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## ENT600 – TECHNOLOGY ENTREPRENEURSHIP

### CASE STUDY ON 99 SPEEDMART SDN BHD

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## **INTRODUCTION**

### **Background**

This study focuses on in-depth of a grocery store establishment which is considered to be common type of business with tons of competition anywhere all over the nation. The neat, advance and systematic management with excellent logistic system should be highlight and to look deep into. 99 Speedmart is a grocery market business in Malaysia originated from Klang Selangor. It Focuses on concept-oriented mini market with over than 3500 types of daily use products. They were able to achieve optimum economies of scale via bulk purchases of goods by leveraging on a large chain supported by fully-intergrated distribution centres working in synergy with an advance logistic system, thereby achieving increased efficiency and reduced costs. SPEEDMART portrays a fast, easy & convenient store that focuses on quality and speedy customer service. 99 Speedmart has from a single grocery store in 1987 grown to open more than 1000 branches as for September 2017.

## **Problem Statement**

This kind of grocery business set up are contrast to supermarkets which are not their even their main competitors because of different target groups. Even huge supermarket have their on small grocery shop to compliment their service. Even though the name of this establishment is 99speedmart with the emphasis of 'speed' to appointed that the service is fast, easy and convenient – most of the time that was not the case. There are plenty of complaints base on our interview on numbers of 99 speedmart branch around Klang Valley the majority of them appointed that the cash register counter queue sometimes can be too long and slow. Another drawback of this huge corner shop establishment is that the operating hour is only limited from 10.00 am in the morning until 10.00 pm in the afternoon.

## **Purpose of Study**

To study the effective use of logistic asset (delivery system, purchase order system, innovation strategy, marketing and human resources using technology in 99speedmart.

To make necessary recommendations to improve the efficiency, productivity and decrease queue waiting time of this establishment.

## COMPANY INFORMATION

### Background History

It all started in 1987 The seed of **99 Speedmart** was sown in the form of a traditional “mom and pop” sundry mart called Pasar Raya Hiap Hoe by the founder Mr. Lee Thiam Wah in Tepi Sungai, Klang. This humble beginning has allowed Mr. Lee to gain firsthand knowledge and insights into the sundry retail market through personal interactions with customers and suppliers.

In 1992 until 1998, the very first store that bore the name “99” opens in Klang Utama. Pasar Mini 99, represented the very first step Mr. Lee takes to realize his vision of building an integrated chain of mini-marts. With sheer dedication and hard work, Mr. Lee expanded Pasar Mini 99 to eight other outlets in Klang ala chain store format.

In the year 2000, amidst the growing popularity of Pasar Mini 99, **99 Speedmart** name was launched with new store opening at Batu Belah, Klang with an intensive expansion strategy geared to help the chain increase market penetration and share. It also represents more than just a rebranding exercise and entails the introduction of a fresh approach in interior as well as exterior set up to enhance the visibility of the shop and the comfort of shopping.

In 2002, a new head office and distribution centre was completed in October 2002 at a cost of RM6.5 million. This warehouse is a 80,000 square feet facility, complete with centralizes stacking, storage and warehousing capabilities.

In 2003, 2 years effort in refining the **99 Speedmart** concepts produced encouraging results from increasing customer traffic volume and new store openings. This breakthrough convinced Mr. Lee that a new super chain of **99 Speedmart** mini markets was ready to take-off. Thus, all the Pasar Mini 99 stores were rebranded as 99 Speedmart.

The growing of this establishment does not stop there, In 2006, **99 Speedmart** received its first Consumer Choice Award from the Ministry of Domestic Trade, Malaysia. This milestone marking award proved 99 Speedmart’s success in winning customers’ hearts and minds.

The 2nd distribution centre idea was conceived in late 2007 and completed by July 2008. It was designed to enable the chain to expand its network of mini markets nationwide to reach out to more customers while continuously introducing new and innovative products and services. This warehouse is 110,000 sq.ft. leveraging on a large chain supported by 2 fully-integrated distribution centres, we work in synergy with an advanced logistic system. Therefore **99 Speedmart** is able to achieve optimum