

IMPROVING SALES PERFORMANCE :

RAFELLINNA SDN. BHD.

By

ZIFFA BINTI ZUBIR

Dissertation submitted in fulfillment of the requirements for the degree of

Master of Business Administration

(Service Science, Management and Engineering)

September 2015

DEDICATION

I dedicate this thesis to my parents; Mr. Zubir bin Hj. Harun and Mrs. Fadillah binti Mohammed, who gave me an appreciation of learning and taught me the value of perseverance and resolve. I also dedicate this to my husband, Mr. Hairi Shahrizal bin Mustafa and my daughter, Ms. Rania Sofea for their support and understanding while I was completing this project.

ACKNOWLEDGEMENT

First and foremost, a special gratitude I give to my supervisor, Dr. Tan Cheng Ling for the valuable guidance and advises in order to complete this report. With her vast experience and knowledge, she has definitely inspired me significantly to deliver on this project. Her willingness to motivate us during this research has contributed tremendously to the final outcome of this paper. Besides that, I would like to thank Raffellina Sdn. Bhd. founder, Mr. Rafi'e bin Ramli, Mrs. Nadia Felinna binti Abd Fatah, Ms. Nur Fadzillah binti Mohd. Ali, for providing me with good environment, facilities and not forgetting those valuable information during the interview as the guidance throughout the period of the project. Without the support from the particulars that mentioned above, I would face many difficulties in order to complete the project successfully.

TABLE OF CONTENTS

Declaration.....	ii
Dedication.....	iii
Acknowledgement.....	iv
Table of Contents.....	v
List of Figures.....	vii
List of Tables.....	viii
Abstrak (Malay).....	ix
Abstract.....	x
Executive Summary.....	xi
1.0 Introduction.....	1
1.1 Background of the Case Issue.....	2
2.0 Industry Background.....	5
2.1 Sunnah Supplement.....	6
2.2 Kids Supplement.....	7

3.0 Company Background.....	8
3.1 Overview.....	8
3.2 Vision.....	10
3.3 Mission.....	10
3.4 Core Value.....	11
3.5 Objective	11
3.6 Organization Structure.....	13
3.7 Responsibility of Sales Team.....	13
4.0 Details of the Case Issues.....	15
5.0 Case Analysis.....	18
5.1 SWOT Analysis.....	19
5.1.1 Strength	22
5.1.2 Weaknesses	23
5.1.3 Opportunity	23
5.1.4 Threat	24

5.2 Root Cause Analysis/Fishbone Diagram.....	25
5.3 Findings from Data Analysis.....	31
6.0 Discussion & Recommendation.....	33
6.1 Short to Medium Term Strategy.....	34
6.2 Medium to Long Term Strategy.....	35
7.0 Conclusion.....	36
8.0 Reference.....	37
9.0 Appendix.....	38
9.1 Research Questions and Data Linkage.....	38
9.2 List of Personnel have been Interviewed.....	39
9.3 List of Documents has been Reviewed.....	40
9.4 List of Interview Questions to Provide Insight for Research Questions.....	40
9.5 Interviewed Data and/Report.....	42

LIST OF FIGURES

Figure 1.1 : Sales Performance from November 2012 – September 2015	3
Figure 2.1 : Rafellinna Corporate Structure	9
Figure 2.2 : Rafellinna Organization Structure	12
Figure 5.1 : Fishbone Diagram for Highlighted Issue	29

LIST OF TABLES

Table 5.1 : Proposed Tools for Case Analysis	18
Table 5.2 : Summary of the SWOT Analysis on Rafellinna	21

ABSTRAK (MALAY)

Kesedaran penjagaan kecantikan dan kesihatan di dalam kalangan pengguna Malaysia semakin meningkat berdasarkan lambakan produk-produk sedemikian di pasaran baik melalui media sosial mahupun di premis-premis jualan. Bagi menjadi syarikat kecantikan dan kesihatan yang sentiasa kukuh dan berdaya saing, adalah penting bagi syarikat untuk mempergiatkan pemasaran penjualan produk. Namun, pencapaian syarikat mula menunjukkan penurunan bermula pada bulan Februari 2013 sehingga kini.

Tujuan projek ini dijalankan adalah untuk mengkaji, menilai dan membincangkan isu-isu yang berkait dengan prestasi jualan syarikat Rafellinna Sdn. Bhd. yang ditubuhkan pada November 2012. Kajian ini menggunakan dua kaedah untuk mendapatkan data dan maklumat seperti temubual dan pemerhatian. Analisis SWOT digunakan untuk memeriksa dan menentukan kekuatan, kelemahan, peluang dan ancaman yang dihadapi oleh syarikat diikuti oleh analisis Root Cause digunakan bagi mengenalpasti penyebab isu pekerja jualan tidak produktif. Kesimpulannya, bagi meningkatkan prestasi jualan, syarikat memperkukuhkan hasil jualan yang merangkumi jangka pendek dan jangka panjang.

ABSTRACT

Beauty and healthcare awareness among Malaysians on the rise based on the dumping of such products on the market through social media and sales premises. For being the leading beauty and health are always strong and competitive, it is important for the company to intensify marketing selling products. However, the performance of the company began to recede starting in February 2013 until now.

The purpose of this project was carried out to examine, evaluate and discuss issues relating to the performance of the company sales Rafellinna Sdn. Bhd. was established in November 2012. This study uses two methods to get data and information such as interviews and observations. SWOT analysis is used to examine and determine the strengths, weaknesses, opportunities and threats faced by the company followed by a Root Cause Analysis is used to identify the cause of the issue of sales employees unproductive. In conclusion, in order to improve sales performance, the company strengthened its sales revenue which includes short-term and long-term.

EXECUTIVE SUMMARY

Rafellinna Sdn. Bhd. is a manufacturer of beauty and health products. Besides, Rafellinna also involved as wholesalers and distributors in the fashion industry, established in November 2012. Their aim is to lead the nation's Muslim economy by delivering quality and unique products.

The aim of this study is to examine and discover the key issues faced by Rafellinna since February 2013. The study reviews a wide range of reasons contributed to the downturn of sales performance. This study is organized into five major sections: an introduction of the case, case write-up of Rafellinna, review of the challenges faced by Rafellinna, an assessment, and analysis of Rafellinna, and propose practical recommendations to enable them to compete effectively in the highly competitive health, beauty, and fashion industry.

To identify the issues faced by Rafellinna, the key person who involved in this scenario has been interviewed, followed by reviewing company reports and observation. An assessment of Rafellinna in promoting their products carried out in order to determine the factors and the root causes contributed to the downturn in sales performance as well as the strategies that Rafellinna should undertake in order to improve and enhance the sales performance. Root Cause Analysis is used to identify the cause of the issue of sales employees unproductive while SWOT

analysis was used to determine the internal and external factors that give impact to the business and provide useful insights to the short-medium term and medium-long term business strategy.

Recommendations have been made by proposing two ways of strategies such as short-term and long-term strategies. By implementing some of the recommendations given and combining more targeted approaches in order to improved sales performance. Rafellinna will be taking on more proactive approaches to attract more customers that should increase sales result and gain profit to the company.

1.0 INTRODUCTION

This is a case study about health and beauty products from Bumiputera manufacturer, Rafellinna Sdn. Bhd., who faced poor performance decreasing since February 2013. They assigned 10 salespeople to help them market their products. However, the downturn of sales performance has received attention by the top management, therefore, the company has taken the approach to solving the problems from the root cause and provide solutions to these problems.

