



**UNIVERSITI PUTRA MALAYSIA**

**KUMPULAN MELAKA BERHAD**

**ZULHAIRI BIN ZAKARIAH**

**GSM 1997 41**

**KUMPULAN MELAKA BERHAD**

**ZULHAIRI BIN ZAKARIAH  
MATRIX N0 : 45179  
MASTER OF BUSINESS AND ADMINISTRATION**

**FACULTY OF ECONOMIC AND MANAGEMENT  
UNIVERSITI PUTRA MALAYSIA  
1997**



**A CASE STUDY ON**  
**BUSINESS STRATEGY OF KUMPULAN MELAKA BERHAD**

**BY**  
**ZULHAIRI BIN ZAKARIAH**  
**MATRIX N0 : 45179**

**A case study submitted to the Faculty of Economics and Management  
of Universiti Putra Malaysia as partial fulfillment of the requirements  
for the Degree in Master of Business Administration.**



## **PEGESAHAN KEASLIAN LAPORAN**

Dengan ini saya ZULHAIRI BIN ZAKARIAH, No. Matrix: 45179 pelajar tahun akhir program MASTER OF BUSINESS ADMINISTRATION mengaku bahawa kajian kes ini untuk kursus PSN 598 Case Study adalah hasil usaha asal saya sendiri.

**ZULHAIRI BIN ZAKARIAH**

**2 JANUARI 1998**  
**3 RAMADHAN 1418**



## **ACKNOWLEDGMENT**

I would like to heartiest appreciation to all for their contribution to assisted me until complete of my case study.

To Associate Professor Dr. Zainal Abidin Mohamed, really appreciate and gratitude for his assistant, guidance, lecturer and encouragement throughout the duration of the case.

To thank all my lecturers, my fellow colleagues and office mates who had contributed directly or indirectly towards during the course of my studies. Also to my editor En. Annuar Md. Alias and KMB's management, wish to thank all of your assistant.

Lastly, especially grateful to my mum (Pn. Saripah Hj. Baba), ayah (En. Zakariah Hj. Hussein) and family for their motivates and encouragement. Also to whom that she will come later ...

**ALHAMDULILLAH**



## **EXECUTIVE SUMMARY**

Kumpulan Melaka Berhad (KMB) is subsidiaries of Melaka State Incorporate which as the group committed to accelerating industrialization and enhanced economic development within and outside the state.

KMB was established in 1995 and in the first year KMB has loss which all of operation were no active. In the second year, KMB has net profit RM 561,527 in which 3 then 12 business operation was active. It was amidst these turn of events that KMB had to act swiftly to face these challenges and ensured its continued profitability.

Based on SWOT matrix analysis that performed to arrive at the various alternatives viable for KMB. It was founded that KMB was positioned in attractive company and enjoyed competitive advantages in an unstable environment. It was recommended that strategies of KMB is gradually and should to expansion the development operation at the same time to closing down the operation division.

KMB needed to ensure effective implementation of its strategies to bear its desired results with commitment by it's top management and facilitated by a conducive structure comprising highly motivate employees.

## TABLE OF CONTENTS

ACKNOWLEDGMENTS.

EXECUTIVE SUMMARY.

TABLE OF CONTENTS.

LIST OF EXHIBITS

LIST OF APPENDICES.

### **PART 1 - CASE METHODOLOGY**

1.0 COMPANY BACKGROUND.	1
2.0 ORGANIZATION STRUCTURE AND PERSONNEL	2
3.0 COMPANY MISSION AND OBJECTIVES	4
4.0 ORGANIZATION OPERATION DIVISION	6
5.0 FINANCIAL PERFORMANCES	8
6.0 ISSUES	9

### **PART 2 - CASE ANALYSIS**

7.0 CASE SYNOPSIS	11
8.0 PROBLEM IDENTIFICATION	12
8.1 MAIN ISSUES	12
8.2 SECONDARY ISSUES	13



9.0 PROBLEM ANALYSIS	13
9.1 MAIN ISSUES	13
9.2 SECONDARY ISSUES	17
10.0 SWOT-UP ANALYSIS	17
10.1 STRENGTH	18
10.2 WEAKNESSES	18
10.3 OPPORTUNITIES	18
10.4 THREAT	19
10.5 SWOT MATRIX	19
11.0 ALTERNATIVES OF KMB	20
12.0 EVALUATION OF ALTERNATIVES	21
13.0 RECOMMENDATION	23
14.0 REFERENCES	25

