2.3 million in 2020. The company also started turning a profit from the second year.

One of the company's selling points is that customers can perform live tracking on their delivery orders to see it in action. "We also monitor and analyse how many deliveries a single driver makes," says Izzairi. Delivery bags are equipped with Internet of Things (IoT) sensors, he elaborates. "Each item has a barcode and that is scanned by the driver using his phone before it's placed into the bag. The bag, which has IoT sensors also weighs the item, and tells the system what's the

total weight that each driver is carrying. Each time the bag is opened this sends a signal to the system indicating that the bag is opened at that particular location and the number of items that have been removed from the bag.

"In delivery it's always important to know how you're utilising each rider or driver, and we need precision and analytics in order to do forecasting and to improve the delivery efficiency. Without the bags it was difficult for us to gauge what's the efficiency of each driver or rider but when we first tested the bag, we found that one rider could settle 30 to 40 deliveries within four hours. From there we made some tweaks - whenever the driver completes the deliveries he will then need to go to the hub and collect more parcels.

"We also learnt which are the highest density delivery areas, and with all these data it is easier to do forecasting, predictions and also analytics...For us as a tech-driven company, we need the data not to tell people that we are sexy in terms of tech but to help us improve our manpower and delivery routes, and forecast for future deliveries," he adds.

He believes that although ZeptoExpress has the edge in terms of delivery efficiency and technology there are more players entering the market. In the same way, he never viewed ZeptoExpress being in a David versus Goliath scenario with the more established logistics brands, Izzairi also feels that market players can leverage on each other.

"Based on the number of parcels that are delivered daily (as reported by Malaysian Communications and Multimedia Commission), no one is holding more than 25% of the total market size. So there is no monopoly, which means that the pie is shareable, and with the number of parcels doubling or even tripling every

CONTINUES ON PAGE 19





Virtual reality can be used for technical and safety training in the oil and gas and utilities sectors

Founded with RM4,000 without external funding

Founded in 2019, Virtual X started out in 2018 as Aviasense. Today, it is establishing itself as a key VR/AR player in the industry, chalking up a seven-figure revenue this year from just about a hundred thousand ringgit over two years ago. Its workforce has grown to eight people today from just two at the beginning.

“From last year to this year, we saw a growth of five to seven times. It is good. And we will not be defeated by the pandemic,” says Kay, who is 29.

Before launching the start-up, Kay and his friend Lau Yoke Wee (co-founder of Virtual X) first set up Aviasense with an initial capital outlay of RM4,000, which was the cost to buy a gaming computer to produce VR content for property companies. The idea came up when the duo were complaining about their jobs during a tea session.

“I was a salesman for a software company, and he was an engineer. We were complaining about our work and went through a list of things we could do [if we were to start our own business]. AR and VR came up as something interesting we could work on.

“The next day, Lau, 32, resigned from his job. He is that gung-ho. Whereas for me, I told him I was not going to make any impulsive decision yet, and waited for six months before quitting my job,” Kay remembers.

The duo’s earlier projects were mainly with property companies looking to establish their online presence by having virtual showrooms. The company managed to stay afloat.

However, projects from the property sector dwindled and the two partners went through a hard time until they were invited by Pos Aviation, a subsidiary of Pos Malaysia Bhd that offers a range of ground handling services, to join its hackathon.

“We pulled in another game developer friend to join the competition. We developed a training module for them in 23 hours and won second place. Through conversations with the other participants, we realised that there is a huge industrial market for AR and VR technology,” Kay says.

Subsequently, the duo and friends joined an accelerator programme organised by Petronas and launched their first VR product specifically for industrial companies. That was when they decided to set up Virtual X. And they slowly built their presence from there and started working with other big corporates, including TNB, the following year.

It wasn’t always smooth sailing, though, says Kay. Before rolling out the subscription-based product for industrial companies, Kay and Lau produced VR content for property companies on a project basis. It was a stressful period as they were left with no income some months as job flow was erratic.

“There were periods in which we worked for 16 hours a day and there were also days when we had no work. After launching our product in 2019, both of us were more confident and not as stressed, even though the workload was

similar. The subscription-based model is more stable and sustainable. We can also focus much better on product enhancement,” Kay says.

The duo had to bootstrap during the first two years of the start-up to keep it going. They did not take any salary during that period. “It was the so-called ‘dark period’ for us. It was only in late 2019 that we started paying ourselves a salary,” says Kay.

