



SME GRADUATES IMPLEMENTATION GUIDELINE

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1. PURPOSE

- 1.1 The purpose of this Guideline is to inform the CEOs and owners of Small & Medium Enterprises (SMEs) and universities in Malaysia on the procedures and implementation mechanism of the **SME GRADUATES Scheme**.

2. OBJECTIVE

The objectives of the SME GRADUATES Scheme are:

- 2.1 To develop management skills as well as analytical and creative decision-making competencies of the SME owners.
- 2.2 To produce a generation of SME owners who have the ability to cut through the complexity of organizational life and to lead and inspire their subordinates to higher levels of achievement by becoming fluent and integrated to new innovative thinking in their daily life.
- 2.3 To provide opportunities to Malaysian SME owners to acquire business fundamentals and enhance their current competencies in business management skills.

3. TYPES OF TRAINING COURSES

- 3.1 The types of training courses provided under the SME GRADUATES Scheme focus on developing management skills, analytical and creative decision making competencies of SME owners.

- 3.2 This scheme provides an experiential learning programme, comprises of interactive lectures by subject matter experts, industrial visits and knowledge sharing by successful local SMEs.

- 3.3 There are three important elements in SME GRADUATES Scheme:

i) Interactive lectures

Lectures will be conducted in classroom. While, the training will be conducted by the subject matter experts from local universities and government agencies.

ii) Business Networking

Besides the classroom training, the trainees are also offered with opportunities to visit overseas countries to learn the best practices and explore business networks regionally.

iii) Knowledge and experience sharing by local SME Champions

The scheme also combines formal input and experiential learning within a peer group of other SME owners, sharing and learning from experience over the period of four (4) months.

3.4 There are two types of training methodologies in the SME GRADUATES Scheme:

i) **Classroom trainings**

The classroom trainings will be conducted with a minimum of one hundred and twelve (112) hours, in minimum nine (9) days followed by five (5) days of local and international industrial visits. The training must be completed within four (4) months. This training will be conducted based on the leadership and management modules prepared by the University.

ii) **Local & international visits**

During the classroom trainings there will be an industrial visit by the trainees to local companies and overseas countries. The industrial visit will boost the trainees' knowledge and foster innovation to develop their business to a broader scale.

3.5 It is compulsory for the trainees to complete all the nine (9) modules prepared by the University as follows:

Module 1: Leadership and Management World Class Performance for SMEs;

Module 2: Effective Human Resource Management by universities and Productivity Linked Wages System by Jabatan Perhubungan Perusahaan ("JPP");

Module 3: Creative Marketing and Business Success;

Module 4: Accounting and Financial Management;

Module 5: Entrepreneurship and Business networks;

Module 6: Business Opportunities, Growth & Model;

Module 7: Law and Ethics;

Module 8: Operational Management and Quality; and

Module 9: Specific Module for each university.

3.6 The above mentioned modules will be prepared by the University. However Module 2 will be prepared by the University together with JPP. The University will be providing syllabus on Effective Human Resource Management (half day course – four (4) hours) and JPP will be preparing syllabus on Productivity Linked Wages System (PLWS) for the next four (4) hours.

4. **TARGET GROUP**

4.1 The target groups for SME GRADUATES Scheme are:

- SME business owners; or
- Chief Executive's Officers (CEO)

*The name of trainees must be stated in any relevant form(s) consisting particulars of directors or ownership or partnership.

- 4.2 All SME business owners who are employers / trainees must meet the official national SME definition by SME Corp and subject to the coverage of the PSMB Act 2001, as per the table below in order to be eligible for hundred per centum (100%) sponsored cost fee.

Sector	Number of Employees
Manufacturing, Mining & Quarrying	1 - 200 full-time Malaysian employees
Service & Other Sectors	1 - 75 full-time Malaysian employees

Note:

For non-registered HRDF employers, they are entitled to participate in the SME GRADUATES Scheme as a trainee and shall not entitle to claim any cost matrix during or after the training from HRDF. Other expenses such as air fare ticket should be borne by the trainee.

