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SEMPOIBAQ: NEW PLAYER COMPETING IN THE FOOD AND BEVERAGE SECTOR

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This case was written by Darwina Ahmad Arshad, Noor Afza Amran, Halimah @ Nasibah Ahmad, 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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Rafiq, the founder and owner of GV Raha Trading, nervously paced around his factory, wondering how he was going to meet his customers' demand. As he gazed at his watch, it seemed like time was just ticking by ever so fast. With beads of perspiration trickling down his forehead, Rafiq realised that with his semi-manual production line, it would be near to impossible to ensure adequate production of his products. He continued to pace up and down, wondering how he could overcome this shortcoming, and hoped for nothing short of a miracle.

In addition to the slow operational problem, the company had to deal with the shelf-life of the dates milk. Since milk is a very delicate product that contains microbes and is highly sensitive to temperature, the dates milk could be easily spoiled. To overcome this problem, the dates milk must be stored in an optimum temperature chiller. Dissatisfied customers often came to return spoilt milk and this compounded the company's already seemingly unsurmountable problems. Rafiq sighed, "It is hard to maintain the dates milk and its nutrients in good condition since we do not add any preservatives to our dates milk". Besides, Rafiq needed to battle stiff competition in food and beverage sector especially from established rivals.

The Founder

Ahmad Rafiq bin Muda was the founder and owner of GV Raha Trading, a company that specialised in producing dates milk. The company was a small and medium enterprise (SME) based in Alor Setar, Kedah. Initially, Rafiq started this business from home, where he conceived his own recipe for *Kurma* Milk, which then became the main product in his company. Before he started his own company, Rafiq had worked in various organisations for sixteen years, starting as a bank executive in one of Maybank's private branches in Penang for about one and a half years. This working experience in Maybank equipped Rafiq with the basic financial and banking knowledge for a start-up company which he envisioned opening. After his stint at Maybank, he made a job switch to enable him to accumulate diverse experiences. He took up a training executive position in a government-linked company (GLC), i.e., Felda Global Venture (FGV) at its branch in Kedah for about nine years. In FGV, he was assigned to various units which helped him to enrich his business knowledge. After the nine years with FGV, he moved to Kumpulan Ladang Perbadanan Kedah (KLPK), where he was assigned to the business development unit. These diverse experiences, ranging from banking and finance knowledge to management skills and business and development as well as networking, made him confident enough to realise he was ready to venture into his own business, a dream that he had held for the longest time. Even during his tertiary education, Rafiq showed his passion for entrepreneurship. The grueling process he had to go through to attain his bachelor's degree did not stop him from indulging in part-time jobs and in running a small business.

Rafiq started his business by opening up a fresh food mart in front of the Sultanah Bahiyah Hospital together with his partner, who he became acquainted with during his working days in FGV. Due to unavoidable circumstances and location problem, the business could not survive, thus forcing it to be closed down. The failure of his first business did not deter Rafiq from continuing to dream big. He knew that failure is *an opportunity to learn and grow* and some of the experiences, particularly the bad ones, often times turned out to be blessings in disguise.

This unbridled entrepreneurial passion led him to come up with his own unique recipe for *Kurma* Milk. He had good feedback from his friends who were the lucky ones to taste the milk, and this increased his self-confidence to start-up his own business. He started with a small amount of capital which only allowed 20 bottles of *Kurma* Milk to be produced daily in his own house. With the increasing demand for *Kurma* Milk, he knew that he could no longer continue to produce from home and found a

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