

**PROFESSIONAL SERVICES
CONSORTIUM / COLLABORATION
Propose Framework**



OBJECTIVE

- Develop business models and / or guidelines for setting up of Consortium / Collaboration / Partnership among professional service providers.

DRIVERS (BUSINESS CONCERNS)

- ❖ Lack of opportunity
- ❖ Professional services providers – small – OMO (One Man Operation/ Partnership)
- ❖ Limited offering
- ❖ Lack of resources
- ❖ Unable to procure big projects
- ❖ Fragmented services
- ❖ Succession issue



END GAME (GOAL)



ENABLING BUSINESSES AND INDIVIDUALS TO BE MORE :
ADAPTIVE, CREATIVE AND RESILIENT



SECTORAL CHARACTERISTIC

6 Professional Services

- Architecture Services (MISC code 71101,74102,74104)
- Engineering Services (MISC code 69207)
- Legal Services (MISC code 69100)
- Accounts / Auditing / Taxation (MISC code 69200)
- Advertising / Market Research (MISC code 73100, 73200)
- Business Consultancy (MISC code 70201)

No of
establishments

Architecture Services	2105
Engineering Services	5288
Legal Services	6054
Accounts / Auditing / Taxation	3871
Advertising / Market Research	2243
Business Consultancy	2234

Source : DOSM (2015)

GDP
Contribution

	Output (2017)
Professional Services (Total Sector)	RM 45.1 billion
Engineering Services	RM 9.0 billion
Advertising	RM 5.6 billion
Legal Services	RM 5.6 billion

SECTORAL CHARACTERISTIC

Employment...

Employed workers :
333,139

36,000 MIA Members (2017)
98,000 Registered Engineer
BEM (2015)
4,364 Registered Architect
(2017)
16,000 Practising Lawyers (Bar
Council)

Fraternity
Structure

Architect Services –(LAM)
Sole Proprietor – 1192
Partnership – 91
Body Corporate – 264
Multi Disciplinary - 45

Engineering Consultancy– BEM
Sole Proprietor – 1192
Partnership – 91
Body Corporate – 264
Multi Disciplinary - 45

Advertising
4A – 60
Homegrown &
international
companies
High percentage
of daily wage
workers

PROPOSED BUSINESS MODEL



CONSORTIUM / COOPETITION / PARTNERSHIP

Definition

- An alliance of several businesses or entity joining together as a group for shared purpose.
- The co-operation is to benefit all parties
- Coopetition (Cooperation & competition)
- Collaboration between organization or business principle of working together
- Individual organization – work independently
- Can be a form of informal partnership = working towards a single objective
- Can be a legal entity or an informal collaboration

MCMTC



Through MTCDP – more than 100 MTC have increase exports by 35.7%

Mid-Tier companies (MTC) are classified as companies with a turnover of RM 50 million per annum in manufacturing and RM 20 million in service industries.

SHS Consortium

HSS Engineers Berhad (HEB), an investment holding company of Malaysia is forming a consortium with fellow Malaysian firms with an aim to bid for a large scale solar (LSS) PV plant for Peninsular Malaysia. The country's Energy Commission Suruhanjaya Tenaga launched the third LSS tender round (LSS3) with 500 MW capacity in February 2019 with the last date of accepting proposals on August 19, 2019 (see [Malaysia Tenders 500 MW Large Scale Solar](#)).

The HEB has signed a memorandum of understanding (MoU) with technology company Sapura Secured Technologies Sdn Bhd (SSTSB), renewable energy EPC company Synergy Generated Sdn Bhd (SGSB) and another renewable energy company Penor Renewable Energy Sdn Bhd (PRESB).

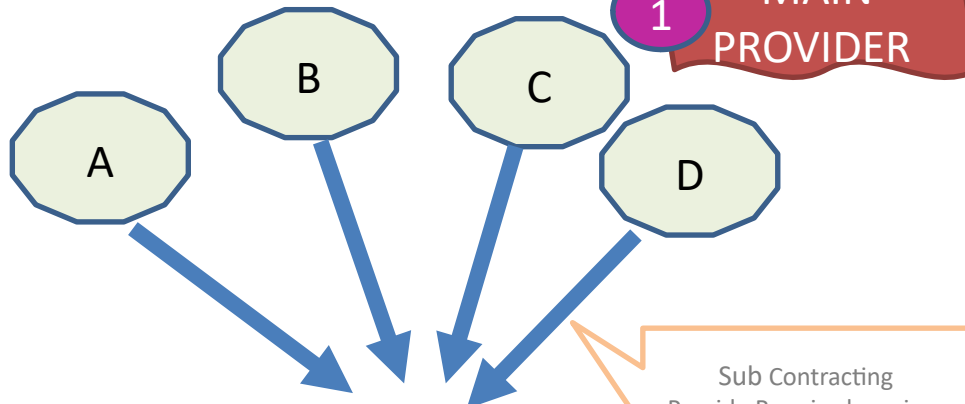
The consortium by the four companies is called SHS Consortium. The plans was to submit a joint proposal for the LSS3 tender to develop, finance, design, supply, install, operate and maintain a LSS PV plant in the Peninsular Malaysia.

