

THE HYGIENE REGULATION OF A UNIVERSITY'S CANTEEN: THE SHOCKED OF A BUSINESSMAN

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Abstract

The case was about a businessman who ran a canteen in a local university. In running the canteen he was helped by his family members comprising his wife, children, in-laws, siblings and his mother-in-law. He had been with the university basically since the early days of the university. He started off as an employee in the dining hall and later opened up his own canteen. One day, a committee visited the canteen and found out some hygiene regulations were violated. Three days later a 24-hour notice to evacuate was issued to him.

Introduction

Mamat and his wife was a small scale businessman entrusted to run the university canteen. The university had a few canteens located at various locations in the university particularly at the students' hostel. The canteens, replacing dining hall where foods and drinks were used to be provided for free to students but due to the poor turned up rate, the university decided to give food allowance to resident students. If the students wanted to have their meal than they would use the allowance given to buy food at the canteens in the vicinity of the hostels.

The canteen run by Mamat was in the academic block of the university, therefore its patron comprising students attending lectures and staff of both academic and non-academic. The canteen started its operation as early as 6 am every morning from Monday to Friday. Students and staff would go to the canteen for breakfast, lunch and tea break in the afternoon. The canteen served typical Malay food for breakfast and lunch such as fried noodle, nasi lemak, Malay traditional kuih-muih, Malay traditional dishes etc.

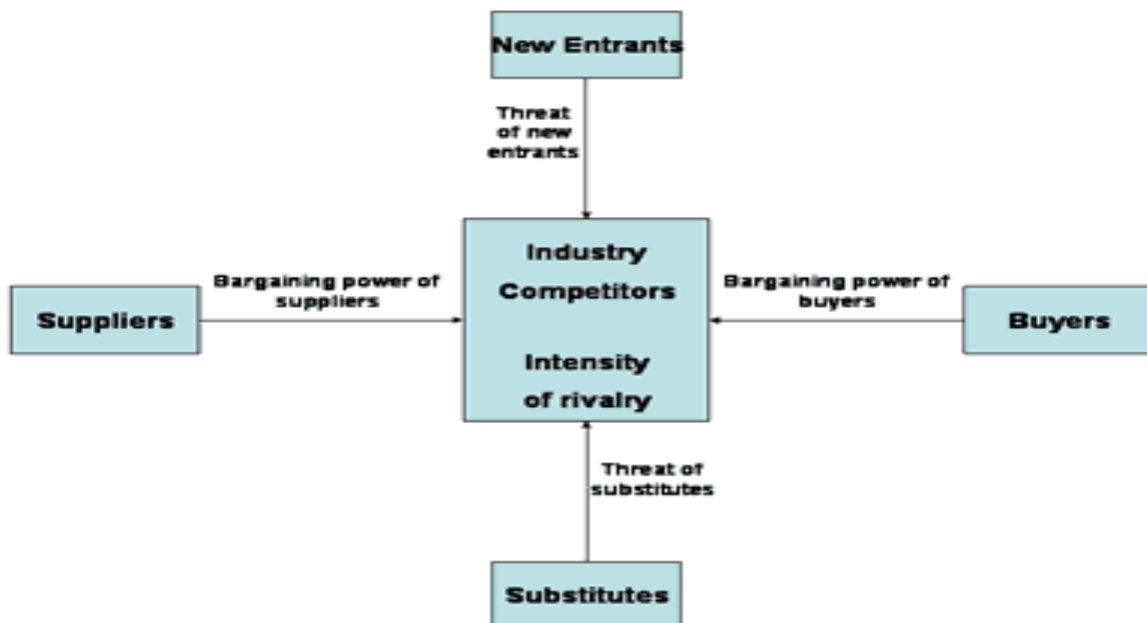
As a canteen operator in a government funded institution, the prices were controlled by the management of the university. The profit margin of the foods and beverages at the canteen was low but this was compensated by the huge number of students going to the canteen for

food and beverages. Apart from providing food and beverages daily (five-day week) as an institution of higher learning, various activities involving students and staff development program were held and as canteen operator in the university, they enjoyed the privilege of receiving order to provide food for these events which contributed to the overall business revenue.

