



COMPANY ANALYSIS

MAK SITI PRODUCTS (M) SDN. BHD

TECHNOLOGY ENTREPRENEURSHIP (ENT600): CASE STUDY

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It is undeniable how tough the process of interviewing was, as we are still under Conditional Movement Control Order (CMCO) so I had the only chance to interview via telephone call and Whatsapp messenger. But however, it is so blessed that the company I chose was easy to deal with. So here I want to thank to the owner of the this company, Puan Siti Khawa Jannah and teams for the permission to interview and the smooth cooperation I received was priceless even though there were some restricted information but it is understandable due to company privacy.

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EXECUTIVE SUMMARY

This case study is purposely to give an exposure to students about the real technology business. First and foremost, we need to find a company that generally needs or using technology and it brings us an idea to interview a herbs and spices company which is Mak Siti Products Sdn Bhd that located in Johor. We need to interview the owner personally, asking about the company information required and do a proper analysis of the company.

We finally had a chance to interview the company after the first call. This company is registered under SME after few years of starting the business without their processing factory. The other information about the company for instance the company background, current organization, products offered, company's strategies, achievement and et cetera. We also make use of all online existing information about the company since they have their product website. From the overall information about the company we gained, eventually we able to diagnose the strength, weakness, opportunity and threat of the company.

Hence, we discover some of the problems encountered by this company through analyzing its SWOT. Generally, the problems are all about the raw material, working environment, packaging, and price. Therefore, we provide them with some alternative that may help them to face or avoid the problems in the future. We recommend an innovation to a problem faced, aiming that this company can come out with improvisation that makes them special from other brands.

CHAPTER ONE: INTRODUCTION

1.1 Background of The Study

Entrepreneurship subject has different code which consists of different content for various faculties and it is one of the compulsory subjects for UiTM students. Technology Entrepreneurship (ENT600) is taken by students of Bachelor of Science in Statistics from FSKM. Technology entrepreneurship can be understood as a channel or instrument that facilitates the well-being of a company, individuals, regions and nations. It is an important matter that must be put into consideration in the world of entrepreneurship to achieve the goal of maximizing profit. The implementation of this subject helps to habilitate students with the importance of it and prepare them for real application after they finish the studies.

Preparing a case study of a company is one of the requirements needed in this subject. The aim is to relate the theory to a practical situation. Firstly, students must find a company under SME that may be valuable and can give an impact on the company also the country after the implementation of improvisation. Then, students need to undergo an interview with the owner of the company to dig more information about the business for instance the production of products, the problems faced, technologies used in the company and et cetera.

Many types of business led by Malaysians including food processing. For this case study, we choose to explore the food industries area and Mak Siti Products (M) Sdn. Bhd has been my final choice. This company basically produces various types of herbs and spices that are used for cooking ingredients without adding on any preservatives. Every business has its own problems so the purpose of this case study is to analyze the case by using SWOT tool and come out with improvisation and innovation that finally can be instilled in the company.

Besides, the use of herbs and spices in daily life has begun over hundreds of centuries ago around the entire world. For example, China is famous with their ginseng-based products and medicine, while in Indonesia is popular with its traditional *jamu*, which most of the population have consumed it since their earlier age because they believe it helps to maintain and improve their body health. Nevertheless, in Malaysia, herbs and spices are magnificent especially among Malay races that usually used them in their dishes. Bidin & Latif (1995) stated that Malaysia owns about 2000 species of herbs which regularly utilized as medicine.

1.2 Problem Statement

Presently, herbs and spices are highly commercialized as they are always in high demand. However, the process from the yield of raw material to consumption can be years. This problem consequently affects the food safety of herbs and spices because protecting consumers' well-being is one of the priorities in the food industries area. The European Union (EU) is one of the largest engagement in importing the herbs and spices in form of dried raw materials which forbids microbiological growth, however herbs and spices still can be contaminated by microorganisms because they are natural products (Szekacs et al. 2017).

Furthermore, spices can be connected to specific complexities and dysfunction conditions particularly identified with stomach and also correlated to food-borne contaminations (Zweifel & Stephen, 2012). It considers that this issue occurs not because of natural elements in spices yet the health risk factor by itself. The contamination can occur from technological or the other outside sources along the production and supply chain might give health risk to consumers (Szekacs et al., 2017).

