

CS - AM - J



FACULTY OF SCIENE ADMINISTRATION AND POLICY STUDIES  
FUNDAMENTALS OF ENTREPRENEURSHIP (ENT300)

CASE STUDY

SEVEN STAR FLORAL (SSF)

PREPARED BY

PROGRAMME : AM110 4J

SEMESTER : 4

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<b>NO</b>	<b>CONTENT</b>	<b>PAGES</b>
1	COVER PAGES	I
2	TABLE CONTENT	II
3	1.0 EXECUTIVE SUMMARY	1
4	2.0 INTRODUCTION	2-3
5	3.0 COMPANY INFORMATION:- 3.1 Background 3.2 Organizational Structure 3.3 Business Model 3.4 Products and Services 3.5 Business, Marketing and Operational Strategy 3.6 Financial Achievement	4-9
6	4.0 COMPANY ANALYSIS	10
7	5.0 BUSINESS PROBLEM	11-13
8	6.0 RECOMMENDATION AND IMPROVEMENT	14
9	REFERENCES	15
10	APPENDICES	16

## 1.0 EXECUTIVE SUMMARY

Seven Star Floral (SSF) is business company which one of the best living concept store and home-style living products provider in Malaysia. The mission of our company is to provide products with high quality that are reasonably priced and to improve a consumer's lifestyle and be known all around the world.

Our company , SSF is a services and product oriented company. SSF is selling a various concepts of furniture and home living furnishing. The business was formed about 30 years ago. SSF also have many branches in Sarawak such at VIVACITY Megamall Kuching, Boulevard Shopping Mall Kuching and also have branch in Miri. This company strategically located at a shopping mall which generally known as the attraction of many peoples. Thus, demands are high during annual festival such as Hari Raya, Hari Gawai and Chinese New Year.

## 2.0 INTRODUCTION

Our subject for this semester which is The Fundamentals of Entrepreneurship have given us a group project on making a case study. We have been asking to make a case study based on an existing company that was operated in Kuching area because it is near and easy for us to go to the company. So, we have been chose a company which is located at Viva City Mega Mall Kuching, Malaysia. The company we chose name as Seven Star Floral (SSF) because SSF was started sold flowers at first but then expand into a gigantic company that sell home furnishing. The type of our business is service and product oriented. SSF is selling varieties of goods and our products are the inspiration to those, who pursuit their ideals home and living environment. SSF was selling over 30,000 products such as Artificial flowers and plants, Carpets, Clocks, Curtain, Furniture and Home decor. Since SSF was provide Mix and Match concepts, so it is easy for customer to buy the product.

The cases are base on real-world situation whether they reference on an actual company or disguise the name for prosperity reasons. There are many reasons on why case study that needs to be done which are to analyse the performance of the company, to identify the strong points and weakness of the company and to help to maintain the prosperity of the company. Thus, case study also can be done through face to face interview, telephone interview and questionnaire. For our group project , we have chosen to face to face interview method. This method is quite easy for use to collect the information. The purpose of the case study is

However, to be entrepreneur there are many problems that the projects was created to address that must overcome and a few of problems :

- Financing

Experience entrepreneur do not have it easy when its come to find a new business but they do have a few advantages over news comer because they have many experiences to sell a home furnishing such as furniture , bedding and artificial flowers and plants. They might have a pull of capital from a business that they previously sold of revenues they can use to fund a new business's cash flow .

- Team-building

This is especially hard if u never run or manage a team before. But even if you have management experience picking the right team for a start up is stressful and difficult.

Certain roles does not enough to fond candidates but if the company want to do a business they also need to consider their cost to the business, their culture fit and how they will work as a teamwork. However when you are under the pressure of filling those position , there are such consideration that are exceptionally hard.

- Difficulty to attract customers

In the early stages to set up business , there would not be many existing customers. The entrepreneur should make an efforts attract new customers and sales. This would cause the business to expand very slowly and it will consume long period to gain profit.

