



**FUNDAMENTALS OF ENTREPRENEURSHIP (ENT300)**

**CASE STUDY**

**7-ELEVEN MALAYSIA HOLDINGS BERHAD**

**RETAILS/ CONVENIENCE STORE INDUSTRY**

**PREPARED BY**

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**GROUP MEMBERS : 1. FLORIA SARAN PANAI (2016839436)**

**2. YOLANDA LANGUB (2017255546)**

**PREPARED FOR**

**SITI MARDINAH BINTI ABDUL HAMID**

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## 1. INTRODUCTION

In this modern era, many people especially the businessman compete to achieve their best performance while attracting customer to their service. As for our project, we had chosen an established company called 7-Eleven Enterprise as our case study topic. Our purpose of this case study are to collect more information in details regarding their products and services, management of the company and their future plans. In order to collect more information about this company we had conducted an interview with two nearby 7-Eleven stores which are located at Desa Ilmu and Samarindah in Kota Samarahan.

Related to this case study, we need to identify the challenges of a particular client faces along providing a better service to their customer and describe the solution provided by the company. Besides, we are going to illustrate the measurable results gained from using the service they provided. Finally, this case study was made to figure out on how they manage to solve their problem while preserving a peaceful atmosphere and an improve side of their company.

## 2. COMPANY INFORMATION

### 2.1 Company Background

7-Eleven Malaysia Holdings Berhad through its subsidiary 7-Eleven Malaysia Sdn. Bhd. is the owner and operator of 7-Eleven stores in Malaysia. Incorporated on 4 June 1984, 7-Eleven Malaysia has made its mark in the retailing scene and has been a prominent icon for over 28 years. 7-Eleven Malaysia is the single largest convenience store chain with more than 2,240 stores nationwide, serving over 900,000 customers daily.

7-Eleven was founded by J. C. Thompson in 1927 as The Southland Ice Company in Dallas, Texas. Started as an ice vendor, the company eventually began offering milk, bread and eggs on Sundays and evenings when grocery stores were closed. This new business idea produced satisfied customers and increased sales, spawning the precursor of the modern convenience retail concept.

The company's first convenience outlets were known as Tote'm stores since customers "toted" away their purchases, and some even sported genuine Alaskan totem poles in front. In 1946, Tote'm became 7-Eleven to reflect the stores' new, extended hours - 7 a.m. until 11 p.m., seven days a week. The company's corporate name was changed from The Southland Corporation to 7-Eleven, Inc. in 1999.

They are the pioneer and the largest 24-hours convenience store operator in Malaysia. Upon achieving its 1,000 mark in stores network, 7-Eleven Malaysia opened its door to local entrepreneurs through its unique franchising program in 2009. They are the first franchisor in the local market to offer existing profit-making stores to franchisees. The company's vision is to be the best retailer of convenience and their mission is to consistently serve the changing needs of customers for their convenience.

7-Eleven stores can be found across bustling commercial districts to serene suburban residential compounds throughout Malaysia, from petrol stations and LRT stations to shopping malls and medical institutions following their motto, 7-Eleven is Always There For You.

## 2.3 Business Model

7 Eleven had started its business from 1927 and had began franchising since 1964. Including branches in Malaysia, 7 Eleven currently have 62,105 units all over the countries. 7 Eleven is a known franchisor. Franchisees operate extended-hour retail convenience stores that emphasize convenience to the guest and provide a broad array of products, including many not traditionally available in convenience stores. These products include an assortment of high-quality fresh food, hot food and proprietary beverage offerings, and private brand items. The stores are generally open every day of the year, 24 hours a day except for the franchisee's option for example is on Christmas Day.

For 7 Eleven, there are two types of franchise offered which are Traditional Individual 7-Eleven Store and Business Conversion Program (BCP). for traditional individual 7 Eleven store, the franchisor, which is the company itself acquires the land, building and equipment for the store, and 7 Eleven or an affiliate leases the franchise a fully equipped and stocked 7 Eleven store that is ready to operate. The granting of a franchise to a franchisee does not give the right to operate any additional units. In the 7 Eleven franchise program for traditional individual 7 Eleven stores, only single unit franchises are offered.

Next is Business Conversion Program or known as BCP franchise. In this program, the franchisee is responsible for acquiring the land and building for a store site and pays a different royalty than traditional franchisees. The franchisee of a BCP also subjected to a different disclosure document than the franchisee of a traditional store.

As for territory granted, the franchise agreement only covers a single 7 Eleven store location. Franchisees will not receive any minimum territory and they will also not receive an exclusive territory. The franchisor which is 7 Eleven company will give any financial assistance needed if necessary.