

Agility and Focus Save the Day

Eddy Kusnadi Sariaatmadja, Founder and President Commissioner of Indonesia's PT Elang Mahkota Teknologi (Emtek), tells Tan Chin Tiong how the company not only survived, but thrived during the COVID-19 pandemic.



How has the COVID-19 pandemic changed the way you run the Emtek Group over the last two years? What is the most significant change?

COVID-19 brought significant transformation to our business as we met the new aspirations of our customers, employees, and shareholders. As a leading media, digital, and technology company, we were probably more ready and flexible to adapt well to the drastically changing environment compared to other firms. That is why we have been able to conduct smooth, uninterrupted business operations over the

last two years. For example, we have always practised flexible operating hours at Emtek. The pandemic has turned out to be a timely reminder for us as a desired employer to continue being sensitive to the need for work-life balance, as well as offer flexible working hours and the option to work from home. Our leaders are now comfortable with such flexible work arrangements. I can attest that our work efficiency has either remained the same or even improved under such arrangements. This shift of attitude, mindset, and comfort level of my senior colleagues and

managers has been the most significant transformation. I believe we are also fully prepared to deal with any surprises coming from the virus or its variants.

On the business front, we have been leading transformation through the adoption of technology. During the pandemic, both Indonesia as a country and our business have gained several years through technological leapfrogging and advancement across all aspects. This is highly beneficial and effective not only for consumers in terms of the breadth of options available to them, but also for my nation with respect to more effective governance.

Indonesia has embarked on the right trajectory of inclusiveness, bringing all Indonesians along on this digital journey as we build a more digitally savvy and technologically enabled nation. Emtek's businesses, particularly in e-commerce, payment, content generation, and video delivery, have been at the forefront of driving digital change, and providing efficient and valuable choices to customers. We have also extended our reach beyond Tier 1 cities, such as Jakarta, Bandung, and Surabaya, to all of Indonesia. More importantly, we have kept the business going for more than 13 million micro, small, and medium enterprises (MSMEs) across the country.

In 2020, the first year of the pandemic, the number of users for Bukalapak, the Emtek-backed e-commerce company that functions as an online marketplace to enable MSMEs to go online, increased by over 20 million. There was also a rise on the seller's side, with the MSME seller group in Bukalapak growing from seven million in 2019 to 12 million by 2020 and 18 million by 2021, where 6.5 million are online merchants, and 11.5 million are Bukalapak partners and offline agents. The early bets have paid off. Bukalapak had its Initial Public Offering (IPO) in August 2021, which was the largest public offering in Indonesia to date, and has now signed up more than 10 million mom-and-pop stores.

In another example, according to the Media Partner Asia Q4 2021 report, Emtek's over-the-top (OTT) media service provider Vidio.com is currently the top OTT platform in Indonesia based on its monthly active users and watch durations figures. It was getting close to become a new unicorn in end-2021 after getting new investments. At the beginning of the pandemic, Vidio.com launched a Live Streaming Festival and became the pioneer in moving offline events to an online platform. Aside from having very popular local content, it is also positioning itself as 'the home of sports' with an

extensive sports content library. With Emtek having won the broadcasting rights for Qatar World Cup 2022 and the English Premier League from 2022 to 2025, it should have a firm grip on this position in the market.

Could you tell us more about how Pundi Amal Peduli Kasih Foundation (YPP), Emtek's Corporate Social Responsibility programme, has supported Indonesians during the pandemic? What do you find most heartening from this experience?

As a leading media group, Emtek is mindful of how we use our capabilities to influence the public and fulfil our duties to society as a responsible corporate citizen. Since the beginning of the pandemic, especially when the Delta variant was at its peak, we have rolled out virtual concerts, involving multiple top artistes, such as Agnez Mo, Rossa, and 300 other artistes, to raise funds. We raised IDR 27.4 billion (US\$1.9 million) from these events and subsequent fundraising campaigns. We also provided Internet and Wi-Fi access for students in seven cities for online learning.

YPP has been highly active in conducting multiple programmes to support Indonesia during the pandemic, such as donating personal protective equipment and providing accommodation, meals, and transportation to and from the workplace for healthcare workers. We have distributed medications and healthcare supplies to medical workers and hospitals across Indonesia to better equip them to fight against COVID-19. YPP also worked with the local and regional governments to support public vaccination programmes, and donated items such as ventilators and vitamin supplements. We operate eight hospitals in the Greater Jakarta Area, and I am personally very thankful to and proud of our doctors, nurses, and medical staff who worked tirelessly, putting their lives at risk to provide care and support to thousands of COVID patients.

We have kept the business going for more than 13 million micro, small, and medium enterprises across the country.

What are some of the top global and regional trends that you are now paying close attention to? And why so? What is Emtek doing to take advantage of those trends?

