

Optimizing Opportunity into Innovation: A Case Study on A Student Entrepreneur - an Ice Cream Innovator

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ABSTRACT

This paper is about a student entrepreneur in a Malaysian university that chose entrepreneurship as a career. What started as a hobby in school inspired her to develop and expand her interest into a full-fledged business. This case study discusses a business owned by Liyana who is active inside and outside of the university, demonstrating the will and effort in taking advantage all of the support systems available to her which turned her into an innovator. The purpose of this study is to present the entrepreneurial competencies that lead an individual into becoming a student entrepreneur who then turned innovator. Her competencies are described to give a feel of how entrepreneurial competencies help a student's business become successful while being a successful student as well. The researchers went for an in-depth interview to gather data to produce a case study of the business. The first part of the paper will introduce the student's profile and later it will discuss on innovation and value proposition to ensure competitive advantage of the business also with the main strategy taken to ensure business growth. Finally, this paper will also evaluate Liyana's actions from the Personal Entrepreneurial Competencies (PEC) perspective.

Keywords: Student Entrepreneur, Entrepreneurship, Personal Entrepreneurial Competencies and Innovation.

I INTRODUCTION

Entrepreneurship programs at universities in Malaysia are now seeing a positive trend as it becomes a devoted priority by the top management of these universities due to the

encouragement of Malaysia's Ministry of Education. According to Rohana et.al (2017), the Malaysia Ministry of Higher Education (MOHE) through their Malaysia Education Blueprint (MEB 2015-2025) emphasizes the importance on entrepreneurship education and its related programmes in producing graduates with entrepreneurial skills. The policy aims to enable universities to harvest more young graduates who can create jobs rather than those looking for jobs. These graduates should also be encouraged to start venturing into business before they graduated (Ministry of Education, Malaysia, 2015).

In line with the aspirations of The Ministry of Education, University Teknologi Mara (UiTM) has embarked numerous programs with both governmental and private institutions to unearth high potential entrepreneurs for UiTM's student population. Therefore this paper discusses one of the student entrepreneurs, on her journey, strategy and Personal Entrepreneurial Competencies (PEC) that made her successful.

2. METHODOLOGY

As a research method, case study methodology is well established in the Social Sciences. This approach may help to inform practice by illustrating what has worked well, what has been achieved and what have been the issues or dilemmas. It is a type of research inquiry that examines a real life contemporary phenomenon. It is usual for multiple sources of evidence to be used (Yin, 2009). Yin (2009) argued that the relative size of the sample used, however small or large, does not transform a single or multiple case into a macroscopic study. The single case could be considered acceptable, provided it meets established objectives for the study. Outcomes from individual case studies are not statistically generalisable but analytically generalisable (Welsh and Lyons 2001).

Hence, for this study, a case study method is used for descriptive and testing purpose. One case has been selected, in-depth interviews and observations were conducted at the owner's business premise and the results were compiled. The selected interviewee has gone through a complete cycle of entrepreneurship and has succeeded in achieving the most important part of entrepreneurship, converting a business idea into a business success. Experience can add substantial value in ones learning process. The crucial aspect of any research is when the theories are experimented upon and the results are used to fine-tune the theory itself.

3. PROFILE OF NURUL LIYANA

Liyana Sweetland Resources (LSR) has its humble beginnings in 2013, when its founder, Nurul Liyana binti Ahmed, along with 3 of her high school friends decided to participate in 2013 Malaysian Junior Apprentice business plan competition organized by UiTM and CIMA. Their

participation was successful as they won 1st place over 300 other teams in the program at the national level. The success inspired Nurul to seriously think about venturing into entrepreneurship particularly into the ice cream business since from the information gathered during her involvement in the competition indicates that there is a high potential for growth in the ice cream business.

To confirm her findings, Liyana decided to test her idea of selling ice cream first by doing it at a small scale during weekends with her target market being her friends and families around her area of residence in Kuantan, Pahang. Her initial venture was successful and surprised her parents as she amassed substantial amount of pocket money along with some savings despite doing it on a part-time basis.