Besides, in Malaysia, the improvement of the herbal industry in Malaysia faces issues and difficulties. The execution of the policies, techniques and activity plan in Malaysia is lacking as they managed by many associations such as R&D, MARDI, FRIM, DOA, and SME. The problem will occur since the organizations are under various Ministries and they have different directions. Unified effort that is driven by one Ministry is the thing that this industry needs (Mohd. Hafizudin et al., 2019).

In addition, Malaysia has restricted source of raw materials. It is upheld with a study done by MARDI in 2012 where practically 50% of SMEs relied upon imported raw materials to occupy demands. This reliance on imported raw materials impacts the production cost. Plus, Malaysia is likewise missing of standard that will lead to unpredictable quality of raw herbs. This issue may arise during the post-yield handling process such as cleaning, drying, packaging and storing (Mohd. Hafizudin et al., 2019).

1.3 Purpose of The Study

The purpose of this study is mainly to explore and understand sustainable technology business entrepreneurship including the achievement, threats and problems that may occur in that particular company. This study helps to instill any innovation or improvisation that can be made for the company to improve its performance, compete healthily with the opponents and also boost the earnings. To achieve the purpose of the study, Mak Siti Products has been a chosen company to conduct this case study.

Additionally, case study is a case from the real-world. Some of the unrestricted information about the company for example background of company, organizational structure, technologies used, also the issues, so from the information gained we need to analyse the problems faced by the company and come out with an impactful innovation that can be proposed to the company. It actually helps to expose and prepare students to a real job life when they need to deal with uncertain company's problem or issues.

Nevertheless, this case study basically aims to represent how significant and essential technology is to our entrepreneurship area. To expand the target market, an improvisation is a requirement so that the business can stay up to date, also can create unique value which consumers find it new and interesting. This is not only beneficial to entrepreneurship but also the technology ventures.

CHAPTER TWO: COMPANY INFORMATION

2.1 Company Background

Mak Siti Products (M) Sdn. Bhd is a well-known company that produces herbs and spices products that popular in cooking ingredients. This business is a family business of Encik Nasuha Kasin which owned by his daughter Puan Siti Khawa Jannah with the help of her husband Encik Mohd Hafizan Yusoff and currently hiring around 60 staffs. Encik Nasuha Kasin as a founder and also the owner of Nasuha Plantation, which known to be the largest herbs and spices plantation in Asia.

This herbs and spices early business was started and run in just two lots of shophouses until now the processing factory is built on their own land that covers an area over 1500 hectares. It planted with almost 135 different type of herbs that had been collected from all over the world. This estate was hailed as the largest plantation in Malaysia by Malaysian Guinness Book of Record in 2014. Over the years, this company has invested some massive amount of capital to do undergo research and development with aim to produce better and new herbal products.

Table 2.1 Company Background

Factory and Plantation Adress	Batu 12, Ladang Rempah Ratus & Herba Jalan Muar - Pagoh, 84500 Muar, Johor Darul Takzim, Malaysia.
Marketing Office Address	No 3, Jalan Jujur 2, Kawasan Perindustrian Bandar Tun Razak, 56000 Cheras, Kuala Lumpur Malaysia.
Phone Number of Factory/ Marketing Office	+606-9737508/ +603-91715200
Email	nasuha@maksiti. com
Facebook	@rempahratusmaksiti
Form of Business	SME
Incorporation Date	20 April 2018
Registration Number	1277530-D

