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MAINTAINING BUSINESS SURVIVAL IN FITRAH GARMENT

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This case was written by Hafizah Abd Mutalib, Hazeline Ayoup, Zarifah Abdullah, 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

It was in June 2018, and the rain was heavily pouring over the city of Kuala Lumpur. Amid the hustle and bustle of the city people searching for shelter from the pouring rain was Cik Khad, an entrepreneur in her late forties. She was sitting in a “kopitiam” (coffee shop), drinking her favourite hot black coffee, and appeared deeply immersed in her own thoughts. She was thinking of her business, a dear possession of hers, which she believed was not only a mean of doing business, but an evidence and commitment of her faith towards The Creator. Her business was not running in accordance to her hopes in the past 2 years. She realized that in order to rescue her business, something needs to be done, and fast.

Since 2016, FG was experiencing tremendous business challenges. Since its inception in 2014, FG had depended on a single contract of “telekung” production, but the contract had been discontinued without any explanation. Without proper monitoring, FG's production had grown larger than its sales, therefore, inventories of unsold “telekung” and unused raw materials started piling up, occupying a large area of floor spaces in its facility. FG was unable to sell its finished inventory of “telekung”. Such situation persisted for months, and Cik Khad reflected whether venturing into the “telekung” business was a correct decision she had made. Should she continue to be in the “telekung” business, or should she put a halt to it and venture into some other more lucrative business? She had many options running in her mind, from cosmetics to beauty supplements. However, she was not confident as to which options to pursue.

Fitrah Garment (FG) was a company that produced “telekung” or woman prayer hijab, owned by Cik Khad, who was also its Managing Director. Prior to having her own company, Cik Khad had ventured into many business lines, however, her experience in becoming a quality control manager to a large and well-known “telekung” producer company had motivated her in venturing into “telekung” business of her own. Being a quality control manager for 2 years in the past, Cik Khad put high expectations on the quality of her product. This has guided her in producing high quality “telekung” for her business. From her point of view, the quality of “telekung” produced by FG was parallel to that of the outstanding “telekung” produced in the market, both in terms of the material used, and the quality of stitching.

The coffee was getting cool. Cik Khad realized that she needed to do something in order to save FG. Suddenly, she recalled of Madam Maria, an old friend, and a business consultant who was active giving “pro-bono” consultations and services. Cik Khad was convinced that she needed to ensure the survival of her business, and consulting Madam Maria appeared to be an option for a good start for FG. The rain has stopped. Cik Khad rang Madam Maria, put on an appointment schedule and rushed to her car.

The Malaysian “telekung” industry

Malaysia was an Islamic country with the population of 32 million in year 2018. Out of this figure, more than 60% were Muslims. Therefore, the market for Muslim wears such as hijab and “telekung” was seen to be developing rapidly. Besides being used during prayers, “telekung” was seen to be well received by those trendy Malaysian Muslim women, and this can be seen in the design, quality of materials and colours used in the “telekung” variants. Such scenario might be due to the growing conservatism among Muslims worldwide in the mid-eighties, and thus had brought the modest Islamic fashion to global attention. Muslim women who were mainly educated and exposed to global development had embraced conservative Islamic lifestyle and have reflected the growing patronage of “telekung” and other Islamic wears.

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