Rafellinna Sdn. Bhd. was founded by husband and wife, Mr. Muhammad Rafi'e bin Ramli and Mrs. Nadia Felinna binti Abd Fatah. At Rafellinna's office, Ms. Nur Fadzillah binti Mohd. Ali has reviewed a performance report, she has found that the overall sales performance was a downturn. They need to understand the reason behind the downturn and poor sales performance. Ms. Nur Fadzillah is a General Manager of Raffelinna Sdn. Bhd., based in Baling, Kedah. Her roles include overseeing the manufacturer and sales team in Baling, managing sales performance, operations, and employees of the company. The company trusts that Ms. Nur Fadzillah and her sales team will give their best to promote the products and brings sales to the company.

After 3 years, Mrs. Felinna aware that the local customers are very conscious about health, therefore, the company has introduced a new product, Caliph Sunnah Supplement For Kids. Various marketing techniques have been implemented by the company in giving brand awareness to the community as an example celebrity

endorsement, sponsor program in Astro such as Astro Ceria Pop Star, celebrity review in Instagram, social media, and others. As a result, Rafellinna brands become phenomenal and well accepted by Malaysians, although the company faces competition from other products such as Appeton, Champs, Scott's Emulsion, Yummi Bears, Qaseh Gold Junior, and other small players in the market.

1.1 Background of the Case Issue

Rafellinna Sdn. Bhd. mainly focuses on the manufacturer of health and beauty products. Besides, Rafellinna also involved as wholesalers and distributors in the fashion industry. With their head office located in Baling, Kedah whereas marketing and distribution office in Bangi, Selangor. Ms. Nur Fadzillah is responsible for managing the marketing strategies and sales team in Baling, Kedah.

After loss many of sales people last 3 years, Ms. Nur Fadzillah has reviewed a company performance report 2015 on the overall performance of sales for each team; she has found that companies lacked the expertise and skills of the sales team. It starts from the year 2012, where the company has 2 salespeople, due to ethical issues; the employee had to be laid off. Then in the year 2013, the company has once again hired 10 salespeople to market the company's products, due to ethical issues again, 8 employees had to be laid off. The company recruited additional 8 salespeople. As of the year 2014, the company has a total of 10 salespeople. Currently, with 10 salespeople the company

forged ahead aggressively to market the products and the company intend to go for corporate and global markets.

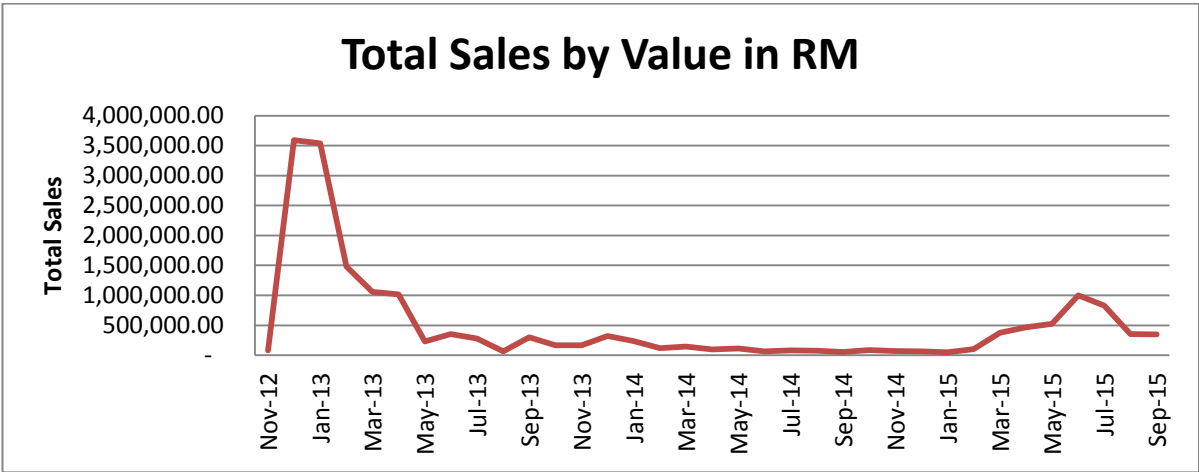


Figure 1.1: Sales Performance from November 2012 – September 2015

Source: Rafellinna Internal Data

This situation describes that the company is currently facing the biggest challenges and issues due to the downturn in the company's sales performance since February 2013. The increase in sales occurred in March 2015 however, the sale is not encouraging compared to its sales earned by the company in the previous year. Since, the company has invested a total amount of money to implement various marketing strategies in order to remain competitive in the industry; Ms. Nur Fadzillah has requested recommendations on how the company sales performance can be improved whereas the sales team is responsible for giving revenue to the company.

Internal factor such as lack of progressive and productive in sales activities cause of the failure in company's performance. Rafellinna should identify and use strategic approaches on what to achieve and how to achieve in order to accomplish the goals in a certain period of time.

In addition, there are a few other external factors that actually contribute to the poor sales performance. As explained by Ms. Nur Fadzillah, "In order to determine the root cause of the downturn in sales performance, the driving forces behind trends need to be identified". It is basically related to the reasons that influence the top management decision-making process. Therefore, Rafellinna needs to look at what is happening internally and externally that has affected the company's performance.

Based on sales performance reports Figure 1.1, the immediate intention for Rafellinna for the year 2015 is:

1. To make the company as well as or better than the competitors through enhancing the business environment and reinforcing the value proposition of the company
2. To improve company's sales performance

Now, the company expecting to receive the return of investment. However, the low sales case and closing rate prove otherwise. These are the most important issues that have to be overcome:

1. What are the root causes of the poor sales performance?
2. How to improve the current sales performance level to achieve the sales target?
3. What are the challenges faced by Rafellinna in order to close the sales?
4. What are the short term and long term action that needs to improve the sales performance.

2.0 INDUSTRY BACKGROUND

To produce sunnah supplement in Malaysia, manufacturers have to refer to the Malaysian Standard of Halal Food – Production, Preparing, Handling, and Storage – General Guidelines. There is also a Malaysian Standard for pharmaceutical known as Halal Pharmaceutical – General Guidelines to produce halal pharmaceutical products. It is the most current Malaysian Standard introduced by the Department of Standards of Malaysia in 2010 (Malaysian Standard, 2010). This standard was developed under the Malaysian Standard Development system under the wing of Department of Standardization Malaysia, Ministry of Science, Technology and Innovation of Malaysia to provide a guideline for a producer in preparing and handling halal product (Ab Halim and Nur Najihah Khipli, 2014).

2.1 Sunnah Supplement

Muslim's Supplement which is formulated to facilitate modern society a great benefit to the acquisition of foods mentioned in the Sunnah of the Holy Quran and Hadith. Sunnah supplements which stressed that halalan thoyyiban production, high quality, and maximizing consumers benefit.

Food-based products are often referred to as food the sunnah. It has become the latest food that has a high demand, particularly among Muslims. The case provides a new dimension in the world food market. Our society is seen to have the initiative to look for alternatives in health care. True once food-food that is mentioned in the Quran and the Prophet's practice of returning and has benefits and nutritional value. Plants referred to in his word is undeniable advantages perception these days to just notched the sunnah food at its best without any real spirit that the sunnah adopted either in cultural or not, in particular, manners and etiquette in nutrition. In particular, the nutritional Affairs are a halal concept and other food that tayyib, halal and healthy are also able to gain a reward. Manners and etiquette of nutrition on display. Allah also bestowed the diversity of other species on this earth to be enjoyed by his slaves. An important thing that needs to be dealt with in the context of this discussion was Prophetic recommended in curing disease with medications and foods that are commonly used. In its natural defenses, the prevalence of custom or habit for someone is as human beings. It has a large effect on the body. As a member of Arabic medicine, namely, Harith bin Khaladah revealed, ' prevention is the core medication. The stomach is the source of the disease. Always refer to the body devour something commonly eaten. Therefore, it is better if we also explore and appreciate nutrients, as well as the benefits of food and plants, are around us as a source of food medicine whatsoever. There is a wisdom that is hidden behind the foods mentioned in the Quran and practiced by the Prophet SAW. Some of these have been proven through research.

