

**IMPROVING BUSINESS PERFORMANCE:
A CASE STUDY IN SME MASS MARKET
AT TM PENANG**

AIREEN AYU HARUDIN

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LIST OF ABBREVIATIONS

ADE	Assistant District Executives (Mass Business)
AE	Account Executive (Medium Business)
AGM	Assistant General Manager
AND	Access Network Development
ARPU	Average Revenue per User
BB	Broadband
BP	Business Plan
BRD	Business Research and Development
Churn	Attrition or turnover of customers of a business or users of a service. In the new economy (which provides unprecedented choice, and instant and global access to products and information) churn rate determines business earnings and growth. A firm has to earn and re-earn every day the loyalty of its customers.
CS	Consumer
CXM	Customer Experience Management
DE	District Executives (Mass Business)
DEL	Direct Exchange Line
DSL	Digital Subscriber Line
ENT	Enterprise
GOV	Government
HSBB	High-Speed Broadband

ICT	Information and Communications Technology
IPTV	Internet Protocol Television
IRR	IRR is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment.
ISP	Internet Service Provider
IT	Information Technology
LOB	Line of Business
NI	New Installation
NMO	Network Management Operation
NPD1	No payment since day one
ROI	Return of Investment
SGM	State General Manager
SME	Small Medium Enterprise
SRR	Service Request Delivery
TM	Telekom Malaysia Berhad
TAD	TM Authorized Dealer
UniFi	Broadband Service that Uses Fiber Optics to Deliver High Speed Internet, Phone and IPTV
VAS	Value Added Service
WIP	Work in Progress
YOY	Year-on- Year

YTD

Year-to-Date

ZBC

Zone Business Council

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ABSTRAK (MALAY)

Tujuan kajian kes ini adalah untuk menerokai isu-isu yang berkait dengan prestasi perniagaan unit SME Mass Market di TM Pulau Pinang. Kaedah analisis yang dijalankan adalah ringkas kerana kajian ini hanya tertumpu pada tahap strategi dan masalah dalaman unit berkenaan dan melibatkan budaya gaya perniagaan di unit tersebut. Analisis Fishbone Diagram digunakan untuk mengenalpasti punca masalah secara mendalam, diikuti dengan

Analisis SWOT untuk tujuan pembaikan strategi. Hasil daripada kes analisis menunjukkan bahawa TM SME Penang hanya menumpukan hasil pendapatan melalui jualan baru dan tidak fokus dalam pelaksanaan strategi yang berkesan untuk mengekalkan pelanggan sedia ada dan kes-kes fraud yang menyumbang ke arah pengurangan pendapatan perniagaan, masalah sokongan sistem sedia ada yang tidak efisien serta masalah kekurangan kapasiti infrastruktur bagi menyokong lebih banyak potensi jualan. Cadangan daripada kajian kes ini terbahagi kepada 2, iaitu cadangan masa pendek serta cadangan masa panjang. Antara cadangan jangka masa pendek adalah seperti, I) Membina hubungan dengan pihak berkuasa tempatan dan pelanggan dalaman; II) Peningkatan pengetahuan tentang produk dan servis; III) Mempercepatkan produk baru; IV) Mengurangkan kos operasi; V) Iniatif untuk mengurangkan kehilangan pelanggan; VI) Meningkatkan potensi jualan baru, manakala cadangan masa jangka panjang seperti, I) Pembelian sistem perisikan perniagaan ; II) Kolaborasi bersama pesaing; serta III) Meningkatkan perkhidmatan pelanggan serta kerjasama di antara unit di TM Penang bagi membantu unit

SME Penang mengoptimalkan hasil pendapatan dari segmen perniagaan sekaligus dapat membantu meningkat prestasi perniagaan TM Penang secara keseluruhan, serta perniagaan TM secara amnya.

ABSTRACT

This purpose of this case study is to explore the business issue that concerns TM SME Penang's business performance in TM Penang. The analytical method carried out is simple because this studies just concentrating on state strategy level and the internal problem of the unit and the culture of the organization.

The Fishbone Diagram was used to get in-depth to the root cause, followed by SWOT Analysis for strategy formulations. The analysis result shows that TM SME Penang only focus on the revenue generation through their new sales and unfocused in retaining their existing customer and fraud cases that contribute to the revenue gap within that year, they also faced some problems with their existing system which is no longer efficient and insufficient sales coverage and capacity to capture more new sales. Recommendations from this case study include short and long term strategies. Example for short term strategies such as, I) To build relationship with the Penang local authorities or state government and internal customer; II) To increase product portfolio; III) To expedite product house on new products; IV) To minimize operating cost; V) Initiatives to reduce churn; VI) To increase potential new sales while example for long term strategies such as, I) Investment on Business intelligence (BI) system; II) Partnership with competitor; III) Improve Customer Service and cooperation between unit in TM Penang in helping TM SME Penang in optimizing their revenue from business segment as it will indirectly can also improve the overall business performance of TM Penang , and TM business as a whole.

