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Franchising MALAYSIA SMETM

You've Got Mail!

A simple task of sending and receiving items from home inspired this young entrepreneur to build a fast-growing service-orientated business in Malaysia.



More often than not, overseas graduates return home with abundance of business ideas acquired from their host country. However, unlike Brian Chow, not many of them proceed to act on them. For Chow, his university days in the United States inspired him to chart his current business aspirations.

"Back then, I was always using Mail Boxes Etc (MBE) services as a tool to send or receive items from home. It was a facility that kept me connected to my family back home in Malaysia," recalls Chow. When we returned home, he was surprised that Malaysia lack similar services other than that of Pos Malaysia and other larger courier services. Realising this opportunity, Brian seek his family's assistance for the initial capital and brought the MBE franchisor licence from the U.S.

At that time, Brian was merely a 21 year-old fresh graduated with big ideas for the business, which according to him, was also the biggest challenge especially in convincing his partners to work with him.

"Although I was very clear on what needed to be done, most people will initially be skeptical of my age, as they do not know how much I understand of the business and the market. Another challenge was also dealing with the required laws and regulations in running the business," remarks the young director of MBE Business Corporation Sdn Bhd.

MBE is the only courier service in Malaysia that provides a retail shop with our different courier services in it. These include mailbox rental, packaging services, courier services, and documents services. Today, MBE Malaysia has over ten franchisees in 16 locations. Chow also believed that with increasing competition, MBE are actually benefiting from them, as these brings more awareness to their business concept and services.

Proven System

"Many people have the misconception that after getting a franchise business, they will be guaranteed millionaires. Yes, they have spent money to buy a proven system. But a franchise is just like any other business where each outlet has a different focus. Efforts are needed to make sure the business runs well," says Chow.

He believes that 30 per cent of a successful franchise outlet is due to the proven system, while franchisees need to put in 70 per cent of the efforts in order to drive the business to a higher level.

Currently, MBE Malaysia is focused on several strategic locations for their outlets, including in shopping malls, retail shop and petrol station kiosk concept. It will either be in a very high volume business or residential areas. Chow explains: "MBE is a destination business that is based on services. We do not need the best location as long as there is a focus market."

More assistance needed

The franchisor has set out to open outlets about eight more outlets in various locations around the country this year. He says: "MBE has a small market caption, and we cannot target for ten or 20 outlets in a short period of time unlike the F&B market." On the development of franchising in Malaysia, Chow hopes that the procedure to get a franchising loan could be more transparent.

"It is quite discouraging as entrepreneurs who are eager to get a franchise have to wait for eight months to get his or her loan approved. If an entrepreneur has to wait for eight months, the fire in their desire would have been extinguished," describes Chow.

By Yap Xen Loong