2.2 Kids Supplement Competitors

Nutrition is incredibly important during childhood, but unfortunately for some parents it can be difficult to get kids to eat a nutrient dense diet on a consistent basis therefore, deficiencies in the diet occur. Sometimes it becomes stressed enough to watch out on child's diet, if there are times where nutrients are lacking for whatever reason, then thankfully there are supplements for children that can help replace some of the missing things your child needs to grow up healthy and strong.

Not denying competition for so many supplement products in the local market, but it was a healthy competition. When the competition a lot, the company have to make improvements in terms of quality of the product so that it is not the same as the other products in the market.

3.0 COMPANY BACKGROUND

3.1 Overview

Raffelinna Sdn. Bhd. officially was founded on November 2012 in Baling, Kedah. One of the Bumiputera companies with 3 years of experience as a manufacturer, distributor, and wholesaler of beauty, health products, and fashion. The first product of the Raffelinna Sdn. Bhd. is the Fellina Body Lotion. After 4 months of Fellina body lotion, it appears this slimming lotion successfully steal the hearts of customers due to its effectiveness was proven when many users are satisfied after successfully lose weight and get the ideal body shape.

The founder, Mr. Rafi'e bin Ramli and Mrs. Nadia Felinna binti Abd. Fatah starts small businesses promoting the company's products, namely inaugural Fellinna Body Lotion through a social media platform, Facebook and sold directly to customers who come to their store in Baling, Kedah. Upon request to the product, they registered the company in the name of Raffelinna Sdn. Bhd. as the holding company and the establishment of Raffelinna Marketing Sdn. Bhd. as an operating subsidiary to market Felinna Beauty products.

In November 2012, officially they managed to become a beauty products manufacturer and became the founder of the products. Their aim was to expand the diversity of roles as producers of industrial goods. Since Rafellinna started its operation,

the company has expanded the industry from just being a producer company to manufacturer company and as well as in the new emerging product business.

Now Fellina Beauty is growing with the emergence of new products with high quality, initiated by way of packaging more effective and user-friendly. Among the products Felinna Beauty are Marine Collagen Vitamin C (PMCVC), Pure Teaberry Juice, Body Lotion Plus, White Coffee Vitamin C and Hygienic Foam Wash. Next will be the Caliph Sunnah Supplement For Kids. Below are figures that have shown a list of products that are featured under Felinna Beauty especially product Caliph Sunnah Supplement For Kids.

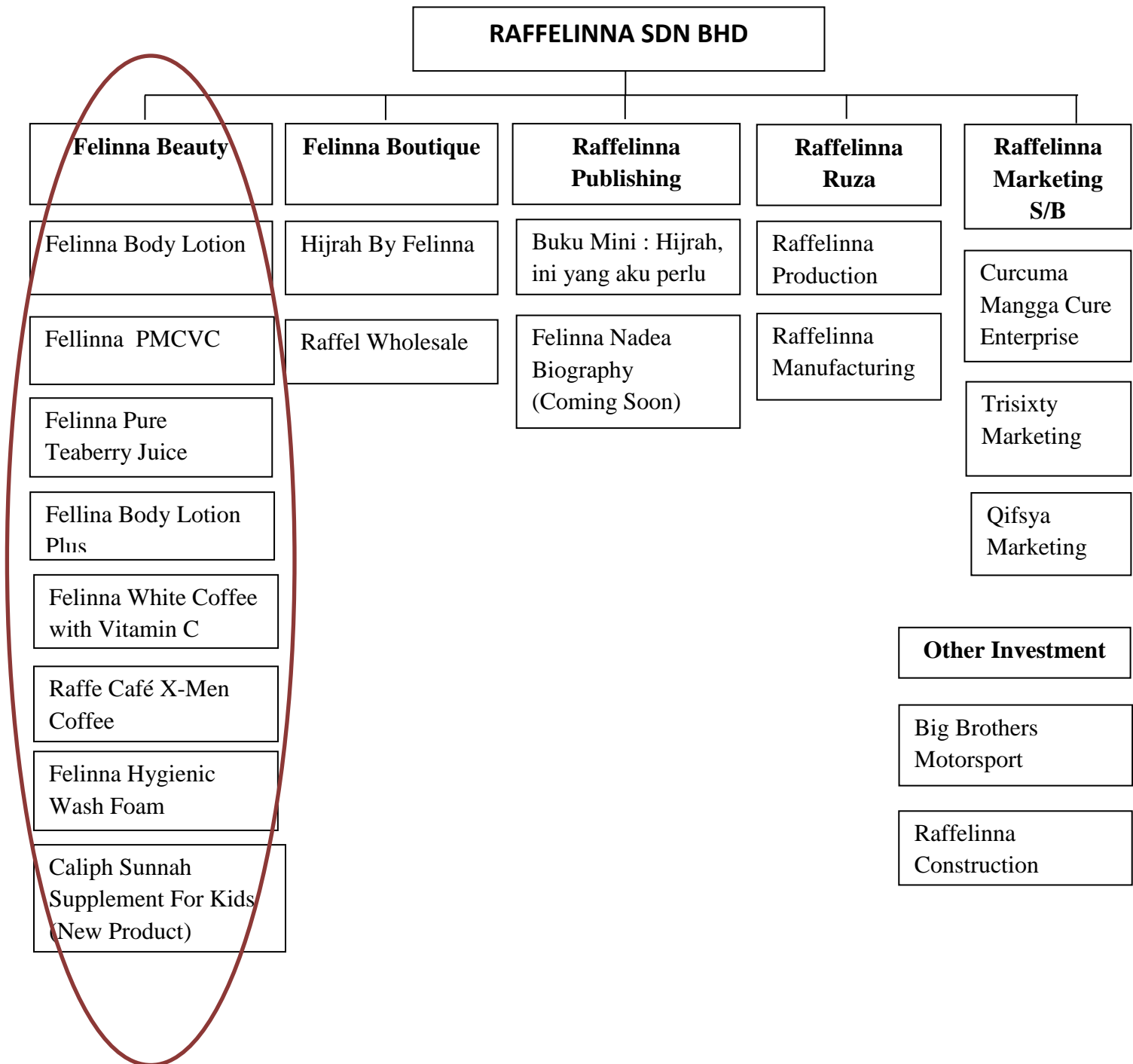


Figure 2.1: Rafellinna Sdn. Bhd. Corporate Structure

The latest release is the brand name of Caliph Sunnah Supplement For Kids of Raffelinna Sdn. Bhd. will focus to products to help your growing child. Guaranteed products halal and safe form the basis of the production of this product and will help the parents to educate and enhance the ability of their children's minds. Any materials contained in the Caliph had its own juice, which can be themselves cure a variety of diseases and the development of the mind is not only scientifically proven, but also certified nutritional value by the Prophet S.A.W through Hadith and verses of the Holy Quran. The combined acquisition practices the sunnah through food Caliph not only able to juice a catalyst leading health but help our children acquire the blessed food by applying the sunnah in everyday life. Caliph of the factories produces in GMP standard and Muslim approval JAKIM and standards from the Ministry Of Health (MOH). Caliph juice is a product under the classification of food and drink and registered with the Ministry Of Health.