#### **LIST OF EXHIBIT**

EXHIBIT 1: STRUCTURE OF MELAKA STATE INCORPORATE	1
EXHIBIT 2: SUBSIDIARIES OF KUMPULAN MELAKA BERHAD	3
EXHIBIT 3: LOSS PROFIT ACCOUNT FOR THE FINANCIAL PERIOD 1995	8
EXHIBIT 4: LOSS PROFIT ACCOUNT FOR THE FINANCIAL PERIOD 1996	9



## **LIST OF APPENDICES**

APPENDIX 1 : FINANCIAL REPORT FOR THE ENDED OF 31 DECEMBER 1995

APPENDIX 2 : FINANCIAL REPORT FOR THE ENDED OF 31 DECEMBER 1996

APPENDIX 3 : STRUCTURE ORGANIZATION OF KMB

APPENDIX 4 : RANKING OF SWOT ANALYSIS

APPENDIX 5 : KMB's NEWS

# **PART I - CASE METHODOLOGY**



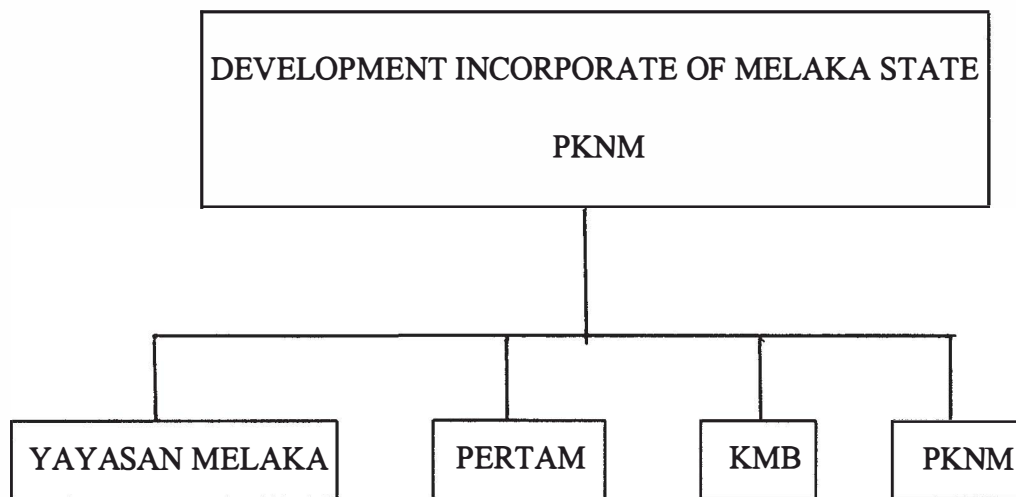
## 1.0 COMPANY BACKGROUND

Melaka State Incorporate consisted 4 subsidiaries which each subsidiaries have different function and vision to encourage economic development in Melaka State.

Exhibit 1 show that department under Development Incorporate of Melaka State that were:

1. Kumpulan Melaka Berhad (KMB)
2. Perbadanan Kemajuan Negeri Melaka (PKNM)
3. Yayasan Melaka.
4. Perbadanan Kemajuan Tanah Adat Melaka (PERTAM)

**Exhibit 1: Structure of Development Incorporate of Melaka State**



As the commercial arm of the Melaka State Government, the Group committed to accelerating industrialization and enhanced economic development within and outside the

state. Set up on 25th February 1995 by the current Chief Minister under auspices of the Melaka Chief Minister Incorporated (Perbadanan Ketua Menteri Melaka or PKMM), our corporate presence is evident in such diverse areas of trust fund management, land development, construction, consultancy, engineering, energy, agriculture, tourism and manufacturing.

