



UNIVERSITI PUTRA MALAYSIA

**A CASE STUDY ON
PUSPAMARA SENDIRIAN BERHAD**

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PENGESAHAN KEASLIAN LAPORAN

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PUSPAMARA SENDIRIAN BERHAD

BY

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ABSTRACT

Bearish stock market, depreciation of currency, down-sizing of companies and other economic difficulties have resulted in a violence and pure challenging bussiness environment. These factors awakened the necessity of proper and organized planning and strategy for the company's current and coming survival.

Puspamara Sdn Bhd, is textile company in Petaling Jaya, managing production of garments, apparel, design uniform and other product and services. The company experienced a decline in profitability with a 41% decrease from 1996. The inexistence of proper strategic goals and long-term planning were viewed to result to the instability of the company performance and future business continuity.

This study was done in order to derive strategic alternatives and decisions to enable Puspamara Sdn. Bhd to overcome the difficulties and eliminate further unsatisfactory outcome in the future especially in the globalization world. The study analyzed the external and internal environment and generic the strategic alternatives using the SWOT matrix and SPACE determinants model.



From the analysis, it is determined that the company will develop an Action Plan 1999 which consist of five strategic development. The action plan will focus on developing the critical areas to increase the company's performance namely:-

- i. Action plan - Development 1
 - Private Companies Market Penetration
 - Government Agencies Market Penetration

- ii. Action plan - Development 2
 - Incorporate Vertical Integration Action
 - Other Services

- iii. Action plan - Development 3
 - Concept and Theoretical Training
 - On - hands Training

- iv. Action plan - Development 4
 - IT Development
 - Technology Improvement



- v. Action plan - Development 5
 - 'Product Brand' Development

Lastly, the study also recommends Puspamara Sdn. Bhd, the improvement upon the control and continuous development of the company namely the Strategic Control, Operational Control and Total Quality Control.



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PART I : FACTS OF THE CASE

PART 1 : FACTS OF THE CASE

COMPANY'S PROBLEM

1.0 Critical Incident

It was Friday evening, October 15, 1998, when Encik Amir Johari an executive of Puspamara Sdn Bhd was called by Encik Md Salleh Khalid General Manager of Puspamara Sdn Bhd to discuss on the future of the company after attending the company's Annual General Meeting (AGM).

Puspamara Sdn Bhd a subsidiary of Puspamara Holding Sdn Bhd was located at Petaling Jaya Industrial Area. The company experienced a decline in the results of the operation. As a result of that this matter was raised during Puspamara's AGM.

In 1997, the company's profit before taxation decreased by almost 41 % (RM 602,748 - 1997) though the company was still making a profit. In 1998, the results also shows the same declining trend and if this scenario continues, the company will hence be moving towards a disaster.

In another scenario most of the company's contract with the government agencies and related parties will end within the year 2000. Those organisations were providing the major sources of business for Puspamara Sdn Bhd. Future renewal and new contracts with the



corresponding parties will be based on the new management and consensus by the said parties.

Base on the poor performance shown by Puspamara Sdn Bhd. The Board of Directors during the AGM had decided that Encik Md Salleh to make a study in order to identify and develop decisions and alternatives strategies for Puspamara Sdn Bhd to overcome the difficulties and threats. The proposed strategic plan was vital for the company as this was where critical long-term plans were made in order to maintain its continuity of business and the survivability in facing current environment.



COMPANY'S BACKGROUND

2.0 Background and Profile of Puspamara Sdn Bhd

Puspamara Sdn Bhd was located at Petaling Jaya Industrial Area and was established in 1980 as a garment manufacturer of various types of apparels and uniforms for Army, Police, Customs and Fire Brigade. The parent company, Puspamara Holding Sendirian Berhad was located at Jalan Tunku Abdul Rahman Kuala Lumpur. Besides the contract markets, Puspamara activities also include designing and developing special products using FR (fire resistance) and WR (water resistance) materials uniform and accessories. As a leading company in uniform manufacturing industry, Puspamara had done a lot of research on product development to meet customer's requirement and satisfaction, said Puspamara's General Manager Encik Md Salleh.

Puspamara had diversified and ventured into parachute manufacturing for the Asia and Pacific region beside being the leading uniforms and apparel manufacture in the nation. It had also successfully promoted vendors development in the industry. The company started with four (4) tailoring companies that was Syarikat Setia, Syarikat Bumi Pakar,



Syarikat Trend and Syarikat Pakaian Seragam to do the stitching under 'umbrella concept' and at the end of the year 1997, Puspamara had a total of forty two (42) vendors all over the country except in the state of Perlis and Sabah. Besides that, the company commenced two (2) branches in Kota Bharu, Kelantan and Lumut, Perak. By 1998 the company had 250 employees.

2.1 Company Profile

Chief Executive - En. Md Salleh Khalid

Business Enquiries - En. Amir Johari

En. Borhan Abdul Halim

En. Isak Nasir

En. Ahmad Mazeni Khalid

Directors - Y.B Pn. Ainon Khariyah Mohd Abas

En. Nasir Safar

En. Sharifuddin Mohamad

Tn Hj. Mohd Ali Ismail

Pn Halimah Karnawi



Main Office - Puspamara Sendirian Berhad
Lot 8232, Jalan 51A/222A,
Kawasan MIEL,
46100 Petaling Jaya, Selangor
(Com. No: 10649-V)

Branches - No. 5450-B Jalan Kuala Krai
15050 Kota Bharu, Kelantan.

Lot 2370 Taman Samudera
32040 Sri Manjong, Perak.

No. of Employees - 250 people

Product Manufacture- Apparels

Uniforms – Army, Police, Customs,
Fire Brigade
FR and WR garments
Jackets, Overalls, Caps,
Sleeping Bags, Parachutes

Product Available	- Chemical Protection Suits Scuba Diving Equipment
Production Capacity	- 6000 – 7000 dozen per month

2.2 Capitalization

Pusparamara Sendirian Berhad maintained its authorised capital of RM5 million as at 1997. The company's paid-up capital also rested at RM3.515 million at present.

2.3 Company's Vision

According to Encik Isak Nasir the vision laid down by the company was seriously discussed and approved during the board meeting held in 1995. The vision were as follows:

- Consistently generate respectable profits and to maximize shareholder's return**
- Providing efficient service and quality products through research and development**

- Dedicated to promote and create successful vendor development schemes
- Committed to manufacturing uniforms and apparel for the customers
- Providing good welfare to her competent and motivated employees
- To be a good corporate citizen



2.4 Mission Statement

Puspamara Sdn Bhd had developed a mission statement to provide as the company's guideline and aim for the coming years. The mission statement stated as follows:

“Strive to be a company that is progressive, innovative, having respectable profits, customer oriental, promoting successful vendor development systems and committed to national aspirations.”

2.5 Company's Objective / Goals

Puspamara Sdn Bhd was established to achieve with the following goals :

“To be the market leader in uniforms and apparel industry in the nation, customer oriented and venturing into international market”

2.6 Company's Values

- ~ **Services and Quality.** To ensure excellent customer services and quality conscious.
- ~ **Profit and Marketing.** Profit and Marketing oriented and entrepreneurial.
- ~ **Success.** Achieving success through excellence in work.
- ~ **Loyalty.** Loyalty to organization, nation and God.
- ~ **Teamwork.** Things done through teamwork with sense of belonging.
- ~ **Attitude.** Positive, caring and supportive towards company fellow staff and work.
- ~ **Image.** Strong financial strength, promoting professional, trustworthy and ethical manner in their business.

