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TABLE OF CONTENTS

IIUM Journal of Case Studies in Management: Vol.14, No.1, January 2023, pp. 6-7
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Editorial Note

The journal reproduces the abstracts of all of the cases to provide a quick reference to the readers.

Mamta Oil and Ghee Ltd., which operates in the fast-moving consumer goods industry of Pakistan, is currently in the last quarter of 2015 and is evaluating its sales targets set for the year. Mr. Asim Sheikh, the sales manager at MOG Ltd., and his team achieved 92% of their sales targets in the first three quarters (July-March 2015) with a growth rate of 12.32%, instead of the expected 23%. Mr. Asim is considering revisiting the sales targets and revising them for the five regions of the company so that the expected growth rate along with 100% of targets is achieved. The case also brings up the discussion of launching a new product at a time when the sales team is already striving to achieve their sales targets, which are not set appropriately.

The challenges of AMRI Hospital Group began with a modest single-building hospital in Kolkata and have grown to 1100 beds with four super speciality hospitals within 25 years. Its overseas facilities include two centers in Bangladesh. It has faced several challenges and has gradually overcome them. Even thirty-five years ago, private hospitals had a nominal presence in the healthcare scenario of India, and now they cater to 60% of patients. Its super-specialty facility is treating thousands of patients from Afro-Asian countries and first-world countries. Due to its lower price and at-par treatment with first world countries, the Government of India is popularizing India as a center of medical tourism. India is quickly completing its COVID-19 vaccination, which may protect its citizens in the third wave of the virus attack. AMRI Group has taken several initiatives to reach different sections, but Group CEO Rupak Barua wants to explore further initiatives to reach more people and expedite the vaccination process. The COVID-19 pandemic has led to the suspension of flights, visa restrictions, and restrictions on travel between India and Bangladesh.

The case on integrating 'Sejahtera' at Agoda describes a practical approach adopted by a young Customer Service Specialist, Amalina Basir, at Agoda, one of the world’s fastest-growing online travel agencies. Starting in 2018 as a frontline who managed calls, emails, and expectations between customers and their bookings, Amalina developed her career at Agoda. In 2021, Amalina was promoted to Knowledge Management Specialist. Amalina often faced a compelling dilemma to find a balance between giving the best services to the customers and maintaining the company’s best practices. Guided by an indigenous Malay concept of ‘Sejahtera’, Amalina navigated her budding journey at Agoda in a holistic and balanced manner. Amalina’s ‘Sejahtera’ principle was enhanced when she enrolled in an elective course on ‘Sejahtera Leadership’ during her studies in a part-time Master of Business Administration (MBA) at the International Islamic University Malaysia (IIUM). Sejahtera Leadership taught Amalina to give a holistic view of the ten interconnected elements (i.e., SPICES) and find the balance between the elements towards achieving a ‘Sejahtera’ state and sustainable services in the online travel business.

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.

The Serba Dinamik 'serba tak kena' case went public on 31 May 2021, when Serba Dinamik’s shares plunged as they were trading at 86 sen, down from its previous week's price of RM1.60. At this point, Serba Dinamik Holdings Bhd had lost more than RM3 billion, or half of its market value, resulting in a loss of confidence among investors and market watchers. Ever since the disclosure of red flags raised by the auditor, KPMG, over these transactions, Serba Dinamik’s shares had plunged more than 52 percent over the week, closing at 76.5 sen. While company officials, especially managing director and CEO Datuk Mohd Abdul Karim Abdullah, have denied that something had gone wrong with Serba Dinamik’s accounts, queries regarding more than RM4.54 billion worth of transactions the company has made have inevitably disturbed investors.

