Paper on Business Case Studies

Seizing the Opportunity

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Abstract
Opportunity identification involves technical expertise, such as financial analysis and market research and creativity, team building, problem-solving, and leadership. It was ticking off most of the factors, Infinitus Technology Sdn. Bhd. (ITSB) has identified the business opportunities, from upgrading the company's ownership status (from a partnership to private limited) to doing networking and joint ventures to seize more significant business opportunities. Starting up with HS Communication Enterprise in 2010, a partnership company that is formed by two nascent entrepreneurs who had gained their experience in communication systems by working for a major company, they incorporated the company to ITSB by 2012. The company is growing steadily, at around 15% annually since then. Being in a niche market of satellite communication and remote sensing, ITSB moves forward by creating and seizing business opportunities via a joint venture and business diversification. The achievement to immediately seize an opportunity brings a benefit that helps the company to succeed.

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INTRODUCTION

Hasnan had the ambition to establish a communications company since university, and he realized this in 2010. Partnering with his friend, Syukor had smoothed much of the administrative and commercial affairs of the company. The company had shown exciting performance through collaborations with agencies, the government, and local universities, such as the marine data project with Universiti Malaysia Terengganu (UMT).

"Our income is steadily growing by 15% annually. We need to strategize for the better development of the company." Syukor initiated the discussion based on the figures in the ITSB Annual Financial Report in his hand. "How did your meeting with the bank representative yesterday go? How far have we convinced him about the 5G Deployment business plan project?" He asked his business partner Hasnan, hopeful. They had initially been quite confident that the financial capital reserved in the company's account was enough to tender for the Axiata project. However, seeing that the project required a paid-up capital of RM2 million, the situation was not as easy as it initially seemed, considering ITSB's limited capital. Doing a joint venture (JV) is one option, but since the profits must later be shared with every partner, they decided to suspend the plan. They at first were optimistic that ITSB would be able to stand firm by itself in the field of earth station services. "The bank representative showed a positive interest in our project. Nevertheless, it is difficult for the bank to assess the risks of this new business. They will need some time to know 'us' and this business," Hasnan responded.

"In that case, let us share the 'cake.' We go for the joint venture option. There are a few companies proposed to collaborate with us who eagerly brought JV proposals. With the limitations that we have, this is the best option to get the 'cake' of this business. Let us seize the opportunity and go for the JV." Syukor and Hasnan both nodded optimistically.

2.0 BACKGROUND

2.1 Industry Background

The Satellite and Terrestrial Communication System industry are one of the subsectors of Information and Communication Technology (ICT), which has been lauded as the driver of national social and economic development in Malaysia. This ICT system's importance suggests that Malaysia has an acceptable policy in ICT, infrastructure, and human capital. The government continually provides vital support to the industry so that it develops better in the future. Due to that, ICT and other sectors will be further developed under the Third Industrial Master Plan (IMP3) 2016-2020, transforming the sector into a strategic enabler to support and contribute to Malaysia's economic growth continuously.

The other related sectors to ICT include biotechnology, shared services and outsourcing, digital content development, bioinformatics, e-commerce, services and application, nanotechnology, radio frequency identification, wireless technology, micro-electromechanical system, photonics, and robotics. It should be no wonder that the industry's development allows ITSB to be entirely involved as one of the companies driving national economic growth.

2.2 Infinitus Technology Sdn. Bhd.

Hasnan and his business partner, Syukor, are the founders of Infinitus Technology Sdn. Bhd. (ITSB). The company is specializing in providing system engineering services in the field of Satellite and Terrestrial Communication System. It was incorporated in 2012 and wholly-owned by young professionals in communication engineering with an authorized and paid-up capital of RM100,000. The main service that ITSB offers is full radio frequency (RF) network planning consultancy services. The consultancy services involve a wide range of activities, such as RF site survey and cell planning, system optimization and deployment, equipment installation, testing, and commissioning and integration. In providing its services, ITSB is committed to its customers. They promise that the solution provided will work, no matter what conditions or situations. Whereas in its operations, ITSB is committed to providing customers with a range of communication solutions and a dedication to excellence, expertise, and outstanding services, all the while treating customers and suppliers with integrity, respect, and honesty. Its mission is to always satisfy customers' needs in communication and technology systems for the future.