Upon entering University Teknologi Mara (UiTM) in 2015, Liyana still maintained her deep interest and involvement in the ice cream business. While studying for her Diploma in Business Studies, Liyana would be selling her ice cream on campus. Liyana finds running a business while studying extremely interesting and gratifying since she is able to directly apply whatever she learned in class to an actual running business; making her level of understanding of business concepts better compared to her peers. Consequently, also with little surprise, Liyana did extremely well in her studies despite running a business on the side.

Liyana consciously participated in many extra-curricular activities in UiTM by not only joining internal associations or clubs but also in NGOs outside UiTM. For a good reason too. To her, all these activities are avenues to which she can expand her network that will eventually be beneficial to her ice cream business.

As she spends more time with her business, Liyana have come to realize that her business is becoming too dependent on her suppliers. Although she already making a good living from her current suppliers, she felt that more could be done in order to make her business more sustainable. She also felt that with the current business operation model of just being a reseller, it would be hard for her to quickly expand her business. In her studies, it was often pointed out that successful business needs to continually innovate. So, she set herself up start innovating for her business. What is it that can be done with her products and operations to make sure better sustainability of her business?

4. INNOVATION AND VALUE PROPOSITION

Malaysia is set to have a good prospect for ice cream industry where it can be seen that a large young population and growing middle income would be the potential segment. Innovation is

seen to be the factor of the success of ice cream market in Malaysia. It has attracted international ice cream manufacturer which has led to an increase of the competition for local and other manufacturers. Some of the ice cream innovation which has been introduced to customers are on its texture, flavour, and ingredient has proven that it can win over the consumers and maintain the market share. Häagen-Dazs was a good example where it launched Macaroon Melts, a new products which contains Ice Cream sandwiched between French style macaroons. This new ice cream innovation is available in eight different flavors (Canadean Report, 2015).

In looking for inspiration to innovate, Liyana decided to use whatever resources and aid available to help he in her journey to innovate her ice cream business. This involves in participating in both free and paid courses offered either via the government or private sectors relevant to various aspects of her business which includes food preparation, food science, intellectual property, advertising, promotion as well as business development. She also decided to look for a mentor and joined many support groups to keep her motivated and inspired for her business. To illustrate her relentless pursuit in innovating, Table 1 consists the list of parties that was involved in helping her:

Table 1: Research and Development Activities (2015-2017)

University/Agency	Expertise/Advise
Universiti Teknologi MARA	Business, management and innovation
Universiti Malaysia Pahang	Extraction of fruits and herbs technology
Federal Agricultural Marketing Authority	Promoting our product and factory layout
Ministry of Agriculture and Rural Transformation Centre	Karavan Tani
Ministry of Youth and Sports	Design packaging and corporate identity
Technology Park Malaysia	Product development and operation
Department of Veterinary Services	Ice-cream and yogurt drinks
Malaysian Pineapple Industry Board	Produce juice in pineapple based
Dewan Perniagaan Melayu Malaysia	Labels and packaging
Malaysian Global Innovation & Creativity Centre	Social entrepreneur
Malaysian Agricultural Research and Development Institute	Produce fruity drinks
Perbadanan Nasional Berhad	Micro license and franchise
Suruhanjaya Koperasi Malaysia	Local to global
Standard and Industrial Research Institute of Malaysia	Development of SME

After months of continuous learning and research, Liyana finally made two break throughs. The first break through was found when she was attending the Creative and Critical Thinking Class (MGT315) at UiTM which led her to come up with the idea of fruity flavored cones.

Liyana observed that all major ice cream producers are that they are too focused in the ice cream flavor. None of them wanted to innovate on cones. Take Baskin and Robins for example, the main selling point has always been about the flavors and we hardly hear anything

about the cones. The same with products such as Cornetto, they have a number of flavors and variants but none of them did anything with the cones. So, Liyana felt that this could be the main differentiation for her ice cream products as it allows the customers to experiment more. Not only one would be able to choose their favorite ice cream flavor, but one can also choose the cones that goes with the ice cream of choice. Due to the knowledge gathered through her involvement and participation in many courses, especially in flavor extraction and food preparation, the idea of producing fruity cones quickly became a reality.