3.2 Vision

The vision of Raffelinna is to lead the nation's Muslim economy by the end of 2014. With the establishment of a WISMA which monopolized the Islamic economy.

3.3 Mission

Rafellinna's aims to achieve mission:

- Improving the knowledge of the importance of food supplements to maintain health and beauty naturally.
- Provide an opportunity for more entrepreneurs, particularly women
- Provide quality, professional, efficient and effective with the standard compliances.
- Working with various parties, whether individuals or organizations in revealing the ability of the company overall.
- Diversification of economic Muslim community.

3.4 Core Value

The company's core values are:

- ❖ A performance culture within the set goals that challenge directly from the commitment.
- ❖ Customer satisfaction through high-quality products, value, and innovative solutions are really important for the company.
- ❖ The company is also doing business with full professional and integrity without compromise and emphasizing teamwork as a way to achieve together thus maximize the potential of each employee.
- ❖ The company also appreciates the diversity of customer needs and the customer is important to recognize the improvement and success of the company.

- ❖ The company is ready to accept changes and realigning to compete in domestic or global level so that the performance of the company always ahead of the competition.

3.5 Objective

The company's objectives are to ensure the company's stability is assured in the face of any challenges that come on an ongoing basis. Support collaboration among staff in the success of the mission and vision go hand in hand to achieve the company's objectives. Bringing a corporate image can be underlying strength and the high attractiveness to investors and customers in particular. Provide transparency and consistency in implementing quality administration up to the international level. Become an added value to the company in an effort to become one of the Bumiputera companies constantly and esteemed by others.

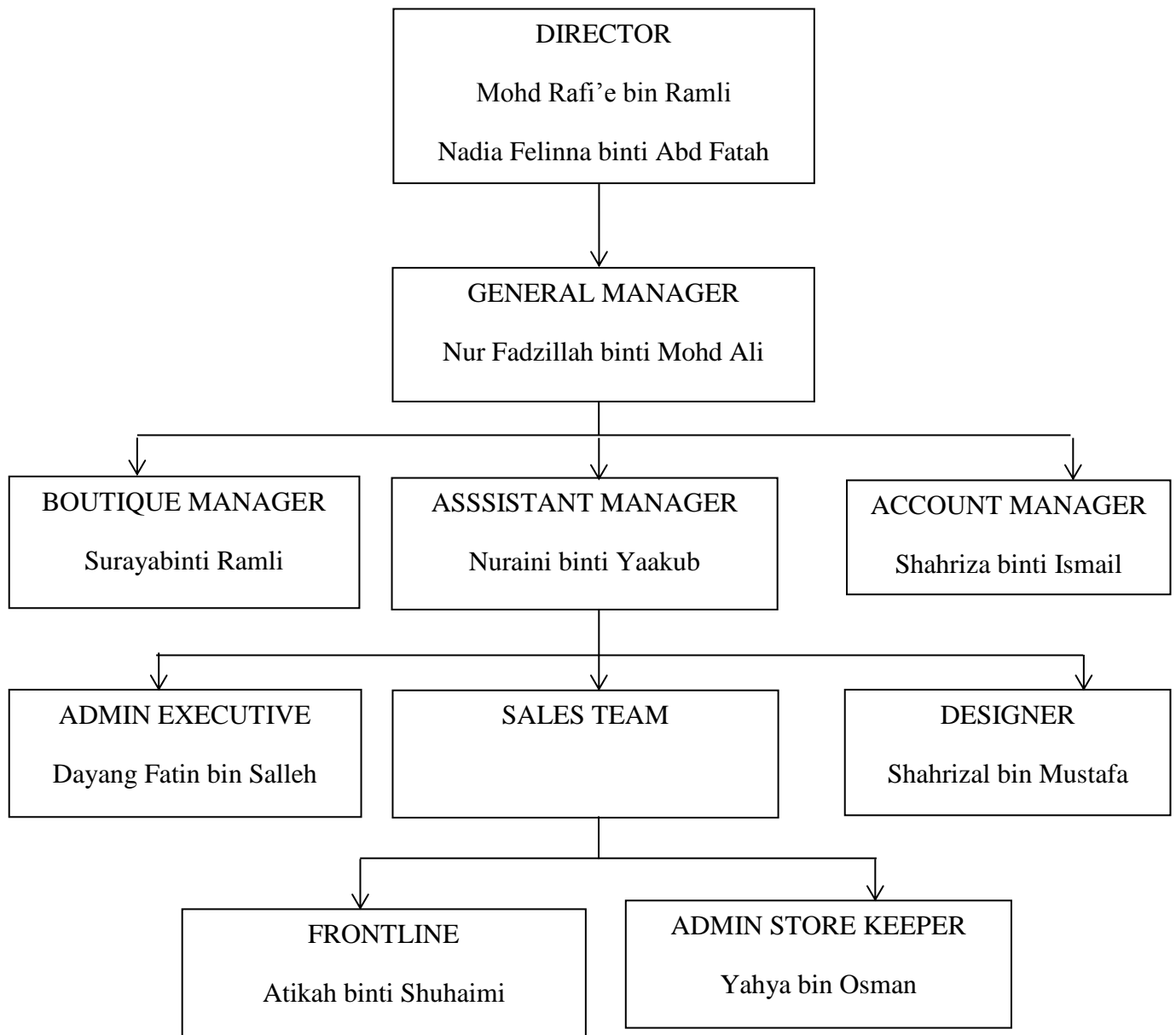


Figure 2.2 The Organization Chart of Felinna Beauty

3.6 Organization Chart

With a small team of 20 staff members (including top management), the Felinna Beauty organization chart is divided into 2 levels: Director and General Manager. Director and General manager are responsible to approve policies, annual and monthly plans and budget, approve programs and monitor performance as well as to provide strategy and direction to the Sales Team. Under General Manager, they have 3 levels: Boutique Manager, Assistant Manager, and Account Manager who responsible for developing business plans, budget, day to day execution of policies, strategies, and programs in accordance headed by the General Manager. Operational functions of Felinna's are Admin Executive, Designer and Sales Team who manage by Assistant Manager. In the other hand, under Sales Team, there are Frontline and Admin Store Keeper.

3.7 Responsibility of Sales Team

Based on organization structure, the operational functions consist of five units which are Admin Executive, Designer, Sales Team, Frontline and Admin Store Keeper. The Sales Team is one of the main unit who contribute most to the company. The sales team headed by Assistant Manager, Ms. Nuraini binti Yaakub who is reporting directly to the General Manager of Felinna Beauty, Ms. Nur Fadzillah. The main focus of the Sales Team is as follows:-

1. Promoting a product to the customer in order to create brand awareness and increasing company revenue.
2. Selling and secures orders from existing and prospective customers.
3. Establishes, develops and maintains business relationships with current customers and prospective customers in the assigned territory/market segment to generate new business for the organization's products/services.
4. Makes telephone calls, manage orders or inquiries through social media, and presentations to existing and prospective customers.
5. Develops clear and effective quotations from current and prospective customers.
6. Dealing with customer problems and complaints.
7. Participates in the event / roadshow.

In summary, the Sales Team required to make sales activity aggressively in order to maintain the competitive advantage. To achieve these goals, it is important for the Sales Team to work progressively and productive.

