



ROADMAP TO INITIAL PUBLIC OFFERING (IPO): THE CASE OF UECSB

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This case was written by Nurwati Ashikkin Ahmad Zaluki, Badru Bazeet Olayemi and Narentheren Kaliappen, 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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Prologue

Back-to-back meetings and appointments were not new to Halim, even under the new normal. Being the General Manager of Uniutama Education and Consultancy Sdn. Bhd. (UECSB), UUM, his schedule was always packed. To regain composure after a hard and gruelling day at work and to be physically active, he normally played futsal with his friends. However, he was unusually exhausted that week and decided to stay at home. While having his dinner, he watched a movie, *The China Hustle*. As the movie progressed, he felt himself being drawn more and more into the storyline, and soon he was glued to the movie. The movie, among others, was about a company which decided on an Initial Public Offering (IPO) in order to quickly enter the US market. Somehow, this decision struck a chord and remained deeply etched in his mind. The next morning, while driving to work, the idea of the IPO decision of that company continued to play on his mind. He parked in his allocated lot and walked into his office. 'Good morning, Sir', his secretary greeted him with a bright smile. She brought him his coffee and placed the newspaper on his table. She then informed him that his first 9 o'clock meeting had been postponed to the next day. Halim sighed with relief as that meeting with a new client had been bothering him. To organise his scattered thoughts, he flipped through the newspaper just to get his mind more focused on issues at hand, which of late, seemed to be distracting him more and more. The headline on the business page startled Halim. He settled himself more comfortably, drew a deep breath and read the headline again. 'IPOs expected to be well received'. Quickly, he began to read the whole report which stated that despite market uncertainties amid the persistent rise in local Covid-19 cases, the IPOs slated for this year are expected to be well received by the investment community. "There must be a reason why IPO keeps springing up. Why don't I discuss this with the top management of UECSB? An IPO sounds like a good idea", thought Halim. His adrenalin rose as he mulled on the IPO idea and could not wait to discuss this with his Deputy General Manager, Ainuddin and Corporate Strategy Manager, Khairol. He invited both his colleagues for lunch and over a steaming bowl of curried noodles, Halim brought this topic up, and was pleasantly surprised by the positive response from both Ainuddin and Khairol. In fact, Khairol went further to suggest discussing this IPO idea with financial experts to get some initial ideas on how to go about it. Ainuddin proposed that Othman Yeop Abdullah Graduate School of Business (OYAGSB) itself has the ready financial experts who could be consulted on how to go public. On returning to his office, Halim could not contain his excitement and told his secretary to arrange a meeting with OYAGSB's financial experts on the possibility of an IPO. A quick phone call to OYAGSB established the team of financial experts and a meeting date was agreed upon. The team of financial experts from OYAGSB led by Nurwati agreed to meet Halim at UECSB, UUM.

The meeting

"Welcome, Nurwati, Badru and Naren. We are indeed happy that you have accepted our invitation at such notice," said Halim, as the team from OYAGSB entered the meeting room. He then introduced the other members at the meeting, following which he made a short presentation about UECSB's background and financial performance, and why UECSB wanted to go for an IPO.

Company background

UECSB was a subsidiary of Uniutama Management Holdings Sdn. Bhd. (UMHSB), which was fully-owned by UUM. UECSB was supported by UUM. UECSB was established on 23 May 2011, with an authorised capital of RM5 million and a paid-up capital of RM1.5 million.

In the initial stages of its establishment, UECSB focused more on education, training and professional development, consultancy and international relations. In September 2015, the Centre for Professional

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