Prof Dr Suhaimi Mhd Sarif
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Mamta Oil and Ghee Mills: Sales Target Dilemma

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Abstract: *This case is about Mamta Oil and Ghee Ltd, operating under Fast Moving Consumer Goods industry of Pakistan. Currently company is standing in the last quarter of 2015 and is in the stage of evaluating its sales targets set for the year 2015. Mr. Asim Sheikh, the sales manager at MOG ltd and his team had achieved 92% of their sales targets in the first three quarters (July-March 2015) with the growth rate of 12.32 instead of 23 % which was expected. Mr. Asim is thinking to revisit the sales targets and revise them for the five regions of the company so that the expected growth rate along with 100% of targets is achieved. The case also bring discussion regarding launch of new product at the time when sales team is already striving to achieve their sales targets, which are not set appropriately.*

Keywords: Sales Management; Performance Management

INTRODUCTION

It was the pleasant evening of April 1st 2015, when Asim Sheikh, the sales manager at Mamta Oil and Ghee Ltd (MOG) in Pakistan was thinking regarding the sales strategy for the last quarter of the year (April to June). He and his team was at the last stage of the year to fulfil sales targets. Sheikh was facing a hard time deciding to review and revise sales targets of the last quarter for his five area sale managers (ASMs). His team had achieved 92 % of their sales targets in the 1st three quarters with the growth of 12.32 % over the last year, while the growth target to be achieved was 23%. In the last year, company had achieved 102 % of its targets with the growth of 22 %. Sheikh had to find and adopt ways to make his ASMs more fruitful, capable, efficient and effective.

The whole sales area was divided into five regions (Exhibit 1). All regions were headed by separate ASM. Sheikh knew he had to see annual targets given to each ASM. The north zone had achieved 97.6 % of the targets with 10.36 % of growth while east zone had achieved 88.6 % of its target with growth of 14.42 %. This led the feeling among sales force that targets of 2015 were not set justifiably, as some zones had uneven growth. The incentives and bonuses of sales persons were directly linked with sales target achievements, that's why this type of thinking was quite enough to spread wave of demotivation among the sales force (Exhibit 2). A part from this, company owners had decided to launch a new high quality vegetable oil in August 2015 to target upper class. Sheikh was not sure whether it was a right time to launch new product or not when the sales force was struggling hard to achieve their targets.

COMPANY'S BACKGROUND

Mamta Oil and Ghee was started in the year 1982 in Bangladesh. At start, name of the company was Mama Oil and Ghee later on letter 'T' was added hence making it Mamta[1] means 'Mother's Love' After this company was started in Pakistan in the year 2005 with very little investment and just 10 employees. The company is known for best-selling saturated vegetable oil.

Mamta continued its journey of excellence and had offered several brands till now. By the end of 2011 company had offered different brands of canola cooking oil and olive oil to cater needs of different income segments (Exhibit 3). MOG is one of the pioneers in bringing new developments in oil and ghee industry. It invested highly in research and development to bring quality in the life of its customers. In depth analysis and understanding of the customers' needs along with provision and availability of high quality of Mamta brands in all 5 zones of the country is at the core of the company. Slogan of the company is "'Jahan Pyaar wahan Mamta[2]''

Now the company was ranked among the top 5 players of oil and ghee industry of Pakistan, along with approximately 100 sales employees. The company is aiming to achieve Rs[3]. 7.14 billion of revenue in the year 2015 (Exhibit 4). Company had production capacity of 500 metric tons per day. Its quality oriented product portfolio (containing 8 products) along with vast distribution network of more than 100 distributors was its competitive advantage.

MOG had faced strong competition in the market leading companies like Dalda, Habib Oil Mills, Soya Supreme were giving tough competition to MOG due to their deep roots in research and developments (Exhibit 5). MOG products are as per the standard of Pakistan Standards and Quality Control Authority (PSQCA).

OIL AND GHEE INDUSTRY OF PAKISTAN

Pakistan is one of the leading importer and user of edible oil. As per recent data per capita consumption of edible oil at Pakistan is 23 kg/year as compare to global average which is 28 kg/year. Whole industry comprised around 150 units in organized and unorganized sectors[4]. With an estimated annual consumption of 4 million tons of edible oils in the country, it is one of the largest segment of the country. Of these 4 million tons averagely 2.5 million tons is to be used by households in cooking while 1.5 million tons is used by industrial sector like in production of biscuits, snacks etc.[5] MOG operated in just house hold sector due to its premium and high quality brands. Industry was divided into two sectors vegetable/banaspati ghee and cooking oil with 70% and 30% of share respectively (Exhibit 6)

Overall industry is estimated to earn revenue of Rs. 400 billion with CAGR of 17%. The growth was driven by key success factors such as increase in middle class, increasing standard of living, increased spending on health care products and innovative technology.

