



# FINANCIAL LITERACY FOR YOUTHS



Journalism Article – Mr Matt van Leeuwen  
by Wilfred Cheah





# A Path Towards Entrepreneurship



A passionate entrepreneur himself, Matt van Leeuwen (left) is the expert tasked with laying the foundations of innovation and entrepreneurship as well as expanding its reach among the younger generation as the director of Sunway iLabs. Since his first startup in Cambridge University, Matt has fallen in love with the idea of entrepreneurship, and thereafter dedicated his entire career to starting up businesses himself, in addition to lending a hand to developing sectors in need of innovation.

## **A Look into The Past**

After completing a background degree in Biomedical Science, Matt proceeded to pursue his Masters in Science and Business at the University Utrecht and the University of Cambridge. It was in Cambridge that he got “bitten by the entrepreneurship bug” and developed a passion for entrepreneurship. Competitions, entrepreneurship and networking events, in addition to international programs with schools such as MIT and Harvard, became a huge part of his university life, and it was through these engagements that he and his co-founders came up with an idea of starting up a Biotechnology company.



*“The reason my co-founders and I started our company in Cambridge was because we managed to meet people of many disciplines in one place. There were big problems to solve in the Biotech industry, and we managed to put together a core team of four people to get started on solving them.”*

His startup secured funding from angel investors and venture capitalists and all was well until the dawn of the 2008 Financial Crisis. Matt confessed that being in a high-risk sector, it was the worst position to be in at that point of time. Fortunately, he received a funding offer from a Venture Capital firm in Malaysia at that time, and subsequently moved there to build his business.

*“We raised funding for the first-round while running operations around the world. We had 5 people in the core team, a lab in South Africa conducting Research and Development, a computational biologist in London doing coding, a French supplier in Paris, and Headquarters in Malaysia.”*

Matt then left for Singapore to build up an incubator for 4 startups from the Medical Technology field before returning to Malaysia to work for the Malaysian government through an initiative known as PlaTCOM Ventures. Through this, he received extensive exposure to the universities and SMEs in Malaysia, all while helping them address their challenges and driving innovation in their markets.

*“What we did was match [universities] with people from the industry who could use the inventions generated by academics in their businesses, and have the strengths and commercial knowledge to further take that to the market. We were the matchmakers, and through that, we facilitated the license deals between the universities and the companies.”*

He subsequently joined Sunway University to set up Sunway iLabs, a not-for-profit incubator set up through a collaboration between Sunway University, Sunway Group and Sunway Ventures, with the vision to drive universities closer to industries in order to enhance technology transfer and commercialization of innovations.. By inculcating innovation in academia and then channeling those ideas to the industries, Matt believes that Sunway iLabs will kill two birds with one stone, providing university students with the opportunity to gain exposure in the startup ecosystem while actively channeling new and innovative solutions to the industries.

When asked about his proudest achievement, Matt talked about his involvement as a co-founder in an education startup known as Science Bridge Academy, which provides STEM-related



programs to primary and secondary school students in Malaysia. He humbly admitted that the realization of building something and creating value for others was what fulfilled him the most.

### **The Uphill Battle for Startups**

On the topic of ensuring the continued success of startups, we received some insights from Matt on the mistakes that commonly trap startups, potentially endangering their sustainability and growth. He pointed out that many founders are usually not upfront with each other, especially on the issues revolving incentives, share structure and organizational structure — all of which pose a long-term problem to the dynamics of the team. Matt emphasized the need for startup founders to engage in tough conversations and urged them to question each other's priorities and passion when they embark a new venture. By having these conversations at the early stages, the team would then be able to understand and set the right expectations for each founder's priorities. In light of such problems, a vesting pool was recommended to ensure a fair distribution of the incentives.

*“Speaking about share structure, I would suggest that the founders put together a vesting pool so that you incentivize the founders according to the time and effort that they have spent in the business. You would put a pool of capital together, but you don't get it up front, and you earn those incentives over the years.”*

Another potential threat faced by startups is related to their ability to maintain a healthy cash flow position for sustaining growth. Many of them face the risk of running out of cash too quickly due to the heavy sunk costs committed to fund the development stages. A recommendation would be for startup founders to focus on adopting design thinking skills to help them be more solution-oriented and strategic in making decisions by creating actionable steps to resolve pressing financial issues. Matt also stressed the need for startup teams to thoroughly understand their business model by placing a magnifying lens on the inputs and outputs alongside the revenues and costs of the business. Solid cash flow management too supplements the sustainability of a business by creating sustainable cash flows for rainy or even stormy days ahead.