EXECUTIVE SUMMARY

SME Mass Market, at TM Penang (also known as TM SME Penang) was mainly focuses on Small, Medium and Enterprise (SME) market in Pulau Pinang. Business priorities for TM SME Penang are New Sales, Collection, Retention & Loyalty, Customer Experience, Collaboration and their people. Their aspiration is to be the trusted Information and communications technology (ICT) and Value-added Service (VAS) provider for SMEs in Penang by year 2016.

TM SME has their own standard product to cater for mass business such as telephone line services (known as Direct Exchange Line, **DEL**), conventional internet services (known as Streamyx or Broadband, **BB**) and High Speed Broadband, **HSBB** internet services (known as **UniFi**). The difference between BB and UniFi is on the speed and technology used. For BB, the technology used is based on conventional infra and the speed up to 15Mbps while for UniFi, the technology used is based on the light technology and currently the speed offered is up to 100Mbps.

To identify the issues faced by TM SME Penang, a case study was carried out by interviewing the key person involved in this scenario followed by the reviews of relevant company reports, industry data, journals and observation during the internal meeting. The Fishbone Diagram used to identify the possible causes and their connection to the problem statement while SWOT Analysis were used to determine the internal and external factors that impact the business and subsequently provide useful insights to the short and long term

business strategy formulation. The ultimate goal of this case study is to discover the key issues faced by TM SME Penang, and propose practical recommendation to enable them to improve their business performance. The proposals comprised of short-medium and medium-long term strategies.

1.0 INTRODUCTION

Today's business customers are more educated, knowledgeable and have more information and power than ever before. The business customers now have a greater variety of service providers to choose from, many telecommunication companies nowadays face challenges in differentiating their offerings and retaining customers. As a business, Internet Service Provider (ISP) such as Telekom Malaysia Berhad have to focus on providing a consistent and high quality service to its customers as well as delivering a good return on investment for its shareholders. Committed to universal service excellence, TM has adopted a business model that is tunes in to the marketplace. In February 2015, TM has realigned its Sales Divisions into four principal customer segments: "Mass Market", "Managed Accounts", "Global & Wholesale", and "Mobile & Wireless" segment. The new business model creates greater synergies between the various divisions, and allows TM to target its product and service offerings more specifically to the needs of the different niches.

Among these four segments, Mass Market segment has faced a drastic declining in business performance lately. The Mass Market includes Consumer and SME, where SME unit mainly focuses on SMEs customers while Consumer unit focuses on residential customers. By referring to the financial report as illustrated in Figure 1.0, TM SME Mass Market shows that their operating profit is declining from RM785 in 2015 to RM739 in August 2015, compare to the performance of Consumer Mass market.

For a business to be successful, manager needs to ensure that their business is operating as efficiently and effectively as possible. Improving the efficiency and effectiveness of the business requires an understanding of the key drivers within the business and a practical approach to implementing processes that will optimize the key drivers. It is not just about making money today but also securing the ability to grow the business in the future. Therefore, increasing profitability will boost the ability of the business to enhance performance and must be a key focus of business owners and managers. The Key Performance Indicators to gauge business's Health in TM SME Mass Market includes the revenue and growth performance, physical performance, collection performance and Customer and Organizational Health.

This case study is about SME Mass Market, at TM Penang who endures poor business performance in Q3 2015. As of Year-To-Date September 2015, TM SME Mass Market at Penang still has a **revenue gap** of **RM 3.57 Millions**. The revenue gap has drawn the attention of the Top Management of TM Penang as their SME segment contributes the biggest percentage of the revenue gap of overall TM Penang performance, as what we can see from the TM Penang State Performance report as of YTD September 2015 as illustrated in Figure 1.0, it shows that SME is contributing **53%** of the revenue gap of TM Penang followed by Consumer at 33% and Government at 14%. The Head of SME Mass Market Penang, Mr. Chan Kong Hwan has called all those in charge for an immediate meeting to sort out the root cause and propose solutions to minimize the revenue gap in order to improve the business performance of TM Penang as well.