Background of the Operator

The history of Mamat with the university started way back in 1988. He started off as an employee who worked with the university’s dining hall. In the early years, students of the university had no choice when it comes to food, to eat their meal they need to go to the dining hall. Two years later the university moved to a permanent location, Mamat moved as well.

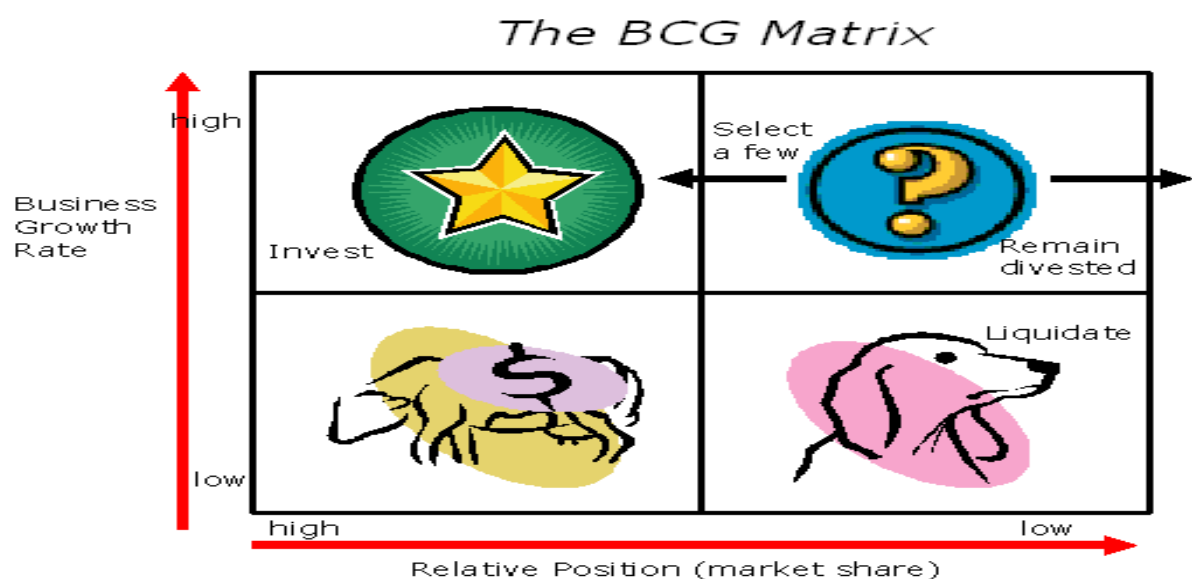
At the new site, he was offered, at a price, a small place to run his own business by an employee of the university. His career as a businessman started when he agreed to accept the offer. The place was called “Anjung” located nearby students’ hostel and classroom. It started operation at 7am until 11pm every day. The value chain of the business was completely handled by family members including Mamat’s wife, children and in-laws. Mamat had two competitors and both competitors operated during normal working hours that were up to 4pm. As a new entrant, both competitors viewed him as a threat to their business.



Mamat’s long operating hours that was up to 11pm daily became a competitive advantage to the newly formed business. Apart from the long operating hours, Mamat also adopted cost leadership strategy by offering food and beverages at a price cheaper than its competitors. Both strategies complemented with cordial treatment to customers particularly students had resulted in the business earning substantial returns. As the business gained momentum, the competitors were not happy and lodged complaint to the management of the university.

Management reacted to it by sending people to observe its operation and to conduct an investigation. Through observation and investigation, the team found out that the strategies adopted were in line with the university’s regulation. In fact it was stated in the agreement that the operators were allowed to operate until 11pm as practiced by Mamat. After considering the reasonableness of the complaints, the outcome of the investigation, management decided that the complaints were made not in good intent.

