

Transcripts

Opening Footage:

1 Minute Timer to begin the show

Disclaimer:

The views and opinions expressed by quest speakers do not necessarily reflect the views or position of HSBC Bank Malaysia Berhad. The video and publication are not an investment advice or recommendation, and should not be used or relied on for making investment or financial decision. You are advised to consult your independent professional advisor before making any financial decisions.

Kenn:

Today for the benefit of all Malaysians watching at home, I am calling on six experts to talk about the Hows and Dos of surviving, the new normal: life, business & beyond.

Kenn:

First, we have Ms Tara Latini, Country Head of Wealth and Personal Banking, HSBC Malaysia. Next we have Mr Shayan Hazir, Country Head Global Liquidity & Cash Management, HSBC Malaysia. Next we have Hann Liew, Co-founder and Director of RinggitPlus. And of course, we have my good friend Freda Liu, Producer and Presenter of BFM. Also, we have Fazrena Aziz, Business Owner of TudungPeople. And of course, Joachim Sebastian, Founder of Everpeaks.

Kenn:

Ladies and gentlemen, let's get started! During these crucial times, it's never been more important to start controlling your money, especially for emergencies, but nobody knows how to go about this.

Question 1: How do I best manage my money right now?

Kenn:

Tara, what do you think?

Tara:

Thank you for the question, Kenn. I think it's a great time for us to be revisiting our budgets and our financial situations.

The first thing I would say is have a budget.

Sometimes in these situations, some people are saving money because they're not spending extra cash on travel or childcare, or some other going out to dinner. For others it may be different.

So, create a budget, understand what your critical bills are - rent, utilities, food and budget from there, and make sure that it's accurate. A few times I've seen customers make a budget and then don't put in some of the daily spend and then they wonder why they're not acclimating to the budget that they put out. So, use your budget, enter your information on your budget.

And I would say use the free education that's available to you - banks, like HSBC, and

other organisations out there are giving you free information to learn about financial literacy which is a big passion for me. And now is the big time to look at how you're financially literate even with your kids and young adults.

There's never too early a time to start saving, so, go through your budget, review it with your children, get everyone in on the decision, and make sure that you try to stick to it.

Kenn:

And get your children into the budget as well.

Freda, what do you think?

Freda:

Yes, I totally agree with what Tara had to say. Also, you have to look at not just your present moment but think about one year ahead if you're, if you're blessed enough to still have your job, you don't know what's going to be happening in a year's time. So, this whole idea about saving is really important, and think about how you've got enough for six months. This is something we've heard all our lives.

I think this is the first time that people have actually started looking at their budget with the reality of what's happening. So, make sure that you have that, and also just be aware of the frills that you've got. What can you get rid of - where no fancy coffees and everything.

You know, making your own coffee at home, that sort of a thing.

So, it is important to be conservative at this point.

Kenn:

So, no more fancy coffee for me, I guess.

Fazrena, how are you handling this?

How are we handling this?

Fazrena:

Everybody gave such good points especially in terms of savings. But from an entrepreneur point of view, please do continue shopping, if you can.

I think you still have to spend wisely, cut down on the luxury items, but spend locally, like going holiday locally.

You just want to spend and have the money still circulating within the community. Because by the end of the day, we still want our businesses to get to pay their employees, and then their employees will become other people's customers as well. So, we want to promote local wealth but of course on a personal level.

I've always believed to have a certain percentage on savings forcefully. As an example whenever I get my salary, there's always a certain percentage that I will transfer straight away to a totally different account, because for me, the money you don't see, you don't spend.

So, you do not have to live in a certain budget or you learn to only spend what is there in the account instead of to spend everything.

Now Shayan, what do you think?

Shayan:

A lot of people are using the time that they have saving from the commutes and work to build out their own profiles online. It's actually an opportunity to make money. If you have a skill, like you want to teach somebody a language, promote yourself online, get yourself out there, and start building a collection of customers for yourselves. Right now, because virtual is the only option, it's an even playing field. So, not only learn but also import knowledge, and use that as an opportunity to maybe make a little bit extra on the side.