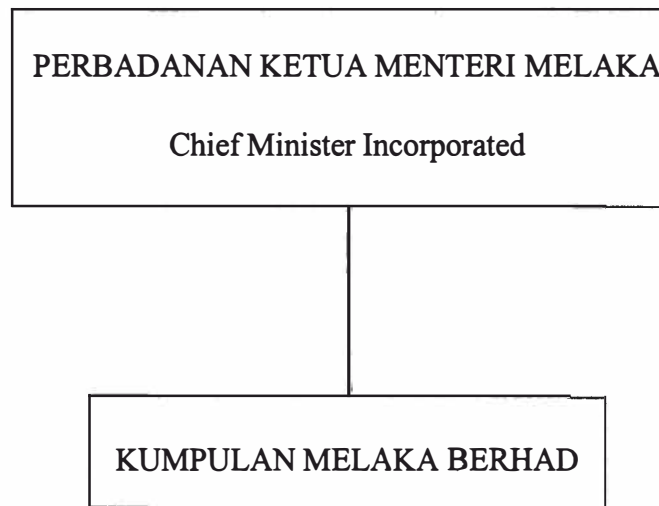
A partnership is like a harmonious union of form and function. Akin to the necessary pairing of the fork and spoon, Kumpulan Melaka Berhad's objectives synchronize with those of the Melaka State Government. Our birth was a catalyst towards enhanced systematic growth and equitable distribution of wealth and benefits to the people of Melaka. As a corporate entry of the Melaka State Government, we carry a partnership that is based on the strategic alliance concept. Our impending success bodes well for the State and the people. Truly, we will fuel the country's direction towards Malaysia Incorporated.

## **2.0 ORGANIZATION STRUCTURE AND PERSONNEL**

In 1995 Kumpulan Melaka Berhad (KMB) and its subsidiaries have incorporated into a holding company. The organizational component of KMB such as exhibit 2 on a functional basis consisting of 10 departments. The equity of subsidiaries of KMB is 100% except 60% for Kumpulan Iklim Marin Sdn. Bhd such as appendix 2. All of subsidiaries headed by senior manager in department of KMB depending on basis

business by subsidiaries. Being in the business, KMB organization structure was relatively simple which has four main divisions that are Project Division, Business Development Division, Corporate Service and Administration Division and Finance Division where these division were headed by the Chief Operation Officer such as organization chart in appendix 3.

**Exhibit 2. Subsidiaries of Kumpulan Melaka Berhad**



KUMPULAN SAHAM MELAKA BERHAD

KUMPULAN MELAKA DEVELOPMENT SDN. BHD.

KUMPULAN MELAKA CONSTRUCTION SDN. BHD.

KUMPULAN MELAKA CONSULTANCY SERVICES SDN. BHD.

KUMPULAN MELAKA ENGINEERING SDN. BHD.

KUMPULAN MELAKA RECREATIONS & RESORT SDN. BHD.

KUMPULAN MELAKA ENERGY SDN. BHD.

KUMPULAN MELAKA PLANTATIONS SDN. BHD.

KUMPULAN MELAKA WATER SDN. BHD.

KUMPULAN MELAKA IKLIM MARIN SDN. BHD.

The upper organizational echelon of KMB included 15 executives: Chief officer, 1 senior manager, 5 manager, 6 executives, and 2 engineers. The other staff included 5 clerical and 2 lower assistant. Most of upper executive level having tertiary education and KMB's policy encourage their worker to development skill and knowledge in future.

In organization, Chief Minister (CM) has powerful to making decision in any operation decision and he also can to appointed Chief Officer depend on his perception. KMB's management must to provided project paper as towards planning in develop for any business operation.

### **3.0 CORPORATE MISSION AND OBJECTIVE**

The corporate mission :

“ A dynamic corporation, pursuing active interest in diversified industries. Kumpulan Melaka BERHADs demonstrate a great sense of professionalism and sincere dedication. Profitability is high on the agenda, while returns to the people and the State will be equally generous - living up to its duty as a responsible corporate citizen”.



At the helm is the pioneer Board of Directors chaired by the Chief Minister of Melaka, Datuk Mohd Zin Abdul Ghani. The other members are the Melaka State Secretary, the General Manager of the State Economic Development Corporation, the Executive Director of a Public Listed Corporation, the chief Executive Officer of a Bank and the Chairman of an Asset Management Corporation. This composition reflects the right balance between the public sector and private enterprise mix. All renowned leaders in their own right, the Directors have propounded a clear and strategic direction for the Group.

