

Digital wake-up call for SMEs

DIGITISATION has shifted from being a competitive advantage to a business necessity.

As consumer behaviour changes and technology reshapes how goods and services are produced, sold and delivered, Malaysian small and medium enterprises (SMEs) are finding that staying analogue is no longer an option. The challenge is not a lack of ambition, but uncertainty over where to begin and how to sustain the journey.

SMEs form the backbone of Malaysia's economy, accounting for the majority of businesses and more than half of national employment. Yet a significant number still operate with limited digital tools, relying on manual processes and traditional sales channels. While the Covid-19 pandemic pushed many to experiment with online platforms, true digital adoption — where technology is embedded into daily operations — remains uneven.

BEYOND WEBSITES AND SOCIAL MEDIA

"Digitalisation is no longer about having a website or social media presence," said CelcomDigi chief enterprise business officer Afizulazha Abdullah.

"It is about building internal capabilities so businesses can adapt, scale and respond to change without being forced by crisis."

Drawing on CelcomDigi's experience as Malaysia's largest connectivity provider, Afizulazha said businesses today expect far more than basic mobile services.

"Connectivity was the first wave. Then came data storage through the cloud, followed by the need to secure that data. Today, we are seeing the next wave in artificial intelligence."

"SMEs are aware these technologies exist, but many struggle to see how they fit into their own operations."

THE PERCEPTION GAP

One of the most persistent barriers to adoption, Afizulazha added, is perception.

"Many micro and small enterprises assume digital tools are expensive, complex or require dedicated staff they do not have. Others adopt technology superficially, such as spending grant money on online advertising without upgrading internal systems," he said.

"When the money runs out, the capability disappears. That is not digital transformation. What we are trying to do is help them invest in tools and skills that stay with the business."

To address this gap, CelcomDigi, in collaboration with the government, introduced the MY5G SME Digital Workshop Series — an initiative aimed at helping businesses move from traditional practices to practical digital adoption.



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FROM THEORY TO HANDS-ON LEARNING

Afizulazha said the workshops reflect this approach. Beyond product briefings, participants hear from local entrepreneurs who share how technology helped them grow from modest beginnings.

"Practical sessions include live demonstrations, business-matching opportunities and guidance on setting up e-commerce and live-streaming channels, particularly through platforms such as TikTok Shop."

CelcomDigi is also introducing

Arena Usahawan, a dedicated space linking SMEs with funding institutions, government grants and ecosystem enablers, recognising that digital adoption often requires financial and advisory support alongside technology.

At the heart of CelcomDigi's enterprise strategy is the AI Experience Centre (AiX), a co-creation platform showcasing real-world solutions across sectors including healthcare, manufacturing, logistics and plantations.

Developed with more than 55 partners, AiX features over 60 use cases, many already deployed through live pilots.

"AiX is about showing what is possible," Afizulazha said.

"Not future concepts, but solutions that are working in Malaysia. When businesses see that, it changes the conversation from 'can we do this?' to 'how do we do this?'"

TRUST, SCALE AND EXECUTION

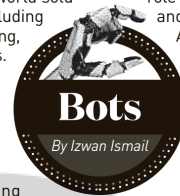
Afizulazha said SMEs are not a single group, but exist along a wide spectrum, from micro traders at local markets to mid-sized companies generating tens of millions of ringgit in revenue.

"Their needs therefore differ. Smaller businesses often require simple, off-the-shelf solutions such as digital payments, basic inventory systems or e-invoicing tools. Mid-tier firms face more complex challenges, including fleet management, data

integration and cybersecurity."

This is where CelcomDigi positions itself as a bridge between global technology providers and local enterprises.

"Hyperscalers will naturally engage large corporates. But mid-tier Malaysian companies may not have the scale or internal expertise to navigate that ecosystem alone. Our role is to simplify the complexity and act as a trusted partner," Afizulazha said.



Trust, he added, remains central to adoption. Concerns over data security, network reliability and workforce readiness often slow decision-making.

"If a business understands why it is digitalising, the investment makes sense. Then it is no longer about cost, but about value," Afizulazha said.

The MY5G SME Digital Workshop Series reflects a broader ambition to raise the baseline of digital capability across the country, rather than focusing only on cutting-edge innovation.

"We often talk about raising the bar," Afizulazha said.

"But it is just as important to raise the bottom. When SMEs are empowered with the right tools and knowledge, the entire economy benefits."

As Malaysia pushes towards a more digital future, initiatives that combine technology, education and ecosystem support may determine whether SMEs merely survive disruption, or thrive as leaders through it.



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