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It is the home of thousands of start-ups as well as 39 of the Fortune 1000. Google, Intel, Netflix, Facebook, Apple, Yahoo!, Adobe, Tesla Motors. All have headquartered there. There is even a TV show about the early successes and failures of a start-up in the region.

Yes, Silicon Valley in California, USA has become a household buzzword thanks to its fiercely competitive atmosphere. As the region thrives and expands its global acclaim, however, there is a place much closer to home being branded as the “Silicon Valley of the East”.

PENANG may be an idyllic holiday destination with its quirky street art, stunning beaches and world-class food, but its reputation as a hub of tech start-ups is strengthening every year.

“SILICON ISLAND”

The name was first coined when Intel and Bosch set up operations at the Bayan Lepas industrial park in the 1970s. Since then, some 300 multinational corporations (MNCs) have established offices on the island and its attractiveness for fresh graduates has become a major calling card. Offering a deluxe work-life balance thanks to the abundance of culture and relaxation spots, Penang has marketed itself cleverly as a relaxed alternative to the hustle and bustle of Kuala Lumpur.

And indeed, it has grown accordingly, keeping up with Malaysia’s capital and even Singapore in hosting and growing these multinationals. Riding this wave of growth and momentum is a slew of Malaysian start-ups building their base from “Silicon Island” and looking to stamp their own marks on the global marketplace.

STARTING UP

Two such companies in Penang who capitalised on the industry growth were ViTrox Corporation Berhad and Aemulus Holdings Berhad, started in 2000 and 2004 respectively. Founded by entrepreneurs with similar backstories, they have since grown their businesses to become two of the biggest and most recognisable organisations on the island.

After their years of growth, however, both companies remain resolute that Penang is their home and that moving headquarters to a major city is something neither of them has planned.

“I don’t agree with this idea that once a company gets to a certain level, they need to move to Kuala Lumpur, or Singapore or one of the other ‘big cities’”, says Aemulus chief executive officer and executive director, Sang Beng Ng.

“There is always a lot more pressure in these more competitive environments, which breeds a culture of everybody needing to hit a certain KPI. Especially for entrepreneurs, everybody feels like they need to see results straight away.

“So much research, creativity and innovation comes from failures – learning from these negative experiences. So if you have a culture that automatically cultivates a ‘success-or-else’ work environment, I think that is still a lot to big ideas. In Penang, the cost of failure is much lower; you are able to fail and pick yourself back up.”

Ng started Aemulus after leaving one of the many MNC’s stationed on the island. He brought over members from his old team and began developing semiconductors and camera equipment.

Today, Aemulus is a household name, and one of the many MNC’s stationed on the island. He brought over members from his old team and began developing semiconductors and camera equipment.

Today, Aemulus and ViTrox are leading by example in showing that a company established on the island can have such a huge impact around the world. By continuing to develop the start-ups, the hope is that one day these home-grown names can surpass the multinationals that first put Penang on the map.

“Many highly developed countries is reliant on foreign companies; if we want Malaysia to be able to compete with the most developed countries in the world, we need to have our own ecosystem of multinationals.”

To learn more about Aemulus and the ways they are future-proofing the nation, visit aemulus.com

For more information on ViTrox and the community that Chu Jenn Weng has built, head to viitrox.com

RECREATING SILICON VALLEY IN PENANG

HOW THE ISLAND BECAME THE NATIONAL HUB FOR E&E GROWTH

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CHU: “The opportunities [in Penang] are tremendous.”

They seek to stay ahead of the curve in Penang’s ever-more competitive atmosphere.

ViTrox also began in the semiconductor field by co-founders Jenn Weng Chu and Steven Siaw. Like Ng, Chu was working for one of Penang’s multinationals at the time that he started his own business journey.

For Chu, it was Hewlett Packard (HP), the US tech giant headquartered in Silicon Valley.

During a trip to California, Chu visited the garage in which HP’s co-founders had developed the early iterations of what would go on to become a multi-billion dollar company. It was all the motivation that the young Chu needed.

“If two Harvard tech graduates could start something so big from such a small base, then what was to stop me doing exactly the same thing back in Malaysia?” says Chu.

“We chose Penang because I knew that there was a great ecosystem here for us and that there would be an easy supply chain of very good engineers coming out of university.”

BUILDING AN ECOSYSTEM

That word, ecosystem, is a key part of Chu’s philosophy. Nobody is more passionate about building Penang’s