### **Take Note, Startups!**

Many startups face various problems and crises day after day, with only a few overcoming the inevitable and gruesome challenges to become successful. Matt has seen many startups come



and go, and we had the pleasure of receiving some valuable advice from him to help startups succeed.

## **On Ideation**

A principle to abide by for young startups currently in their ideation phase: validate your ideas as much as possible; go out and talk to your customers, partners and stakeholders, and really understand your business model. To further elaborate, many entrepreneurs tend to be too optimistic and confident about what their business can offer at the start. As such, they often lose track of what is important to their customers. They get too caught up in perfecting their ideas, whilst receiving limited objective input from their target customers. As a result, they might lose track of who their target customers are, and consequently, the product or service's value to the paying customer.

*“At the ideation stage, you should and can do a lot of research, but I think talking to your customers really reveals a lot more information than sitting in your office. You might come across things that you didn't think about when you came up with the idea. This might result in pivoting or tweaking the current business model into something new.”*

## **On Experience and Knowledge**

Matt acknowledged that there is a steep learning curve when you build a startup yourself. Indeed, by doing so, the knowledge of managing the different facets of a startup would come naturally. Nonetheless, no one is free from mistakes, not even the most experienced and knowledgeable. However, we can learn from our mistakes and adapt our solutions to future challenges. For up and coming entrepreneurs, Matt suggested that one of the things they can do before executing their ideas would be to intern in fast-growing startups to gain knowledge and experience in managing real challenges and processes. You can then adapt what you have learned to your own startup, using tried and tested solutions to dramatically and effectively reduce potential mistakes.

## **On Funding**

At the outset, some startup founders tend to get too absorbed in raising funds to grow their businesses. Many of them get caught up in the sexiness of funding and lose track of what is important in the initial phase: validating your ideas and coming up with a concrete business



model. Without that, investors would not be confident in investing their capital in your startup, no matter the time and effort you put in.

*“Don’t think about raising capital too early, as it also brings more worries; these are [investors] who would have invested their hard-earned money in you, so you have a corporate responsibility to them as well. If you don’t know what you are doing, and have yet to validate those ideas of yours, it’s going to put a lot more pressure on your startup.”*

Another problem with sourcing for funds too early in the formation of a startup would be the institutionalization of financial practices within the startup, as the startup now has the duty to report to its stakeholders — notably investors. This in turn creates red tape, additional processes, rules and regulations which would make it difficult for startup teams to focus on their business operations. As Malaysia has such a small ecosystem for startups, it can backfire if you start pitching to a lot of investors without being ready to raise funds. You can ask investors for advice, but be careful when asking for their money.

*“If you are going to knock on doors, it’s fine; but if people are starting to reject you, then word is going to go out, and people will know you are that startup that is failing to raise money. It’s all about the timing when you start your fundraising.”*

Matt also stressed the importance of recruiting team members equipped with financial know-how. With these people, the startup will then be well-prepared to manage the institutionalization of their business through funding and can thus effectively scale their operations. As boring as it seems, the financial aspect of businesses plays an essential role in establishing their scalability.

## **On Skills, Mindset and Attitude**

We asked Matt about the types of people that succeed in the startup arena and his immediate response was: *“First and foremost, as an entrepreneur, you’ve got to be a hustler.”* He urged young entrepreneurs to not be afraid to aggressively pursue their dreams and make their ideas work, but also to have the courage to ask questions and hold discussions with different people.

*“The worst thing that can happen is just getting a ‘No’. But as an entrepreneur you get a lot of ‘Noes’. So, you better get used to that very early on. Keep hustling until you get the right fit for your team and your startup, be it the investor or customer. You need to constantly hustle.”*



To Matt, strong communication skills form the other crucial element in ensuring the success of a startup. With good communication skills, you are then able to communicate your ideas clearly to your target market. Many successful entrepreneurs have had to go through the labour of networking, pitching and conducting endless meetings to make their ideas accepted or even heard. Therefore, the ability to articulate and channel those ideas effectively to your target audience is something that is invaluable.

## **A Glimpse Into The Future**

With the advent of increasingly modern technology and automation, there has been much talk about the latest technologies (artificial intelligence, virtual reality and robotics) being the potential disruptors of many different industries and businesses. We asked Matt for his thoughts on the subject and he was quick to suggest that AI is going to have a huge impact across industries. With mankind's current computing prowess, capturing and analyzing data along with predicting outcomes have become ever easier, and AI would only help speed up that process even more.