5. ELIGIBILITY, ROLE & RESPONSIBILITIES OF APPOINTED UNIVERSITIES

- 5.1 The criteria for the University to participate in this SME GRADUATES Scheme as a training provider are:
- 5.1.1 HRDF Registered Training Provider;
 - 5.1.2 Local universities; and
 - 5.1.3 Submit their course plan, schedule for the training course, module and plans for the industrial visit which will be evaluated and approved by HRDF for the SME GRADUATES Scheme.
- 5.2 The University will be the secretariat, implementer and facilitator for the SME GRADUATES Scheme and are required to conduct a graduation ceremony for all successful trainees.
- 5.3 Upon completion of the training course, the University **need to ensure all trainees have obtained the certification**, and must conduct an assessment of the performance and effectiveness of the training. The university also should prepare **Output Report** as per the given grant approval by HRDF.
- 5.4 Training classes can be conducted at venues depending on their convenience and the University is required to provide all necessary facilities during the training.
- 5.5 The University will be collecting the registration fee of RM2,500.00 upon enrollment of each trainee for the training courses . The fees will be refunded to trainees upon submission of the Output Report to HRDF.

6. SUBMISSION OF TRAINEE APPLICATION BY APPOINTED UNIVERSITY

- 6.1 The University is required to submit the **Applicant details in HRDF online application system** for HRDF's evaluation and approval processes within **seven (7) working days before commencement of the training** with the following supporting documents:
- i. Copy of National Registration Identity Card ("NRIC"); and
 - ii. Any relevant form(s) consisting particulars of directors, owners or partnerships.
- *Applicants must be Malaysian either the owner or CEO of HRDF registered employers or non - HRDF Registered Employers.
- 6.2 The University is required to **keep the hardcopy of the application forms (prepared by the University to Trainees' Registration)** and supporting documents for the period of at least six (6) years. HRDF has the right to request the original documents or can make any copies thereto for inspection, verification and/or investigation or other purposes at any time within that period.
- 6.3 The University **must ensure that information of the trainees are recorded in HRDF's system accurately**, especially the name of the trainees and their NRIC number. Any enrolment with incorrect information will be queried or may be rejected. All information of trainees enrolled in the system shall be verified by the University before submitting to HRDF for approval.
- 6.4 The maximum number of trainees for each class shall be twenty-five (**25**) pax. The University can conduct the classes with a **minimum** number of fifteen (15) trainees. However, the grant approval shall be made based on the actual number of trainees. For each class, the University shall make sure at least eighty per centum (80%) of trainees are HRDF registered employers and the remaining 20 per centum (20%) are from the non-registered HRDF employers.
- 6.5 The maximum **course fee that allowed to be claimed for each trainee is Ringgit Malaysia Four Thousand and Four Hundred only (RM4, 400) per pax, which will be funded by HRDF.** Meanwhile, the course fee for the international industrial visit including transportation and/or accommodation and/or any costs will be fully borne by the SME owners whereas HRDF registered employers may claim air fare ticket using their Human Resource Development

("HRD") Levy. However, HRDF has the full rights to verify, query, reject or accept any claims for this purpose.

- 6.6 The session plans (*Jadual Latihan*) of the classes conducted by the University ("Session Plan") required to be submitted together with the application. The Session Plan is required for monitoring and inspection purposes. The Session Plan must be in line with the total training days / hours approved by HRDF. Changes in the session plans must be informed to HRDF by way of written notice via email or official letter at least three (3) days before commencement of the training course. Otherwise, HRDF reserves the right to reject such changes. Nevertheless, the University may submit the written appeal to HRDF for approval.
- 6.7 The University will be queried if the details and supporting documents are incomplete. The University is required to **reply the queries immediately not less than three (3) days before commencement of the training classes.**
- 6.8 The average time to process a submitted application is **forty-eight (48) hours**. HRDF is not responsible for any rejected application after commencement of the training.
- 6.9 **Replacement of trainee is strictly prohibited** after the approval or three (3) days before commencement of the training class. If the approved trainee withdraws during the evaluation process, no payment shall be made by HRDF to the University.

