Bridging the halal academia-industry divide

The World Halal Research Summit 2012 attracted 700 delegates representing 97 organisations from 24 countries on April 4 and April 5, in conjunction with Malaysia Halal Week 2012 at the Kuala Lumpur Convention Centre.

This year’s WHR aimed to bridge the academia-industry divide in innovating halal products; and a great section of the audience comprised the research and development (R&D) communities from universities, academicians, business and industry players representing both food and non-food sectors.

Twelve speakers both local and international delivered presentation papers on a wide array of innovation-related topics and issues that will affect and positively impact the halal industry.

Industry players meanwhile seized the opportunity to business match with prototype products that were presented and exhibited during the WHR Innovation Exhibition, a collaboration between the Halal Industry Development Corporation (HDC) and Agensi Innovasi Malaysia (AIM), alongside the two-day conference.

Thirteen universities and research companies showcased their prototypes in the exhibition.

HDC chief executive Datuk Seri Jamil Bidin said: “It is time to provide fast linkages between technology innovation and product or service outcomes.

“The Summit will be in search for catalyst-matchings especially for our halal SME businesses. It will also prompt capacity building, the development of knowledge and the general improvement of the quality of life, via better products and services.

“Commercialisation linkages we form with others in the halal sectors will narrow all obstacles and issues, be it in terms of technology, infrastructure, logistics, knowledge procurement, training and even branding.

“HDC aims to nurture not only growing business entities but to provide them with definite pathways towards completing their own individual halal ecosystems,” concluded Jamil.

The Summit was divided into four key tracks: Innovation Empowerment, Best Practices, Halal Business Financing, Branding and Marketing.

Innovating organisation-wide

Global Innovation Solutions managing director Prof Graeme Coomber presented his paper on ‘Using Strategic Innovation to Drive New Business Growth.’

Through his experience working in the SRI Labs, Coomber said the team discovered that “Malaysia is fantastic with R&D, but lousy with commercialisation.”

Citing the example of Britain’s automobile companies that have been bought over by foreign-owned companies or moved their focus to exports, he said: “Why is innovation important? The decreasing lifetimes of Fortune 500 companies are providing opportunities and challenges (for other players).

“In 1976, Kodak had 90% of the film market and 85% of camera sales in the United states, but now they have filed for Chapter 11 bankruptcy and are moving their focus to consumer printing,” he noted.

“This is because Kodak did not innovate and refused to accept that digital photography was going to take over. Now, no one uses cameras anymore, but take photos with their phones,” he remarked.

According to Coomber, innovation strategies are generally divided four types and “you should have all four in your portfolio.”

These are:
Incremental innovations - new improvements to existing products e.g. rubber bits on a toothbrush.
Product & technology breakthroughs - technical foundations of new companies and new industries e.g. hybrid engines.
Business model innovations - leveraging new or different customer experi-
New ventures - extend existing companies into new territories e.g. HDC into CU sector.

**Global Islamic Businesses**

Meanwhile, Oxford University associate fellow Dr Paul Temporal spoke on ‘Creating a Global Islamic Business.’

He said the global Muslim market totalling 1.57 billion is still a largely untapped market, despite its presence on all continents in over 200 countries. By 2050, this number is bound to reach 2.6 billion, 60% of which will be aged under 18.

However, Temporal remarked: “Though it is one big market, it is not heterogeneous,” with consumer behaviour.

Muslim women: large population with growing needs

FROM PAGE G2

...jours that differ across countries and cultures.

As a result, the best opportunities to grow a global Muslim brand lie with home-grown brands, often GLCs that have the capabilities to invest in capacity building.

Temporal said: “These home-grown brands from Muslim countries are opportunistic and seeing gaps in the market. Their key business activities and brand image are not confined to Islamic consumption.

“Emirates Airlines (UAE), Petronas (Malaysia) and Al-Jazeera (Qatar) have thrived, and are approaching global brand status.

“However, global Western branded banks are also seeking to capitalise on this market and are leveraging on their brand names while adopting indigenous Islamic products,” he added.

Those who are making the market include HSBC Amanah, Standard Chartered Saadiq, BNP Paribas Najmah and JP Morgan’s Islamic Sukuk Bonds.

Temporal also commented on the rising consumer power of Muslim women: “It’s a large population with growing needs.”

He also explained fast track branding e.g. online retail.


via mergers and acquisitions (M&As) such as Qatar Holdings’ acquisition of Harrods.

Cooperative efforts
Four memorandums of understanding (MoUs) were inked during the summit. Firstly, the KFC Holdings and KFC Education MoU with HDC signified the start of collaborative activities between the parties to ensure growth and development of halal education programmes and the general halal industry.

The second MoU was signed between the Halal Products Research Institute (HPRI) of University Putra Malaysia (UPM) and Agilent Technologies for identifying the need of porcine-gelatine in processed and finished food. This uses Agilent’s own analytical instrumentation – Agilent 6490 Triple Quadruple Liquid Chromatography and Mass Spectrometry (LC/MS) system. Agilent will also provide competency training through a formalised research assistantship.

HPRI also inked another MoU with MIFF Group Marketing, which covers the area of research, product development and safety testing of ‘CLAYMIFF’ products. These include samak clay powder, an industrial cleansing product that is graded under both food and pharmaceutical categories. It is also classified under universal oil cleanser and personal care, as soap samak and deodoriser are products that will soon be in the market.

The fourth MoU – between TM Biotech Sdn Bhd and Perkin Elmer (PE) – aims to establish halal analysis using the PE technology. The collaboration will see the setting up of validation methods of halal analysis, and is designed to validate Porcine Detection Kits too.

Strategies to Tap into the Global Muslim Market

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<tr>
<th>Non-Muslim Businesses</th>
<th>Muslim Businesses</th>
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<tbody>
<tr>
<td>• Ride on the reputation and positioning of your existing brand(s) – Nestle.</td>
<td>Choose a good and relevant brand name – Ummah.</td>
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<tr>
<td>• Develop new, Shariah-compliant products – HSBC.</td>
<td>• Become no.1 market at home first, before going regional – Zain.</td>
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<tr>
<td>• Set up a new Islamic business – Standard Chartered Saadiq.</td>
<td>• Look for gaps in the market – Chicken Cottage.</td>
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<td>• Create branded Islamic services – Ogilvy Noor.</td>
<td>• Go for niche global markets and offer an alternative – Fulla.</td>
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<tr>
<td>• Go for the luxury market – cosmetics.</td>
<td>• Go up-market in niche positions - Bateel.</td>
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<tr>
<td>• Add more lifestyle products to your portfolio – Unilever.</td>
<td>• Use Islamic values of universal emotional appeal – Al Rajhi.</td>
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<tr>
<td>• Appeal to Muslim values – Nokia, LG.</td>
<td>• Offer web-based solutions for Muslim markets – Crescentrating.com.</td>
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<tr>
<td>• Look for new, growing Muslim categories (media, pharmaceuticals).</td>
<td>• Acquire Western businesses and learn brand management fast – Ulker-Godiva Chocolatier.</td>
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<tr>
<td>• Acquire rising Muslim ‘stars’ – Yahoo!</td>
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Malaysia SME

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SUPPLEMENT

g2,g3

English

Stephanie Agustin

Bi-Monthly

27 Apr 2012

Full Color

50,000

150,000

890 cm²

RM 7,369

RM 22,107

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Coombes presenting his paper on ‘Using Strategic Innovation to Drive New Business Growth’ on April 4 during the summit.