*“These machine-learning technologies are going to be applied in industries that really need it, like healthcare. With the sort of computing power that we have, we can analyze thousands of genes and the different compartments that go on in healthcare, and it gives us a much better picture on what treatments should look like in the future and how we go about diagnosing diseases. AI is going to have a huge impact across the board. If I have to name one disruptor, that would be it.”*

Matt also followed-up on this topic with an advice to the young entrepreneurs who would be the participants and agents of such change. He encouraged the practice of keeping abreast of the latest technological advancements by reading up on accredited literature such as Fortune or Entrepreneur Magazine as they offer insights on the latest technologies in the market. There are limitations in obtaining up-to-date guidance through attending classes as technological advancement easily outpace formal curriculum. Conferences, on the other hand, would be a better platform as they showcase the latest technologies and ideas that startups are currently working on. Finally, educating yourself online is one of the most accessible and cheapest methods in improving your know-how in this dynamic and technology-driven world.

*“I think with technology, a lot of things would get disruptive, and so it can really work to your advantage if you are really aware of these platforms out there and how you can utilize them in*



*the companies that you are going to work for. Don't see yourselves as just taking up a job anymore; rather, see yourselves as playing a much larger role and leverage on those technologies to reap the most benefits."*

Diving into the business context, we asked Matt for his opinion on the role of both the public and private sectors to nurture more 'unicorns' in the future. A 'unicorn' refers to any startup company that reaches a \$1 billion market value as determined by private or public investment. Considering the recent proliferation of tech startups in the local ecosystem, Matt is optimistic that we will see more 'unicorns' like Grab in the future. However, the fixation on 'unicorns' and the constant lookout for one should not be a number one priority. Instead, Matt prefers to look out for sustainable, profitable and value-adding businesses that are capable of solving huge problems in the market. Nonetheless, he acknowledged the importance of having 'unicorns' as a role model for other aspiring entrepreneurs.

Further elaborating, Matt strongly believes that successful entrepreneurs should reinvest and recycle their knowledge into the next generation of startups. He explained that by doing so, we can close the loop on the startup ecosystem and thus mature together as a whole.

*"We see that in Silicon Valley. This is what Elon Musk does all the time. He funds a lot of businesses and new startups. This is a sign which shows that we are becoming more mature, and I am definitely sure that we will see more unicorns."*

The importance for startups, old and new, to think about and establish more connections with other countries or regions like China or ASEAN cannot be overstated, and so comes the need for startups to actively understand the cultures, needs and landscapes of those potential markets. Coupled with the advancement of technologies and logistics management, there will be vast opportunities for startups to tap into those markets and scale their businesses faster.

*"I think that there is this mindset problem, where there are too many local startups just solving local problems. If we can get access to different countries, and if it's much easier to get there, we can see a lot of businesses scale faster and become more successful."*

## **Last Words**

A common but crucial advice to young entrepreneurs would be to actively seek various opportunities available in the startup ecosystem and leverage on them. Matt further explained

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that those with ideas should consider joining the community and participate in programs initiated by incubators such as Sunway iLabs. The primary aim of these initiatives is to help these young entrepreneurs and startups obtain access to the 3Ms: Money, Markets and Mentors. Initiatives like the accelerator programs and ideation challenges launched by incubators can also be of good use to young entrepreneurs who wish to build upon their ideas, validate them and bring them into the market. On validation, incubators can readily provide the tools and methodologies to help strengthen those ideas, all the while helping startups to formulate metrics to evaluate those ideas.

Beyond that, incubators and accelerators are also seen as the bridge between young businesses and the government. They involve government agencies such as Agensi Inovasi Malaysia (AIM), Cradle, MDEC, MaGIC and MBAN. These agencies build close relationships with young startups through a community-driven platform, and hence potentially help startups secure incentives that are available to build their businesses.

*“When you are a young entrepreneur and you just got started, you don’t know all this, and it may take you years before you build those sorts of relations. It’s just a matter of finding the right partner for you. We also link up with external companies, so we have partnerships with companies such as Grab, Axiata Digital, Lazada and recently with CIMB (for the Start-It challenge). These companies could also come in to work with students and startups, to help validate their ideas.”*

At the end of the interview, Matt stressed on the importance for local youths to be more aware of the opportunities around them, because there is much more than just obtaining an education within the confines of a college or university. In this ever-changing world, innovation is no longer a choice but a necessity, and young people should know that they are the forces of change and the soon-to-be centerpieces of this dynamic world.

*“Seek out opportunities and learn from them. Leverage on these opportunities to build something new.”*

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*If you are interested in venturing into entrepreneurship, you can join the [Start-It Challenge](#) hosted by [Sunway iLabs](#) to get a head start on your future business. Be quick, because the deadline is on the 1<sup>st</sup> of September!*