### 3.0 COMPANY INFORMATION

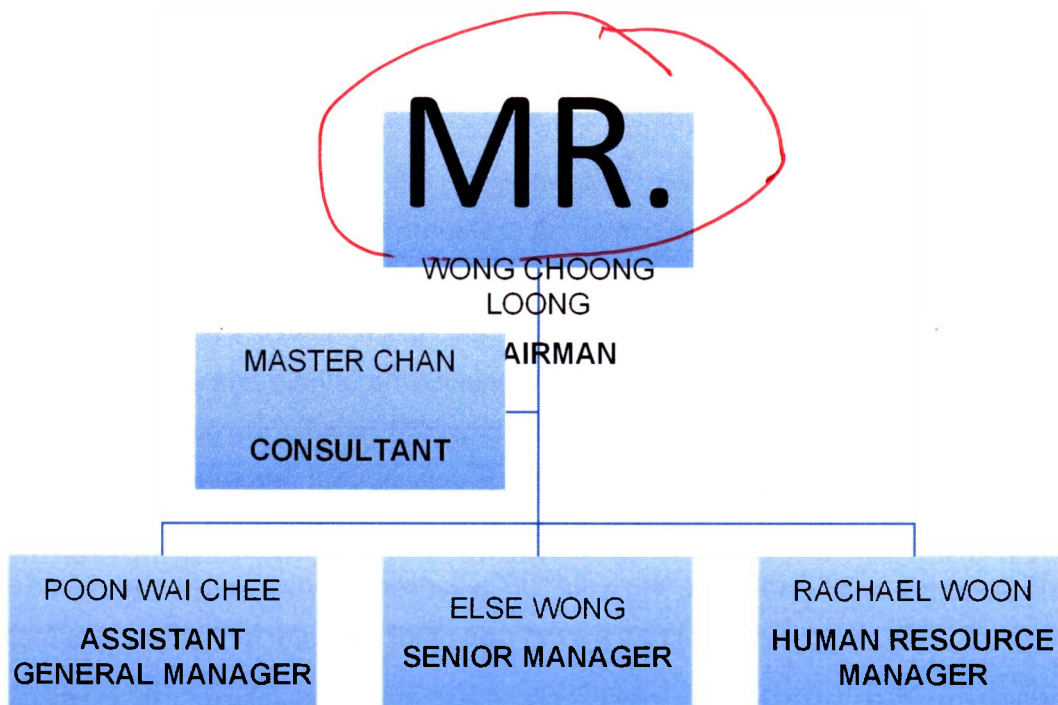
#### 3.1 BACKGROUND

SSF is a home-style living products provider and concept store in Malaysia. SSF was founded by Mr. Wong Choong Loong and was first established in 1987. SSF started from a humble beginning as they initially sold artificial flowers operating in a modest 1,000 square feet premise at Jalan Chow Kit in 1987. They have since experienced a significant growth as they became a top brand in home decor with 22 branches operating across Malaysia and one of the largest concept living store in Malaysia.

SSF stands for “Seven Star Floral” or “Smiles Serve Friendly” which the employees must smile and are friendly when greeting or serving the customers. SSF has 34 showrooms with a total shop area of over 500,000 square feet as of November 2018 and has about 2,000 employees working there. SSF has an expertise in ‘Mix and Match’ concepts as they have more than 25 years of experience.

Not only that, it is truly a one stop shop where the professionals are DIY Home decorators as well as home owners look for ideas and inspiration, they will be able to find everything such as their consumers' possible needs. The headquarters for the Sarawak branch is located at 3<sup>rd</sup> floor, Boulevard, Kuching. Their mission is to provide products with high quality that are reasonably priced and to improve a consumer's lifestyle while their vision is to become a home living solutions provider that is internationally recognized.

### 3.2. ORGANIZATIONAL CHART



### 1.0 SSF HEAD OF DEPARTMENT

### 3.3 BUSINESS MODEL

Their type of business model is distributor. Their targeted customers are hospitality services industries, event management consultant services, florist and interior designers, all the beautiful creative lifestyle lovers, retail, commercial and corporate bodies, housing developers and local government, wedding planners, “pelamin” shops and to all end users.

