

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

Case 4

An SME - A Mid-Sized FMCG Distributor in Kuala Lumpur



By :



The SME: A Mid-Sized FMCG Distributor in Kuala Lumpur

They supplied household and personal-care products to supermarkets across Klang Valley.

The business model was familiar:

- ✓ Buy in bulk
- ✓ Distribute quickly
- ✓ Respond to fast-moving consumer trends

But challenges were rising fast.....

THE INITIAL STATE: STATUS RED

Challenges were rising fast.....

- × Retailers demanding sustainability data
- × No tracking of eco-labels or certifications
- × Excess packaging piling up in warehouses
- × Zero visibility into supplier ESG claims

The Misconception

The owner viewed these issues as "**just the cost of doing business**" in a fast-moving market, rather than a systemic risk to their retail partnerships.

The RM: A Bridge to Sustainability

During a quarterly review, the Relationship Manager asked a simple question:

“Do your retailers ask about sustainable products or brand certifications?”

The owner paused.

“Some do... especially the modern grocers. But we don’t really track any of that. We just sell what sells.”

“If you had better visibility, would it help your discussions?”

That was the turning point....

UNCOVERING THE BLIND SPOT

The owner admitted challenges he never connected to sustainability

Information Gaps

- ❌ No data on brand responsibility / No information on whether stocked brands were certified or responsible
- ❌ Retailers require product traceability
- ❌ Packaging waste from suppliers increased operating costs
- ❌ No system to group "green" products



ESG AS INFORMATION OPPORTUNITY

The RM reframed these as *business strengths waiting to be unlocked*



Transparency

Supplier visibility leads to better retail positioning and trust.



Negotiation

Visibility into certified brands provides stronger power with grocers.



Efficiency

Reduced packaging waste significantly lowers operational overhead.

THE THREE-STEP ROADMAP

With the RM's guidance, the company created a realistic roadmap:

Supplier Data

Collect certs, packaging types, and sourcing claims from key partners.



Segmentation

Classify inventory: Sustainable / In Transition / Not Sustainable.



Waste Reduction

Partner with suppliers to consolidate and reduce delivery packaging.



CREDIT ANALYSIS – CCPT CLASSIFICATION: RED TO AMBER

Metric	Current Status (Red)	Transition Goal (Amber)
Supplier Visibility	Zero information/traceability	Active data collection system
Product Transparency	Uncategorized inventory	Full segmentation by sustainability
Waste Management	High packaging waste	15%+ reduction target

VBIAF: VALUE-BASED ALIGNMENT

Social & Fair Trade

Ensuring supplier transparency aligns with fair trading practices and ethical sourcing expected by modern consumers.

Market Resilience

Aligning with evolving retailer expectations ensures long-term viability in a competitive FMCG landscape.

| Enabling the Shift with Financing

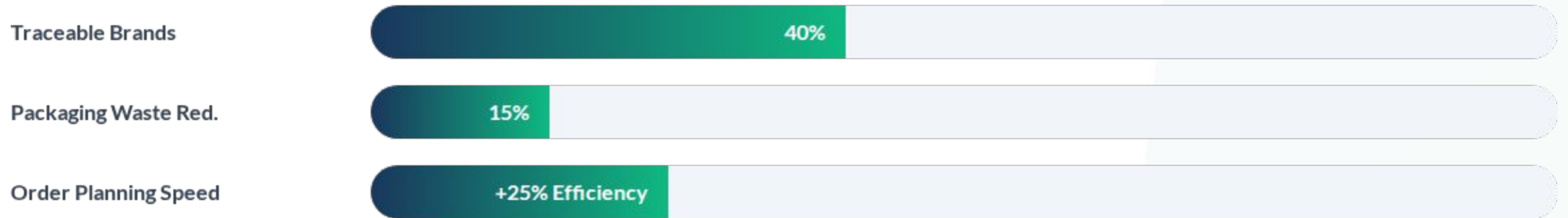
The RM proposed a financing package to modernize the trading operation:

- ✓ **IT Upgrades:** Systems to track ESG data.
- ✓ **Transparency Tools:** Digital inventory tagging.
- ✓ **Warehouse Optimization:** Waste handling equipment.