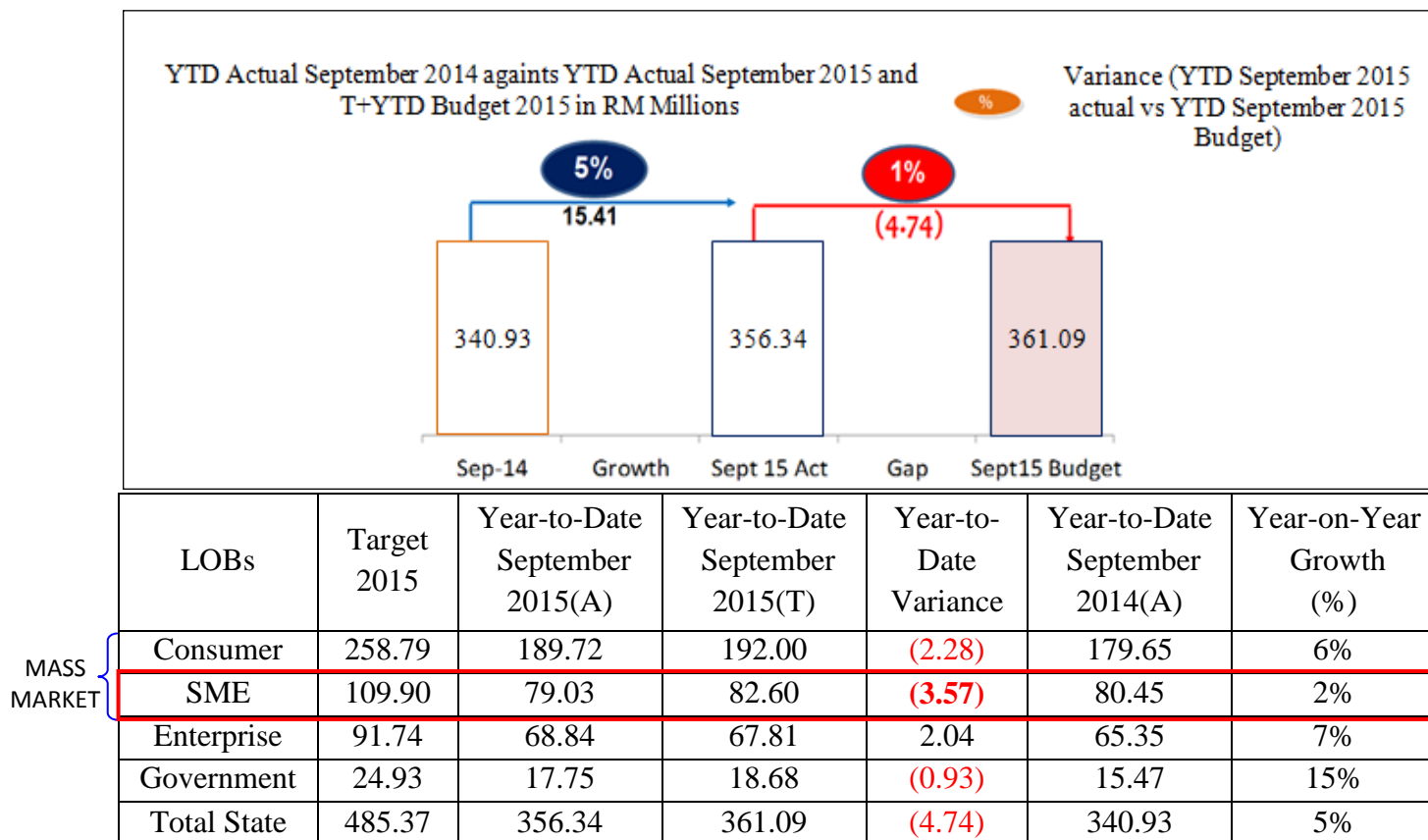


Figure 1.0 TM Penang State Performance report as of YTD September 2015 (Performance information in comparison to the benchmark in current and previous year)

Note : Year on Year (Y-o-Y) indicated an increased to the growth rate to 5%, however September performance against the target now broaden the gap value to RM 4.74Millions.

1.1 Background of the Case Issue

During the Zone Business Council (ZBC) Meeting of TM Penang on 17th June 2015, Tn Hj Azahari, the State General Manager of TM Penang highlighted that there are three indicators to measure whether the business performance is in a good condition or not. The first indicator is on “Business Health” measurement that will measure based on the company’s profit, revenue, cost, collection, and sales performance. The second measurement is base on “Customer Health” followed by the “Organizational Health” as represent in the Figure 1.1 as follows:

