



FINANCIAL LITERACY FOR YOUTHS



Azran Osman-Rani

Founder and CEO of Naluri



The Corporate Triathlete: Mastering the Discipline of Success



The first thing we knew about this man was that he was punctual. He showed up at Rotiboy 10 minutes earlier than expected. He greeted us, sat down and shared his story, ambition, and purpose.

Azran Osman-Rani, a Stanford graduate with a degree in Engineering and later a Masters in both engineering and economics, was nothing less than impressive. We started the interview on an introductory note, and asked him to talk about himself – his interests, hobbies and achievements. Admittedly, these questions could have been answered with a simple Google search; however, Mr Azran told us something a little more personal. He talked about time, and how he managed it in his daily life.

“I wake at 5am, consistently, and I’ll start my morning ritual – I’ll turn on the kettle, boil some water, and add in a mix of lime and Himalayan rock salt. I plan my day by listing the top 3 things I’d like to get done and highlight the top 1 thing that I need done no matter what. I then do my morning workouts from 6:30AM to 8AM.” Just



from listening to how he starts his day, I could already tell that time meant a great deal to Mr Azran. Every hour of his day would be carefully planned with a purpose in mind. He stresses that it's often useful to get up really early in the day to make the most out of it.

He practiced the same rituals and appreciation of time when he was in university. His typical week in Stanford would involve 30 hours of training for competitions, 20 hours to work and then 10 hours for lectures. One of the things that he cultivated in university was the ability to apportion his time according to his commitments. That was really important because in university, Azran worked as a teaching assistant and library aid in addition to his heavy involvement in sports—namely frisbee.

I asked him to share some of the skills that he learnt in university that he still uses today and he noted two things – the art of learning and the art of networking. *“When I was in Stanford I realised that the actual subject of study doesn't matter. What is valued is the art of learning. A good learner is someone who is able to absorb, process, and synthesize information”*. He then adds that being a student of the US education system, a proportion of your results would be based on discussions within the classroom, presentations and participation. This is valuable because the art of learning gives you versatility. When placed in a situation that you are unfamiliar with, these skills would enable you to learn and adapt.

In addition to the art of learning, Azran states that another skill that students should practice is networking. *“The art of networking is knowing how to reach out and connect, and that extends to being able to speak and argue confidently”*. He recalled a class he took while at Stanford. A class that requires its students to debate on cultures, ideas and values. In that class Mr Azran was exposed to heavy amounts of reading—the literature of which included reading the Abrahamic religious texts, the works of Shakespeare and other classical works. It was through this class that he learnt how to be clear with his points, to articulate and argue well.

What comes next is the application of what you learnt in university. In an entrepreneurial context, Mr Azran illustrates his application of knowledge by posing a few questions that he needed to answer during the length of his career.

“When making a start-up, how do you push the thinking further? How do you make it work? How do you make your employees believe in your idea?”



Kickstarting Your Enterprise

I asked Mr Azran what the realities of being your own boss would be like if you started an enterprise of your own, and the response he gave me was that business owners don't have the luxury of setting their own hours. *"At first you might realise that you control the hours but then a second realization kicks in and it's that you have to make payroll and if you don't make payroll your business collapses, and you end up working a 16-hour day."* In short, choosing to become an entrepreneur means that you will forgo your flexibility and end up working twice as hard.

There has to be a stronger motivation for you to start your own business—something that supersedes money or flexibility. Azran states that the reason money can't be the main objective is because most of the time you would barely earn enough in revenue to pay your staff. This will resort to you having to channel in your own funds to sustain or keep your business afloat. Once you subtract flexibility and money from the equation, then the only real factor left would be passion. *"The passion arises when you see a problem in society and no one is tackling it. You then devise a product that will make their lives better, you identify a segment that is under-served. The only reward you get, even when you lose money is the immense sense of satisfaction."* That very sense of satisfaction is what drives entrepreneurs to overcome challenges.

Another thing that comes into the mind of budding entrepreneurs is "When do you start a business?", and his response to that is simply when time permits you to do so. He recalled the time when he was trying to build AirAsiaX, and that enterprise required dozens of pitches to investors. He sat through hundreds of rejections from potential investors, because he lacked a track record that gave investors' confidence in the business. The luck then kicked in when Tony Fernandez managed to convince Richard Branson to be the first investor, then shortly after private equity investors got involved and funded AirAsiaX. The same thing happened in the case of iflix, but this time Patrick Grove had even less of a reputation and the number of potential investors who showed them the door was a hundred and fourteen. Rejections kept happening and soon the 6 months were up and they had no cash. What prevailed was timing—the 115th investor, PLDT, a telco in Philippines, became the principal investor that allowed iflix to materialise. Mr Azran opines that early stage investors don't invest in your idea



but they invest in the individual whom they believe can ‘pull it off’. People get too possessive about ideas but ideas don’t have much merit. Mr Azran mentions that he has had so many people come up to him to tell him that they have thought of affordable long-haul carriers, but nothing materialised because of their failure to act.

“People invest in your ability to take something, run with it, hit roadblocks, and have the perseverance to overcome challenges, pivot and change the ideas along the way. The difficulty exists when you don’t have the track record to show that you have resilience and that you have built something.”