By aligning ourselves to technological and information revolution, the Group will chart progressive growth. Achieving substantial results today yet continue to make headway tomorrow. The Group will be a powerhouse possessing the right balance of resources and innovative experience to make an impact in the fields we venture into.

At Kumpulan Melaka Berhad, we work by fixed set of principles. that customers, staff and clients are satisfied and will continue to work with us for long term. Our goal is to foster long term relationships that are beneficial to all parties. Thereby enabling us to contribute to the State's prosperity in the long run.

Each subsidiary empowered to provide superior services and value to our customers. The use of computerized electronics allows a high degree of control in order to yield quality services to superior standards. In house training maintenance and monitoring to carried

out to ensure consistent good service. our work force is well-trained, qualified and equipped to handle the task assigned.

Through our comprehensive manpower development program, staff are sent for regular training and update on various aspects of their work that can help improve overall performance. This includes training from the customer service aspects up to detailed technical knowledge involving complex operations. To further enhance our employees' performance, a user-friendly work environment is our key priority. We believe that improved staff performance further extends the benefits to our customers.

#### **4.0 ORGANIZATION OPERATION DIVISION**

Our competitiveness to enhanced through our specialized subsidiaries. Armed with qualified and experience personnel, technology and other prerequisite resources, these companies will play the important role of the activities of the Group. Synergistic productivity in the long run will be our trademark efficiency.

Kumpulan Melaka Berhad's core activity is that of an asset and investment holding company. He growth of our subsidiary companies to mapped through detailed analysis, long term strategic planning and implementation. It will be a sound alliance that will see us through in our goals management of the soon-to-be launched Saham Amanah Melaka, a unit trust fund set up by the Melaka State Government for its people.



Our operation to an alliance for growth through subsidiary such as Kumpulan Melaka Development Sdn. Bhd., Kumpulan Melaka Construction Sdn. Bhd., Kumpulan Melaka Consultancy Services Sdn. Bhd., Kumpulan Melaka Engineering Sdn Bhd., Kumpulan Melaka Receptions and Resort Sdn. Bhd., Kumpulan Melaka Energy Sdn. Bhd., Kumpulan Melaka Plantations Sdn. Bhd., Kumpulan Melaka Water Sdn. Bhd., and Kumpulan Iklim Marin Sdn. Bhd.

Kumpulan Melaka Development Sdn. Bhd is our flagship in property and infrastructure development, concentrating on gazette state development projects and the Group's land bank. Kumpulan Melaka Construction Sdn. Bhd extends to civil building and foundation engineering. The company will be making its presence felt in the many conventional and industrialization development projects currently ongoing in and around Melaka.

Kumpulan Melaka Consultancy Service Sdn. Bhd set up to lend its expert opinion to various industries in the competitive market place. It will provide feasibility studies, recommendations, assessments and standard consultancy services. Kumpulan Melaka Engineering Sdn Bhd. specializes in engineering products and services. Its key activities include work in Kumpulan Melaka Berhad's projects in order private sector. Kumpulan Melaka Recreation & Resort Sdn. Bhd will take advantage of Melaka's rich historical past and contribute to the Group's revenues through tourism and recreation projects. It will spearhead Melaka in the tourism industry.

## 5.0 FINANCIAL PERFORMANCE

First annual report was to audit for financial period in 25th. February 1995 (establish date) until 31 December 1995 in which finance revenue that loss after tax is RM481,233. In this year no payment for dividend and allocation from reserve in 1995 the ended of financial such as exhibit 3. For the ended of December 1996 in second year operation, KMB get profit RM 561,527 after deduct loss in first year operation such as exhibit 4. All of transaction for balance sheet and cash flow statement for first year and second year in appendix 2 and 3.

### Exhibit 3

LOSS-PROFIT ACCOUNT FOR THE FINANCIAL PERIOD ON 25th. FEBRUARY 1995 UNTIL 31 DECEMBER 1995.

