

Budi Sejahtera, Reliance and Resilience at Mak Teh Enterprise

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Abstract: *Mak Teh Enterprise (MTE) showcases the incorporation of budi sejahtera, trust, and resilience in a 15-year-old grocery shop. Its original intention was to serve the community with the budi sejahtera orientation through a simple grocery shop. Mak Teh Enterprise has survived due to the support it receives from the family and community. The enterprise does not need to incorporate budi sejahtera or a charitable intention in continuing the business. However, without the budi sejahtera motivation, MTE would be like any other business entity.*

Keywords: Budi Sejahtera; Small Business; Resilience.

INTRODUCTION

Mak Teh Enterprise is established as a sole proprietorship. The enterprise employs three workers. Mak Teh is the owner and manager of the business. The enterprise has been in operation for 15 years. Mak Teh has three children and has been married for 18 years. Her husband operates his own mini-market with his friends. Her husband is not involved in the ownership and management of Mak Teh Enterprise.

Mak Teh Enterprise is a grocery shop located in a housing area of more than 400 double-story terrace houses with more than 2,000 people. The housing area was inhabited since 15 years ago. Mak Teh is one of the residents.

MAK TEH AND BUDI SEJAHTERA

Mak Teh has been educated with traditional value. Her parents always taught her to be grateful. At any situation, her parents told her to uphold good values. In the Malay tradition, the term “budi bahasa” is reflected in expression and behaviour. Mak Teh regarded “budi” as virtue, an inherited in morality. Like the saying in Malay goes “orang memberi kita merasa, orang berbudi kita berbahasa,” which means when people give something, the receiver could benefit from it, and in return reciprocate in words (by saying “thank you”) and behavior (displaying appreciation in a graceful manner).

Mak Teh believes that this simple gesture has been embedded in the greeting of “Assalamualaikum” that has been translated in the Malay language as “Salam Sejahtera.” The concept of “budi” is expressed in the forms of appreciation and gratitude, whereas “sejahtera” in the forms of peaceful worldview and thought. This “Budi Sejahtera” drives and sustains Mak Teh with virtue and peaceful worldview.

HISTORY

Before incorporating the enterprise, Mak Teh worked as a cashier at a local supermarket. She started to work there after she completed the Sijil Pelajaran Malaysia (SPM), 12 years of compulsory education in a public school in Malaysia. It is equivalent to the O-level education in the United Kingdom. She did not have the opportunity to continue her studies at the pre-university level.

As the eldest of five siblings, she did not want to burden her mother who had been the sole breadwinner for the family after the demise of her father. She wanted to help her mother to ease the family's burden. At the same time, she wanted her siblings to continue their education. All her siblings are studying at the local secondary school.

After five years of working as a cashier, Mak Teh married her colleague who worked at the same supermarket. Mak Teh could focus on her marriage life since all her siblings had secured employment. Her youngest sibling became a full-time assistant to her mother who owns a small stall selling breakfast meals.

While Mak Teh continues to work at the supermarket, her husband has decided to set up his mini-market together with his friends. They did well in their business. Mak Teh and her husband earned a good household income. With good earnings, they could afford to buy a double-story terrace house that is not far from their existing rented house.

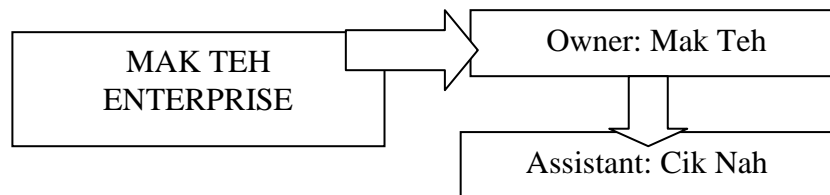
When they started to occupy the terrace house, the housing area did not have any grocery shops. Her neighbours had to travel for 30 kilometers to buy their groceries. Her husband hinted to Mak Teh to open a grocery kiosk at home for the sake of the new neighbourhood. In other words, Mak Teh had to resign from her employment as a senior supervisor at the local supermarket. After considering the distance to the workplace, the responsibility to take care of her three children, and the dire need for a grocery shop in the neighbourhood, Mak Teh has agreed to resign from her job and opened up a kiosk at home by registering a sole proprietorship called Mak Teh Enterprise. Her husband became the first supplier of all the grocery items to Mak Teh Enterprise. Mak Teh also hired an assistant from the neighbourhood for her kiosk.

THE NEIGHBOURHOOD AND CUSTOMERS

The neighbourhood of Mak Teh is inhabited by approximately 1,500 people from 311 double terrace houses. About 30% of them work in the public sector as government officers, teachers, university lecturers, and armed forces. Approximately half of them work in the private sector such as bank officers, and company executives; . 20% are self-employed such as grab drivers, freelancers, takaful consultants, and investment brokers. In terms of age, 20% are born in 1960s, 40% are from 1970s, 30% are from 1980s, and 10% are from 1990s. Five percent of those born in 1960s are retired from public or private sector. Some of them opted for optional retirement.

Mak Teh has regular customers from the armed forces with the rank of major and lieutenant colonel. Two of them from the Malay regiment army and one of them from the Royal Air Force. There are two secondary school principals, three secondary school senior assistants, four primary school senior assistants, and six secondary school senior teachers who are her regular customers. They spent on average of RM300 per month for typical grocery like 10 kg rice, 5 kg cooking oil, 2 kg sugar, 2kg flour, 2 canes of sardines, 2 kg of onions, and 1 kg of potatoes.

The organization structure of the enterprise is depicted below.