2.2 Organizational Structure

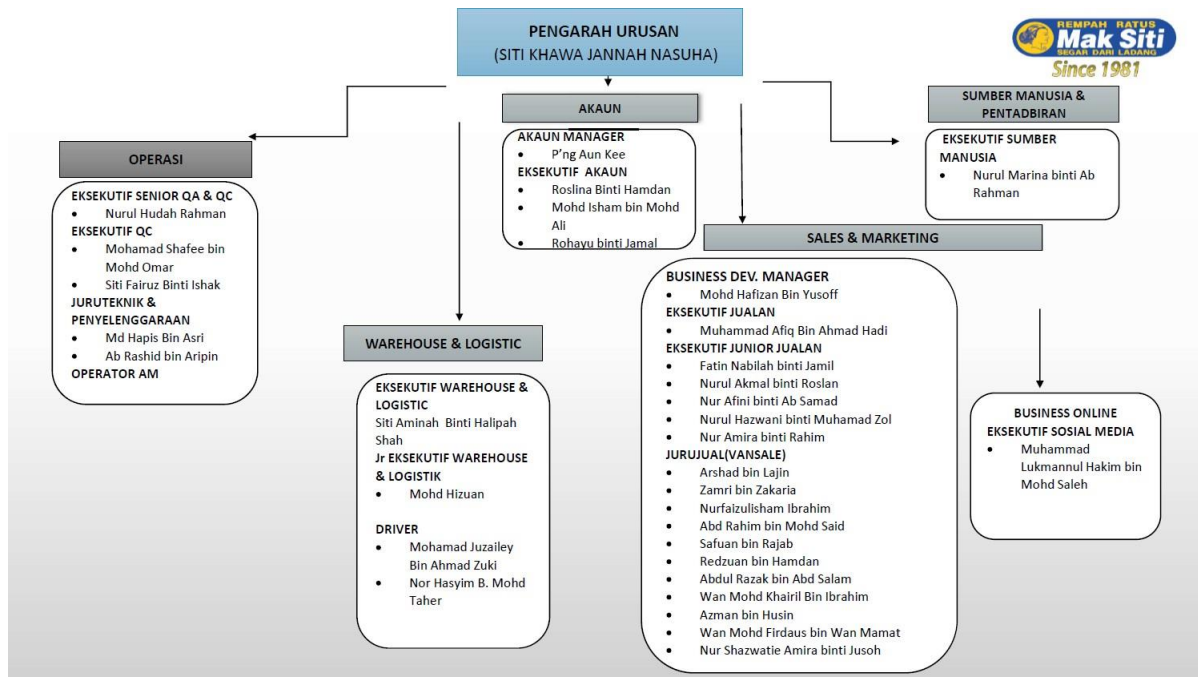


Figure 2.2 Organizational Structure of Mak Siti Products (M) Sdn. Bhd

2.3 Products/ Services

- There are so many herbs and spices used in cooking ingredients that sold to meet customers' demand.

PRODUCTS

- The products they produce can be branched into some variations as below:
- **Spices Powder** - Meat Curry Powder, Fish Curry Powder, Kurma Spices Powder, Mix Spice for Soy Sauce Meat, Mix Spice for Soy Sauce Fish, Seafood Curry Spices Powder, Beriani Rice Spices powder and Chili Powder.
- **Special Soup** - Soup Spices Powder and Soto Soup.
- **Spices Hangboard** - Black Pepper, White Pepper, Fennel, Coriander, Star Anise, Cloves and Selasih Seeds.
- **Tradisional Soup** - Tulang Soup, Punjut Soup, Soto Soup, and Fish Soup.
- **Turmeric Powder Mix** (offer with different size of packaging)

TYPE OF PACKING

- The products are sold basically in four different packages which are in bundle, pack, carton, and hangboard.



Bundle

Sizes :
 (1 x 12 units) x 12
 (1 x 12 units) x 6
 (1 x 24 units) x 6
 20 units
 30 units



Pack

Size :
 1 x 12
 1 x 24



Carton

Hangboard
 Size :
 (RM1/unit) 12 units
 (RM0.50/unit) 24 units

Carton
 Size :
 25gm x 240
 160gm x 48
 250gm x 48 / 72
 320gm x 40 / 48
 100gm x 96
 (1x12 units) x 15hbd
 (1x24 units) x 17hbd
 (1x24 units) x 20hbd
 (1x24 units) x 25hbd

Figure 2.3.1 shows the types and sizes of packing of the products.

TYPES OF PACKAGING

- **Packet.** Most of their products are packed in colorful and attractive packet packaging.
- **Bottle.** This type of packaging is kind of innovation that has been made to certain herbs and spices so that they become more accessible and maintain the hygienic of products-- turmeric powder, chili powder, chili flakes, cinnamon powder, black pepper powder, white pepper powder, ginger powder, cinnamon powder and kaffir lime powder

SERVICES

- Not to worry, all the products produced from this company has halal certification, and what is more interesting is that all the herbs and spices are pure and totally free from any preservatives and coloring.
- They even provide some favorite recipes to all of people where can access it from they website or Facebook account.

2.4 Technologies

This company have around 25 different types of machines used. The examples are as below:



Drying Process

It utilizes most recent technology to prevent the loss of natural nutrients and the nutritional quality of its product. This process uses clean hot air as a drying medium. It has medium and low drying mode that assists with keeping up the good color, pureness and will not contaminate the raw material.