2.3 Development of Services

Starting as a partnership company called HS Communication Enterprise in 2010, the company has been upgraded to a private limited company named ITSB where its business's core is system engineering services leaning more toward earth station services. The earth station will be installed by the company to receive and process information communicated via satellite. The company (ITSB) is committed to the earth station installation services to ensure that customers and end-users' various engineering and telecommunication issues can be resolved efficiently and effectively. For that purpose, ITSB has established a partnership with a group of professional satellite ground system engineers who have more than 30 years of experience planning and constructing earth station terminals. With the experts who are experienced in installing diverse types of antennas from different suppliers, the company can carry out installation in Malaysia and abroad, such as at Nanyang Technology University (NTU) in Singapore and National Central University (NCU) in Taiwan. To ensure that the antenna system can operate flawlessly, the company also performs maintenance services at the earth station. High technological expertise, flexible employees, and unrivaled customer services have allowed the firm to complete difficult maintenance work on time, save costs, time-saving and adhering to strict quality processes.

Proper maintenance of the earth station can reduce the incidence of system failure and extend the system's service life, thus minimizing system failure; the maintenance services are equipped with a range of customized services according to the customer's equipment, needs, and budget. Additionally, ITSB also offers comprehensive electromagnetic compatibility (EMC) testing and consultancy services to sustain its growth. The purpose of the testing is to measure various electromagnetic fields (EMF) using professional electromagnetic field-testing equipment and find solutions to create low EMF and RF environments. For the record, ITSB has conducted a background radiated electromagnetic emission (REE) survey for the LRT Kelana Jaya extension project. The survey's objective was to assess the presence of non-ionizing electromagnetic radiation emissions within the route and served as a baseline assessment of the electromagnetic environment. This testing was necessary to protect the nearby community from the effects of radiation.

ITSB had also developed a plan to reduce business risk by diversifying its services, among which is the supply of university laboratory equipment and engineering apparatuses to Universiti Tun Hussein Onn (UTHM), Universiti Teknologi MARA (UiTM), and Universiti Kuala Lumpur (UniKL) in Malaysia.

Image 1: An earth station maintained by ITSB

3.0 OPPORTUNITY IDENTIFICATION

Providing maintenance services related to communication engineering has been the main business since they started in 2010. They kept financial capital very low. Their six years' working experience in this business operation was fully utilized as the principal start-up capital.

> *"Work is experience. Service or maintenance-based businesses are basically labor. In this niche of business, we are the labor. No capital is needed. We provide service, and customers will pay. Unless we want to supply new equipment, then we need the money." - Hasnan*

With their background and experience in the business, these two nascent entrepreneurs began the operation, which was very similar to the services offered by the previous company they worked. However, this time around, they agilely adjusted their services to current market needs. After two years of operation, they moved forward with the establishment of ITSB in March 2012. With this new company, they ventured into more immense opportunities. Its new status as a private limited company allows them to compete and participate in larger projects offered by government agencies. The company is growing steadily, around 15% annually since then.

There are not many satellite communication and remote sensing companies in Malaysia, only two or three companies. With skills and experience in communication engineering, Hasnan said that one could tap the opportunities and become an entrepreneur in this niche market.