The second break though is in the creation of a dry powder-based ice cream premix. The powder-based premix solves a variety of problems that any ice cream vendor faces in running their day to day business. Normal ice cream premix is normally sold and distributed in liquid format. They are to be transported in a chilled environment and be stored chilled as well. Due to its high moisture and high sugar content, traditional premix is prone to spoilage if they are not stored properly. To prepare ice cream using traditional premix, one needs to prepare between 2 to 4 hours ahead of time before selling it to the public to allow the ice cream to properly mix and develop in the ice cream dispenser.

Powder based premix solves all of these issues. Since they are in dry format, they can be stored up to 2 years; as long as they are stored in a cool and dry place. They are also easily transportable as they do not need chilled transport to get from place to another. They are normally prepared within 15 minutes, cutting the store preparation time before opening from 2 to 4 hours to just about 30 minutes for a serving of 400 cones. Also, due to the quick preparation time, the ice cream can be easily prepared during opening hours should the ice cream machine run out of ice cream. Making downtime while business is running minimal and operators could enjoy selling more ice cream. Powdered pre-mix also allow minimal staff to be used in ice cream preparation. At Liyana's personal store, she has 5 ice cream machines that can produce 4,000 ice cream per day which only needs one staff to handle. Previously, she would need another two to effectively do it.

With these in hand, Liyana Sweet Land Resources is poised to move her business to a larger scale. It can now explore different business models due to Liyana's innovation. The business has now ventured into becoming premixed ice cream supplier where her product is sold to other ice cream vendors. It has also started to opening branches and is also seriously considering going into franchising its business model. Going at a bigger scale also means that the company can also start applying for accreditations such as Halal Certification, GMP and ISO 9002 to further boost the business's credibility and expansion potential.

Aside for the two major innovations mentioned. Liyana did some minor innovations on her business processes as well. In 2017, her ice cream stall at UiTM Pahang implemented the use of QRPay by Maybank as a payment method for students who are buying ice cream. With QRPay customers that patronize Liyana's ice cream stall can pay using their mobile phones instead of using cash through the use of QR codes. When Liyana started using QRPay, none of the business premise within UiTM Pahang had used such a payment method making Liyana Sweetland Resources one of the earliest to jump on the Industry 4.0 bandwagon.

The innovations have a major impact on LSR bottom line. Revenue grew by 58% from RM135,090 in 2016 to RM214,363 in 2017 with the net profit of RM70,277.80 and RM111,262 respectively.

5. GROWTH STRATEGY

In the course of looking for inspiration to innovate, Liyana also explored the possibility of having an intellectual property owned by her business. She also came to realise that being in a consumer product industry, she needs to have a strong brand that can increase the long-term sustainability of her business. Looking at her entire business, she felt that the first and easiest intellectual property that she can quickly get working on is getting a brand name and trademark for her products. The process began in 2015 and all her hard work in trying to get a trademark for her products paid off when on February 2016, MyIPO has awarded trademark rights for 'Richgirl' to LSR. With the Richgirl Brand, Liyana believes that is on the business is on the right track to become a household name in ice cream production and sales.

Liyana dreams of having a business that is sustainable and at the same time being beneficial to as many people as possible. She wants the ice cream produced by her company to be accessible to most if not all ice cream consumers regardless of income, education or class. Therefore, the initial focus of all her product and business development has always been to serve either the B40 or the M40 market. She feels that if she could fulfil the needs of those who are in the B40, she will be able to reach or penetrate the other segments of the population. That is why she priced her ice creams at RM1 per serving and most of her premix customers are small time ice cream vendors that are sensitive to cost fluctuations. Even those who wants to be part of her resellers network would need put in only a minimal amount of capital to be part of her business. By keeping start-up costs low, Liyana hopes that it could motivate those who are less well off, especially students, be start selling her ice creams. Furthermore, her operations model requires minimal effort to run the ice creams stall due to the benefits brought by the premix that Liyana created.

In line with her strategy of serving the B40 group, Liyana has plans to start opening more branches in the rural areas of her home state, Pahang. Her company has also signed a Letter of Intention (LOI) with the UiTM's student cooperative – KoSiswa UiTM, on the opening of Richgirl branches in all UiTM branch campuses beginning with 10 branches within UiTM Selangor in March 2018. This will not only help KoSiswa to generate income for its student shareholders but also provide jobs to students at the branch campuses.