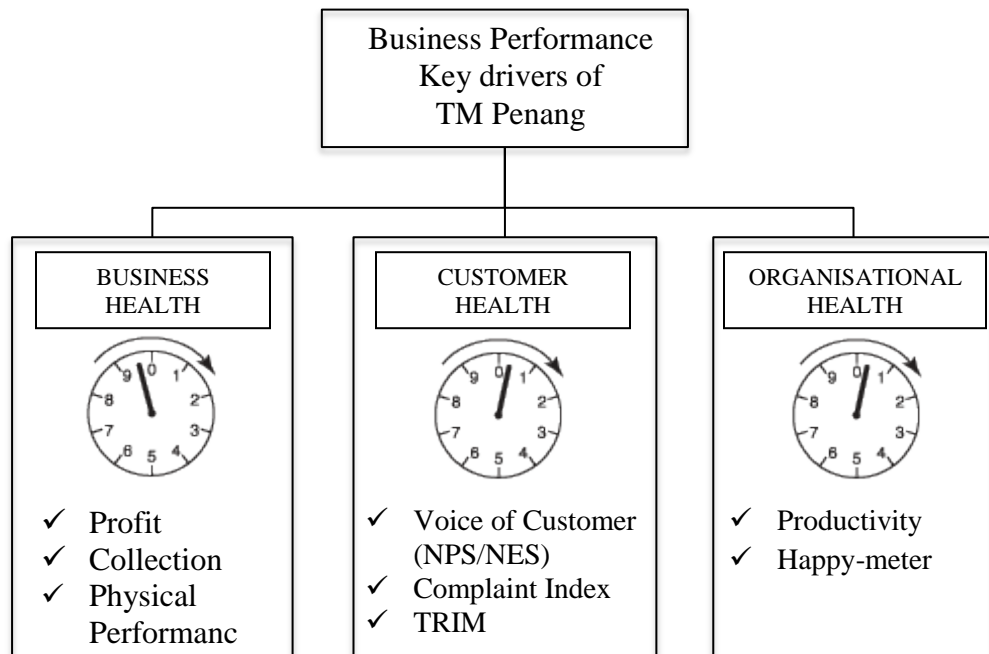


Figure 1.1 : Business Performance Key drivers of TM Penang

Scene: It is 13rd October, 2015; 3.00pm at TM SME Penang Meeting Room, Butterworth and Mr Aznan, Sales and Marketing Manager is presenting the Close Gap Initiative for Mass Business to his boss, Mr Chan Kong Hwan, the Head of SME Mass Market Penang. The revenue target of TM SME Penang is about RM82millions, however the achievement as per Year-to-Date (YTD) September 2015 shows that TM SME Penang still have a revenue gap of RM 3.57 millions. There are only two (2) more months for TM SME Penang to achieve the target given, and now they need to pay more attention to close whatever in hand and hoping that they can improve their current performance.









Performance Measurement Element	Actual 2014	Actual 2015	Growth (%)	Performance (Y-O-Y)	Target 2015	Target vs. Performance	Performance
Revenue (MYR'000 Mil)	80.45	79.03	2%		82.60	4%	
Cost (MYR'000 Mil)	81.82	72.09	12%		68.99	4%	
Profit (EBIT Margin %)	22%	9%	59%		17%	47%	
Collection (AR Days)	64	61	5%		64	5%	
TRIM	65						

Figure 1.2 : TM SME Penang scorecard YTD September 2015 (Analysis of TM SME Penang financial information in comparison to the benchmark in current and previous year) ; Source : Profit and lost statement (PNL) September 2015, AR Days as of August 2015

Note : TRiM (Measuring, Managing and Monitoring) is a standardized indicator system. It analyzes measures and portrays stakeholder relationships on the basis of standardized indicators. The TRiM Index is an indicator of the status quo of a particular relationship. The index is made up of four points of view on the stakeholder relationship, e.g. for customer loyalty: overall rating, recommendation, repeats purchasing of product/services, and a company's competitive advantage. The information is based on surveys/interviews on a sample customer base.”

Based on Figure 1.2 , there are five main measurement elements of the TM SME Penang which is based on Revenue, Cost, Profit, Collection and TRIM performance. As what we can see in the figure, even though TM SME Penang has a positive 2 % growth compare to the previous year performance, however the current of TM SME Penang revenue performance versus the current target given by TM SME HQ is still negative. While the growth of the operating cost increased by 12%, which is not good for the company as it will reduce the company's profit.

People often use the terms profit and revenue synonymously; however they are quite different concepts in business. Revenue is the money generated through product and service sales. Profit is the amount that remains when we subtract the costs of doing business. Revenue is actually equals profit plus costs.

In the short-term, creating revenue is a common financial objective. In the long-term, though, companies need profit to remain viable.

Mr. Chan Kong Hwan looks at the figure given by Mr. Aznan; there are two main products for SME mass business that was closely monitored by TM SME Headquarter (HQ) which is UniFi and BB. According to the figure given by Mr. Aznan, his expected target sales for Unifi from October until end of this year is about 460 for New Installations (NI) for UniFI while 1049 New Installations (NI) for BB.

Based on the TM SME Penang scorecard YTD September 2015 as illustrated in Figure 1.2, Mr. Aznan was not confidentially expects that TM SME Penang can hit the revenue target; however he believed that at least TM SME Penang can hit based on physical target given by TM HQ. Mr. Chan then said, “I know that you can give me the best forecasted figure, however based on previous actual data that I have from January to August, I can only use 20% from your forecasted figure for new sales for DEL and BB while 90% on Unifi for me to present on this coming Close Gap Meeting at HQ. What? Mr. Aznan’s face is full of dismay and confusion. “This percentage cannot be too much different; I and my team have done many sales activities and sales. Something is wrong and I have to get the bottom of this,” he said to himself.

Meanwhile, Mr. Chan understands that TM Penang top management and TM SME HQ does not only seek for sales justification, but also look forward to his strategic planning and solution to the poor revenue and sales performance. These are the most important issues that have to be overcome. “What is the root cause of the poor performance? How is the revenue and sales performance of SME as compared to other branches? What is the performance gap? How to improve the current sales performance level to achieve the sales target? What are the challenges faced by SME Penang to close the sales gap? What are the short term and long term action that need to improve the sales performance? ” he speaks to himself.

2.0 INDUSTRY BACKGROUND

The telecommunication and internet industry in Malaysia is showing a tremendous evolvement align with the global development. Prior to 1946, department that is responsible for providing all telecommunication services in Malaysia was known as Post and Telegraphic Department. However, in 1946, postal service was formed and segregated as Telecommunication department Peninsular Malaysia and was merged in 1968 with Telecommunication department in Sabah and Sarawak to form the Department of Telecommunications Malaysia or Jabatan Telekomunikasi Malaysia (JTM).

