

Dotcom survivor gets new revenue stream

BY Edwin Yapp

Few companies in the country managed to survive the dotcom bust, and those that did have come a long way, having had to rejig their business models and revenue streams, as well as diversify their businesses, in order to stay afloat.

But for MNC Wireless, its core business of providing innovative content via the web and mobile devices remains intact even after a decade of existence. Its CEO Chung Jaan Hao says, "In the early days, in 2002, it started off quite well, with SMS leading the way in the mobile content space.

"But then came the market crash and increasing problems with SMS scams, which brought about heightened regulation, which then caused the market to go south. We, as a mobile content company, were forced to look for another niche in this space."

MNC soldiered on, dabbling with a number of mobile content offerings, but a breakthrough came last year when it began creating an innovative service that leverages rich content for web and mobile technologies. As a result, the company introduced its cloud-based online music streaming service called WOWLOUD.

Subscription-based WOWLOUD allows users to either stream and keep a playlist of songs on their laptops or desktops. Its Premium Plus service has the added option of allowing users to stream music and keep a copy of the songs on their mobile devices. Users can also access the service for free, albeit with a lower quality music stream and advertisements.

Asked how MNC was faring financially, especially in the light of its increased investment in WOWLOUD as well as the fact that it is reaching its 10th year of being a tax-free MSC-status company, Chung says, "We have been growing in terms of our revenue and started attaining positive cash flow about two years ago. Our revenue last year was about RM14 million and we employ about 70 people in the company.

"As for our tax-free status, I don't think we'll have an issue with us not having the tax-free status anymore because in the past, we had some losses, so there are tax credits as well. Also, if necessary, we can always begin a subsidiary and reapply for MSC status."

Culture change to survive

One of the hardest challenges for MNC was to drastically change the way it approached its work culture to redefine itself to become a company that is able to design and produce more creative and innovative products for the market.

This, according to Chung, involved bringing more creativity, openness and freedom in thinking into the company, something that was missing before. This process started two years ago when Chung took over as CEO from his predecessor Jasmine Lee, who had left the company to pursue other interests.

Chung then began the process of looking at what new products and services MNC could move towards. "We needed to look at new products and services that had a good future, as well as something that was going to be a natural progression of who we were," he explains. "Mobile is still key as we started with SMS, but we were looking at rich engagement and we wanted to focus more on building media platforms. This is how we came out with WOWLOUD."

Chung notes that it was imperative that MNC made this shift as today's world is driven by a different paradigm, one that is defined by social media. "Today's world is driven by social media — everything from the way we engage customers to how our staff work. So to be relevant to the market, we have to embrace social media and use this approach to design our products," he explains.

"Of course, young people today also have



The official launch of WOWLOUD with artists and VIPs

stronger ideals — like where and how they want to work. For example, we have embraced the use of Twitter and Facebook when others shun them. By doing this we have managed to attract the right kind of people who like this creative environment and we have been able to make ourselves relevant to the market and our staff."

That said, Chung concedes that it has not been easy as some of his older staff could not adapt and chose to leave the company. "It's been challenging because not everyone likes this new environment, but the change has been largely positive."

When asked how he made the changes, Chung says, "We started top-down as we wanted to have more collective thinking. We explained to the board and got their buy-in before proceeding. And they understood what needed to be done.

"After that, we went down the chain and collated feedback from our staff. We changed our logo, came up with MNC's top 10 core values as well as the direction we wanted to take. It wasn't easy but still, we practised an example-led culture to make it successful,



and while we're not there yet, we're working towards it."

Chung says the coming year will be interesting because MNC is investing more in the company, and its WOWLOUD service is but one example. "Our traditional business is quite stable now, so based on the investment we're putting in, our cost will increase but so will our revenue, and we should see healthy growth in the future."

What Chung is referring to is the launch of Joors, the first free high-speed mobile Internet service in Sweden. Launched via its associate company IntJoors Sverige AB ("Joors"), the enabling technology and technical platforms for this service were designed and developed by MNC, while the mobile broadband network is provided by TeliaSonera Mobile Networks AB in Sweden, on a wholesale basis.

"It took us a little more than a year to bring the idea and concept of Joors to reality and we are extremely excited to be the world's

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first to offer an ad-supported mobile broadband service in one of the most advanced telecommunications markets. The concept of Joors is unique in that it creates a highly effective platform for digital ad targeting and interaction while providing consumers with a very valuable commodity, which is mobile Internet access. The innovativeness of Joors is definitely going to set new trends and standards in both the telecommunications and media segments worldwide," said Chung during the launch in Sweden.

Joors offers a one-of-a-kind service in the market that does away with the monthly fees or lengthy contract subscription periods. Users only need to pay a one-time start-up fee for registration and they will be provided with free Internet access — for normal usage, for every 30 days, and at speeds of up to 10Mbps. Joors' investors include Star Publications (M) Bhd.