### 3.4 PRODUCTS AND SERVICES

#### PRODUCTS

SSF is a company that was popular to all of us with their varieties of products. There are many concepts provided such as modern concepts, classic concepts and also French country homes. As you know SSF was opening a new showroom in Vivacity Megamall and we are proud to announce SSF has 33 showrooms with the total shop areas of over 750 000 square.

Besides that, they are selling over 30 000 products as our product series included artificial flowers and plants, art paintings, bedrooms, wedding gifts and home decor. They also come out with a 'MIX and MATCH' concept that suits the customer's budgets. For example, they display a living room concept, bedroom concept and dining table concept. Furthermore, SSF not only specializes in selling a variety of furniture and living home appliances. But they also provide services. These products designed that made by them also have a good quality.

#### SERVICES

Each company has a service in its way to attract customers. As well as SSF they provide several services to make it easier for anyone who is interested with their products.

Firstly, they provide service delivery into customer's house. For anyone who buys the goods from their shop. The biggest goods such as sofa and dining table their employees will directly deliver by using lorry. In this way, they can facilitate buyers who do not have transportation to buy in their store. For anyone who buy online from their website, they provide truckload to deliver the products. In this case, they just have to wait at home after making buyers and payment online.

Secondly, SSF also provide service which their employees will set up the furniture directly into the customer house. The employees were already trained with the knowledge and skills that are needed to set up the product. For example, provide training to the staff SSF which is to train and educate the new recruitment and staff to achieve the staff vision,



### **3.5 BUSINESS, MARKETING AND OPERATIONAL STRATEGIES**

#### **BUSINESS STRATEGY**

SSF business strategies are they open more branches when there is an economic problem that occurs which causes other shops to close down and they also provide interior design that is suitable with a customer's budget. Additionally, they also observe feedback through their showroom. For example, in their showroom concepts such as bathroom, bedding, kitchen and furniture are displayed. Moreover, they also treat their customers as friends and so this encourages the customers to buy their products.

#### **MARKETING STRATEGY**

In every company, they have their own marketing strategies as well as SSF, the marketing strategy is, they promote their product through the use of social media such as Facebook, Instagram, and newspaper. Mostly, they will update product and promotion at the media socials so that it makes more easy for customer to noticed for the new updates.

Not only that, they also hold monthly promotion to attract customers. They also provide membership so that customers will be able to reap member benefits such as the products will be discounted for exclusive member's price. SSF differs from a typical furniture shop as they are not selling only the furniture but they are also selling the conceptual idea in design and layout.

Next, our group went to interview at SSF. From there we discover their marketing strategy that before seasoning, they did not missed the opportunities to make a promotion a month before festive days. For example, they will give discount 50% for the certain product.

## OPERATIONAL STRATEGY

In terms of operational strategies, since the salesperson has knowledge regarding the products that are sold in SSF, they will educate the customers on how to use the products properly so that the customer will be satisfied with the functions of the product that they buy.

Besides, SSF always monitors and supervises their employees and always communicates which enables them to improve the relationship between the top management and lower management so that they can identify the problems that the company is facing and achieve the company's objectives. For example, they will conduct a meeting to let all the employees know their current performance.

### **3.6 FINANCIAL ACHIEVEMENTS**

Like other companies, SSF had involved in some competing competitions to become candidate for the award. They also had achieved their target. SSF has been awarded awards such as MRCA 8TV Entrepreneur Awards 2017, Malaysia Interior Design Award 2010 , Fair Price Shop Award by the Ministry of Domestic Trade and Consumers Affairs, Malaysia, and The Enterprise 50 Award and The Golden Bull Award. Usually, SSF income become increase it is because they use marketing strategy by doing promotion. For example, when Hari Raya, Chinese New Year and Hari Gawai.