Figure 2.4.1 shows the ginger dryer.

Grinding Process

In order to produce it in form of powder, they need to undergo grinding process which done after drying it. The raw material remaining parts in the grinding chamber until it transforms into little particles that can go through the granulating chamber to be accumulated in another chamber. The little particles will finally become smooth powder that required in the process.

Mixing Process

As this company sells various types of herbs and spices, the mixing process is required for some of the items such as special soup and traditional soup. They will stir up the powder-based ingredients by following the conventional formula to form the specified products.




Figure 2.4.2 shows an example of mixing machine

Packaging Process

This process also uses its own machine. Before proceeding to its packaging packet, the spices powder is sealed with transparent plastic bag to retain the hygiene and quality. Every product has its own attractive and colorful design of packet, meanwhile for the bottle packaging uses green color as the main color for the packaging.

2.5 Business, Marketing, Operational Strategy

<p>Business</p>	<p><u>Vision</u></p> <ul style="list-style-type: none"> To be halal spices supplier and servicing million Malaysian customer who are presently unmerited with halal spices. <p><u>Mission</u></p> <ul style="list-style-type: none"> Introducing and advertising a variety of food products, drinks, medication and cosmetics quality, competitive process and through expert administration for customer satisfaction. Increase the potential and quality of the product by expanding and improving R&D. Provision of a protected workplace, healthy and comfortable, providing the opportunity for career development and to improve. Diversity sources of farm and food economy in creating top level salary. Creating a healthy cultivating frameworks by emphasizing the organic matter in agriculture and farming.
<p>Marketing</p>	<p><u>Product strategy</u></p> <p>This company always concern about their product especially its quality. Not only has halal certification, their product also free from any coloring and preservatives agents. It is a remarkable success for this company because not all food industry able to do so.</p> <div style="text-align: center;">  </div>

Price strategy

All the prices of spices and herbs are acceptable and affordable that can be bought by everyone for their basic cooking ingredients. However, they also offer for wholesale purchase with cheaper price.

Distribution strategy

This company is using both online and offline approach and export to Brunei. They use Facebook, Instagram, Avana Resepi Mak Siti mobile application, Shopee and Lazada as their online platform. Meanwhile for offline distribution, they allocate to supermarket, hypermarket such as Tesco, Aeon, Mydin, and other grocery stores.



Promotion strategy

Recently, they sell through combo pack that consists of 11 vary types of spices powder for only RM18. Each small pack of spices weighted around 25gm to 40gm.



Advertising strategy

Not to leave behind, this company are advertising their products through billboard, radio and influencer on social media such Facebook and Instagram.

Operational	<p><u>Operation Hours & Working Hours</u></p> <ul style="list-style-type: none"> 8-10 hours per day <p><u>Duration Per Machine</u></p> <ul style="list-style-type: none"> Process 1-2 tan spices per day Duration per machine is differ depending on the quantity
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2.6 Financial Achievement

