

**A STUDY ON SMES PROPENSITY IN CHOOSING BUSINESS ADVISORY
SERVICES: A CASE IN KOTA BHARU, KELANTAN, MALAYSIA**



**INSTITUT PENGURUSAN PENYELIDIKAN
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY:

**MOHD ZAINURI MUHAMMAD
YEOP HUSSIN BIDIN
ISMAIL ISHAK
RUSTAM SHAARI**

**FACULTY OF BUSINESS ADMINISTRATION
UiTM KELANTAN**

OKTOBER 2008

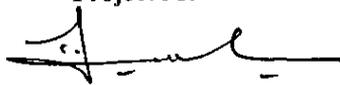
PROJECT TEAM MEMBERS

MOHD ZAINURI MUHAMMAD
Project Leader

ASSOC.PROF DR. YEOP HUSSIN BIDIN
Project Member

ISMAIL ISHAK
Project Member

RUSTAM SHAARI
Project Member



.....
Signature

ACKNOWLEDGEMENT



**“In the name of Allah, The most Gracious and Selawat and Salam
to His Messenger our Prophet Muhammad SAW.”**

Alhamdulillah, with the most grateful, we are truly grateful to Allah s.w.t. for providing us the strength, spiritual and emotional support when there were none in sight assisting the completion of this research. Allow us to express gratitude to many parties for their involvement in many ways in the completion of this research project.

**Dato’ Proffessor Dr. Hussin @ Muhamed Ab Rahman
(Director of UiTM Kelantan)**

**Assoc.Prof Dr. Nik Kamaruzaman Hj. Abd Latiff
(RMU Coordinator of UiTM Kelantan)**

**En. Mohd Hakimi Yusoff
(SME Bank Kota Bharu Branch Manager)**

A deepest love and appreciation also dedicated to our family who always giving support and sparkling inspiration to our in finishing our research. Unforgotten, our special thanks go to our peers for constructive opinion and help in preparation and completion of this research

Thank You!

Tarikh :
No. Fail Projek:

Penolong Naib Canaselor (Penyelidikan)
Institut Pengurusan Penyelidikan
Universiti Teknologi MARA
40450 Shah Alam

Ybhg. Prof.,

**LAPORAN AKHIR PENYELIDIKAN "A STUDY ON SMES PROPENSITY
IN CHOOSING BUSINESS ADVISORY SERVICES: A CASE IN KOTA
BHARU, KELANTAN, MALAYSIA".**

Merujuk kepada perkara diatas, bersama-sama ini disertakan 3 (tiga) naskah
Laporan Akhir Penyelidikan bertajuk "**A STUDY ON SMES PROPENSITY IN
CHOOSING BUSINESS ADVISORY SERVICES: A CASE IN KOTA
BHARU, KELANTAN, MALAYSIA**"

Sekian , terima kasih

Moht Zainuri Muhammad
Ketua Projek Penyelidikan

ABSTRACT

As Malaysia steers itself to the rapid pace of the global economy, so too is the government reliance of SME Bank as an important force in sustaining national economic growth. The bank was initially established to be business incubation center with the aim of facilitating financing to entrepreneurs in the small medium industry. However, with the intensity of the global competition, SME Bank has begun to offer business advisory services in areas such as training and development, business operations, research, marketing and product or service strategy. This research is examining the small medium enterprises propensity to choose business advisors in providing assistance and direction in their business. The data was collected from 130 existing clients of the SME bank branch in Kota Bharu, Kelantan. Analysis to establish relationship between variables had shown that perceived benefit, trust, knowledge of service and business advisors skills were significantly considered by these entrepreneurs in selecting the business advisory firms while cost is not considered as a factor in their decision. The finding also showed that perceived benefit is the most important in their decision to appoint the business advisors. As such, SME Bank should highlight the timely contribution of business advisors in furthering the development of the small medium enterprises in Malaysia economic growth.

Keywords: Business advisory, customer choice, product services.