#### 4.0 COMPANY ANALYSIS

<p><u>Strength</u></p> <ul style="list-style-type: none"><li>● Offers a variety of concept. So, the customers will be able pick a concept to their liking.</li><li>● They provide interior design according to a customer's budget.</li></ul>	<p><u>Weakness</u></p> <ul style="list-style-type: none"><li>● Only has branches nationwide such as they have branches at Sarawak, Kuala Lumpur, Perak, etc.</li><li>● The products are expensive as they are high quality and imported.</li></ul>
<p><u>Opportunity</u></p> <ul style="list-style-type: none"><li>● Establish more branches to tap into the international market.</li><li>● Hire more employees to improve the company's efficiency.</li></ul>	<p><u>Threat</u></p> <ul style="list-style-type: none"><li>● The market is highly competitive as there are other companies such as Harvey Norman.</li><li>● People rarely buy furniture and home appliances .</li></ul>

## 5.0 BUSINESS PROBLEM

There are issues that we can see Seven Star Floral (SSF) facing. The first issue is financial problem, problem delivering online product and faced a products competition in the market.

Firstly, the major problems that the company is currently facing is financial problem. They incur financial loss as they are unable to sell certain products or some of their concepts that they showcase in their showroom does not sell well. This causes the company to lose profit as instead of gaining profit they will incur financial loss. Moreover, this will affect the company negatively as they are unable to compete with other companies that are becoming more successful and gaining profit day by day. Having a huge amount of supply of products to be sold to the customers also contributes to financial problem as their expenses will increase unnecessarily.

One of the solution that enables the company to solve their financial problem is by gaining feedback through their showroom. If the concept that is displayed through their showroom receives poor feedback from their customers or does not sell well then they can change the concept to another concept that receives good feedback from their customers so that they can prevent financial problem. In addition, the company should manage their finance wisely by reducing their expenses such as they reduce the quantity of products to sell so that they will not incur financial loss from not being able to sell all of the products.

By gaining feedback through their showroom, the advantage that SSF will be able to obtain is they can create new concepts that are creative and attractive to be displayed in their showroom. Another advantage that the company can gain by reducing their expenses is they will be able to use their finance for matters that are more important such as improving their quality in service. They will be able to use their finance wisely that is they will hire more employees to ensure that their service towards the customers is smooth and efficient.

The disadvantage of using feedback through their showroom is the customers' preference varies as not all people have the same taste in terms of liking a certain concept and thus some customers will prefer a certain concept while others do not prefer the same concept and so it is hard for the company to make changes towards some of the concepts displayed in their showroom. Furthermore, another disadvantage that results from reducing their expenses is they may opt for a product

that is cheaper. They opt for a cheaper product in order to cut down on expenses and so this will result in them selling products with poor quality to their customers.

Buying furniture online offers numerous benefits which the customer have a much larger inventory to choose from, can easily compared the price and did not feel pressured to buy. Thus, the rise in these online products sales will offers both opportunities and challenge for SSF company. Furniture is heavy, bulky and large. therefore, efficiently packaging and delivering them to customer can be a challenge. The problem are the product often damage and customer complaint. With heavy, bulky and even odd-shaped product is also be risk for damaged if it not packaged properly, as the items can shift in truckload that they used to deliver the products. Receiving damaged product will likely result in a customer complaint and if it not handled properly, it can results the companies' reputation.

Damaged products is the common problems that online home furnishing stores faced. Fortunately, there is a solution to this problem. The company can use **Packsize furniture packaging** which they can minimize the risk of product damage. The furniture packaging solutions also let the companies create the right-sized shipping container for the product they need to delivery. By addressing the product's box size, there is no need to buy for wasteful filler materials. Not only that, the products would not shift in the truckload, so they will arrive to the customer in a good condition and meet they expectation about the products.

The advantage is, the customer will repeat orders for the product because they already know how good the quality of product arrived to them indirectly will help to increase the financial.. Besides, the companies also can save cost for dimensional weight shipping with smaller boxes for the smaller products which can fit more in the truck. The disadvantages is, the cost for delivery shipping will increase since the furniture packaging are been used so that the product will not damage.