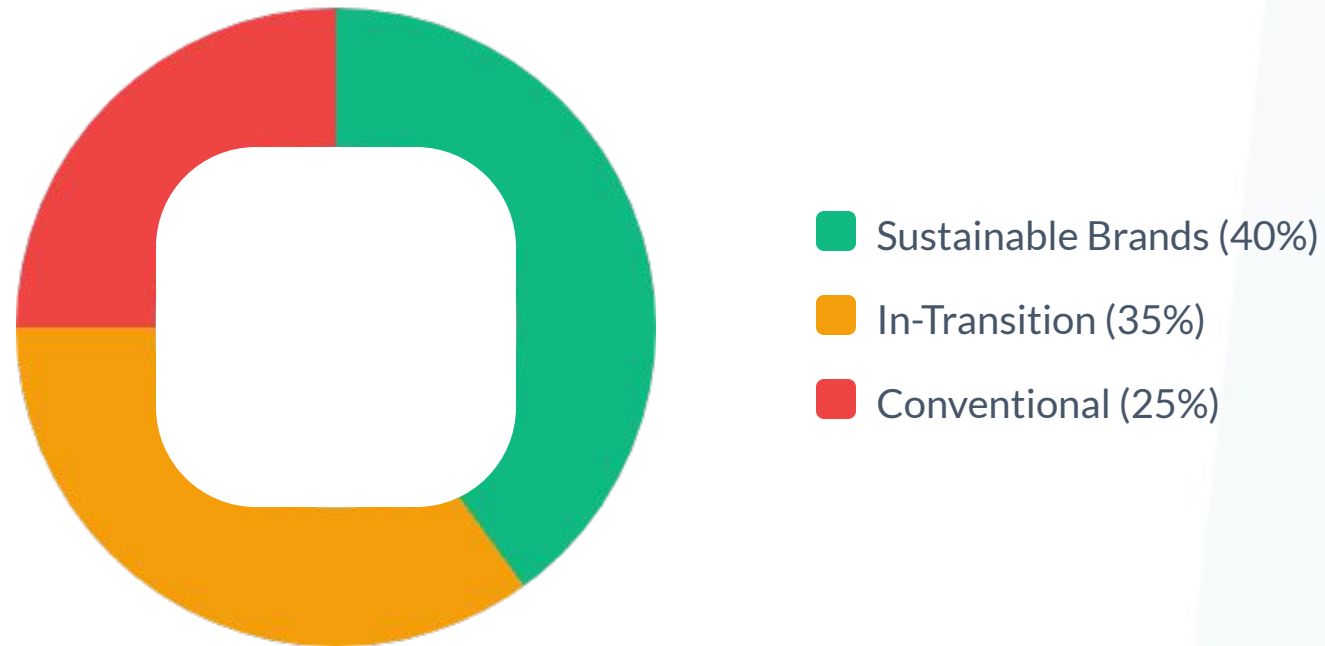


THE IMPACT OF TRANSFORMATION

Six Months Later: Tangible Impact



NEW CATALOG SEGMENTATION



Secured 1 New Major Hypermarket Contract via transparency.

Reflections Through a Banker's Lens

Clarity is the edge.

Distributors don't manufacture, but they influence what goes on shelves. They are the vital link in the chain.

In trading, sustainability begins with supply-chain clarity.

Information isn't just data—it's the power to win more retailers.

At end of the dayit only takes one RM asking:
“Would better visibility help you win more retailers?”

That **question became the start of a journey the SME didn't realise they were ready for.**



Questions?

Let's connect to build more resilient SME portfolios.



Connect with Yasotha K.R Gopal



Certified Integrated Climate Risk
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