The operation of JTM was transferred to Syarikat Telekom Malaysia Berhad which was also become public in 1990. It's changed to its present name Telekom Malaysia Berhad in 1991. Government has retained its majority share in Telekom Malaysia Berhad as well as "special share" to ensure that Telekom Malaysia's operational decision is consistent with Government policy. Telekom Malaysia has introduced mobile services in Malaysia in 1985 and since that year, Government has granted few licenses to private sectors operators. Government has established a Commission which is now known as Commision of Multimedia and Communication as the regulatory body in charged in overseeing and multimedia and communications industry. Mobile telecommunication services is the fastest growing sector within the telecommunication industry in Malaysia even though the penetration rate may be relatively low compared to other developed countries in Asia.

Telekom Malaysia (TM) offers a comprehensive range of services and solutions in broadband, data and fixed line. As Malaysia's leading integrated information and Communications Company, TM is moving up the value chain to fully embrace the needs of its 4.3 million fixed-line customers and 1.6 million broadband customers and provide them with innovative services in an environment of service excellence with the support of its 23,600 dedicated employees. As the country's incumbent telecommunications provider with more than 100 years of history, TM continues to be at the forefront of technology,

delivering diverse products and services to suit the ever-changing digital lifestyles of Malaysians.

It is TM's pioneering spirit and quest for service excellence that has seen it progress and transform from a government department to become Malaysia's leading integrated information and Communications Company. A partner in nation-building, TM has consistently introduced the latest technology to Malaysia, from analogue to digital and, now, IP-based services. With its every technological advance, the nation has benefited from greater access to communication tools as well as better and faster connectivity, resulting in the socio-economic progress that has seen Malaysia transform from an agrarian to an industrialized nation.

2.1 Future Asian Market

The Asian Development Bank estimates that countries within Asia-Pacific region will spend about USD 8 trillion on infrastructure needs. Asia-Pacific alone accounts for 55% of the world population, however only 27.5% of residents have internet access. This has shown that there are huge number of markets to penetrate, coupled with the expanding economies and state-led liberalization of telecommunication sector in the region. This emphasizes the potential of further long term growth in high speed broadband markets.

Government has introduced USD444 billion in Economic Transformation Programme ranging from oil and gas to healthcare which in turn requires reliable high speed telecommunications services. Not only that, government with its new policy that is to push for 75% of households to have broadband by 2015 has started to show the result as with 66.7% has already wired in the third quarter of 2012. This has improved the competition in wireless broadband segment and infrastructure supply. Competition will make each of service providers perform their best to provide better quality services to their customers and willing to invest in the latest technology or better infrastructure, creative marketing plan, new service delivery plan and new product development aimed in meeting customers demand and expectations.

2.2 Internet Components for Organizations

There are 2 types of how internet may be benefited to an organization which are E-Commerce and E-Business.

2.2.1 E-Business

Electronic business or e-business describes the use of electronic means and its platforms including internet in conducting the business. Intranet is to facilitate the internal communication and electronic capabilities within the organisation. Whereas extranet is the electronic

means to facilitate the information outside of the organisation such as suppliers, customers and others.

2.2.2 E-Commerce

The term e-commerce emerged when businesses started to realise the role of internet as a powerful medium for conducting business especially in the service sector (Zillur Rahman and Bhattachryya, 2002). According to Niesen (1997); Schneider (2002), e-commerce is the flow of process which is purchasing, marketing, sales and customer support that is mainly associated with a commercial relationship or transaction over the internet. E-commerce exists in various means in the business cycle. It can be in the form of :

- I. Business to Customer (B2C)
- II. Business to Business (B2B)

In electronic market, all the transaction participants of which include sellers, buyers, brokers, agents are at different locations and may not know about each other. Generally, the implementation of e-commerce and e-business can improve business efficiency and performance by having been able to penetrate more markets and create competitive advantage.

2.3 Small Medium Enterprise (SME)

Malaysia has adopted general definition of SMEs to assist in identification of SMEs in various sectors and subsectors. The new definition will facilitate Government in formulating more effective policies, programs to support the enterprises in terms of technical and financial assistance. Any enterprise is considered as SME in the respective industry based on the Annual Sales Turnover and Number of Full-Time Employees.

