

Investment in Technology Based Small and Medium Sized Firms in Malaysia: Roles for Commercial Banks

Abstract

Financing is an important input in every business which allows for the smooth running of day-to-day operations, asset acquisitions, expert recruitment, and development of marketing and distribution channels. This is especially the case for high-tech startups that must undergo four development stages to turn ideas into commercial products and become full-blown enterprises; concept formation, amassing of resources, product development and business development. The purpose of this research is to understand the fundamental role of banks in Malaysia in bridging the startups financing gap, thereby, helping to grow technology based small and medium sized enterprises in the country. A qualitative research approach which aims first to identify all the commercial and investment banks in the country, then with a select sample size of ten biggest banks shall administer a semi-structured/open ended questionnaire. This methodology will allow respondents to open up on critical issues to be discussed and not limiting them to certain choices as in the case with a structured form of interview. Banks in Malaysia are not willing to finance high technology small and medium enterprises since it is a high risk industry. A the findings are compared to what is obtainable in other countries and Europe and America.