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NORAINI'S COOKIES: STRATEGIZING FOR GROWTH AND SUSTAINABILITY

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This case was written by Rosliza Mat Zin, Siti Norezam Othman and Salniza Md Salleh, UUM College of Business. 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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It was in early 2011 when Helmee Efeendee Norsham, Chief Executive Officer for Noraini's, a manufacturer of halal cookies with premium quality, paused to collect his thoughts from a recently adjourned meeting with the Noraini's management team. The company was facing difficulties in sustaining their market share. The main agenda for the meeting was to find ways to achieve a sustainable growth before the end of 2011 as their business had only managed to increase their sales between 20%-30% annually. The management was troubled by the fact that though they had invested to buy automated machine, which increased the production capacity to one tonne per day from one tonne per week, yet their profit margin was decreasing.

Despite the growth that Noraini's had been able to achieve since it was established in 1984, the company had been struggling in maintaining the level of profitability. Puan Noraini Hj Ahmad, one of the director and the founder for Noraini's raised her concern in the meeting that Noraini's has only managed to capture the local market share for cookies between 2% to 3%. Being dependent on high costs of materials and foreign labor to operate the production line, Puan Noraini believed that they would need to change their business strategy. In an adjourned meeting, Puan Noraini had admonished the management team that they needed to plan as she commented on the current situation:

We have to come up with a plan that will grow our revenues to 50% by the year end. Though we are still in a state of recovery, with our big investment in 2008 where we've bought and moved in to this new building and invested for an automated machine. Let alone with the serious damaged caused by our former marketing manager and losing our reputation at the same time, we would need to move on fast. It's been three years now and we would need to gain back the customer's trust on our products, in line with our new tagline "wonders in every bite".

Puan Noraini's comments gave an immediate pressure on the management team as they would need to carefully think of the appropriate strategy in achieving the revenue growth objective.

The Route to Success: From Homemade to Factory

Noraini Enterprise Sdn Bhd a homemade recipe brand name, established by a visionary Malay lady, Puan Noraini Hj Ahmad started its operations from a humble domestic cottage business. Having an enterprising spirit, Puan Noraini began her success journey when her culinary skill impressed an international hotel chef. Considering the number of Malay delicacies' suppliers was very few then, she viewed this as an opportunity to expand her cottage business. Working from a small designated space at home and with the help of housewives in her neighborhood, she managed to produce varieties of traditional *Nyonya* and *Malay delicacies (kuih)* to hotels, restaurants and supermarkets in Klang Valley. At that time, her monthly sales attained from the *kuih* had reached up to RM15,000. Her passion in business drove Puan Noraini to not only making traditional *kuih*. She was also determined at making festive (*hari raya*) or seasonal biscuits and cookies. Orders for festive cookies from customers were flourishing but unfortunately, the operations became shorthanded due to the unbelievable orders from customers, making operating from home was no longer viable.

As Noraini's business operations expanded in 1994, Puan Noraini decided to move from home to a shop lot near Paya Jaras night market in Sungai Buloh. The festive cookies and biscuits were supplied for sidewalk vendors, who operated at Chow Kit Road and Jalan Tuanku Abdul Rahman during *Ramadhan* (fasting month for Muslims). For the first festive season Noraini's Enterprise participated, the sales from festive cookies reached up to RM70,000. In Paya Jaras, the business operations were actually divided into two segments; *kuih* and festive cookies. However, after one year running split

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