A GROCERY KIOSK

Mak Teh had no problem in the first year of operation of her home kiosk. As the number of customers increased and the business premise occupied some spaces in front of the houses, her neighbours had reported the matter to the local authority. Mak Teh was compounded and was directed to vacate the kiosk with immediate effect. Mak Teh had no choice but to pay a very heavy fine and had to close the kiosk for a month. However, Mak Teh's husband provided an alternative to the neighbours to deliver the goods from his mini market.

Mak Teh had to figure out how to continue her grocery business. She could not let her husband bear the burden of providing delivery services to the customers. She consulted the local authority for any possibility to rent a space from the nearby business spaces owned by the local authority. She appealed for space since the business was not meant for her pleasure but to serve the community. She argued that her one-year old kiosk had been helpful to the community. Finally, the local authority entertained her appeal and she managed to secure a small space for her grocery business. Even though the business premise was located about 5 km from the neighbourhood, her regular customers from the neighborhood had no problem frequenting her shop to buy their groceries. She also provided delivery services to her neighbours.

FIRST 5 YEARS

The first 5 years of operation at the new business premise was an adjustment period for Mak Teh. She was struggling to meet the financial obligations to pay the shop rental, the salary of her three workers, and debts to the suppliers. Her husband's supermarket remained one of the suppliers. The profit margin from the business was too small for Mak Teh to survive in her business. Mak Teh paid an account clerk from her neighborhood to prepare an income statement for her 3-year operations. Table 1 shows the estimated income statement of Mak Teh's business:

Table 1: Estimated Income Statement for Mak Teh Enterprise

	Year 1 (in RM)	Year 2 (in RM)	Year 3 (in RM)
Net Sales	31,000	29,000	25,000
-Cost of sales	(15,500)	(11,500)	(10,500)
Gross profit	20,500	17,500	14,500
-Selling, general and administrative expenses	(11,000)	(11,000)	(11,000)
Operating income	9,500	6,500	3,500
Interest expense	(1,000)	(1,000)	(1,000)
Income before income tax	8,500	5,500	2,500
Income tax expense	(2,125)	(1,375)	(625)
Net income	6,375	4,125	1,875

Mak Teh found it unbelievable to see her take-home income about RM530 a month in the first year, RM340 a month in the second year, and RM156 a month in the third year. In contrast, her worker could earn RM3,000 a month. When Mak Teh worked as a supervisor at a supermarket, she could earn RM5,000 a month.

At one time, Mak Teh almost wanted to shut down her business. She did mention her intention to shut down the business to her regular customers. Later, when her customers came to learn about her intention, they objected. They motivated her to continue the business.

SECOND 5 YEARS

The second 5 years were a stabilization period for the enterprise. Mak Teh had to be realistic. She could not make much profit by selling groceries only at her shop. She promoted her business by using digital technology. It might seem too small for her shop to deliver orders from her customers. She has been delivering grocery items to her regular customers who are her neighbours. When her neighbours organize events in the neighbourhood, they will order grocery items from her shop.

She used several apps to take and deliver orders.

Now with the digital application, she could increase her income from RM500 to RM3500 a month. Thus, her income is comparable with her employees. However, she could not earn as much as the salary that she used to earn as a supervisor at a supermarket.

Another issue crops up. The business could not cope with many orders. She has no helpers to handle the orders, and as a result, she could not deliver the orders on time. This has damaged her business reputation. With this damaged reputation, her business could not get prioritization from the host of the apps.

Realizing this fact, she had to narrow down her geographic clientele by just focusing on the neighborhood. This is more realistic. This was consistent with her original intention of setting up her business as a service to the community. Her initial intention to establish the grocery

business was not to cater to the large market but to serve her neighbourhood. With a small margin, she could survive, but when her business expanded with increased expenses she could not measure up.

THIRD 5 YEARS

This phase was very challenging because of the movement control order (MCO) to curb the spread of deadly virus COVID-19 (that commenced in March 2020 in Malaysia). Businesses in the non-essential category were not allowed to be in operation. Mak Teh Enterprise was allowed to operate with strict adherence to the Covid-19 regulations.

Her neighbours were relieved because Mak Teh could deliver grocery items to all of them. At the same time, Mak Teh Enterprise has been requested to collaborate with some civil society organisations to deliver food baskets to needy people. Mak Teh was thankful for being able to provide such services to the people.

During the endemic, Mak Teh Enterprise continues to provide food bank services to the people. Through this business, Mak Teh Enterprise could help many people who are in dire need of food.

REMINISCIZING THE MOTIVE

Mak Teh has three children and has been married for 18 years. Mak Teh does not have a proper training schedule for her children. Since the first attempt was started at home, her children helped her to attend the customers. There was manual transaction at home. No cash register or electronic devices. She trained her children on how to record the transactions in the sales book. She also trained them on how to close the day's account by counting the money and do the stock take manually.

After 15 years of operations, Mak Teh Enterprise remains a small profit business that generates enough income for Mak Teh and her husband to pay their home loan and to feed the family. All her children are now attending secondary school. Mak Teh is happy to expose her children to the practice that business and charity can be combined. Mak Teh hopes that her children would inherit her business.

DISCUSSION QUESTIONS

1. Which course is suitable to use this case as a class assignment and assessment? Why?
2. Do you think Mak Teh Enterprise (MTE) can serve the clients outside her neighbourhood if she were to convert her business from a sole proprietorship to a partnership? What are your views on this thought?
3. What might be two reasons for Mak Teh's husband not becoming part of Mak Teh Enterprise?
4. What should Mak Teh do to increase her enterprise's profit while still maintaining her social responsibility ambition?
5. In what way could Mak Teh involve her customers to take the delivery of the goods themselves, after all MTE was created to help them?