

**EXPLORING THE MANAGEMENT PRACTICES OF
AN OWNER-MANAGER SMALL BUSINESS
MatSarawak Travel and Tours Services Sdn. Bhd.**

ABDUL JALIL LOB

MARY GAIK

MOHD. SAPAWI HJ. JAMAIN

ROSMAWATI MOHD. SAHARI

THALANY KAMRI

**MASTER IN BUSINESS ADMINISTRATION
FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SAMARAHAN CAMPUS**

JULY 2003

TABLE OF CONTENTS

	Page No.
ACKNOWLEDGEMENT	i
ABSTRACT	ii
GLOSSARY FOR ABBREVIATIONS	iii
LIST OF TERMS AND DEFINITIONS	iv
LIST OF TABLES	v-vi
LIST OF APPENDICES	vii
 CHAPTER 1 : INTRODUCTION	
1.1 Background of study	1
1.2 Problem statement	2
1.3 Objectives	2 - 3
1.4 Scope of the study	4
1.5 Limitations	4
1.6 The Company	5
1.6.1 The Shareholders	5
1.6.2 Company Plan	6
1.6.3 Organisation chart	7
1.6.4 Products	8
1.6.5 Prices	9
 CHAPTER 2: LITERATURE REVIEW	
2.1 Causes of Business Deficiency/Failure	10 - 11
2.2 Tools to Assist in Combating Business Deficiency	
2.2.1 Activity Based costing	12
2.2.2 Cost Volume Profit	12 - 13
2.2.3 Total Quality Management	13 - 15
2.2.4 Management Audit	15 - 17
2.2.5 Financial Management	17 - 19

ACKNOWLEDGEMENT

We wish to express our profound gratitude and appreciation to our learned supervisor, Associate Professor Dr. Hjh Fatimah Binti Bujang, for her invaluable advice, guidance, patience and empathy rendered to us throughout this study.

We would also like to extend our heartfelt appreciation to Tuan Haji Mohamad bin Bujang the Executive Director of MatSarawak Travel and Tours Services Sdn. Bhd. for permitting this study to be undertaken. Our appreciation is also extended to our respondents particularly the staff of MatSarawak Travel and Tours Services Sdn. Bhd whose invaluable feedback had assisted us with our study. Our special thanks also go to all our colleagues and friends who had helped us in numerous ways, directly or indirectly, throughout the course of carrying out this study.

Last but not least, our appreciation goes to our spouses and family members who had endured the long hours of isolation and deprivation while we pored over our project and who had given us the inspiration, encouragement, and understanding that had enabled us to complete this project.

Thank you.

ABSTRACT

MatSarawak Travel and Tours Services Sdn. Bhd. is an owner/manager small business company recognized as providing the cheapest Umrah and Umrah & Ziarah packages available in Sarawak. Presently, there are signs that it is facing difficulty in managing its Umrah and Umrah & Ziarah packages.

This project examines the business and management problems currently faced by the Company and to offer solutions and recommendations to the Company.

The study involves examination of the management processes directly related to the problem faced by the Company through examination of the company's cash-flow management, costing of its products, its cost volume profit analysis. A management audit of the Company's management practice and the Internal Factor Evaluation is conducted to determine its internal strength and weakness. A survey of some of the Company's customers in Kuching is undertaken to measure the level of customer satisfaction with regards to the service provided.

The findings showed that despite having positive cash flow the Company lacked funds to send its customers as promised. The cause can be attributed to poor pricing of products as well as poor product mix and weaknesses in management.

This study proves that a good business idea, and customer focus cannot ensure a thriving business if there is absence of leadership and basic business skills.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

This study is conducted as a partial requirement of Executive Masters In Business Studies Program and it is purely for academic purpose.

The company under study is MatSarawak Travel and Tours Services Sdn. Bhd No. Syarikat 228230 – T/KKKP/PL2396 (Company) located at Lot 197, Tingkat 1, Seksyen 11, 93400 Jalan Kulas, Kuching. Previously known as Megasia Travel Center Sdn Bhd., the Company has since its inception in the year 1996, positioned itself as the main provider of Umrah and Umrah & Ziarah Services in Sarawak. From its humble beginning it has grown in stature, and is widely recognized by Muslim Sarawakians as providing the cheapest Umrah and Umrah & Ziarah packages available in Sarawak. Its rapid rise can be seen by the fact that in the middle of the year 2002, it has 4220 registered customers waiting to enjoy the Umrah and Umrah & Ziarah services provided by the Company.

Unfortunately for the Company, around the middle of 2002, there were signs that it was facing difficulty in managing its Umrah and Umrah & Ziarah packages.

Therefore the purpose of this applied business project is to examine the business and management problems currently faced by MatSarawak Travel and Tours