

Karangkruf PM Edar Sdn.Bhd.
A Suggestion for profit
Maximisation Programme

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FOREWARD

This project paper on the "KARANGKRAF PM EDAR SDN. BHD. - A SUGGESTION FOR PROFIT MAXIMISATION PROGRAMME" is the product of the semi-collaborated efforts of a group of Credit Management Students, MARA Institute of Technology (MIT) 1979, who are assigned to write a paper on Business Research, to comply with their course requirement. Preparation of the paper was carried out under the supervision of Encik Tahir bin Abd. Hamid, MBA ~~(OHIO)~~ Lecturer in Business Research MIT. The final content and arrangement of this paper had benefitted from the suggestions and comments of Encik Tahir bin Abd. Hamid. The group is indeed grateful to Encik Tahir bin Abd. Hamid for his invaluable advice and special mention must be made to the management and the staff of members of Karang kraf PM Edar Sdn.Bhd. who had co-operated and patiently supplied the numerous information for this research paper. Their valuable contributions are gratefully acknowledged.

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PART I

1. RECOMMENDATIONS AND CONCLUSION

1.1. OBSERVATIONS

1.1.1. Macro Aspect of Printing Industry

There has been a lot of changes in the printing industry in Malaysia during the recent years. The industry has acquired a high degree of sophistication in its production techniques. The number of printing press has been increasing at a phenomenal rate in this country, employing nearly 30,000(*1) people. At present there are about 700(*2) printers in Malaysia making this industry the fourth largest in the country.

1.1.2. Role of Krangkraf PM Edar Sdn Berhad

In the marketing sector of printing industry, Karang kraf PM Edar Sdn.Bhd. plays a major role in the distribution of printing products to the school children namely School examination guides, newspapers, magazines and periodicals for children. Karang kraf PM Edar Sdn. Berhad has recorded an encouraging sales performance even during its infancy stage (operation started in January 1979). During the first eight months after incorporation the company recorded a monthly increase in sales turnover at the rate of 1% per month with a January 1979 sales of \$137,325/= the company's "Mingguan Pelajar" is a household word among school children. This initial achievement augurs well for the company's future.

1.1.3. Cost of Good Sold

It is further observed from our investigation that the cost of supplies could be substantially reduced from 75% to 49% (1979-1985), if the company produces its own products instead of relying on other printers. The company will maximise its profit as well as becoming independent for its sources of supplies.

(*1) and (*2) The Editor, "Full Speed Ahead For The Presses"
Malaysia Business July Issue, 1978, Pg.59.