Finally, SSF company also faced a products competition in the market. It is because the SSF company is not the only one who selling the home furnishing and also artificial flowers and plants but so the other companies too. For example, Harvey Norman and IKEA. The SSF company not only compete the products but also the prices, quality and designs. Different customers have different tastes and demand in choosing the products.

So the solution to overcome this problem is promoting their products not only in their branches but also through the social media.. For example, the SSF company have been take an advantages of the uses social media such as Facebook and Instagram to promote their products online. They provides a details about their company and also the products. Additionally, SSF company also displayed the showroom for the home furnishing so that the customers can get the view of the design.

Besides that, the advantages of this solution is can attract customers and also spread their company info and details about the products so that customers can choose what they want. In contrary, the disadvantages is some people might not familiar or an active user with the social media. Thus, the design that they showed in the social media might not accurately with the products or designs in their shops.

## 6.0 RECOMMENDATION AND IMPROVEMENT

The alternative solutions that our team choose that should be adopted is the company should manage their finance wisely by reducing their expenses. After we make a research about SSF company, we found that their keep imported product which is the demand is lower and that shows wasteful of money and the product will damaged because it have been keep in the store for a long period of time.

So, after we found out this information, we agree to choose to improved that SSF need to import the product which is higher demand and suit the budget for the customers. This is because the product that higher demand are indirectly will help to increase the financial of the company. SSF should set the product price according to the current economic alignment. If the price is higher than other store, the customers will more prefer the store that less expensive.

Furthermore, people nowadays people spend more than a quarter of their time online involve in communication activities such as email, instant messaging, and social networks which is equivalence to the total time spend online for leisure and entertainment. So, we recommend that SSF should do flyer about the product and services that are available at SSF and then distribute that flyer to other, for instance the staff of SSF can distribute at shopping mall, hang flyer in bus stop and place flyer at check out counters and reception areas. Besides, their also can make more advertisement in the social media because in this era of modernization, it is quite challenging business trends. So, as entrepreneur we must develop marketing strategies that can allow more profit to the company and quickly known by others.

Last but not least, we recommend that SSF should use the strategy of marketing by organizing home furnishing grand expo. The purpose exhibitors is set to provide a more exclusive platform catering for the premium furniture and furnishing industry foe both the exhibitors and consumers. Not only that, to promote their products and to let people know more about their company and products that their are sell.



## REFERENCE

### Interview

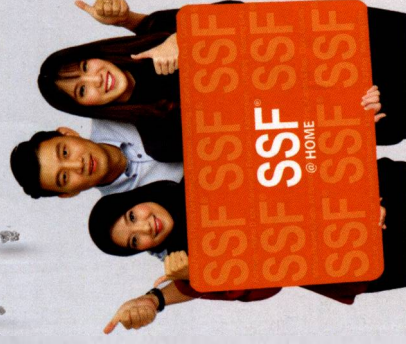
Mr. Josh, (2019, March 19) Case Study

### Internet

1. <https://my-home.com.my/>
2. [https://ssfhome.com/index.php?route=information/information&information\\_id=4](https://ssfhome.com/index.php?route=information/information&information_id=4)

Be a part of our family and enjoy the privilege.

# SSF @Home Members!



## Member Benefits

- Purchase specialty items at exclusive member's prices.
- Updated info on all SSF attractive activities, offers and promotions.
- Purchase any 1 item with 50% off based on normal price during birthday month.
- Purchase any 5 items with 30% off based on normal price during birthday month.