Kenn:

That's a great idea. Now, I don't know about you guys, but I've been stuck at home for a few weeks now, and I think I need a haircut. That being said, I feel I have lost control of the situation outside my house.

Question 2: What are the tools available to me to achieve my financial goals ?

Freda:

Some simple things, like my bank account. I've got different bank accounts, so, I'm putting more money aside in the savings account. These are the things that I can do. Visually, I have a mason jar where I just put my 5 Ringgits and my 20 Ringgits, so, it's a visual reminder to save. Seeing that whenever I've got that in my wallet, I've got to save my 5 and then save my 20. Little things like that, and you feel when you can see visually, it also gives you a sense of hope.

In this case you can always have Nasi Lemak with that money.

Kenn:

So if I need RM20s change, I know where to go now.

Kenn:

Tara, what do you think? What are the tools?

Tara:

I agree with everyone. You need to have the budget, and you need to have the plan.

But I do think there's a lot of tools out there for you. I mentioned webinars before.

There's a ton of things being offered by the government, and being offered by banks. We do a weekly webinar for wealth, and it just talks about macro trends. It's not about you and how you invest, it's just to educate you on kind of what's happening in the global world right now, and what trends we may see coming. Just try to educate yourself. There's a lot of free tools online. Set up your own bank at home. We're doing everything digitally and remotely right now. We have guidance online about how to set up your own bank at home, and everything you need to do.

You can do virtually, which is great. And make sure you look at your point in time, and do your own kind of financial health check. We have tools online. Many banks do this where you can do a financial health check and talk to your relationship manager. Now we're actually talking to all our customers about their financial status on Zoom. We're using things like live connect to send documents encrypted and send you a one-time password, so you can still have these conversations, and you can still talk about the goals that you want in life. They may change a little bit now, but people were still talking to people about getting married and having children and what that means on their finances. So, that's a really good sign.

I think, you know, with the education, with setting up the right tools and doing stuff digitally, this is all key. I'll stress again, bringing the children into the conversation, because you know some of the tools we offer for that. We have premier junior teaching the kids to save and using tools that will help them save during this time as well. They're learning as you're learning; they see you do it and they're doing it the same way. Leverage some of those apps that are out there, that have the kids save and they can see their money going into a piggy bank. I love Freda's mason jar thing. We did a financial literacy program with kids. We set up three mason jars. One was short term, one was really long term, and one was just to spend now if they had it. That's how they're learning. My kids are doing it, and I'm a visual person. So, I think that's great.

Kenn:

So, Hann, what do you think?

Hann:

Tara mentioned web tools, those are cool things. I think one of the things that we feel a little bit privileged or a bit lucky is that we didn't have this situation occur kind of a decade ago or two decades ago.

I'm in fintech, we've seen, over the last 10 years, tremendous development of financial services onto digital platforms. If this happened maybe 15 to 20 years ago, we wouldn't have been able to do anything with the plan that we've made.

If we made a plan to say we need to save we need to spend, we need to borrow, but I still need to get out of the house and actually get these done. But with the development of financial technology, getting banking, investment houses, insurance companies onto

the web has been tremendous in helping us not just have a plan but start executing it. Here's an example. If you realise, I need to start saving, I need XYZ that account, previously, I have to walk down to a bank branch to get it done.

Now, I can just log in, a few taps of a button, and I get it done, which is similar with getting your health insurance policy sorted, and a new investment account sorted. You can do it online now. The rapid progress has made it in a way, easier for us to transition.

Like I need to change my financial lifestyle, how do I do it, I can do it right from my computer here. I think that's been a great development.

So far, we have been talking about individuals, but let's not forget about our SME friends out there, with their cafes, and their retail outlets, and their hardware stores... why not we talk about them?

Question 3: As a business owner or SME, what can I do now to help my business financially, and what support do I have access to?