To remain a relevant and viable player in this niche market, ITSB highlights four critical factors: skills, experience, technology updates, and networking. They gained skills and experience by working with big companies, giving them insights on the types of services to offer. While to expand and diversify business opportunities, it is crucial to network with other agencies. Strong business networking provides a sharing platform for technology updates. Additionally, it enables the company to get new clients and reduce financial constraints through joint ventures when tendering for big projects. These factors are essential for the business to grow and flourish. ITSB has opened its door for a JV with several companies in Malaysia in securing projects that worth millions of Ringgit. The values of the big tender are usually in the range of RM10 million to RM20 million, and they need to possess at least 25% of the project value. Having limited capital, doing a JV is the best option for them to seize the opportunity to bid for big projects.

3.1 Risks and Rewards

Communication engineering-related businesses in Malaysia are gaining not much profit because there is still a lack of awareness amongst the Malaysian community on the importance of remote sensing. There is little effort from the government in creating the awareness amongst the community thus the company took the initiatives to keep Malaysian community aware on the importance of remote sensing. However, the scope is limited to certain industry only, such as construction. The same goes for the enforcement and execution where it is done by the construction developers, since they are the ones who needs to implement the enforcement.

Because of the above, the communication engineering field grows, but the survival of companies is minimum. Even though they are moving forward, engineering businesses could not go far due to limited opportunities due to a lack of government enforcement.

Most of the communication engineering business, including ITSB, must move forward as inventors and not merely users. They may start with small business activities, such as developing applications or providing services. Most of the competitors of small businesses hire foreign laborers, and they even sometimes need to start to do simple tasks on their own, regardless the tasks are rough, dirty, or messy. Hasnan said that ITSB is doing the same as other communication engineering companies, which does all the services on their own because the company does not have many options in sustaining its business survival.

3.2 Thinking Strategically

ITSB employs the following strategies:

3.2.1 Low overhead.

The company kept the overhead costs at a very minimum and, payment was made annually and charged according to how many accounts must be prepared for a particular year.

3.2.2 Employ only essential staff and outsource labor according to project basis.

ITSB only employs essential staff. All finance-related tasks are outsourced to people outside the organization.

3.2.3 Diversify from services only to the equipment supplier

Initially, the company only provide services, but it then started supplying technological equipment, for example supplying engineering equipment to university laboratories. ITSB also supplied various machinery to their clients, such as the Electrical Engineering Faculty of Universiti Teknologi Mara (UiTM), is supplied with a satellite equipment. The other clients were Universiti Tun Hussein Onn Malaysia (UTHM), where it equipped the automotive laboratory with engineering apparatuses. Kolej Matrikulasi Kelantan, UniTEN, and UniKL were also amongst their clients. There are only a few competitors for this kind of one-off service. The equipment supplied could cost up to millions.

3.2.4 Joint venture with another company

ITSB entered a joint venture with another company where the company provided the expertise, while the other company provides financial capital. The latter is also a technology-based company, but not in remote sensing. ITSB wanted to joint venture with another company in order to robust the company financial and technical evaluations. To win a tender, the business' financial position must be strong enough, regardless of how sophisticated the technology they can provide, a company could still be rejected if it does not have a strong financial foundation.

4.0 CONCLUSION

Opportunity identification is the process involved in exploring and searching for business opportunities (Klein, 2017). It involves technical expertise, such as financial analysis and market research, and creativity, team building, problem-solving, and leadership. Every business begins with the achievement of an identified opportunity. Others will instead capture slow attempts to grasp an opportunity. According to Urwyler (2006), there are two situations where business opportunities may be present in the market. The first situation is where the goods already exist in the market, but they cannot completely satisfy the demand. The second is the demand of customers for a particular product or service, whose introduction to the market will ultimately fulfill customers' needs.

A good business opportunity can bring benefits or success to an organization if it emerges and is immediately captured. Having most of the opportunity identification factors ticked off, ITSB has seized the opportunities in its business. Being in a niche market, they have fully utilized their expertise and previous work experience to broaden their business opportunities by networking and joint ventures. Furthermore, by upgrading the company's ownership structure from a partnership to a private limited, ITSB is ready to capture any opportunities that appear before it despite all the challenges.

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