	RM
Income	-
Loss before tax	458,233
Tax	23.000
Loss after tax to forward	( 481.233)

**Exhibit 4 : LOSS-PROFIT ACCOUNT FOR THE FINANCIAL PERIOD ON 31st.  
DECEMBER 1996.**

	RM
Income	4,019,168
Loss/profit before tax	1,562,760
Tax	(520.000 )
Loss/profit after tax	1,042,760
Last year loss forward to second years	(481.233)
Profit forward to next year.	<u>561.527</u>

## **6.0 ISSUES**

The purpose to establish KMB is encourage to use efficiency of economic resources in Melaka state for people and growth economic. The other case, KMB have some problem that tight customary law of procedure in development land because the project will be check and revise by higher official. They must submit project paper and estimate of cost for each project and to make meeting with chief minister before project progress.

On the other hand, most of function for department of Melaka State Incorporate is duplicate. Every department has recognized their specific function such as PKNM, and

PERTAM in which they develop land and property but, at the same time they develop for recreation of historical and tourism.

Therefore, the organizations not match as should be they do and objective processing also different in organization. What the large problems occur is the activities of each department are concentrate in Melaka state and they make the same project business if the project make out of state. From our economic turmoil, KMB also having problem in according depreciation ringgit values that effect to their business especially in market stock which as planning for Kumpulan Saham Melaka Berhad..



## APPENDIX 1

### KUMPULAN MELAKA BERHAD

KUNCI KIRA-KIRA PADA 31 DECEMBER 1995

RM

HARTA TETAP	162,577
SYARIKAT MILIKAN	<u>87,614</u>
SYARIKAT BERSEKUTU	<u>10,781</u>
HARTA SEMASA	
Lain penghutang, cagaran dan prabayaran	26,184
Simpanan tetap di institusi kewangan	2,300,000
Wand tunai dan baki bank	82,951
	<u>2,409,135</u>
TANGGUNGAN SEMASA	
Lain pemiutang dan perbelanjaan terakru	2,413
Pemiutang sewabeli	20,217
Peruntukan cukai	23,000
	<u>45,630</u>
HARTA BERSIH SEMASA	<u>2,363,505</u>
	<u>2,624,477</u>
Dibiayai oleh:	
MODAL SAHAM	
Dibenarkan:	
200,000,000 saham biasa RM1 tiap-tiap satu	200,000,000
Diterbitkan dan berbayar penuh:	
3,000,000 saham biasa RM1 tiap-tiap satu	3,000,000
AKAUN UNTUNG RUGI	(481233)
	<u>2,518,767</u>

## TANGGUNGAN JANGKAMASA PANJANG

Pemiutang sewabeli	105,710
	<u>2,624,477</u>

## PENYATA SUMBER DAN PENGGUNAAN DANA BAGI TEMPOH KEWANGAN 25 FEBRUARI 1995(TARIKH PENUBUHAN) HINGGA 31 DISEMBER 1995

RM

### PENGGUNAAN DANA

Kerugian sebelum cukai (458,233)

Pelarasan bagi perkara-perkara yang tidak melibatkan pengaliran dana:

Susutnilai 40,644

Dana berpunca digubakan dalam operasi (417,589)

### PENGGUNAAN DANA LAIN

Pembelian syarikat milikan (20)

Pembelian syarikat bersekutu (1)

Pembelian harta tetap (203,221)

(203,242)

### SUMBER DANA

Pendapatan daripada terbitan saham 3,000,000

ALIRAN MASUK BERSIH DANA 2,379,169

Diwakili oleh:

### TAMBAHAN (KURANGAN) DALAM MODAL KERJA

Penghutang 26,184

Pemiutang (128340)

Jumlah terhutang daripada syarikat milikan 87,594

Jumlah terhutang daripada syarikat bersekutu 10,780

Pergerakan dana cair bersih:

Simpanan tetap	2,300,000
Wang tunai dan baki bank	82,951

TAMBAHAN BERSIH PADA MODAL KERJA 2,379,169

KERUGIAN SEBELUM CUKAI RM

Kerugian sebelum cukai diperolehi setelah dikenakan (dikreditkan)

Susutnilai	40,644
Ganjaran juruaudit	2,200
Faedah atas pinjaman	2,517
Pendapatan faedah	<u>(78241)</u>

CUKAI

Cukai yang dikenakan adalah di atas pendapatan faedah.