Fazrena:

There are a lot of things we can touch on. First of all, is what you can do as an entrepreneur. The first thing being a businessman, you can never say never. You always have to be on your toes for the latest news. When we first knew about RMO, we only had about 48 hours to actually draft out a plan - what we can do? Subsequently a few days later, we know what are the essential businesses that can work during RMO and things like that. As an entrepreneur, you have to always know what's happening, and you need to be able to change your plan. For me, I do e-commerce, which is one of essential businesses, but three of my physical stores have to close down during the RMO. Because of that, we know that online operation is possible, so what can I do to ensure that my physical stores eventually still move. We were best friends with MITI, so we always ask, we always would be the first to apply for approvals. Then we changed from having our physical store to a WhatsApp order, which is something I never think of. But during the time in need, you gotta do what you gotta do.

As an entrepreneur, you always need to know what's the latest update from the government, and at the same time it's also good to know what are the accessible support for SME, because there's influx of people trying to get the same support. It's a pandemic, and everybody's at home. You're talking about something that affects the whole nation. There'll be queues, and websites loading. If you always be the first to know everything, you'll always be the first to submit as well. As a business person, you always have to be a bit 'kiasu'. That is a pretty positive attitude to have, not too much just a little bit, so that you would not miss out on anything.

Kenn:

Shayan, what do you think?

Shayan:

This is a subject that's really close to my heart, because I spend a lot of time advising startups and SMEs in my spare time, and it's very close to me. There are two sides to the story; the first one, there's a massive opportunity for bricks and mortar, retail stores

and outlets to kind of look to the e-commerce trend, and it's an opportunity to really delve into that digital universe and find new customers, and expand out for a fraction of the cost. That's really an opportunity that all SME businesses should be looking at, and also consider what kind of platforms they want to use. They have the big aggregators, or they can set up their own. I'll give you an example. I like to eat, clearly. There's a barbecue place which I found on Instagram, and they don't have a website I actually ordered and started talking to the owner on WhatsApp, and he had a problem in terms of how to pay, because he was asking me to transfer money using Direct, like going onto my computer and transferring money online. That's fine. But there are easier ways.

As part of my business and global liquidity and cash management, we have solutions that plug-and-play straight into the SME segment, and allows them to do contactless QR code payments using DuitNow. DuitNow is instant, so you don't have to wait for checks to clear, and pay orders to clear, or payments to reach your account in 24 hours. You get the money instantly, and that's really important from a cashflow perspective as well as for in immediate orders that you're receiving online.

Whether you're going e-commerce full-blown on a large aggregator, or whether you're setting up your small shop, banks have solutions right now that can plug-and-play and get you online and running immediately, and can get your cash and payments in hand very quickly. So that's the e-commerce angle. The other angle is digital tools.

HSBCnet is our flagship digital platform and it has a host of capabilities that a lot of people don't really look into. It's so powerful that you can actually delve into, not only your account statements, your liquidity positions, your cash flow forecasting, and make international and local payments. It's so comprehensive and powerful with high degrees of security, which is mobile enabled, so you can access it from anywhere.

Kenn:

Thanks, Shayan... you had my attention at food.

Kenn:

Tara, what do you think?

Tara:

Just as we do kind of a budget and a health check for individuals, we have to make sure that every owner has a financial health check for the business. As we heard, liquidity is key, making sure that there's enough cash to meet those commitments and expenses, payroll. Talking to your bank and your relationship manager is key to doing that as well, because there may be tools that you don't know about. For example, we have inventory management tools, we have online merchant systems and payroll solutions, so make sure to take advantage of that stuff, and get help when you need it.

The government packages were mentioned, the special relief fund, and the moratorium.

If these are things that you need, you should definitely take advantage of it.

At the bank, we also have something called Fusion which is a proposition where we look at your business and your personal relationship together for smaller SMEs, which is great, because they don't like doing it separately. They want one relationship manager, one person to talk to, and benefits for the combined relationship, which I think it is very important because SME owners don't think of themselves as a business-banking customer, and an individual-banking customer. They think of themselves as one customer, so it's important that a bank recognises that as well.

