



**FUNDAMENTALS OF ENTREPRENEURSHIP  
(ENT300)**

**CASE STUDY**

**SK HARDWARE (KUCHING) SDN BHD**

**RETAIL HARDWARE STORE BUSINESS**

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## Table of Contents

	<b>Pages</b>
Executive Summary _____	3
Introduction _____	4
Company Information _____	5-6
Company Analysis _____	7-9
Business Problem _____	10-12
Recommendation and Improvement _____	13
References _____	14
Appendices _____	15-16

## EXECUTIVE SUMMARY

Being one of the retail hardware stores in Malaysia, SK Hardware aims to give new experience to the customers who shop at their shop. It is located at Miles 5, Jalan Penrissen, 93250, Kuching, Sarawak. This is the second main branch of this company other than their mini branch which is SK Lifestyles and SK Corner. SK Hardware is a family business/company that was owned by the Law's family. Over the years, SK Hardware has provided variety choices of household appliances namely paint, vacuum, screw, pipes, and many more. They also held consultation with their customers in their choice of paint color design.

Because of the bad condition of ~~economy~~ nowadays, SK Hardware has been in a hard time managing the price of the products they sell. The sudden increases of commodity price cause ~~them to face loss of profit. When this happens~~, customers will be decrease. It will cause the SK Hardware to do the price and fix the whole of the product and cause many paper works to do. This will make things getting harder when it comes to the connection between SK Hardware and customer because the increasing of price can make the customer hard to buy the product at the company.

The recommendation is to fix the prices of products they sell to gain the customers' trust. This will let the customer to be stick by the things that they will buy knowing the price does not change on the next day. It will make the customer become often to buy product from the company. Fixed price means price will not change due to any circumstances by the chance make the customer believe the price at the company is worth. By this recommendation, SK Hardware can make money out of it and less loss profit even though knowing that the price from the supplier is much higher.

## INTRODUCTION

The purpose of this report is to analyze a business or an organization and describes how, as a client, that business or organization benefited by implementing the preferred solution or improvement. A case study details the client's business information, business analysis, business problems or challenges, the solution that was implemented or will be implemented, and the ways that solution benefited the client's business.

For our case study, we have chosen a retail hardware store business — the SK Hardware (Kuching) Sdn Bhd. Through the interview that we have made with the executive director of the company, Patrick Law, we have successfully identified some of the problems that this company is having and the major problem is inflation.

Inflation can be defines as a general increase in prices and fall in the purchasing value of money. Inflation happens when there is an increased price for products and services. When inflation takes place, many businesses will find difficulty in adjusting the price. Likewise, they are hesitant to increase prices due to the prolonged recession. The major impact of inflation on business is the decrease in investment. This is because when inflation rises there is a possibility of lesser returns on capital and the expected demand might fall and that is what causes SK Hardware has to bear the loss of profit.

Hence, this report will comment on the prospects of the company and make recommendations that will improve their business.

## **COMPANY INFORMATION**

### **Background**

The company first started in the year of 1982. The owner stated that it was the family business which was passed down to each generation in the family. As for now the company is owned by Patrick Law. SK Hardware was started by his father, Law Siu Kee as a home-based hardware store in Bintulu. This company then develops as years pass by and then they open up their second branch in Kuching which is located at Mile 5, Jalan Penrissen. There are two main branches of SK Hardware in Malaysia, which are only located in Sarawak, and they are in Bintulu and Kuching. SK Hardware also has some small branches in some parts in Sarawak like Miri and Sibul which is named as SK Lifestyle. This company provides a variety of appliances and products. It started becoming the industrial hardware store and opened their first branch in the year of 2006 which is located in 83-86, Medan Jaya Commercial Centre, Jln Tun Hussein Onn, 97000, Bintulu, Sarawak, Malaysia. The purpose or vision of this company is to provide better services and new experiences to our customers as they come and shop at SK Hardware.

### **Organizational Plan**

The organizational plan of the company is as stated on the next page.

### **Business Model**

The main building or the very first building of this company is located in Bintulu. The address of the company is 83-86, Medan Jaya Commercial Centre, 97012, Bintulu, Sarawak. The chairman, Law Siu Kee, first started the company as a home-based hardware store. After 20 years pass, they started to open up their other branch which is located in Kuching. Patrick Law stated that their main supplier for their products is Harrisons (Malaysia) Berhad. This company also purchases their products from other companies too.