TYPE	MICRO ENTERPRISE	SMALL ENTERPRISE	MEDIUM ENTERPRISE
Manufacturing, Manufacturing-Related Services and Agro-based industries	Annual sales turnover of less than RM250,000(USD 83,300) OR Full-Time Employee less than 5	Annual sales turnover from RM250,000 (USD83,300) to less than RM10 mil (USD3.3 mil) OR full time employees from 5 to less than 50	Annual sales turnover from RM10 mil (USD3.3 mil) to less than RM25 mil (USD8.3 mil) OR full time employees between 51 and 150
Services, Primary Agriculture and Information & Communication Technology (ICT)	Sales turnover of less than RM200,000 (USD62,500) OR full time employees less than 5	Sales turnover from RM200,000 (USD62,500) to less than RM1 mil (USD312,500) OR full time employees between 5 and 19	Sales turnover from RM1 mil (USD312,500) to less than RM5 mil (USD1.6 mil) OR full time employees between 20 and 50

Table 1.0 : Definition of SME (Source: SMECorp Malaysia)

In order to survive in the challenging market, SME must be able to be competitive and effective. SME should improve their capacity and capability in order to produce more quality products or services at a competitive price. Studies conducted among Bumiputera SMEs by (Norudin Mansor, 2004) indicated that they are weak in product, promotion, distribution and innovation which have reflected the performance of the SME. The implementation and usage of internet in doing business in e-business or e-commerce should be given a specific attention by SMEs as this should be one of the ways in improving overall performance and stay competitive in the market.

As per the statistics illustrated in Figure 2.0, generated by SmeCorp for percentage of ICT usage among SME in 2010, it shows that about 70% of 600 thousands SME are using internet and as a marketing media however, only 20 percent use ICT in the business operations.

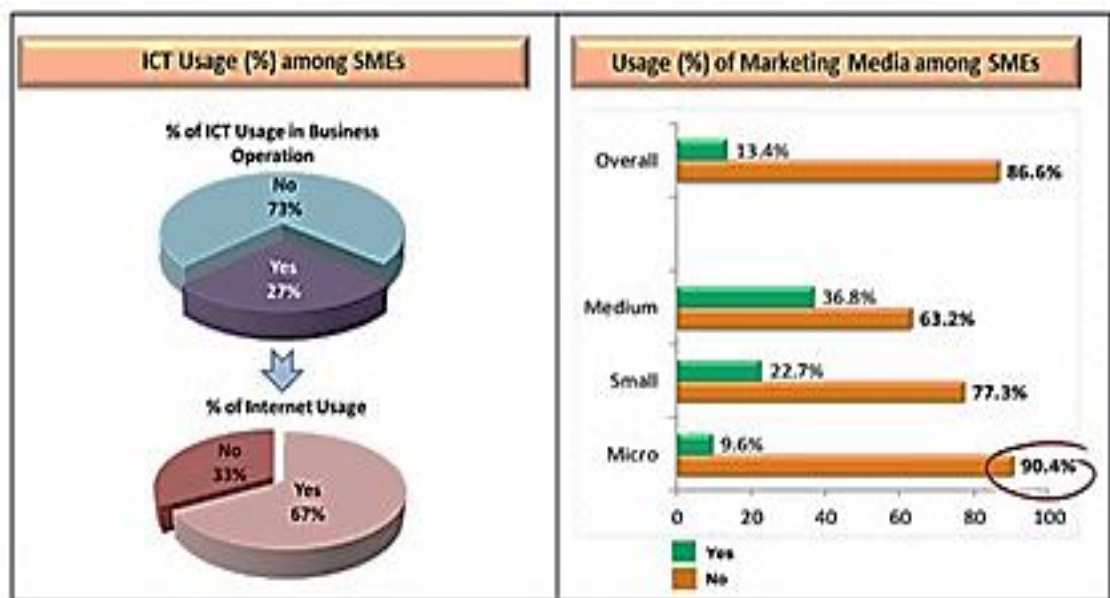


Figure 2.0 : SME ICT and Marketing Media Statistics (Sources: SmeCorp)

2.4 Competition in the Same Marketplace

The telecommunication and internet industry in Malaysia is showing a tremendous evolvement align with the global development. Therefore, many players participated in the marketplace and competing with TM such as Time.Com, MAXIS, Digi and UMobile. These players are competing on the price against TM offering, voice bundled together with solutions and applications. Basically, all the players are able to offer similar product with competitive price. Companies with innovation, ICT adoption, skilled workforce and backed-up with proper customer relationship management will have competitive advantage to compete and possibility to attract and retain the customers.

2.5 Competitors in the Same Business Segment

TM is considered as the monopoly player for telecommunication industry in Malaysia. This is because, even there are few other service providers in the market, TM is the major wholesale in the industry and not only that, and they are also playing their part as a retailer. However, with the National Broadband Plan and the intervention by PIKOM other major service subscribers in the market such as TIME and MAXIS have started to invest in the development of the telecommunication infrastructure which basically focuses on urban areas. Therefore, TM still plays the major role in the

telecommunication industry especially in rural areas. Below are the major competitors for TM.

2.5.1 TIME dotCom Berhad (TIME)

TIME Background

TIME dotCom Berhad started its ground since 1996 as a data-centric telecommunications and solutions provider. The company is based in Malaysia with a business across Asia Pacific region. TIME delivers wide-ranging fibre optic-bases solutions, private leased lines and internet services to large corporations, government and enterprises. TIME's business is anchored by its Cross Peninsular Cable System (CPCS), that is a 9000 KM long fibre optic network, traverses Thailand through Singapore. CPCS was designed as a fully interconnected network and it's the most robust trans-border global system ever built. With extensive upgrades in 2012, TIME has become the only provider in Malaysia to include a next-generation 100% IPMPLS network.