6. COMPARISON TO PERSONAL ENTREPRENEURIAL COMPETENCIES (PEC)

McClelland (1987), in his extensive study on successful entrepreneurs suggest that there are 14 personal competencies or behaviours that are normally found in successful entrepreneurs dubbing it the Personal Entrepreneurial Competencies or PEC. McClelland also states that these competencies transcend culture, countries and continent.

Later, in another study McClelland along with McBer, redefined these competencies into 3 main clusters namely achievement, planning and power clusters with 10 behavioural competencies which are listed as follows: (1) Opportunity Seeking, (2) Persistence, (3) Commitment to Work Contract, (4) Risk-taking, (5) Demand for Efficiency and Quality, (6) Goal Setting, (7) Information Seeking, (8) Systematic Planning and Monitoring, (9) Persuasion and Networking and (10) Self-Confidence.

Under the achievement cluster, there are the opportunity seeking, risk taking, demand for efficiency and quality, persistence and commitment to work contract competencies. While planning cluster consists of information seeking, goal setting and systematic planning and monitoring competencies. Finally, power cluster consist of persuasion and networking along with independence and self-confidence competencies.

In looking at the Liyana actions in realising her business, we can see evidence of the competencies mentioned above being exhibited extensively. She has shown over time she is able to see opportunities in expanding or starting her ice cream business. She started when she was in high school, opened the same business in UiTM and then actively tried to do networking with people to expand the opportunity of her business while studying. She has also exhibited a high level of persistence; another competency within PEC. This is evident in her desire to innovate where she never gave up in looking for information and spending time to learn as much as possible in order to find inspiration to innovate her business. On top of that she also has been highly systematic in her approach to the business. This is evident when she first starting to feel that there is opportunity in the ice cream business while in high school, she

decided to do a bit of test marketing to see people's general acceptance to the idea before going full-fledged once she entered university. We also can find that that she would whatever avenue within her network to make sure that her business is successful. This is evident in the variety of people and parties she has been in touch with in order to develop her business as shown in Table 1. The more we look at her actions and behaviour, the more evident that Liyana has a high level of competencies to actually run the business and possibly be very successful with it. Table 2 illustrates the competencies corresponding example that is evident in Liyana's behaviours and action:

Table 2: Competencies Related with Liyana's Behaviour and Action

Competency	Evidence in Behaviour and Action
Opportunity Seeking	Active in extra-curricular activities. Keep expanding business network and contacts.
Persistence	Never give up in learning and trying coming up with innovation.
Commitment to Work Contract	Willing to go the extra mile to ensure that her business delivers innovative products.
Risk-taking	Willing to get into business despite being a full-time student and risk not doing well in class.
Demand for Efficiency and Quality	Innovations allow efficient use of human resource and time to prepare before opening an ice cream stall.
Goal Setting	Aims to expand into rural areas of Pahang, trying to keep ice cream business affordable.
Information Seeking	Continually going to courses and talking to experts in various fields in order to innovate her product line.
Systematic Planning and Monitoring	Systematically test her idea of selling ice cream to a small target market in order to validate his findings when she first did her market study.
Persuasion and Networking	Able to get help from various parties to be able to produce the dry premix ice cream.
Self-Confidence	Has the self-belief to run the business despite being a student at the same time. In fact, she also excelled in her studies as well.

Based on the illustration of Liyana's PEC, it shows that she matches the definition of an entrepreneur as an entrepreneur is is an innovator that creates and exploits opportunity, consequently creating value and change towards the economy and society (Rahim & Mohtar, 2015).

7. CONCLUSION

From this case study we are able to see that an entrepreneur who is properly nurtured with the right competencies can create a business that is sustainable and innovative. Some would argue that Liyana could probably one of the very few people who are blessed with the talent to run a business properly. Whether or not Liyana is naturally gifted or being properly coached is irrelevant. What is more important is that what Liyana is providing is a proof that those who

are having the necessary competencies that is prevalent among many successful entrepreneurs will end up being similarly successful as those entrepreneurs as well. Thus, lends the credibility and validity of Personal Entrepreneurial Competencies both as a tool and benchmark in determining entrepreneurial success.

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