Photo taken at showroom



Photo taken at showroom



Photo taken at showroom

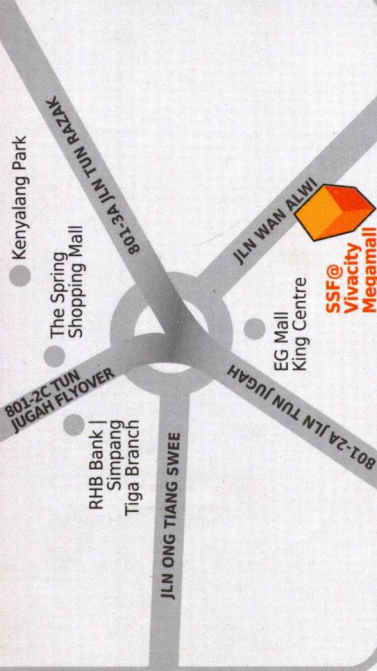
- 16) STAR PARADE, ALOR SETAR, KEDAH
- 17) IPOH, PERAK
- 18) IPOH PARADE, PERAK
- 19) KERIAN SENTRAL MALL, PARIT BUNTAR
- 20) TAIPING SENTRAL MALL, PERAK
- 21) ELLEMENT'S MALL, MELAKA
- 22) JLN HANG TUAH, MELAKA
- 23) DANGA CITY MALL, JOHOR
- 24) IOI MALL KULAI, JOHOR
- 25) PLENTONG, JOHOR
- 26) SQUARE ONE MALL, BATU PAHAT, JOHOR
- 27) KUANTAN, PAHANG
- 28) KOTA BHARU, KELANTAN
- 29) PLAZA SHELL, KK, SABAH
- 30) 1 BORNEO HYPERMALL, SABAH
- 31) BOULEVARD, KUCHING, SARAWAK
- 32) VIVACITY MEGAMALL, KUCHING, SARAWAK
- 33) BOULEVARD, MIRI, SARAWAK

## SSF Branches

- 1) HARTAMAS SHOPPING CENTRE, KL
- 2) PEARL SHOPPING GALLERY, KL
- 3) PERTAMA COMPLEX, KL
- 4) SUNWAY PUTRA MALL, KL
- 5) VIVA SHOPPING MALL, KL
- 6) WISMA CKE, CHERAS, KL
- 7) CASA SQUARE, PUCHONG, SEL
- 8) DPULZE CYBERJAYA, SEL
- 9) KLANG PARADE, SEL
- 10) THE STARLING MALL, D'SARA UPTOWN, SEL
- 11) MESAMALL, NILAI, NEGERI SEMBILAN
- 12) ANSON ROAD, PNG
- 13) BUTTERWORTH, PNG
- 14) UDINI SQUARE SHOPPING MALL, PNG
- 15) ANANJAYA MALL, SP, KEDAH



## VIVACITY MEGAMALL, KUCHING, SARAWAK



## VIVACITY MEGAMALL

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# SOURCE OF INSPIRATION



**SSF** is one of the best living concept store and home-style living products provider in Malaysia. Through the opening of new showroom in Vivacity Megamall, we are proudly to announce that SSF have 33 showrooms with the total shop areas of over 750, 000 square feet as of November 2017.

**SSF** is truly a one-stop home deco centre which constantly underlined creative interior design style, the source of inspiration for customers to pursuit their ideal's home and living environment. Our huge variety of innovative design themes ranging from French country homes, Victoria, Oriental, Fusion, Modern, to English homes as to maintain excellent customer satisfaction levels from various consumer segments; the nobles, renowned interior designers, five-star hotels & the general public, which all are loyal customers of SSF.

Our products are the inspiration to those, who pursuit their ideals home and living environment. Selling over 30,000 products as our product series included Artificial flowers and plants, Art paintings, Bathroom, Beddings, Carpets, Clocks, Curtain, Furniture, Home decor, Household, Kitchenware, Lighting and Wedding gifts.

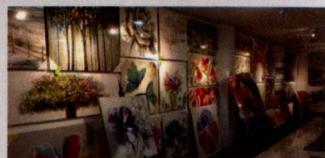


# OUR PRODUCT SERIES

## 我们的商品系列



ARTIFICIAL FLOWERS & PLANTS  
仿真花卉与植物



ART PAINTINGS 油画和艺术画



BATHROOM 卫浴用品



BEDDING 床组寝具



CARPETS 地毯



CLOCKS 时钟



CURTAINS 窗帘



FURNITURE 家具



HOME DÉCOR 家居饰品



HOUSEHOLD 生活用品



KITCHENWARE 厨房用品



LIGHTING 灯饰



WEDDING GIFTS 结婚礼品