Regionally, TIME has extended its network beyond Malaysia shoreline through its investment in Global Transit Group of Companies (GT). GT's global footprint includes Singapore, Hong Kong, Japan and US. These also include highly-sought Unity Cable System connecting Japan and US and Asia-Pacific Gateway (APG) which is a 10,000 kilometre-long international fibre optic cable system linking

Malaysia to Japan and South Korea and it's expected to be completed at the end of 2014.

TIME Products or Services

Generally, TIME introduce 3 packages of products to their business customers.

- I. Data – TIME Private Leased Line
- II. Internet – TIME Internet Direct, TIME Fibre Internet, TIME Internet
- III. Voice – TIME Voice Business, TIME Voice Over Broadband Business, Time Business Conference, TIME Ethernet Voice, Toll Free Services

2.5.2 MAXIS Telecommunication

MAXIS Background

MAXIS is known as an integrated service provider in Malaysia with the extensive range of products from mobile to fixed voice service, messaging, mobile internet and wireless currently has 95% of 2G coverage and 82% of 3G/HSPA coverage of which their customers can experience MAXIS services at home, work and play.

MAXIS have launched its first high-speed networks in Malaysia which includes 3G, 3.5G, 3.5G+ and the first to launch 4G LTE. MAXIS and U Mobile SdnBhd has entered into a landmark agreement in 2011 to share MAXIS 3G Radio

Access Network (RAN), making it the first partnership sharing agreement in Malaysia.

In July 2012, MAXIS is known as an integrated service provider in Malaysia with the extensive range of products from mobile to fixed voice service, messaging, mobile internet and wired and wireless entered into infrastructure and spectrum agreement with RED tone International Berhad will fast track the roll out of ultra-speed 4G network.

MAXIS Products or Services

MAXIS Business - MAXIS is the only service provider that provided the integrated of fixed and mobile services to businesses. MAXIS will package or bundled their products with added services to their business customers and creating more values to all different types of businesses from small medium enterprise to big corporations.

3.0 COMPANY BACKGROUND

3.1 Introduction to the Organization

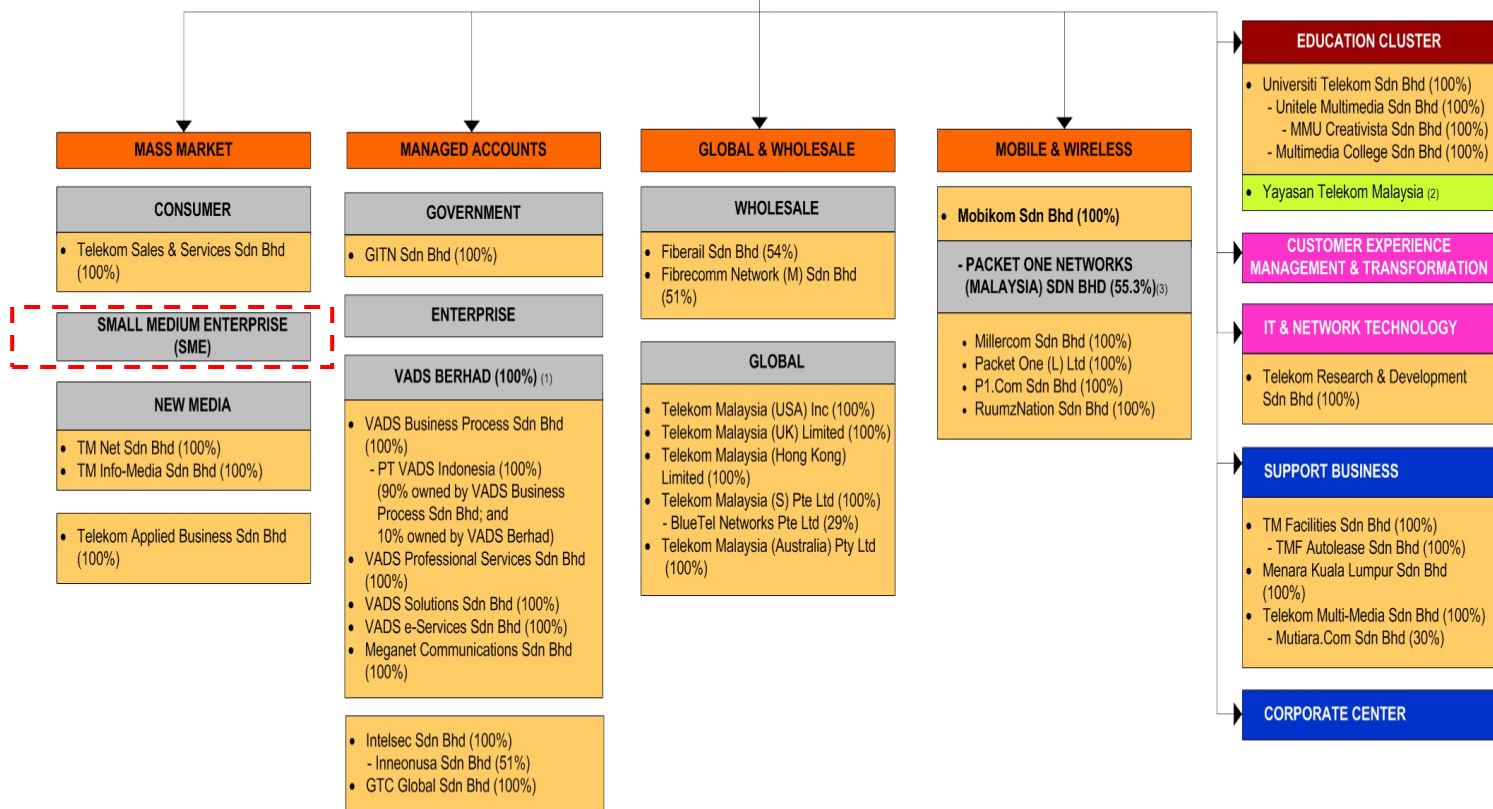
TM was established as the telecommunications Department of Malaya in 1946. It was privatized in 1987, and listed on bursa Securities in 1990. In 2007, it was decided that a demerger of the mobile and fixed services would be strategic. This exercise was completed in April 2008, allowing TM to focus more intently on its core business of providing communication services and solutions in Internet and multimedia, data and the fixed line. TM's latest nation-building endeavor which is involves rolling out the most exciting telecommunications service to date - the High Speed Broadband (HSBB). HSBB is an end-to-end project encompassing access, core and international infrastructure network. The initial rolled-out in March 2010 and offers triple play service of video, high speed Internet and voice.