And taking advantage of other digital tools. We talked about webinars and online free education for businesses. There're so many things available out there.

Kenn:

Freda, what do you think?

Freda:

There is government aid so take advantage of and all the help that you've got. Businesses now have to maybe in the digital transformation. Transformation with four syllables scares people, but you have to go digital. That is the reality of what's happening.

I interviewed a lot of SMEs, and it's time to ask yourself what are you as an entrepreneur, do you have the stomach for it? This is the time what Darwin said - not the survival of the fittest, but the survival of the most adaptable.

Now is the time to find out how adaptable you are.

There's the other word "pivot". I've interviewed companies that have gone in completely different directions because it's about managing cash flow. These are the realities of what's happening right now.

Even where I'm working, in honest conversations their employees, we all know what's happening. People are not spending and how do we manage costs. That's the honest conversation that I'm having with myself, and all my colleagues on how are we managing.

Now it's okay we may have reserves, but we're looking at the year ahead, and we want to keep all employees. What do we need to do now, so that we will still have you guys working in a year's time? So, these are all these considerations when you talk about cash flow, and managing and dealing with employees – being transparent. And most people will understand. They know what's going on.

So, be honest with your employees as well. I think this is also important because you need them. You don't want to lose them when times are better too.

Joachim:

I just want to add a bit. She talked about transformation. Digital transformation per se. I had an uncle, and he runs a restaurant back in Damansara Perdana.

I think BFM actually picked this up in the first place.

He was a traditional business for 18 years. No digital! He takes calls to place orders in this restaurant.

It's called Mom's Place. It's 'Mom's Place' in Damansara Perdana.

Three weeks ago, I had nothing to do. I had no work, sitting at home during MCO. It was not busy, so I spent the time to digitalise his business. I guess put him on an e-commerce platform enabled automatic deliveries and things like that. Right now, his entire business has transformed. He is doing almost as well as he was before the MCO. So, you know you've got to keep an open mind to being able to be transformed. I really salute the man. He's 61 years old and he's learning how to operate a mobile app. This is the mindset that I hope people can absorb and try to implement, because don't look at this as a disaster that will take you away or put you down. This could be a situation where you transform and become better than before.

Kenn:

Those are very good ideas...I'm amazed at how your can-do attitudes are really showing right now... look at how calm and composed you guys are. Can you guys share how you are doing it?

Question 4: How can a Can-Do attitude can enable us to adjust to this new normal?

Tara:

For me, it's always mind over matter. I do exercise, I meditate and this online trainer I was following or I do follow, I was doing her session yesterday. She said it might feel like it burns but this is all a mindset. In your mind, if you tell yourself it's not burning, you can keep going, and that's true for anything that we do in life. For me, I set my mind to it and I try to do the thing, do the right things to get myself into a good mental tough state. I really believe in being mentally tough.

I just want to emphasize that managing this stress, we've been talking about our financial situations either as an individual or as a business, but don't forget to put yourself first and take care of your physical and mental health. If you're physically and mentally healthy, you are more likely to make good financial decisions. I don't think people realise that it's all connected and that's very important to state.

Hann:

The way I look at it is that Can-Do is only one part of it, and one part of getting out of this. We've got to match the before and the after they can do, which is on the before

side, you've got to have a can-learn attitude. You've got to be able to go like “hey, things have changed before I do anything, I need to stock up on what I need to learn, what I need to know we said earlier about having a financial plan. That's kind of the learning part first right before we have that “let's just do something”. There's the last part about making sure we get out of this in the best possible shape is a can-finish or can-get-it-done or can-follow-through attitude. It's just not going out there and doing something. It says “hey I've learned enough about this, I think this will work for me on my business during this time; I'm gonna go out and do it, and I'm gonna make sure it gets finished.”

The worst thing is to think you've got it right, but not achieve it because you haven't completed it even though you got it right. “Can-learn” then “can-do” then “can-follow-through” or “can-finish-it”.