After several years operating in “Anjung” and due to his popularity among its customers, including both staff and students, finally he was offered to operate the canteen at the main building. The main building then called Phase Three, housed the administration office, academic affairs office, students affairs office, lecturers offices, science laboratory and class rooms. At the new location, his business recorded growth in sales as a result in easy access to a huge number of customers. He earned a gross average sales of RM5,000 daily. The business was on its cash cow position.



Mamat had never really strategized his business, as he sees no reason to do it. He thought that as long as his service was good, they were selling a variety of food and no cases of food

poisoning reported, his business was in a good condition. To someone like Mamat who had never received any formal education in business management, planning was not in his agenda. He was very complacent with the earnings derived from his present business.

The university had a committee comprising several employees; the main duty of the committee was to perform food premise inspection on all canteens. One Tuesday the committee visited Mamat's canteen and found out that some hygiene requirements were not fulfilled. Mamat, on Friday received a 24-hour notice to evacuate and shut down operation.

Hygiene Regulation of the University

The university had a committee called "Jawatankuasa Teknikal Sewa Ruang Niaga" and the members comprising academic staff as well as non-academic staff. The committee had various duties and one of it was to perform food premise inspections on all canteens in the university. Food premise inspections were performed in collaboration with Health Unit of the university. Due to man power shortage, the inspections were performed four (4) times a year and when complaints were received.

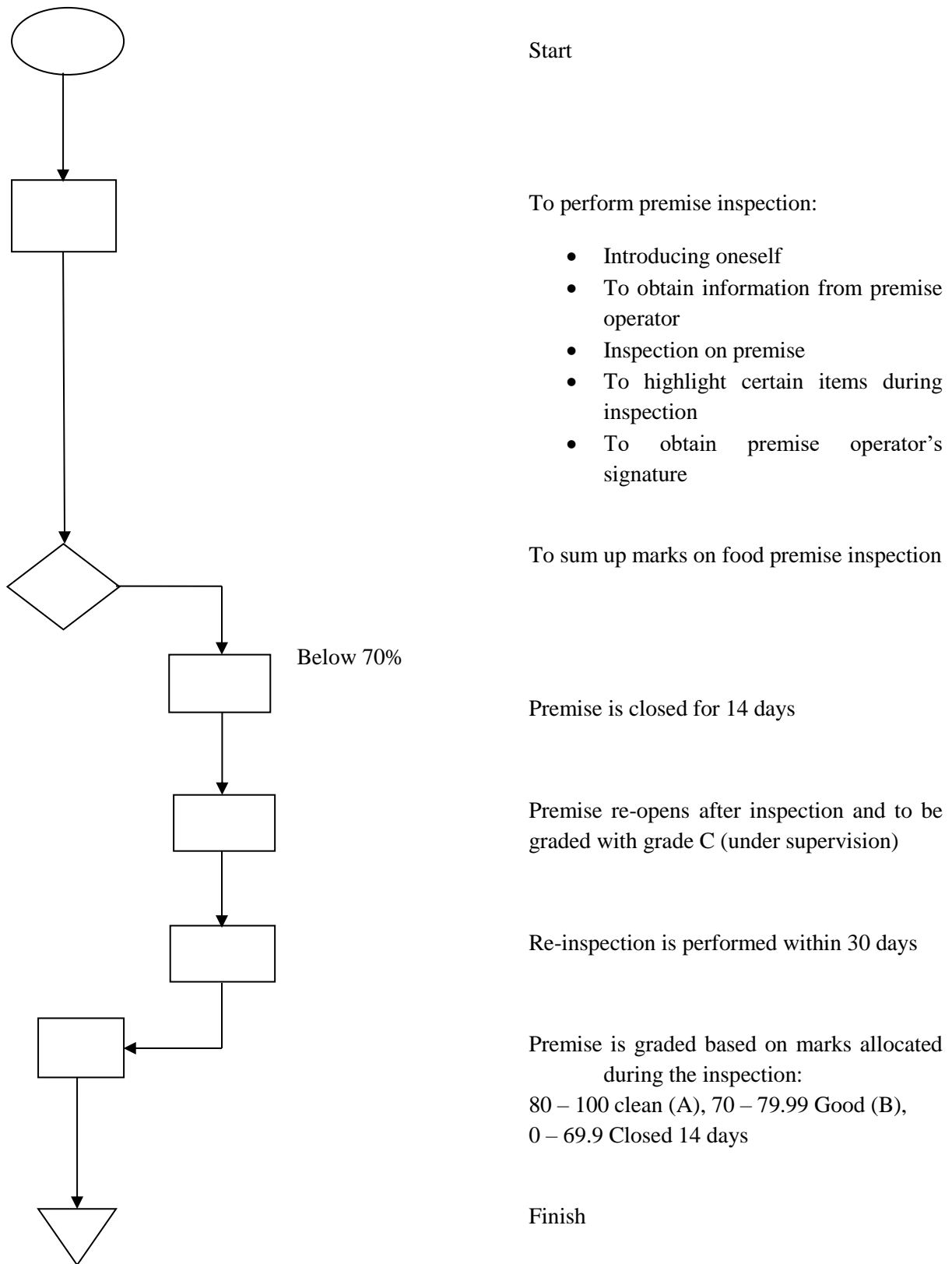
The committee and the Health Unit referred to a guide book issued by the university and applied by all campuses. The book grades hygiene into three namely A, B and C. The grades were given based on marks obtained during inspection. To get grade A, the canteen has to get marks ranging from 80 - 100, grade B ranged from 70 – 79, below 70 would be given grade C and given 14 days to improve, failure to comply would result in evacuation.

