



UNIVERSITI TEKNOLOGI MARA

EXECUTIVE MASTER OF BUSINESS ADMINISTRATION

APPLIED BUSINESS PROJECT – MBA795

**BUSINESS STRATEGY ANALYSIS OF TELEKOM
MALAYSIA PAYPHONES UNIT KUCHING**

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EMBA 2001/2002

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DATE : 21 JANUARY 2004

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ABSTRACT

The objectives of this study are to analyze the effectiveness of the current business strategies and to determine the critical business issues in Payphones business particularly in Kuching. Secondly to recommend to the Payphones management in Kuching some feasible strategies that could improve the performance and profitability of TM Payphones in Kuching. Data is collected through the use of internal data, interviews, questionnaires and management tools – TOWS to get a thorough view of the environment facing the TM payphones business in Kuching. Interviews are conducted with the payphones managements and staffs of Payphones Kuching to get the general details and characteristics of the Payphones Kuching organization and functions. Internal data such as monthly financial reports, operation reports etc are analysed in determining the current strategies and situations facing payphones business. The TOWS Matrix is used in scanning the internal and external environment in payphones industry to determine the business issues and advantages, and to find out the feasible strategies for the growth of the business. Questionnaires are distributed further to support the findings on this critical business issues and the business strategies. The findings show that there are some improvements plan that can still to be done by payphones Kuching, in order to stay competitive and to improve its financial performance. It was concluded that approximately 30% of the payphones sets in Kuching are performing poorly need to be addressed immediately. Marketing activities, serviceability and number of coins phone also need to be improved further.

CHAPTER 1: Introduction

1.1 Overview Of Telecommunication Business

The era of the industrialization and information age has made the telecommunication industry expand into diversified functionality to support the growth of technological advancement for better services demanded by any particular nation. In Malaysia, telecommunication industry is now considered to be prominent due to its contribution as a tool of technological support for the national development in line with the national aspirations.

Liberalization has become the game for the telecommunication industry in Malaysia with the main contention is to liberalize telecommunication industry that is to increase the penetration rate of telephone used among the population. By the year 2020, the telephone line penetration rate for the nation is fixed at 50 telephones per 100 people in the rural area. The government has been issuing licenses to other telecommunication operators seen necessary to supply telecommunication infrastructure and services in the long-term plans for the sector. The other reason for liberalization is to create a healthier competitive environment whereby more facilities would be made available to the public at large. Besides that, the Malaysian government has emphasis the telecommunication operators to serve the rural community under its Universal Service Obligations. This is to ensure that efforts to bridge the digital divide and improving " teledensity" in rural and remote regions are being looked into.

Telecommunication industry has aggressively developed through many years starting from telephone and telegraphic services after the First World War to sophisticated telecommunication network using fiber optic cable, microwave and satellite system to

1.3 Scope Of the Project

In this paper, our group has decided to study the business strategy of Payphones Unit particularly Kuching Zone. Kuching Zone includes Kuching, Kota Samarahan and Sri Aman divisions. The scope of this study will be confined to the Payphones services provided by Telekom Malaysia in Sarawak.

1.4 Problem Statement

There are critical business issues that affect the strategy of Payphones business. These critical issues will determine whether the current strategy is appropriate in overcoming the slow growth of Payphones business in Kuching.

1.5 Objectives Of The Project

The significant of this study is to analyze the competitiveness of payphones business and operating for both urban and rural market.

- ❖ To analyze the business strategy of Payphones Kuching.
- ❖ To determine the critical business issues of Payphones business.
- ❖ To provide recommendations for the improvement of business strategy for Payphones Kuching.

1.6 Methodology

The following methodology will be used to achieve the research objectives: -

1.6.1 Primary Data

Primary data is the most important data that is required in any survey. Primary data are being collected through questionnaires and observations.