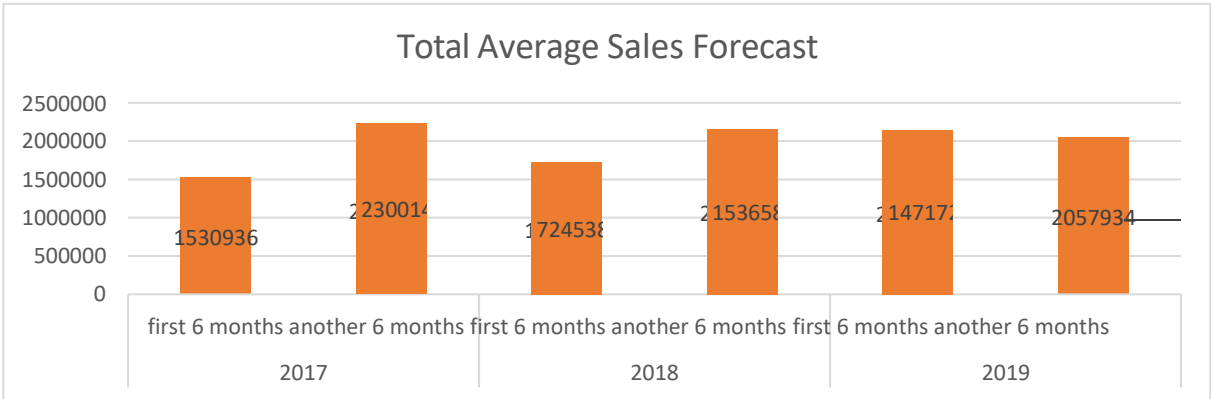


Table 2.6 Total Average Sales Forecast

Year	Total Average Sales Forecast	Total Average Sales Forecast Per Year
2017	For 6 months: $RM255,156 * 6 = RM1,530,936$ For another 6 months: $RM371,669 * 6 = RM 2,230,014$	RM 3,760,950
2018	For 6 months: $RM287,423 * 6 = RM 1,724,538$ For another 6 months: $RM358,943 * 6 = RM2,153,658$	RM 3,878,196
2019	For 6 months: $RM357,862 * 6 = RM2,147,172$ For another 6 months: $RM342,989 * 6 = RM2,057,934$	RM4,205,106

Figure 2.6.1 shows The Total Average Forecast

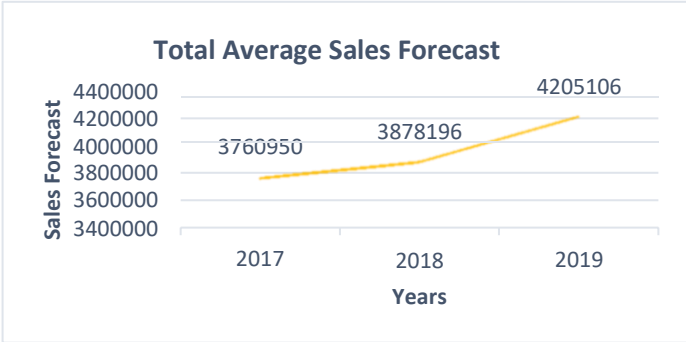


Figure 2.6.2 shows The Total Average Sales Forecast

CHAPTER THREE: COMPANY ANALYSIS

3.1 SWOT Analysis

Positive	Negative
<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Guaranteed quality of herbs • Hire engineer for machines' maintenance • Have sufficient machines • No colors and preservatives added in the products • Sell with an acceptable price • Distributed to many sellers • Export the products to Brunei • The stock is always available 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Insufficient of raw materials • Inconsistent quality of imported raw materials • Limited cultivation area • Less safe working environment • Inconvenient packet packaging
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Distribute to all over the states in Malaysia • Export to other country • Add more advertisements especially online 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • High price of raw materials • High competition in market • Some customers prefer to buy weight-herb since it is cheaper

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Findings

Food industry in Malaysia is not a fresh start anymore, there is so many good development and fantastic growth over years. However, expansion of herbs and spices in Malaysia's market is not high ventured yet. Even so, the owner of this particular business is so committed in developing the business to the global level despite struggling with some obstructions along the way.

4.1.1 Insufficient of raw material

One of the problems that hit this company is the lack of raw material source. They have to produce 1-2 tan of herbs and spices per day, that is a huge quantity to deal with. Currently, they had to use outsource material, which they find it a problem too because suppliers also are running out of them sometimes.

4.1.2 Inconvenient packet packaging

Most of the herb and spice products in market are mostly packed in packet-form of packaging including Mak Siti Products. Most of their products are in packet. The consumers need to tear the packet up and had to transfer the herbs powder to another container after using it or before using it at the first place. If not, the herbs and spices are high potential to be contaminated and harden if not covered properly.

4.1.3 High competition from the same product line

Huge competition in market is something normal in business area. Mak Siti Products is undeniable has competitors that also sell and produce almost the same products such as Adabi, Meriah, Hexa and many other brands. They need to outperform their competition to become the market leader in this area.

4.1.4 Limited cultivation area

The price of herbs is rising from time to time. In order to combat with this problem, cultivation is a smart way to sustain the source of raw materials and to guarantee the endurance of this industry. Nonetheless, the land use in Malaysia has been broadly utilized for construction and other developments results in limited cultivation area for herbal and spices crops. It also requires specific climate and environment for them to grow.

4.1.5 Inconsistent quality of raw material

Since they currently had to adopt outsource raw material, they had to deal with the inconsistent and low quality of materials. It is because of herb-drying method that may affect the scent and color of dried herbs.

4.2 Discussion

This section provides some explanation option solutions that can be implemented by the company in order to help fixing the issue.