4.0 DETAILS OF THE CASE ISSUE

After 3 years, Mrs. Felinna is rather sure that the local customers are very conscious about health therefore, the company has introduced a new product, Caliph Sunnah Supplement For Kids. Various marketing techniques have been implemented by the company for giving brand awareness to the community as an example celebrity endorsement, sponsor program in Astro such as Astro Ceria Pop Star, celebrity review in Instagram, social media, and others. As a result, Rafellinna brands become phenomenal and well accepted by Malaysians.

Internal Performance

According to the progress performance report on Sales Performance of Rafellinna Sdn. Bhd. from November 2012 – September 2015 describes that the company is currently facing the biggest challenges and issues due to the downturn in the company's sales performance from February 2013 through February 2015 but on March 2015 the sales have been ascending slowly.

External Performance

Nowadays, the trend where local companies and international companies produced various sunnah supplements for kids such as Appeton, Champs, Scott's Emulsion, Yummi Bears, Qaseh Gold Junior, and other small players in the market.

Based on internal and external performance, three problems that could contribute to the situation of downturn company sales performance such as:

1. Lack of self-development and self-initiatives of the sales team.
2. Strong competitions with immediate competitors.
3. High expectation of the company.

Lack of self-development and self-initiatives of sales team

The company had planned towards corporate and globally in 2016, it might be challenging for the company due to lack of competitiveness among sales teams, wasted expenditures, especially on product because the sales team unable to sell even though a lot of promotions has been done, unable to do any big advertisement and branding of the product and the company because of insufficient fund, waste of resources, and unable to retain good staff and the company will not survive. Therefore, the company really needs to search other method or right tools on how to improve sales performance and increase sales team performance without having to lay off existing employees, improving the efficiency of the sales team, take another look at sales strategy, execution and continuous process improvement, and recruit the right talent or sales person to increase sales effectiveness by proposing the right tools. The company gets dilemma which the company can't do anything or do not know what other methods to offer or apply in order to motivate their sales representatives even though the company has offered rewards and incentives to their sales team such as commissions (RM2.00 per bottle), bonus, and trip 2 tickets (per annum). However, the sales agent was not tempted to make more sales and it affects the company.

Strong competitions with immediate competitors

The company faces competition from other big company such as Appeton, Champs, Scott's Emulsion, Yummi Bears, Qaseh Gold Junior, and other small players in the market which offer the same products which is kids supplement. However, for kids supplement market information regarding local market size and potential are limited. Rafellinna has to further investigate and do more research their market position in Malaysia and conduct in-depth analysis, the right strategy is needed to improve sales closing rate and desired return on investment.

High expectation of the company

The issue in the downturn of sales performance can also be related to incapable of meeting the criteria required by top management. To replace the existing sales people with poor performance, it is not an option for a company. This kind of option never brought up by Rafellinna's top management and they believe "every person have their own sustenance". As such, Rafellinna will still try their best to retain existing sales people and train them until they succeed. Furthermore, the top management expects their salespeople to commit to their sales activity such as entertain any inquiries from customers in social media, prepare the quotation and do the closing.

Moving forward, based on current issues and challenges identified, the company needs to provide solutions for:-

- i. What are the drivers for the performance of the company to be the top company of choice for customers.

- ii. How to improve company's sales performance via the quality of the product in order to make Rafellinna as good as or better than the competitors.

A detailed analysis needs to be done to achieve the above solution and the questions that need to be answered are:

- i. What are the strengths, weaknesses, opportunities, and threats faced by Rafellinna (SWOT Analysis)?
- ii. What are the performance gaps and potential causes that lead to the poor performance (Cause-and-effect Analysis)

5.0 CASE ANALYSIS

Several analytical tools such as SWOT analysis and Cause-and-effect analysis has been used to analyze and resolve the obstacles faced by the company. Varieties of a method including interviews, data compilation, and on-site observation are used. The process owners, internally related resources, including the documentaries and management staffs have been interviewed.

Technique	Objective
SWOT Analysis	To examine and to determine the strengths, weaknesses, opportunities, and threats faced by the company.
Cause-and-effect Analysis	To identify potential causes of the issue in the underperformance.

Table 5.1: Illustrates a set of tools that will be used for this case analysis in order to develop effective strategies for improving sales performance in Rafellina.

Table 5.1: Proposed Tools for Case Analysis

5.1 SWOT Analysis

The analysis of the macro-environment as well as a micro-environment is important to take stock of the company's strengths and to assess the weaknesses, opportunities, and threats. Assessing the favorable and unfavorable factors from the external and internal business environment could help to discover issues of staff's underperformance from the strategic management perspectives.

A SWOT (strengths, weaknesses, opportunities and threats) analysis looks at internal and external factors that can affect the business. Internal factors are the strengths and weaknesses. External factors are the threats and opportunities. SWOT Analysis is a simple but useful framework for analyzing organization's strengths and weaknesses, and the opportunities and threats that face. It helps the company to focus on their strengths, minimize threats, and take the greatest possible advantage of opportunities available.

SWOT Analysis is a simple framework, useful to help companies to focus on their strengths and take advantage of opportunities available to the company. By understanding the weaknesses of the business, one can manage and minimize the threats. After that, the company can start to craft a strategy that helps to distinguish themselves from their competitors and be prepared to compete successfully in the market. Rafellinna uses a SWOT analysis as part of their strategic planning tool to help them

reach their objectives. Strengths and weaknesses are internal aspects within the control of the company such as management, marketing, finance, manufacturing or organization. Opportunities and threats are external factors. It is something that can't control, that could negatively impact the business such as environment, political stability, economic situation, social change, and technological advances. A threat to the company is an external factor, something that the company can't control, that could negatively impact the business.

In order to improve the sales performance, Rafellinna must assess their internal and competitive environment. This will reveal the key opportunities that benefit them as well as the threats they must deal with. The SWOT analysis provides a good framework for reviewing strategy, position, and direction of a company or business proposition.

The world has become borderless and information is easily transferred. As such, the business world is exposed to dynamic competition and vast technological evolution. Being strategically agile is not easy for Rafellinna as they need to revisit their organizational portfolio periodically to decide what will be their core focus and competency. A good business plan is just starting point. Rafellinna needs to design a personal, corporate strategy to ensure that the company can quickly adapt and react to the dynamic marketplace and competitive environment in Malaysia beauty and health industry.

Outright environment scanning provides an idea of what products or services will be viable in future by carrying out a proper global scenario plan to understand the possible business opportunities, and subsequently narrowing down to preferred (about the outright environment).

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> i) Emphasis on the R&D ii) Fast production cycle time iii) Marketing: Aggressive and focused marketing campaign with clear goals and strategies iv) The company consistently produces quality products without compromise with it v) Uniqueness: Company offer a unique product in the market. 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> i) Offer a limited product range ii) Turn over sales people
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> i) The Malaysian government to cultivate more entrepreneurship, create competitive companies, products, services and brands for local SMEs to compete on a global level ii) Customer loyalty : Customer is looking for an ongoing relationship with the vendor iii) Growing market : The market for a supplement, especially kids is huge and growing 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> i) Existing of product imitation ii) Competitor market

Table 5.2: Summarizes the strengths, weaknesses, opportunities, and threats of Rafellinna.