If its bid is accepted, the SHS Consortium will launch a special purpose vehicle (SPV) with HEB holding 28.5% of the equity. This is part of HEB's plans to venture into renewable energy sources, one which will establish recurring income through long-term based contracts within the power sector, it said in a stock exchange filing.



Consortium Model / Structure

1 MAIN PROVIDER



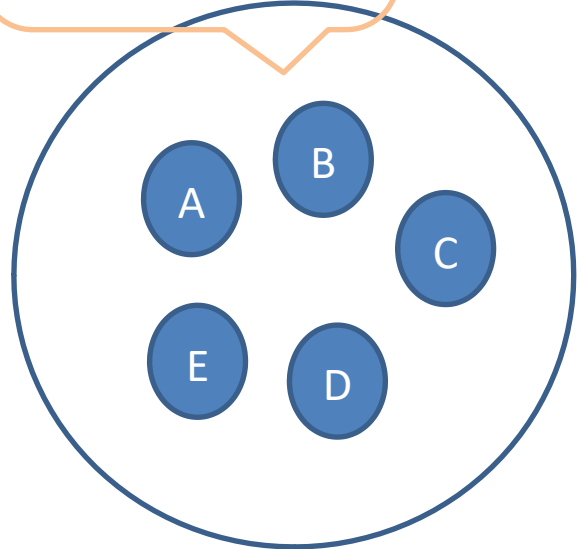
Sub Contracting
Provide Required services
to Anchor / Integrator
Each member is an
independent entity

Provide standards
Service clientele
Does the marketing
Eg Vitrox, Smart Farming,
Poultry

CLIENT

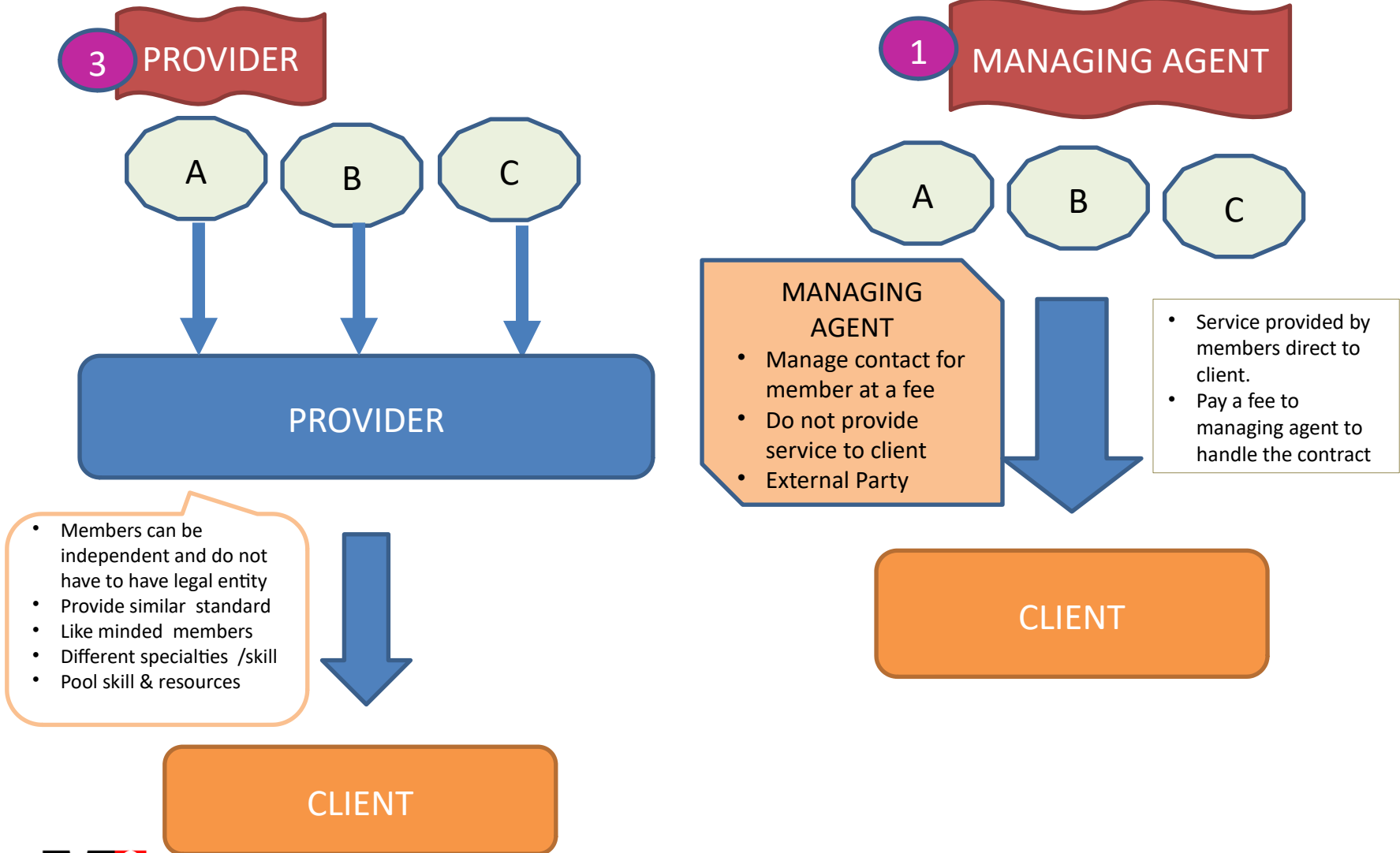
2 SUPER PROVIDER

Consortium a legal entity
with members having
share
Set-up standard
Like minded members
Different specialties /skill
Pool skill & resources!