7. INSPECTION

- 7.1 HRDF will conduct verification visits to the training venues to check on the compliance and attendance of trainees and during the verification visit, the University and trainees must give their fullest cooperation.
- 7.2 During the verification visit, HRDF's officers will check the attendance of the trainees. If a trainee is found absent during the verification visit, HRDF's officers will have to report accordingly in their verification form and this may affect the claim payment to the University. The original attendance sheet must be attached during the claim submission.

- 7.3 The University must ensure the person in-charge for the training is capable in assisting HRDF's officer(s) during the visit and must always be reachable via phone during the training period.
- 7.4 All trainees, trainers, employers and training providers will be given full access to the training place or any place that is being registered in training proposal and hereby undertake to indemnify HRDF's officer(s) for any trespassing provision under the laws of Malaysia.
- 7.5 For the verification purposes, HRDF's officers shall be allowed to access all documents related to the training including the training place, cost, materials, and NRIC of the trainer(s), representative(s) of the University and the trainees.

8. CLAIM PROCEDURE

8.1 CLAIMS BY THE UNIVERSITY

- 8.1.1 First claim submission for fifty per centum (50%) course fee must be made via online applications by the University within two (2) months after the completion of training and trainees' graduation ceremony.
- 8.1.2 To claim the course fees as per paragraph 8.1.1 above, the University shall prepare the following documents upon submission of claims to HRDF for verification process:
- i. Invoice;
 - ii. Trainees' Attendance; and
 - iii. Trainee's certification
- 8.1.3 Payment for the course fee is subject to the number of training days attended by each trainee. A trainee is required to complete the training with at least eighty per centum (80%) of attendance. No payment will be made to the University for the attendance below eighty per centum (80%).
- 8.1.4 The final fifty per centum (50%) of course fees must be made via online applications within four (4) months after the first claim was made by the University. The claim should be submitted together with the Invoice and its required supporting documents (i.e. Trainees Output Report).

- 8.1.5 Total claim duration is **within six (6) months after the approval of the training**. HRDF has the authority to reject any **claims submitted six (6) months after the approval of the training**.
- 8.1.6 With the complete documents, HRDF may take up to **fourteen (14) working days to process** each claim received.
- 8.1.7 Once the payment has been approved, a notification email will be sent to the University.
- 8.1.8 For reference purposes, the details of the course fee and other allowable cost matrix are available in HRDF portal.

8.2 CLAIMS BY TRAINEES

- 8.2.1 Claims for air ticket fare during the international industrial visit can be submitted within **two (2) months** by HRDF registered employers upon completion of training programme and trainees' graduation ceremony.
- 8.2.2 Each trainee needs to pay a commitment fee of Ringgit Malaysia Two Thousand and Five Hundred only (RM2,500) which is not claimable from HRDF upon enrollment. The said sum will be returned upon the submission of Plan of the Outcome Report from the University.

9. TRAINING EVALUATION

- 9.1 In order **to obtain feedback on the trainings** attended, a **Training Evaluation Form** will be provided to all trainees upon the completion of the training. Trainees must complete the form and submit it to the University accordingly.
- 9.2 The Plan of **Output Report** of the trainees needs to be submitted to the University within four (4) months after the graduation **for HRDF to evaluate the actual result of the training participated by employers. The three (3) elements of output report are:**
- i. Product and Service Improvement
Intended Improvement plans for business growth after completion of the SME GRADUATES Scheme.

- ii. Profits and Productivity
Expected Increase in profits and positive growth in productivity.
- iii. Training and Development
Training and developments plans for business growth

9.2 HRDF has full rights to reject or query the **Output Report** by means of missing information(s) or further clarification required.

10. LEGAL ACTION

Trainees and the University are strictly advised to adhere the terms and conditions stipulated in this guideline. Legal action will be taken if any of the parties involved failed to comply with this Guideline.

11. AMENDMENTS

HRDF reserves the right to change or amend the guidelines to strengthen the implementation of the SME GRADUATES Scheme. The University will be notified in writing for any changes made to strengthen the implementation of SME GRADUATES Scheme.