Storytelling Series — Transition in Action Through a Banker's Lens

Case 5

A Construction and Building Material Trader in Perak

By :

The Traditional Backbone

A construction material trader in Perak supplying essential building blocks to regional contractors.

Established Business Model

Market Presence - They supplied contractors working on shoplots, small housing projects, and office renovations.

- Primary supplier of cement, steel bars, and tiles.
- Network of small to mid-sized contractors statewide.
- Steady business history with deep local roots.
- Rising concerns over volatile global material pricing.
- No existing visibility into "low-carbon" certifications.

Business was stable, but subtle cracks were appearing......

Market Pressures Mounting

Demand Shifts

Developers increasingly require Green Building Index (GBI) documentation from contractors. Project owners are specifically requesting low-carbon product options for new tenders.

Competitive Threat

Newer traders are entering the Perak market with pre-certified materials. Conventional stock is beginning to see lower turnover in premium development projects.

To them, these were market irritations — *not sustainability issues*.

The RM & Business Owner’s Conversation

During a site visit, the RM noticed a contractor picking up supplies and asking casually:

“Boss, do you have GBI-certified tiles?”

The owner replied,
“No lah, not many people ask. But I can check.”

The RM leaned in later and asked:

RM: “Do you get many questions like that?”
Owner: “A few… here and there. Usually for bigger projects.”
RM: “And do you lose any business because you don’t carry those items?”
Owner: (hesitates) “Maybe… sometimes they go to the bigger suppliers.”

The RM paused, then asked a key question:

RM: “If you stocked *just a small range* of certified or low-carbon products, would it help your contractors win more tenders?”
Owner: (slow smile) “Actually… yes.
Some developers are very strict now. We lose out because we can’t supply what they need.”

A simple conversation. But a major shift in perspective.

The RM's Strategic Question

A Perspective Shift

"Boss, do you have GBI-certified tiles?"

"If you had a small range of green-certified materials, would it help you win more orders?"

The RM reframed sustainability from a "***compliance burden***" to a "***commercial strategy***," helping the owner see the missed opportunities in ***GBI***-compliant bids.

The Challenges Became Clarity

The **Owner** opened up:

1️⃣ "I don't know which suppliers offer certified materials."
2️⃣ "Not sure how to verify these certifications."
3️⃣ "Space is limited — I cannot stock too many new items."
4️⃣ "I'm scared of stocking something that won't sell."
5️⃣ "But my contractors are definitely being asked more questions."

The RM broke it down:

RM:
"Let's start small. You don't need a big range.
Just a pilot — maybe 3 to 5 items.
Low-carbon cement, certified tiles, recycled steel.
Products where demand is rising."

Owner:
"But will contractors really buy?"

RM:
"Think of it this way — their tender success becomes your repeat business."

The owner nodded slowly.
Owner:
"And if contractors win more green projects…
they'll rely on me."

RM:
"Exactly. It positions you as the supplier who helps them win."

…………Now the owner was fully invested

Pain Points to Opportunities

New Markets

A curated range of low-carbon products opens doors to GBI-certified projects.

Winning Bids

Certified products strengthen contractor bids for green building tenders.

CCPT Progress

20% diversification shows "Amber" progress under Malaysia's CCPT framework.

The Practical Roadmap

Step 1	Step 2	Step 3	Step 4	Step 5
Identify 3–5 pilot low-carbon materials.	Engage suppliers on SIRIM Eco-Labels.	Stock limited quantities for testing.	Sales staff training on green tenders.	Track green sales as % of revenue.

CCPT & VBIAF Framework Lens

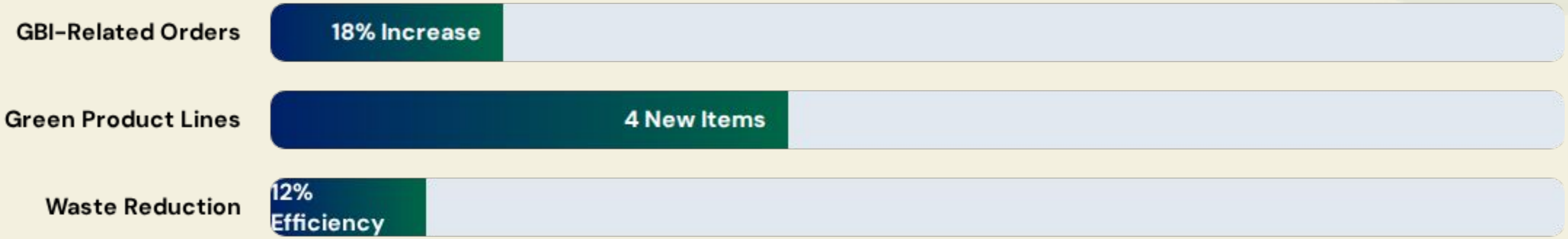
Lens	Current (Red Status)	Target (Amber Progress)
CCPT Readiness	Conventional-only product mix.	20% Diversification into certified stock. Viable supplier partnerships Emerging contractor demand
Supply Chain	No certification visibility.	SIRIM & GBI-aligned supplier audits.
VBIAF Impact	Standard trade practice.	Promoting responsible construction in Perak. Creating long term Community Value

Inside the Credit Room

Approval Logic

The credit team approved financing for working capital and warehouse adjustments. The logic was clear: **Forward-aligned inventory** significantly reduces the risk of asset obsolescence in a tightening regulatory market.

Impact After Six Months



Sustainability status shifted from Red → Amber, improving regional reputation as a preferred project partner.

"Sustainability in this sector doesn't begin with factories. It begins with product choice, supplier transparency, and customer education."

<u>And</u>

it often starts with one RM asking:
"Would a small range of certified products help you win more contractor orders?"

— Reflection through a Banker's Lens

Questions ?

Building the Future

Questions on the Red-to-Amber Transition Path?

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