4.2.1 Expand the production of raw material

Serious development needs as soon as to be done in a more structured manner. Who ever that is interested in plunging in this area, they are encouraged to apply Malaysian Organic Certification Scheme (myOrganic). The incentive is provided for who those that enrolled their farm under Good Agricultural Practice (myGAP) and myOrganic and these activities assists with assuring the herbal crops are certified with international standard can be in market internationally.

4.2.2 Zip-lock seal packaging

To make ease this kind of packet-form packaging trouble, an innovation to the packaging can be made with alternative of zip-lock seal packaging instead. It benefits the customers with less-time consumption and as hygienic is a significant part, it avoids any contamination if the customers tend to miss transferring the herbs powder into another container. Likewise, there are many housewives prefer to just tie the excess packet with rubber band after using it for space-save. This however not only contribute to contamination, it also can reduce the herbs quality once it is harden. With this alternative, the consumers can just seal it properly by using the zip-lock seal to save time and space.

4.2.3 Compete the competitors healthily

This company absolutely needs to plan and make some arrangements with company's strategies in order to encounter this problem. They must be the first in most things than the competitors where the first in changes, development and improvements. Regarding the improvements, this company needs to be creative as creativity is related to the discovery of new ideas or modification of actual ideas. All things considered, this is the main viewpoint that must considered by all organizations which is know the customer's problem and offer a practical solution to them. Providing an opportunity for customers to voice out their needs,

unsatisfaction and expectations will eventually help this process so that the organization can come out with way more better products than competitors.

4.2.4 Develop cultivation area

Herbal industry in Malaysia has a good potential now and in the future. This organization can attempt to communicate this issue to the specific Ministry of Agriculture and Agrobased Industry with the goal that they can help provide better solutions. Sufficient land region, provide fund or capital to existing organization or even farmers to enhance their potential in developing this activity.

4.2.5 Quality assurance of raw materials

This company needs to well observe and comprehend their supply chain if there is possible hazards or seriousness starting from the cultivation process until the purchase process. The company can examine the supplier's farmers whether they are trained or not. They need to consider some significant elements such the utilization of raw manure fertilizer should be stopped as it is the major contribution to contamination, also its harvesting methods, hygienic harvesting and its control processing in washing, cleaning, drying, storing, granulating and packing.

CHAPTER 5: CONCLUSION

To sum up, Mak Siti Products Sdn Bhd is one of the well-known brand that has successfully run their business from small business to a medium one with their own production factory which has various type of 25 machines that involve in production. This company is undeniable has brought their own products speciality that make it different from other brands in terms of its taste, design packaging and good quality of products. Not to forget the most important is that the customers can get their products with acceptable and cheap price in almost everywhere like in supermarket, hypermarket, grocery store or even online store.

From this analysis, we have discovered some of the serious issues faced by this company such as insufficient of raw materials. The company management must monitor suppliers and from that it assists with recovering control of the defeciencies of sources so that the production can surpass the demand. Observing the demand, order time and lead time is very important in this case to prevent the shortage of raw material.

Secondly, a work environment ought to be free from any injuries or unexpected accidents and it is one of the employees right to have safety in workplace. The workers of this company somehow are exposed to the threats of operating heavy equipment. To overcome with obstacle of working environment that is less safe, the employers can implement the working environment safety programs, ensure all the workers are aware with the workplace hazards, always wear protection safety equipment especially engineers or staffs that need to handle the machines so that this company can cut off the downtime for safety investigations and reduce cost for injury pay.

To wrap things up, competition in market is certainly brings an important role so as the company can create a good and healthy culture of competitiveness. It actually allows the company to do improvement over others in a short run in terms of the service, cost or even technologies to compete. The organization must have short-term and long haul plans and strategies to cope with the competition and need to make sure they are executed consistently to sustain their performance.

CHAPTER 6: RECOMMENDATION AND IMPROVEMENT

Regarding the primary problems of this company, we would like to come out with an innovation to some of the products that packed in packet packaging to avoid product's contamination and damage the quality once it is harden when not properly stored. It is more than good if the company can improve the packaging by make it in zip-lock seal packaging that user-friendly instead of normal packet packaging.

As to meet the high demand and shortages, it is better if this company can be able to do some investment and ask for government's incentive to expand their production of raw material itself in a long run. Herbs and spices are believed to be a huge and major contributor to the economy growth of this country in the future. To some extent, this recommendation and improvement can help this company to increase their profit also the performance.

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