Due to its large and digitally savvy population, Indonesia is at the forefront of technology evolution in Southeast Asia. Our company is both a leader and an active player on this growth journey. We have a strong belief and vision of cooperating with all players, offline and online, to enable the country and our consumers to enjoy the best product offerings.

Our business is large and our teams are actively involved in several mega trends ranging from enhancing existing technology for merchant digitisation and data centres, to devising cutting-edge developments in Web 3.0, non-fungible tokens or NFTs, and the metaverse.

The key aspects of all the technologies and engagement boil down to building a deeper understanding of our consumer data. That is where the big tech companies and ecosystems are increasingly focused on. Naturally, these will be key priorities for Emtek as well, not only to understand our customers better, but also develop Big Data analysis that works in real time to meet their needs. Due to our large and diverse ecosystem, we are devoting our resources to this aspect, which can be the launching pad and enabler of many businesses in future. For instance, after partnering with Emtek's subsidiary SCM, RANS Entertainment led by celebrity/entrepreneur couple Raffi Ahmad and Nagita Slavina announced the opening period of its own metaverse platform RansVerse's pre-ILO (Initial Land Offering).

Emtek's business ecosystem is designed to serve everyone across the country, no matter where they are, from the big cities to remote areas.

How will the moving of Indonesia's capital from Jakarta to Nusantara impact Emtek? Will there be opportunities for it to gear itself for the Fourth Industrial Revolution?

We are supportive of the government's initiative to move the capital city to reduce the congestion in the Greater Jakarta Area and spread out the economic development to areas outside Java. The range of opportunities associated with such a massive project is enormous across both physical and technological infrastructure. Emtek's business ecosystem is designed to serve everyone across the country, no matter where they are, from the big cities to remote areas. For example, Emtek won the rights to broadcast Qatar World Cup 2022. Because we have the most complete range of media platforms to broadcast the matches, we can provide the most added value compared to our competitors. We have free-to-air TV that is accessible for the majority of the population, OTT for those on the go, and satellite pay TV, which can serve those in remote areas.

Recently, through our partnership with ride-hailing giant Grab and Bukalapak, we created a programme called Kota Masa Depan. It is an extensive accelerator programme that targets MSMEs in second- and third-tier cities with three priorities: vaccination, digital platform adoption or onboarding MSMEs to Grab and Bukalapak, and empowerment of MSMEs through digital technology training for their business development. The strategic partnership seeks to leverage the scale and unique strengths of Grab and Emtek Group's respective ecosystems to drive two objectives. First, accelerate digitalisation and create more income-generation opportunities for millions of small businesses and everyday entrepreneurs in Indonesia. Second, create more accessible digital offerings that provide greater convenience for ordinary Indonesians, even those living in the least digitised areas. With the increasing number of MSMEs, the backbone of the Indonesian economy, participating in the digital economy, it is hoped that economic progress will reach all levels of society in Indonesia.

While Emtek is not in the infrastructure business, we do have a few leading digital ecosystems that empower many Indonesian businesses to thrive in the new digital economy. For instance, in the area of e-commerce, we are empowering over 13 million warungs or mom-and-pop stores to gain cheaper access to their supplies through Mitra Bukalapak, the online-to-offline (O2O) arm of

Bukalapak, thus enabling them to provide a wider variety of services to our consumers. This will help grow and distribute the fruits of digitisation beyond Tier 1 cities to those in Tiers 2 and 3, effectively across the whole of Indonesia.

How can leaders be authentic in turbulent times when they need to strike a balance between risks and opportunities, staff welfare and the bottom line, the community and business, amongst other factors in the business world?

While the COVID-19 pandemic has been difficult for all of us in Indonesia, as well as across the globe, I am confident that we are making good progress and hope to see the end of it in due course. COVID-19 brought us closer as a company, and our vision of serving consumers has kept us going strong. The extent of support, teamwork, care, and patience that my colleagues displayed during our most challenging times was unimaginable.

At Emtek, we always believe in prioritising our staff well-being and safety above corporate profits. We provide superior medical support and COVID-19 testing to our staff, to ensure that they feel protected and well taken care of as they continue to perform their duties during the pandemic.

I strongly believe that my team has adapted to all the challenges that came along the way, and we have emerged from the crisis as a stronger company in all aspects. 

Eddy Kusnadi Sariaatmadja

is the Founder and President Commissioner of PT Elang Mahkota Teknologi (Emtek), Indonesia

Tan Chin Tiong

is Professor Emeritus of Marketing and Senior Advisor to the President of Singapore Management University

We are empowering over 13 million warungs or mom-and-pop stores to gain cheaper access to their supplies through Mitra Bukalapak, the online-to-offline (O2O) arm of Bukalapak, thus enabling them to provide a wider variety of services to our consumers.