Table 5.2 : SWOT Analysis of Rafellinna

5.1.1. Strengths

i) Emphasis on the R&D

The first product of the Raffelinna Sdn. Bhd. is the Fellina Body Lotion after completing R&D, the body lotion was proven when many users are satisfied after successfully lose weight and get the ideal body shape in the way of packaging more effective and user-friendly

ii) Fast production cycle time

Among the products, Felinna Beauty are Marine Collagen Vitamin C (PMCV), Pure Teaberry Juice, Body Lotion Plus, White Coffee Vitamin C and Hygienic Foam Wash. Next will be the Caliph Sunnah Supplement For Kids. At the same time, Rafellinna also involved as wholesalers and distributors in the fashion industry under Felinna Boutique.

iii) Marketing: Aggressive and focused marketing campaign with clear goals and strategies

Various marketing techniques have been implemented by the company for giving brand awareness to the community as an example celebrity endorsement, sponsor program in Astro, celebrity review in Instagram, social media, and others.

iv) The company consistently produces quality products without compromise with it.

Fellina Beauty is growing with the emergence of new products with high quality, Just within 4 months in the market, Fellina Body Lotion was proven when many users are satisfied after successfully lose weight and get the ideal body shape.

v) Uniqueness: Company offers a unique product in the market.

Those products that introduced to the market are unique and different from existing product in the market.

2. Weaknesses

i) Offer a limited product range

So far, Rafellinna Sdn. Bhd. produced Marine Collagen Vitamin C (PMCVVC), Pure Teaberry Juice, Body Lotion Plus, White Coffee Vitamin C and Hygienic Foam Wash. Next will be the Caliph Sunnah Supplement For Kids.

ii) Turnover sales people

It starts from the year 2012, where the company has 2 salespeople, due to ethical issues; the employee had to be laid off. Then in the year 2013, the company once again recited 10 salespeople to market the company's products, due to ethical issues again, 8 employees had to be laid off. The company recruited additional 8 sales people. As of the year 2015, the company has a total of 10 sales people.

3. Opportunities

i) The Malaysian government to cultivate more entrepreneurship, create competitive companies, products, services and brands for local SMEs to compete on a global level. The government also encourages mostly Bumiputera to get involved in business and entrepreneurship. There is a loan facility offer to anyone interested in venturing into entrepreneurship.

ii) Customer loyalty: Customer is looking for an ongoing relationship with the distributor.

When the product is quality and was proven effective, customers will satisfy and will spread the benefits of the product from mouth to mouth. Therefore, not only company's customers will loyal to the brand, but the company also attracts new customers.

iii) Growing market : The market for a supplement, especially kids is huge and growing.

Nutrition is incredibly important during childhood, but unfortunately for some parents it can be difficult to get kids to eat a nutrient dense diet on a consistent basis therefore deficiencies in the diet occur. Thankfully, there are supplements for children that can help replace some of the missing things children needs to grow up healthy and strong.

4. Threats

i) Existing of product imitation

Rafellinna faced a challenge when a few companies produce the same product as Rafellinna. For example, Felinna Inch Loss Body Lotion was proven effective when many users are satisfied after successfully lose weight and get the ideal body shape.

ii) Competitor market

Competition could develop expensive new marketing campaigns and equipped with a bigger size of market capital to gain a more competitive advantage.

Rafellinna has been extremely successful in the past and has a very promising future ahead of them. Unfortunately, there is always a negative side to success. In summary, from the problems that have been identified, Rafellinna has faced a big challenge or obstacles due to mismatch. The issues arise mainly due to improper planning and implementation of Rafellinna including as well as strong competition from surrounding.

5.2 Cause-and-effect Analysis

The issues are able to identify by using potential causes and effects through interviews, data review, and observation. All possible causes that related to the issues are highlighted by using cause-and-effect analysis. Cause-and-effect analysis is a type of problem-solving tool for identifying the possible root causes of problems on quality. This Fishbone Diagram provides a systematic way of looking into the effects and the causes that contribute to the problem to be solved.

Root cause analysis is important to deeply understand the reasons and symptoms behind staff's underperformance. This analysis basically can help top management to identify why the problem occurred in the first place. Basically, it helps to determine what happened, why it happened and to figure out what and how to resolve. As discussed in the case write-up, the issues of the staff's underperformance are due to three main factors or problems such as lack of self-development and self-initiatives of the sales team, strong competitions with immediate competitors, and high expectation of the company. Upon interview, data and document review as well as meeting, observation, the potential cause and source of the underperforming staffs are identified. All possible causes contribute to the issues are highlighted using this root cause analysis.

Often the Fishbone diagram can be used to summarize the results of a brainstorming session. Hence, the main objectives of this tool, in this case study are:

- i) To identify the root uses of the poor sales performance of Rafellinna in Malaysia.
- ii) Focusing on specific issues such as the method of doing business, a management issue, product performance, sales process, and supplied material without resorting to the irrelevant discussion.
- iii) To identify the relationship between various factors influencing the mentioned problem
- iv) To reveal possible causes and provide insight for further improvement

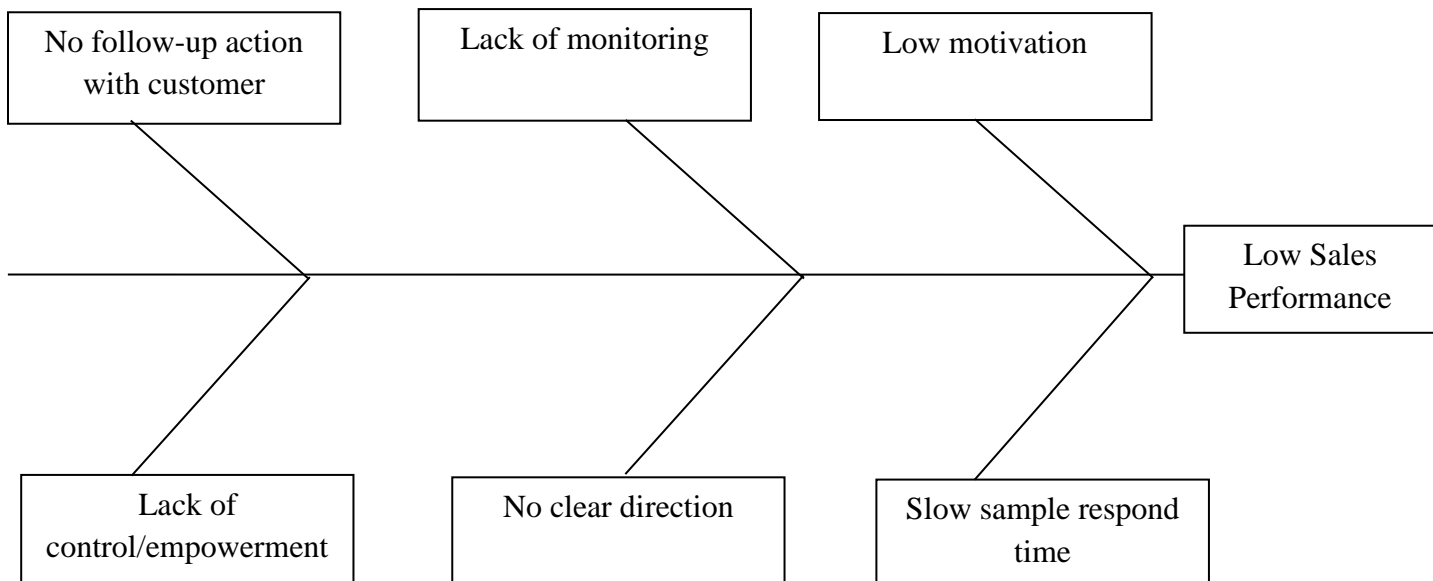


Figure 5.1 : As illustrated in Fish Bone Diagram, factors which contribute to poor performance are as follows:

Figure 5.1 : Fishbone Diagram for Highlighted Issue

Based on Figure 5.1 by using the Fishbone Diagram, there are six main causes that might contribute to poor sales performance. Through brainstorming, the most detailed of sub-categories were generated. These six main causes are categorized into:-

i) No follow action with the customer

No follow up action with customer among sales people are the factor that identified as a possible cause that contributes to the issue of poor sales performance. The sales people not aggressive, just waiting for customer to buy instead of go and find a customer.

ii) Lack of control/empowerment

Lack of control or empowerment factor was identified as the possible cause that contributes to the issue on poor sales performance. When there is a 10 sales people means there is 10 attitude that the company and management need to deal with.

iii) Lack of monitoring

Lack of monitoring between sales people and the supervisor factor was the potential cause that affects the poor of sales performance. No supervisor to monitor closely, suppose to have supervisor for each team.

iv) No clear direction

No clear direction factor was the potential cause that affects the poor of sales performance. A little knowledge about the new product and the owner didn't prove clear goal.

v) Low motivation

Low motivation factor was the potential cause that affects the poor of sales performance. Low incentives for senior sales people, no incentive for new sales people, no encouragement from managers.

vi) Slow sample respond time

Slow sample response time factor was the potential cause that affects the poor of sales performance. No fast action when there is enquiry by the customer, slow product proposal.

