UNIVERSITI TEKNOLOGI MARA CAWANGAN TERENGGANU KAMPUS DUNGUN

FACULTY OF HOTEL & TOURISM MANAGEMENT

A REVIEW ON THE CHALLENGES AFFECTING GROWTH OF SMALL & MEDIUM ENTERPRISES (SMEs) IN FOOD MANUFACTURER.

WALIYYAH SILONG TAIB (2014839722) NOR HIDAYAH MOHAMAD NASRI (2014604764)

This undergraduate report (HTM655) submitted in partial fulfillment of the requirements for the degree of

BACHELOR OF SCIENCE (HONS) IN FOODSERVICE MANAGEMENT – HM242, Universiti Teknologi MARA (UiTM), MALAYSIA

JULY 2017

UNIVERSITI TEKNOLOGI MARA, ©2017 MALAYSIA All Right Reserved

ACKNOWLEDGEMENT

Alhamdulillah, we feel grateful to Allah s.w.t for giving us a chance and spirit to complete this Undergraduate Project (HM655). In every our prayers, we pray to Allah s.w.t to ease this journey even though there are a lot of tears. But Alhamdulillah again, everything going well as we hope and wish.

Second, we really want to capture this appreciation to our parents Silong Taib bin Othman and Sabariah binti Abas; Mohamad Nasri bin Bakar and Rosnita binti Omar because they always give us an antidote for every wound and gave a huge spirit for every point of give up in this journey.

Third, we are grateful to our lecturers that always care and give their support to us in this study, especially our coordinator and supervisor. Dr. Hairi Mohd Jalis as our coordinator are really committed to guide us according to the syllabus. We are really appreciate and feel thank to Mr. Mohd Azuan Mohd Alias as our supervisor for his commitment and support.

Lastly, we want capture thousands of thanks to each of us in progress this study together, Waliyyah Silong Taib and Nor Hidayah Mohd Nasri. We always support each other for every weaknesses. Besides, we really appreciates and thankful to the others that involve in this study.

ABSTRACT

Overall story of this study is to review on the challenges affecting growth of Small & Medium Enterprises (SMEs) in food manufacture. The intention of this study is to identify how the challenges can affect to SME's failure and what the factors can raise the growth of SMEs in the industry. This study found out five challenges that affecting SME's growth that may lead to the business failure. Therefore, we found that: lack of financing, increasing of operational cost, lack of knowledge, lack on human capital development, and food safety and hygiene are challenges of SMEs in food manufacturing. The theoretical framework was shown in this study to explain to the reader about our study as roughly. It is involve 3 variables which is Factor of Growth (DV), SMEs Failure (DV), and Challenges as independent variable. We found the finding based on the analyzing the table, graph, report survey, journal article, newspaper, annual report that reach from the available and trusted sources. The discussions are answering back the research question and the objective.

Keywords: Small and Medium Enterprises (SMEs), manufacturing, food manufacturing, business failure, challenges in SMEs, growth in SMEs

TABLE OF CONTENTS

Sections	Contents	Pages
	Abstract	i
	Acknowledgement	ii
	Table of content	iii
1.0	INTRODUCTION	
	1.1 Overview	1
	1.2 Background of Study	1
	1.3 Problem Statement	4
	1.4 Research Objectives	4
	1.5 Research Questions	5
	1.6 Significant of Study	5
	1.7 Limitation of the Study	5
	1.8 Definition of Key Terms	5
	1.9 Theoretical framework	6
2.0	LITERATURE REVIEW	
	2.1 Overview	7
	2.2 SMEs definition	7
	2.3 Challenges of SMEs food manufacture	9
	2.4 Factor of growth in SMEs food manufacture	13
3.0	METHODOLOGY	
	3.1 Overview	19
	3.2 Sources of Data	19
	3.3 Types of Research and Research Design	19
	3.4 Type of Data and Data Collection Method	20
	3.5 Research Ethic Considerations	20

	3.6 Gantt Chart	21
4.0	ANALYSIS AND FINDINGS	
	4.1 Overview	22
	4.2 Analysis and finding	22
5.0	DISCUSSION AND CONCLUSION	
	5.1 Overview	31
	5.2 Challenges on SMEs food manufacture	31
	5.3 Factor of growth in SMEs food manufacture	34

REFERENCES

5.4 Conclusion