During the inspection, the inspectors would check to see whether the food premise requirements were being adhered to. The inspectors would refer to a standardized food premise form which divided food premise requirements into a few categories namely the food, food handling, cooking utensils, water supply, sink for hand washing, waste management, floor/wall/ceiling and others. For example under food, one of the requirements was storage for cooked food must be separated from raw materials.

In the case of Mamat's canteen, the marks allocated was below 50 which was regarded as very low as a result of most of the food premise requirements were not adhered to. Mamat was ordered to cease operation immediately.

The flow chart for the food premise inspections was as follows:

Standard Operating Procedures



Conclusion

After receiving the instruction to shut down operation within 24 hours, Mamat and his family members sat down and discussed the future direction of their business as it affects their livelihood. The incidence was really a wakeup call for him and his family.

They were in a dilemma whether to sell off the business and the proceeds from disposal of assets would be used to venture into a new business or to continue in food business outside the university compound. Mamat had years of experience in food business which became an exit barrier to him and his family.

While considering all the possible outcomes, the son, who had recently graduated from a local university and had some knowledge on business management, advised his parents on the importance of strategic management in ensuring the sustainability of the future business. His son tried to convince him by strategizing the business, it would grow and possibly turned into a franchising business. “Sounds interesting but how to strategize” said Mamat to his son. He then added “Where are we going to get the capital for expansion further more people come and eat and as long as they are happy they will keep coming” he concluded.

Disagree with his father, he moved on explaining about vision, mission and the need to assess the external environment. According to him a vision is a picture of what the business wants to become and what it wants to achieve. A properly formulated vision will guide the business on its direction and where it would like to be in years to come. A mission, on the other hand, specifies the industry in which the business plan to compete and the customers it plan to serve.

He went on explaining the importance of performing external environment analysis. In assessing the external environment, one has to look into the 7 areas namely demographic, economic, and political/regulation, sociocultural, technological, global and physical environment. In the above scenario, the son pointed out that his father had overlooked on the need to adhere to the requirements of the university’s hygiene regulation. The fact that the father had grew with the university, watching management changed, time and again, had caused him to forget that his business was his responsibility and could not be passed on to others.

Mamat and his family had come to term with what had happened, and if they were given another chance the situation would had been different.