Riding out the pandemic

Despite the fact that Malaysia has been hit by not only the Covid-19 pandemic but also political uncertainties, Kay believes that it is not all doom and gloom even as the country marks National Day on Aug 31. He says Malaysia’s economy is evolving and the building blocks are being put in place.

For one, the current situation has forced business owners to be more open-minded about technology adoption. Companies that successfully digitalise their businesses are likely to emerge stronger post-pandemic.

“I would say digitalisation is not as hard as many have imagined. And there are many resources and support out there provided by government-related agencies and big corporations to help businesses transform themselves.

“Based on my understanding, MDEC (Malaysia Digital Economy Corporation) is giving out grants [to businesses]. Maxis is helping small and medium enterprises embark on their digitalisation journey too, with its own money. Axiata is doing the same. There are options available.

“The older generation may think they are not tech-savvy enough to do so. But honestly, you don’t have to be tech-savvy. What is required is a few days of learning. And then you will realise it is not that hard.”

Kay expects businesses that survive this period will benefit from the huge pent-up demand in the post-pandemic world. And they are very likely to emerge stronger in the market, he adds. “I would say just bear with it for now. It’s very hard, even for us. But if we can ride out this pandemic, the growth prospects are very good when it is over.”

Kay is also cognisant that the pandemic is expected to last until 2023, which is why digitalisation of businesses is essential, he says. He adds that the government plays an important role in helping the country recover from the devastating impact of the pandemic and that it is important to have a clear and defined long-term plan for the country to carve out its niche in the global market.

“I hope the younger generation of entrepreneurs, including me, will think more about how to make the world a better place by coming up with innovative solutions. We shouldn’t be following and chasing trends with the thought of making money.

“If you are chasing money all the time, it will outrun you at some point. Instead, think about what you can do to create a positive impact on the world. And money will come to you.” — *By Kuek Ser Kwang Zhe* **E**

Room for other players

FROM PAGE 16

year it means that there is a lot more room for other players.

“If you look at China, Taobao can settle more than a million deliveries a day while here PosLaju handles 1.2 million parcels which they settle in seven days. So we need more players to come in to solve this logistics issue, and secondly technology is not really in place, so I think there is room for more players to come in share the cake,” he says, adding that unlike the ride hailing industry, delivery is about players leveraging on each other in order to resolve daily backlogs.

Izzairi is optimistic of the path ahead, pointing out that delivery platforms will continue to grow as the country’s pace of digitalisation picks up. Delivery platforms, he believes, will become very much part of the future economy.

The Covid-19 pandemic, he says has shown that delivery services aren’t a need but a must. For ZeptoExpress, revenue from the e-commerce sector grew 300%, and even though revenue from SMEs and corporate clients contracted, on average the company saw its revenue growing some 170% to 180% in the last year.

“The number of deliveries will continue to grow as everyone is forced to go online. With or without the pandemic what’s clear is that the opening of more shops or retail outlets is not relevant to businesses anymore.”

Each failure a learning curve

After six years in business, Izzairi admits that the experience has changed him. “In terms of my personality and behaviour and in terms of how I think and how I make decisions there are changes. In the past, if you’d asked me to speak in front of a CEO of a bank I’d be very scared and shy, and it was difficult for me to make decisions. I didn’t have that much confidence. But as time went by, and especially when you run your own company, you find yourself meeting with many people. You need to convince people and close deals because your company depends on you 100%.

“As an entrepreneur you need to have those critical thinking skills, to be able to make decisions fast, to be firm and at the same time also very agile in making decisions for the whole business. So it has improved those traits.”

He admits that it is increasingly difficult to keep thinking of the next big idea. “Each day we face many new scenarios in our daily life, and that entails new problems that need solutions. So we need to quickly adapt and come out with a new solution that could help ease or lighten the problems people are facing.

“It’s normal to hit a brick wall when trying to find solutions to a problem. But each time we fail, we treat it as part of the learning curve to improvise better and sometimes even pivot the entire idea in order to have solid solutions to the problems that we are trying to solve,” he adds.

The company, which has not relied on external funding in the past four years, recently secured its first venture funding for an undisclosed seven-figure sum from shariah-compliant venture fund Ficus Venture Capital. “With the new funds raised, we plan to set up more mid-sized fulfilment hubs and expand our service coverage areas in high density areas. We also plan to increase our fleet by hiring more riders and drivers, and expand our services in KL, Johor Baru, Penang and Ipoh. With that we’ll be able to do 30,000 deliveries a day and make about RM60 million in revenue a year ... and that’s not very far from where the big boys are standing.” — *By Sreerema Banoo* **E**