5.4 Findings from Data Analysis

Based on the findings after the overall analysis of Rafellinna, there are a few important elements which need to be looked into in order for Rafellinna to achieve greater success and sustain in the competitive market. Based on the SWOT analysis, Rafellinna should exploit its strengths, utilize opportunities, improve weaknesses and remove threats. Resolve the obstacles in particular of mismatch of ‘what you can offer to customers’ vs ‘what does customers want’ compared to what competitors can offer is the first thing that needs to be explored. The issue arises mainly because of the low initiatives in the sales team and strong competition from surrounding. Rafellinna able to improving their performance by solving the issues of mismatch.

On the other hand, besides having a strategic plan in a sales team, good commitment from all staffs should be explored. This is because most of the root cause of the problems related to the staff's, thus having the same vision among staffs should be implemented. Each of the staffs should clearly understand:

- a. What is their role in sales?
- b. Why is Rafellinna promoting the products?
- c. How is this sales performance is important to the company?
- d. Why should Rafellinna continue improving the sales performance of the sales team?

In terms of the competitions, although the company has its own niche area, however, there still a room for improvement. Meeting the basic need of customers is not enough in today's business environment. Providing good package to customers will make the company more prominently than their competitors. Continue to produce quality products is a key strategy to sustain in the competitive market. Thus, looking at current problem and challenges, having a good future strategic planning in terms sales team development should be the first thing that needs to be done.

6.0 DISCUSSION AND RECOMMENDATION

Finding of case analysis shows that Rafellinna Sd. Bhd. should have effective strategies to overcome the issues in the underperformance of staffs. The effective strategies should be implemented:-

- i) Improve the weaknesses and remove the threats by using its core competencies. This can be done by making Rafellinna Sdn. Bhd. as good as or better than the competitors through improving the mismatch elements by enhancing the business environment and reinforcing the value proposition.
- ii) Utilize its strength to integrate the opportunities available in order to improve staff's performance in Rafellinna especially the commitment from the staffs.

To achieve the sustainable development of the Rafellinna Sdn. Bhd., the company will have to maintain its momentum to effectively plan, implement, and review the on-going development of the company. Therefore, the recommendations proposed to the management of Rafellinna cover both elements mentioned above. The recommendations aim to assist Raffellinna in resolving the issue of staff underperformance.

Thus, the recommendation will be based on the strategic perspective. A two-strategy approach is recommended to cover a short-term strategy and medium to long-term strategy.

6.1 Short to Medium Term Strategy (1 to 5 years)

1. Improve strategic promotion

Other than targeting new customers, Rafellinna's promotion strategy should also focus on existing or regular customers, which can be leveraged to move up their value chain. Targeting existing customers will be easier as they already have experience with Rafellinna. By focusing the existing products, it would help Rafellinna in improving the performance of staff. Encourage more resident companies to move towards higher value-added production and more advanced technologies, thus qualifying them to apply.

In addition, some of the marketing plans should integrate with the marketing plan of attracting more customers with high value and quality products.

2. Building informational website

Important things for Rafellinna to focus on in the coming year which are building and learning how to manage an informational website, and developing an efficient employee onboarding process and training program more on the internet.

3. Company relationship with vendor

Rafellinna needs to establish its reputation as a highly-efficient, high-potency company grower, and one effective and inexpensive way to do that would be to lean on loyal customer testimonials in the company's marketing strategy. The company also needs to establish a strong sales channel with other vendors, and should invest plenty of energy into building those relationships and establishing Rafellinna as a reliable distributor.

6.2 Medium to Long Term Strategy (5 to 10 years)

1. Establish the company worldwide

A potential business opportunity for Rafellinna ideally to target markets in neighboring countries such as Brunei, Singapore, Indonesia, Thailand, Philippines. A strong marketing campaign can remain consistent. This is one area in which being a small local firm could be a major advantage for Rafellinna, but international market research and more information about the export are required.

2. Sustainability

Produce recycling packaging material is of the essence. Rafellinna may want to consider adding a Research & Development team, to investigate new product possibilities and keep the company's operations well prepared for any consequences.

7.0 CONCLUSION

Rafellinna Sdn. Bhd., started by two young entrepreneurs with just using marketing techniques on Facebook makes their products are increasingly recognized. Within a short period of time, they have achieved commendable success. Operating for 3 years and now become one of the top selling products on the market, have a simple marketing plan which are providing training and assistance system, bonus and attractive and achievable, provide online systems, facilities have their own factory and produce quality products, products with low price phenomenon triggers the quality value for money, a leader in producing health drink Juice products production of products, committed to the clean, pure and halal, the company's wholly-owned and licensed Bumiputera and flexible and easy compromise in terms of business.

Issue of staff underperformance can be resolved by implementing the short term and long term recommendations as proposed. Rafellinna success will be dependent on their staff's performance in implementing the strategic approaches. On top of that, Rafellinna has an advantage over its competitors because of the strong brand that has been built over the past 3 years, thus with these core competencies and strategic promotion approaches by focusing on mainstream media will help to improve Rafellinna performance.

Last but not least, after 3 years of venturing into the business, Rafellinna has evolved into wholesaler. To remain relevant and competitive, it must make a big leap up the value chain and reposition itself and also as a top choice for high-value-add industry.

8.0 REFERENCE

The official website of KnowledgeTree. <https://www.knowledgetree.com/> (retrieved on 13th October 2015)

The official website of IKS. <http://selangortimnas.weebly.com/> (retrieved on 13th October 2015)

The official website of Supplement of Smart Kids. www.foodforthebrain.org/ (retrieved on 20th November 2015)

The official website Kids Vitamin & Mineral. www.webmd.com/ (retrieved on 20th November 2015)

The official website Vitamin and Supplement for Children. www.wellnessmama.com (retrieved on 20th November 2015)

The official website SWOT Analysis Example. www.articles.bplans.com/ (retrieved on 20th November 2015)

Research Report MBA SSME, USM 2014. Low Chie Chong. Improving Sales Performance : A Case Study In A Korean based Adhesive Company

9.0 APPENDIX

9.1 Research Questions and Data Linkage

Research Questions (RQ)	Data Source and Method	Justification
RQ 1. What are the root causes of the poor sales performance	1. Interview : Ms. Fadzillah (General Manager) 2. Document analysis	1. Collecting different viewpoint of the respective person to provide the insights on this matter. 2. The feedback and comments will help in mapping out the overall process and it will be useful in case analysis.
RQ 2. How's the sales performance of Rafellinna as compared to other branches located in various regions and what are the	1. Interview : Ms. Fadzillah (General Manager) 2. Document analysis	1. Help to find out the current performance of Rafellinna compare to other branches. 2. Assess local market performance.