Kenn:

That's a lot of can...

Joachim:

I'm going to take an entrepreneurial point of view again. As a business owner myself, I think first the can-do attitude should be matched with a resilience mindset. You gotta realise that this situation is not perpetual, we are in potentially a bad place at this juncture, but it will pass. Disasters happen, crisis happen, pandemics happen, recessions happen, and the human race is a strong, tough and very resilient creature. It will change; be prepared for the change. The change will come. We have shifted the entire ecosystem probably three to four years in the digitalisation aspect because of the pandemic. Markets that are resilient to digitalisation those who are anti-tech, or even some of the older groups who do not want to participate, now are in market that you can capitalize upon. You have to think about these things. Have an open mindset about how the change will occur, and be resilient.

I think one of the last things I want to add is that you've got to surround yourself with people who will enable and support your vision. Don't follow the naysayers. If you surround yourself by a lot of naysayers, you will become a naysayer yourself.

Kenn:

You are the company you keep.

Fazrena:

I think that the best can-do attitude is of course to understand and to totally accept that every problem comes with a solution. Whenever you feel that there's a problem that you can't solve, it doesn't mean that you can't solve it right away. You just have to take a step back, just relax. Just like Tara said, exercise, do yoga, do anything that can ease up your mind, and then when you look back into the problem, probably you can find a new way of solving it.

Because sometimes it's not that you can't solve a problem, but it's not like your view are disrupted by all the stress that you're having.

Another thing is, since we're already in the month of Puasa, I've always believed that the more you give, the more you get in return. If you do good things to others, and then hopefully more good things will come back to you. It's not necessarily the more things you give in terms of money. It could be time; it could be effort; it could be you helping other people who's in need.

In this whole pandemic time, there are things that is out of our hands.

If you do good things, and hopefully more good things will come back to you.

I feel that really helps to have that a can-do attitude, because you just want to have that kind of very positive lifestyle and thinking.

Shayan:

Being vulnerable and authentic is really important right now. Accepting the fact that things aren't normal.

I think acknowledging this is the first step in finding solutions. It's really important for us to acknowledge being vulnerable. Be open as leaders and I certainly practice that. Only then does my team and other people I engage with open up and say "you know, actually we're struggling too". That's where you can actually start finding strength, resilience, trust, building up that authenticity and that dialogue as well. For me, that's been really helpful. I've been very open to things that are difficult for me.

One of the things that particularly challenging is that I'm a new dad. I hear my son and my wife outside this door which I'm stuck in a room for eight hours or nine hours a day. I can't get access to them because I'm on Zoom calls all the time. But I've given myself the freedom to manage my schedule, my eight to ten hours in what works for me and my family. It's important that I do that, then I'm more productive in the other hours. So, you really need to now recalibrate life into these 8-10 hours or 12 hours of work. Some people go 12 hours. I'm sure the entrepreneurs do. You have to make it work for you. You don't make it work as it used to in the office because you're no longer in the office. So, these are small changes and things, but overarchingly it's like just being vulnerable.

Kenn:

Congratulations, Shayan, I didn't know you were a new dad.

Wow, look at this! A collection of savvy financial pros all in one chat! Let me take a picture!

Hann:

Kenn, you know there's a screenshot feature on your computer.

Kenn:

Moving on! I'm not financially-savvy, I'm not technologically-savvy as well, okay! As we wrap up, I just want to thank each and every one of you. Thank you so much

HSBC Full Transcripts

for joining in this chat. I have learnt so much today. Learning from you guys has been amazing. Thank you, guys!

All:
We Can We Do

Masthead:
We Can We Do

Logo:
HSBC Logo

Hashtag:
#TogetherWeThrive

Disclaimer:
The views and opinions expressed by quest speakers do not necessarily reflect the views or position of HSBC Bank Malaysia Berhad. The video and publication are not an investment advice or recommendation, and should not be used or relied on for making investment or financial decision. You are advised to consult your independent professional advisor before making any financial decisions.