



LEAVING A LEGACY: HAVE I DONE ENOUGH?

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This case was written by Muhammad Rosni Amir Hussin, Hafizah Abd Mutalib, Nur Azliani Haniza Che Pak and Aryati Juliana Sulaiman, Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Introduction

One day, Mr AKC was alone in his office. It was late, and a quick glance at the wall clock showed it was slightly past 7.00 pm. As he sat in quiet solitude and waited for *Maghrib* prayer, his eyes wandered to his furniture factory situated across his office, which was still clearly visible even as twilight dawned and began to cast shadows. He had started his business almost 25 years ago, and with unwavering commitment and his blood, sweat and tears, the business grew from strength to strength. Mr. AKC thanked Almighty, for it was with His divine blessings that his business continued to flourish. Mr AKC was now in his late 50s, an age when most people would begin to slow down and take it easy. His plan was to slowly involve his children in this business, train them in the nitty-gritty of the business and eventually pass the baton to them when the time was right. His two sons and one daughter in law had already been appointed to important positions in PBU. All his children were highly educated in different specializations, like engineering, quantity surveying and designing. Nonetheless, Mr. AKC realised the good education of his children was not adequate to guarantee continued success of PBU. Before he could completely hand over PBU to his children, he knew several areas needed a revamp, specifically the production processes. It was imperative that this was undertaken before he retired. One of the main things he was not satisfied with was the operations management system in the factory. It was crucial that immediate measures be taken to enhance operations and production processes if PBU's legacy as a successful furniture business was to continue. More importantly, in the face of new entrants into the market, Mr. AKC knew something must be done quickly and pro-actively to ensure survival and competitive edge for PBU.

Background of the Company

As Mr. AKC took a walk down memory lane, he remembered that PBU was established in 1997 as a Small and Medium Enterprise (SME), with paid-up capital of RM1,000,000. Before establishing PBU, Mr. AKC had acquired a wealth of experience, working in both the public and private sectors. After several years, Mr. AKC felt he had sufficient skills, knowledge and experience, to make a bold move into the world of business. He set up PBU and began by venturing into metal and wood furniture manufacturing. PBU was located in the industrial area of Seberang Perai Selatan, Pulau Pinang. Basically, PBU produced various kinds of furniture, mainly for schools and offices, as well as other institutions. PBU also ventured into the production of laboratory and hospital furniture.

Subsequently, PBU produced furniture accessories, hardware and industrialized building system (IBS) products to sell to construction companies. This range of IBS products was sold to large companies, like Sime Darby and Mass Rapid Transit (MRT) Corporation Sdn. Bhd., which needed these products for its MRT line 1 and line 2 projects. In August 2007, the Ministry of Finance appointed PBU as an authorised supplier of wood furniture to government agencies in Pulau Pinang. Besides this, the Malaysian government appointed PBU as the main supplier for single and double stainless steel beds to government agencies throughout the country. In keeping with changing trends and technological advancements, which witnessed shoppers switching from physical to on-line shopping, PBU was among the earliest furniture manufacturers to sell furniture online, by collaborating with online shopping platforms, such as LAZADA and Shopee. Another distinctive feature of PBU was that it made its presence felt in home-décor fairs, both locally and abroad, to promote PBU furniture. Mr. AKC left no stone unturned in his quest to succeed.

Business Growth

As Mr. AKC continued to reflect on the long journey that PBU had gone through, he recollected that at the beginning of PBU's establishment, the focus was on producing basic metal and wood furniture,

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