

Let Jaring out of its cage

On learning I was a Malaysian, an engineer approached me at the Global Telecommunications Meeting (GTM) in Washington DC last May and enquired about Jaring. Did I know the name, he asked. Of course I did. Apparently, Jaring, featured as a cover story in the prestigious *IEEE Journal*, was described as a cutting-edge Malaysian technoprise. Educated on Asian cultural sensitivities, the American engineer politely said if Jaring were located in Silicon Valley instead of in Malaysian bureaucracy, maybe there'd have been a significant liquidity event by now, probably an IPO.

But Jaring is not in Silicon Valley. Trapped in the wrong body, it is a Stephen Hawking without the means to translate aspirations. First to introduce the Internet to Malaysia but chained by bureaucratic process, it now plays a poor second fiddle to TM Net. The first to come up with a sensible wireless solution for broadband last mile (featured in the *IEEE Journal*), it has seen millions being squandered by Time and Atlas One while getting boxed in from obtaining its own funding.

The first to suggest a VoIP numbering plan (015 series) to the Malaysian Communications and Multimedia Commission (MCMC), it had to wait two years to get permission to launch an emasculated version because the MCMC announced the scheme without mandating interconnect with intransigent incum-

bent and cellular carriers. They had never done that to a cellular carrier but VoIP is another story and yet, strangely, Jaring is declared a national asset. The company may be a national asset but the nation is not interested in doing anything substantial with its ideas.

In a classical double whammy, Jaring deals with its bureaucratic legacy on a daily basis and fends off rumours while its fate is publicly debated. For more than five years, the nation unnecessarily mulled whether to merge it with either Telekom Malaysia (in 2001 and again in 2003) or a decrepit Atlas One (Yes, I swear this was discussed: read some of the 2004 newspapers if you find it unbelievable) and now since 2005, a Time that's incapable of looking after its own welfare let alone a high-tech outfit like Jaring.

Jaring's fate is the consequence of a mindset. The only credible differentiator between Silicon Valley's progeny and our myriad creations is the thinking behind each. No one tells a Silicon Valley entrepreneur when to go IPO or what to do. Government ownership is anathema. A Jaring engineer probably needs to fill forms in triplicate before using the coffee machine.

All this takes an obvious toll on the balance sheet. A lousy bottom line may ostensibly put Jaring in the same space as say Time, but the two couldn't be more different. Time raised money from the public, including employees, and blew it

away. Today, its payphones are rusting and the famed festoon cable, pride of Malaysian telecommunications in the 1990s, is in tatters. Jaring, in contrast, was never allowed to raise money. It nurtured each innovation like a baby only to see the fledging starve from funding bottlenecks. Nevertheless, talk to the engineers and you see pride in what they do.

Let's make it easy for all concerned by pinpointing exactly where the Jaring issue resides. It is lodged right there at the tipping point when an innovation needs to commercialise. That's where Jaring invariably stalls. If the issue indeed is a lack of available funds to commercialise innovations, how does a merger with Time help?

Caught in a web of its own device, Time recently lobbied and successfully acquired a 3G licence. It needs to focus funds and expertise on 3G and nothing but 3G, which, after recently taking care of Vodafone and Hutchison, now licks its chops and eyes the likes of Time. We do Time a disservice with the Jaring proposal because it dilutes focus and proper application of limited funds. In fact, some in the market openly wonder why, if there is a single real manager left at Time, do they not decline this gilded offer to commit hara-kiri.

The American engineer at GTM had politely conveyed that we lack imagination when it comes to nurturing and commercialising inno-

BY RAIS HUSSIN I



vation. It's poor consolation that this is a regional malaise. It was revealed recently that the technology behind the famed Apple iPod was first conceived by a Singaporean entrepreneur. One morning when the entrepreneur went to work and inadvertently left his brains by the bedside, Steven Jobs approached him to partner in marketing this Singaporean technology. He declined, only to have Apple do it anyway without him and take full credit. The rest is history. The same thing happened to Jaring several times, only one suspects it had gladly partnered and commercialised its innovations if unshackled. Unlike the hapless Singaporean, with Jaring the fault lies elsewhere.

Incapable of letting it go, Malaysia declares the luckless enterprise to be a national asset and thus condemned to purgatory while we mull its fate. A fraught Time gets first right of refusal and even as it wonders what to do with this dubious distinction, Jaring gets thrown at other government-linked companies which toy with ownership scenarios while TM wishes the whole Internet thing would just go away, leaving it to its voice and related stuff.

Here's a thought. Ideas may be the real national assets and not de-

preciating cables and switches. Converting ideas into money would then be the only worthwhile hallmark of a company while creating the environment for such conversion the main hallmark of enlightened governance. Consequently, everything else is blowing smoke up the taxpayer which is exactly what we are doing with Jaring.

Hong Kong seems to intuitively understand the formula. Enticing Chinese entrepreneurs from Silicon Valley, it funds R&D up to a tipping point after which the entrepreneur is let off to swim or sink. The only national asset is how much money he makes from the funded idea. I have read about the same incubation magic happening in Israel before it started taking steroids under Ariel Sharon. Today, Israeli innovation still powers almost everything and anything under VoIP switching and medical equipment. Jaring's quoted shares would be the national asset in New York, Hong Kong or London and not the cables, transmitters or switches on the erroneously labelled "asset" side of the balance sheet.

Let Jaring out of its cage, we say. If it flies, it will do us proud. If it doesn't, we've all been there before and as long as no one gets killed, it is all good. ■

Rais Hussin is COO of The Red Snapper, a converged telecommunications company. www.redsnapper.biz