With HSBB as an enabler, there are many, many potential high bandwidth next-generation applications such as video-on-demand, online gaming, interactive shopping and Internet Protocol Television (IPTV) that can be made available which would make the overall experience engaging for consumers. Telekom Malaysia Berhad (TM) is the largest integrated communications solutions provider in Malaysia, and one of Asia's leading

communications companies, with market capitalization of RM21,605 million and an employee force of 27,257 (Telekom Malaysia (TM) Annual Report, 2012).

3.2 TM Group Corporate Structure

SME is one of the most interesting and valuable customer segments in TM and looks like TM are now working towards strengthening their presence in the market and improve their SME customers' experiences with new products and services that cater their needs. Figure 3.0 represents TM's lines of business, subsidiaries, associates, business functions and corporate functions (As of year 2015). Small Medium Enterprise (SME) is under the Mass Market segment.



Legend:

- Market Clusters
- Line of Business
- Education Cluster
- Foundation
- Business Functions
- Support Business & Corporate Functions
- TM Subsidiary

(1) VADS Berhad is a wholly-owned entity of TM

(2) Yayasan Telekom Malaysia is a charitable trust established under the Trustees (Incorporation) Act 1952

(3) Packet One Networks (Malaysia) Sdn Bhd is a subsidiary of Mobikom Sdn Bhd with 55.3% shareholding

(4) GTC Global Sdn Bhd is a wholly-owned entity of TM

Figure 3.0 : TM Group Corporate Structure

3.3 Organization Visions

TM Vision

TM vision is to be "To be Malaysia's leading new generation communications provider, embracing customer needs through innovation and execution excellence"

3.4 Organization Mission

TM Mission

To achieve their Vision, TM determined to do the following:-

1. Strive towards customer service excellence and operational efficiency
2. Enrich customer lifestyle and experience by providing innovative new generation services
3. Improve the performance of our business customers by providing high value information and communication solutions
4. Deliver value for stakeholders by generating shareholder value and supporting Malaysia's growth and development

3.5 TM Small Medium Enterprise (SME)

TM's Small & Medium Enterprise (TM SME) business continues to be a key contributor to TM's growth. In 2012, TM SME created waves in the business landscape by offering innovative bundled solutions as well as new ICT and applications-based products aimed at increasing productivity and operational efficiency for its customers.

TM SME are committed to empowering local SMEs to move up the value chain, as they become SMEs preferred one-stop business solutions provider with a comprehensive and innovative range of tools to help their businesses grow. In 2013, TM SME launched an enhanced UniFi business package with Microsoft® Office 365(as per illustrated in Figure 3.1), enabling SMEs to reap the benefits of ICT to increase their productivity, expand their market reach and serve their end customers more effectively



Figure 3.1 Enhanced UniFi business package with Microsoft® Office 365

3.6 Products and Services of TM SME

In 25th of September 2014, the new solution for SME known as “Shop in A Box” was officially launched by Dato’ Sri Dr. Halim Shafie, Chairman of TM together with Azizi A Hadi, Executive Vice President of TME SME. The “Shop in A Box” is a tool for local SMEs to empower their businesses with the latest retail solution offering. The two services provide payment capabilities mainly targeted at small businesses in the suburban areas. Powered by TM’s broadband connectivity, the SurePay and SurePay POS payment services use Online Payment System (TM Electronic Payment Gateway) and Mobile Payment System (TM Mobile Payment System). SurePay enables businesses to receive