Serving the Under-served

In the preliminary stages of starting a business, it is all about choosing the right time and having a track record to convince investors to believe in your capacity as an entrepreneur. The next thing is then to convince investors that your business can survive for the times to come; Mr Azran did that, as mentioned earlier, by identifying a segment not served well by incumbents. Take AirAsiaX, there was a lot of resistance when it came to the idea of low-cost carriers over long distances because the first thought in people’s mind would be its inability to compete with existing giants like Emirates or Singapore Airlines. In actuality, such carriers proved to be a viable business model because they served an entirely different demographic who have different needs than those who fly with Emirates. *“When we started AirAsiaX, it was with one plane and we survived because we served the under-served. We served the people who couldn’t fly to Australia or Japan because they couldn’t afford it.”* Premium carriers fly 13 hours a day, and usually these planes stay idle on the ground. This is because the scheduling of the plane is designed around the preferences of its premium customers. *“The plane will leave London at 12PM, sitting idle in Heathrow for several hours, because the average businessman will not take the tube at 3 am to catch the train at Paddington for a 7am flight. Business travellers fly at predictable schedules”*. It is evident then that AirAsiaX served an entirely different portion of the market – the people who can only afford to fly once or twice a year. They are the people who choose to fly with AirAsiaX not because it is the most convenient but simply because it is the cheapest.



AirAsiaX has a workable business model because compared to other carriers they have the highest aircraft utilization, in which they fly 17 hours a day; This is among the world's highest. In every flight, they have 30% more seats because they give up the space normally dedicated to premium passengers. Although the price per seat is lower by 50%, AirAsiaX still effectively earns the same amount of revenue. Mr Azran saw that at the time, the existing carriers tailor their business models to premium customers, and this leaves the people who are cost conscious under-served. He saw this and decided to serve this range of customers. He then tweaked the model to have planes that have 50% less unit cost and more seats, allowing him to still maintain the revenue despite charging half as much as other airlines.

Serving the under-served is the guiding principle that Mr Azran adopts when choosing to pursue his business endeavours, including iflix. A common question that surfaced when iflix started out was how it could compete with already existing giants in the industry—Netflix, Hulu, and Amazon Prime—a similar pattern subsists and even here there was a segment of the market that was under-served. *“The people who ask these questions are the people who like sophisticated shows about white lesbians in prison or Mexican drug cartels. When you remove this demographic, the tv shows that remain are probably Korean dramas, Japanese anime, Upin and Ipin. These people would require Malay subtitles which Netflix doesn't have.”* A key statistic to point out here is that for every person who enjoys the Netflix catalogue, there will be 10 others who want more local fare. In summary, Mr Azran makes it a point to identify the people whose needs are not met by these businesses, and remains a principle that has served his whole career—be it with iflix, AirAsiaX or Naluri.

Creating a Warchest

Before Mr Azran started Naluri, he required funds to build his enterprise from the ground up. Funding is the very lifeblood of what births an enterprise, and for the infant stages of the business, you would have to set aside much of your own wealth to the business. Mr Azran was able to do this because he made an effort to accumulate 23 years' worth of savings. *“In the early days of the mid-90s, you start building a reserve of funds from the paychecks at the start of your career. If you put away RM100 a month, the compounding effect of that act is what gives you the ability to start your*



own enterprise”. Moreover, the odds would be stacked against you if you only manage to have RM 50 in your bank account at the start of your enterprise. With that amount in the bank you will not be able to hire enough staff to run your business. A lot of this boils down to understanding how compounding interest works and therefore understanding how important it is to have regularity rather than trying to time the stock market.

Mr Azran found out 2 years after he began investing that if you were going to venture into it, you have to be prepared to beat fund managers who are looking at the market with teams of research analysts every single day. *“There was a time when I had put 5 or 10 thousand to start investing and sometimes you get good hauls and other times bad ones, and finally after 2 years I realised the return on my portfolio was only as good as the KLCI index”*. The important lesson here to note, is that investing is a full-time commitment; you’d have more success in saving or investing into index funds if you lack the time to invest.

Working with Wellness

Azran Osman-Rani has a deeply personal motivation to start his enterprise Naluri. Naluri is an app that provides the average person with the digital tools and access to a personalised psychologist that guides people through the daily challenges that prevents them from maintaining their health. That personal motivation came from his very own experiences.

“I used to be a competitive athlete. But in my first 10 years of working, I worked 80-hour weeks, travelling Monday to Friday—having dinner 10pm at night alone, and getting by with 4 hours of sleep. Next thing I know, 12 years after graduating I became overweight.”

He recalled when a friend had invited him to play futsal, and 3 minutes into the game he was reduced to a state where he was gasping for air. It was personal to him because he had the realisation that if he didn’t do something, the odds of him living past the age of 40 were dwindling into single digits. In addition, genetic factors put him at higher risks for obesity, high blood pressure and high cholesterol. It became personal because these were the very same risks that led to the loss of his father. Naluri was the



business he developed to fit this need, namely, to help himself, his family and hopefully the hundreds and thousands who face the same crisis. *“Half of the working adult population are overweight and this causes tremendous financial burden to our economy. I noticed a gap in the market and a lot of people are trying to tackle it by telling people what to do—but if knowledge equals behaviour, we wouldn’t have cardiologists who smoke or dietitians who are overweight.”* What he opines is that tools aren’t enough to enable people to live healthier lives; there is a need to change their mindset. These people face stress, anxiety, and an inability to cope with conflicting demands and life challenges. Naluri fits this need by acting as a digital coach that aids you in believing that you can do this for yourself, and prevents you from dropping out from a healthier regime. He stresses the importance of exercise because of its overall effectiveness compared to drug treatments for diseases, upholding the idea that prevention is better than cure.

In Conclusion

Mr Azran left us one word for our readers: purpose. He emphasizes the need to be incredibly focused on the things that you do. Do things for the right reason so that there is a purpose and a story to fuel you. *“The journey is arduous, calamitous, fraught with danger and failure and running out of cash, I’ve built businesses, retrenched, and had to beg suppliers. I’ve missed payroll and had my own employees curse me all kinds of nasty things.”* Azran reaffirms that entrepreneurship is filled with dark moments, and without a clear sense of burning purpose you will not get through those times.