HARTA TETAP

	Kos	Susutnilai Terkumpul	Nilai buku bersih	Susutnilai pada tempoh ini
	RM	RM	RM	RM
Peralatan pejabat	31,310	6,262	25,048	6,262
Perabot dan kelengkapan	15,536	3,107	12,429	3,107
Kenderaan	156,375	31,275	125,100	31,275
	<u>203,221</u>	<u>40,644</u>	<u>162,577</u>	<u>40,644</u>

Nilai buku bersih harta tetap yang dibeli dibawah perjanjian sewabeli adalah berjumlah RM125,100

SYARIKAT MILIKAN RM

Saham pada kos tidak disenaraikan 20

Jumlah terhutang oleh syarikat milikan akaun semasa 87,594

87,614

## SYARIKAT MILIKAN

Perincian syarikat milikan adalah seperti berikut:

<u>Nama</u>	<u>ACTIVITY</u>	<u>EQUITY (%)</u>
Saham Melaka Berhad	No active	100
Kumpulan Melaka Engineering Sdn. Bhd.	No active	100
Kumpulan Melaka Consultancy Services Sdn. Bhd.	No active	100
Kumpulan Melaka Development Sdn. Bhd.	No active	100
Kumpulan Melaka Construction Sdn. Bhd.	No active	100
Kumpulana Melaka Recreation & Resort Sdn. Bhd.	No active	100
Kumpulan Melaka Water Sdn. Bhd.	No active	100
Kumpulan Melaka Plantations Sdn. Bhd.	No active	100
Kumpulan Melaka Manufacturing Sdn. Bhd.	No active	100
Kumpulan Melaka Energy Sdn. Bhd.	No active	100

## SYARIKAT BERSEKUTU

Saham pada kos (tidak disenaraikan)	RM	1
Jumlah terhutang oleh syarikat bersekutu (akaun semasa)		10,780
		<u>10,781</u>

Perincian syarikat bersekutu adalah seperti berikut:

<u>Nama</u>	<u>ACTIVITY</u>	<u>EQUITY (%)</u>
K.K.Y. Resources Sdn. Bhd.	No active	33.33



## APPENDIX 2

### KUNCI KIRA-KIRA OADA 31 DISEMBER 1996

	1996 RM	1995 RM
HARTA TETAP	<u>509,579</u>	<u>162,577</u>
SYARIKAT MILIKAN	<u>634,386</u>	<u>87,614</u>
SYARIKAT BERSEKUTU	<u>3,013,131</u>	<u>10,781</u>
PELABURAN-PELABURAN LAIN	<u>1,725,000</u>	<u>-</u>
<b>HARTA SEMASA</b>		
Lain pemiutang, cagaran dan prabayaran	779,277	26,184
Simpanan tetap di bank berlesen dan institusi kewangan	8,902,955	2,300,000
Wang tunai dan baki bank	495,936	82,951
	<u>10,178,168</u>	<u>2,409,135</u>
<b>TANGGUNGAN SEMASA</b>		
Lain pemiutang dan perbelanjaan terakru	850,028	2,413
Pemiutang sewabeli	23,262	20,217
Pruntukan cukai	543,000	23,000
	<u>1,416,290</u>	<u>45,630</u>
<b>HARTA BERSIH SEMASA</b>	<u>8,761,878</u>	<u>2,363,505</u>
	<u>14,643,974</u>	<u>2,624,477</u>
<b>Dibiayai oleh:</b>		
<b>MODAL SAHAM</b>	11,000,000	3,000,000
<b>AKAUN UNTUNG RUGI</b>	<u>561,527</u>	<u>(481,233)</u>
	11,561,527	2,518,767
<b>RIZAB MODAL</b>	3,000,000	
<b>TANGGUNGAN JANGKAMASA PANJANG</b>		
Pemiutang sewabeli	<u>82,447</u>	<u>105,710</u>
	<u>14,643,974</u>	<u>2,624,477</u>