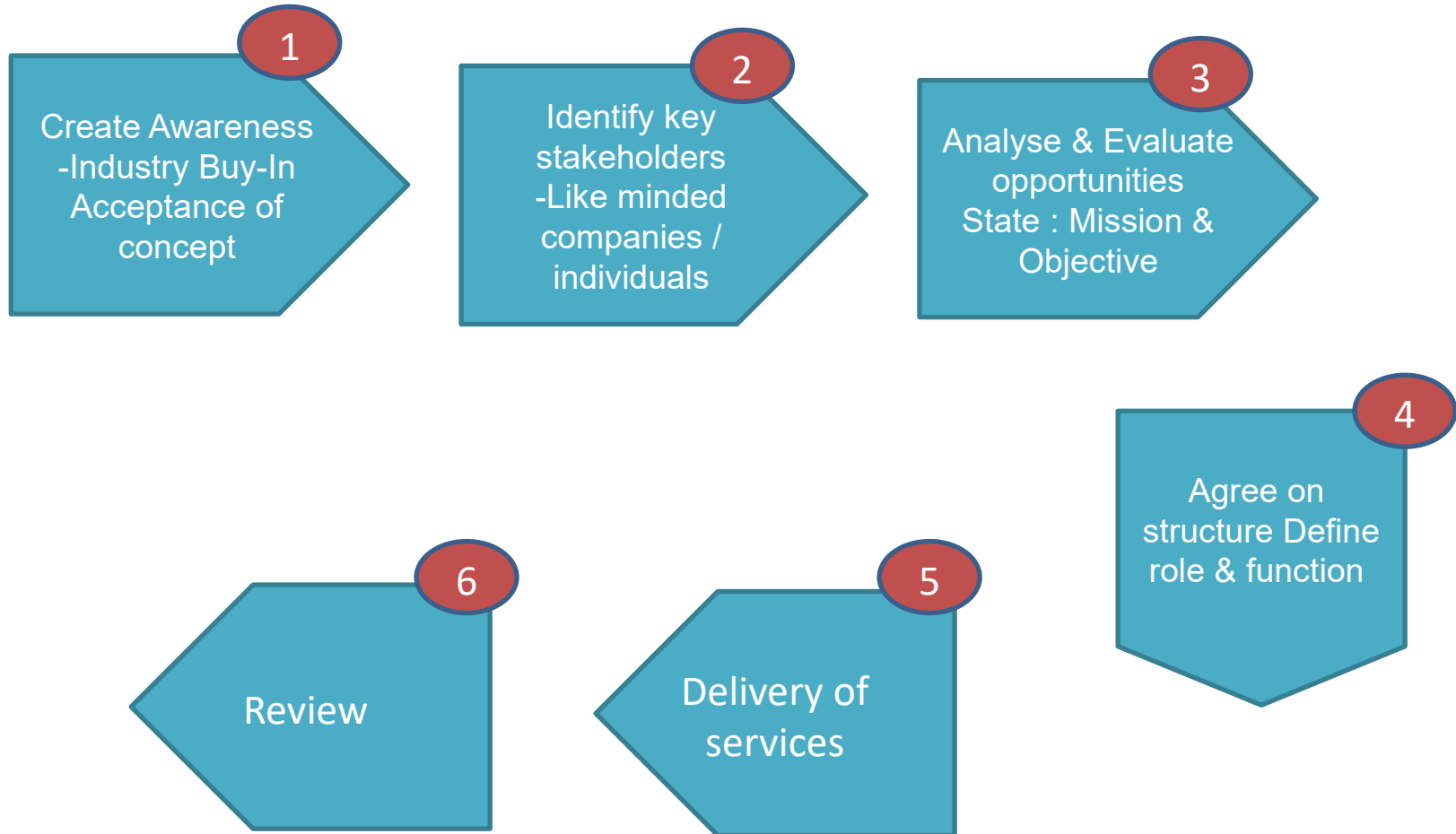


CLIENT

Consortium Model / Structure



DEVELOPMENT STEPS



RISK & CHALLENGES

EXTERNAL

- Political
- Customers change of demand / behavior
- Economic
- Competition

INTERNAL

- Different mind set
- Leadership & management style
- Competency of members employee
- Lack of commitment
- Delivery failure
- Inconsistent standard
- Internal conflicts

WAY FORWARD

- ✓ Clear definition of functions and responsibility of each member
- ✓ Set – up guidelines / SOP to be complied by all members
- ✓ Regular review for consistent standards
- ✓ Transparency