performance gaps?		3. To understand how far the Rafellinna current position compared to other company.
RQ 3. How to improve the current sales performance level to achieve the sales target?	1. Interview: Ms. Fadzillah (General Manager) 2. Document analysis	1. Identify key factors affecting the sales performance and what need to be done differently to achieve the target. 2. To formulate strategies and determine the direction for achieving the mission.
RQ 4. What are the challenges faced by Rafellinna to close the sales case?	1. Interview : Ms. Fadzillah (General Manager) 2. Document analysis	1. To understand t weakness and limitation within internal factors (management, organization, operation, finance, marketing, and technology). 2. To identify the threats from external factors

		(economic, social, political, demographic, markets, products, and technology).
RQ 5. What are the short term and long term action that needs to improve the sales performance?	1.Interview : Ms. Nur Fadzillah (General Manager) 2.Document analysis	1. To formulate strategies and determine the direction for achieving the mission.

9.2 List of Personnel Have Been Interviewed

Name	Position
1. Ms. Nur Fadzillah binti Mohd Ali	General Manager of Rafellinna Sdn. Bhd.
2. Ms. Aliah binti Alias	Senior Sales Representative of Rafellinna Sdn. Bhd

9.3 List of Documents Have Been Reviewed

1. Rafellinna Company Profile	Paragraph 3.0 - 3.7
2. Rafellinna Corporate Structure	Figure 2.1
3. Rafellinna Organization Chart	Figure 2.2
4. Rafellinna Sales Performance	Figure 1.1

9.4 List of Interview Questions to Provide Insight for Research Questions

General Questions to General Manager of Rafellinna (Ms. Nur Fadzillah)

Question Group (1)	Data / Document & Method	Justification
1. May I know the background of your company?	Q&A, Company Profile	To understand the whole organization
2. Could you tell me about the organization structure?	Organization Chart	To understand the whole organization
3. What's your current position and responsibility in the company?	Face to face interview, Q&A	To understand their function, line of reporting and authority
4. Who are you reporting to?	Face to face interview, Q&A	To understand their function, line of reporting and authority

Specific Questions to General Manager of Rafellinna (Ms. Nur Fadzillah)

Question Group (1)	Data / Document & Method	Justification
1. What is your current sales performance?	Face to face interview, Q&A	To understand the current status of their sales
2. What are the markets or customers that you intended to serve?	Face to face interview, Q&A	To understand where is their market and who are their customers
3. Who are the main competitors in this industry?	Face to face interview, Q&A	To identify the market players in beauty and health sector
4. What are the challenges that you are facing in promoting the product?	Face to face interview, Q&A	To understand the business obstacles
5. What are the main contributions to the low sales case/opportunity?	Face to face interview, Q&A	To identify possible root causes from the Fishbone Diagram
6. How do you think Rafellinna can further improve their service?	Face to face interview, Q&A	To identify room for improvement
7. What are your sales team strengths and weaknesses?	Face to face interview, Q&A	For SWOT Analysis

8. How you foresee the company performance in next 3 years?	Face to face interview, Q&A	To understand their vision and mission
9. What are the strategies you used to enhance your sales performance?	Face to face interview, Q&A	To understand their strategy and business plan
10. Do you foresee beauty and health market will slow down? Why?	Face to face interview, Q&A	To understand the future trend of economic impact to beauty and health market

9.5 Interviewed Data / Report

9.5.1 List on Interview Report

Name : Ms. Nur Fadzillah binti Mohd Ali (General Manager of Rafellinna Sdn. Bhd.)

Date / Time : 20th October 2015 (2.00pm-4.00pm)

Question Group (I)	Feedback
1. May I know the background of your company?	Introduction of nature of business, history of the company
2. Could you tell me about the organization structure?	Refer to Figure 2.2 : Rafellinna Organization Structure
3. What's your current position and responsibility in the company?	General Manager for Rafellinna Sdn. Bhd. Manage company operation and sales team

4. Who are you reporting to?	The owner of Rafellinna Sdn. Bhd.
------------------------------	-----------------------------------

Question Group (II)	Feedback
1. What is your current sales performance?	Unable to achieve the target
2. What are the markets or customers that you intended to serve?	Customer who conscious about beauty and health
3. Who are the main competitors in this industry?	Appeton, Champs, Scott's Emulsion, Yummi Bears, Qaseh Gold Junior, and etc
4. What are the challenges that you are facing in promoting the product?	Refer to the Fishbone Diagram
5. What are the main contributions to the low sales case/opportunity?	Refer to the Fishbone Diagram
6. How do you think Rafellinna can further improve their service?	By providing a wider product range and more R&D products for the local sector
7. What are your sales team strengths and weaknesses?	Low productivity (refer to Fishbone Diagram)
8. How you foresee the company performance in next 3 years?	Positive
9. What are the strategies you used to enhance your sales performance?	Identify more sales cases, focus on proven products and sales team productivity
10. Do you foresee beauty and health market will slow down? Why?	No. Malaysia still enjoys FDI growth, sustainable GDP

9.5.2 List on Interview Report

Name : Ms. Aliah binti Alias (Senior Sales Representative of Rafellinna Sdn. Bhd.)

Date / Time : 15th November 2015 (3.00pm-4.00pm)

Question Group (I)	Feedback
1. May I know the background of your company?	As explained by Ms. Nur Fadzilah
2. Could you tell me about the organization structure?	As explained by Ms. Nur Fadzilah
3. What's your current position and responsibility in the company?	Senior Sales of Rafellinna. Do sales and give training to junior sales people
4. Who are you reporting to?	Reporting to Ms. Nur Fadzilah

Question Group (II)	Feedback
1. Who are the main competitors in this industry?	As explained by Ms. Nur Fadzilah
2. What are the challenges that you are facing in promoting the product?	Refer to the Fishbone Diagram
3. What are the main contributions to the low sales case and performance?	Refer to the Fishbone Diagram
4. How do you think Rafellinna can further	By providing a wider product range and more R&D

improve their service?	products for the local sector
5. What are your sales team strengths and weaknesses?	Low productivity (refer to Fishbone Diagram)
6. How you foresee the company performance in next 3 years?	We will have more product range to offer.
7. What are the strategies you used to enhance your sales performance?	Identify more sales cases, focus on proven products and sales team productivity
8. Do you foresee beauty and health market will slow down? Why?	No. Our government encourages SME or Berhad company to involve in entrepreneurship
Strength related questions:	
9. Are they any unique or distinct advantages that make the company stand out in the marketplace?	Refer to company strength in SWOT Analysis
10. Why customers choose Rafellinna over the other company	Refer to company strength in SWOT Analysis
Weaknesses related questions:	
11. Are they any operations or procedures that can be streamlined?	As explained by Ms. Nur Fadzilah
12. What and why your competitors do better than your company?	As explained by Ms. Nur Fadzilah
13. Is there any evidence that your organization should be aware of?	As explained by Ms. Nur Fadzilah
14. Do your competitors have a certain	As explained by Ms. Nur Fadzilah

market segment conquered?	
Opportunities related questions:	
15. When and what are the attractive opportunities within your marketplace?	As explained by Ms. Nur Fadzilah
16. Are these any new emerging trends within the market?	As explained by Ms. Nur Fadzilah
17. What does your company predict in the future that may depict new opportunities?	As explained by Ms. Nur Fadzilah