[1] Word from urdu language, means 'Mother's Love'
[2] Where there is love, there is 'Mamta'
[3] 1 USD = 102 Pak rupee
[4] https://www.awamipolitics.com/vegetable-ghee-and-cooking-oil-industry-in-pakistan-3368.html
[5] http://arifhabibltd.com/wp-content/uploads/2017/08/DaldaProspectus.pdf

SALES MANAGEMENT AT MOG Ltd

‘‘Strong sales growth and more accurate sales forecasting depends on effective market reading”

Mr. Noman Ahmed
CEO Mamta Oil and Ghee Ltd.

Mr Ahmed was of the opinion that all sales resources must be utilized effectively with keeping in mind quality. According to him, sales manager Asim had to work separately with each team to come-up with the successful strategies to be used in each zone. So that he became able to design an effective sales process to be used in that particular zone along with appropriate sales targets. Those sales process and targets had to be aligned with company’s policies and its product line.

Sales Organization

MOG Ltd sales and marketing department is divided into 5 zones; each zone is to be run by an ASM. Each ASM is given 5 Territory managers (TM) on average, depending on how large each zone is, and each TM supervised almost 6-7 sales persons (Exhibit 7).

MOG had highly trained sales force and being regarded as among best in the market. Sales and product training was the core of the company: each sales employee had to undergo in a one-month sales and product training, once they join the organization or any new product is launched. Furthermore, as per the need assessment and recommendations by ASMs, sales employees were also given special trainings whenever required. Company also focused on ‘On the Job Training’ and each territory manger was advised to spend at least 3-4 days of each month with each sales person in the market and spending 3-4 days with TM in the field was also part of ASM’s job.

The sales force was strongly recommended to work on following key success factors:
*Provide better customer services
*Effective customer focus and targeting
*Develop newer business areas
*Follow sales process

Sales Process

Due to stiff competition in the market sales people were required to have strong selling skills and adequate product knowledge. Sales process at MOG is usual as other organizations. Sales persons had to pass through 5 stages of sales process (Exhibit 8).

At first stage of suspect sales people had to gather data of their prospective customers. At the end of this stage they must have all data of decision makers and their characteristics. They also had to collect data regarding when, in which how much quantity and on what basis the client gave order to the company. Once the suspect qualifies the criteria of MOG then sales person entered in the stage of prospect and in this stage sales people had try to build relationship with all stake holders of the organization. Then sales person had to approach the client by giving him sales call and informing about offering of company’s products. At the 4^{th} stage of negotiation sales person had to handle any sort of conflict/issues related to quantity demanded or price, he had to decide what price was to be charged and what discount or credit was to be given as per company policy. After all this he must not forget to close the sale and get order from his customer.

Here selling is to be done on B to B basis as sales person had to meet retailers, wholesalers and local distributors to get the order.

Distribution Structure

Distribution of products started with manufacturing at company's end. Once production is done then the finished goods were either supplied through company's own 8 distributors or through indirect 100+ wholesalers and distributors, who then further distributed it to more than 50,000 retail outlets in all over Pakistan (Exhibit 9).

Sales Targets

Sales targets at MOG were decided in the month of May for the coming year. The targets were depended on previous year's sales, previous year's target achievement, industry growth rate and population growth rate. Some other factors like launch of new product and launching of promotional campaigns were also considered before finalizing the new targets. At the similar time, Asim had to meet his ASMs, review their current performance and get their inputs for setting targets for coming year. Based on these inputs, Asim would divide sales targets among his team and similar process had to be done in deciding targets at TM and SP level.

At MOG, all sales people had to achieve both qualitative as well as quantitative goals. For example sales persons had to divide their customers according to the sales as Diamond, Gold and Silver. They had to effectively utilize 50 % of their time with Diamond customers, 30 % with Gold and 20% with silver class customers respectively. It was mandatory to meet at least 15-18 customers on daily basis. ASMs and TMs worked closely and vigilantly with sales people to guide and helped them in achieving sales targets. MOG offered attractive sales based incentives to sales employees.

ROAD AHEAD

The overall economic condition of the country was good along with increase in middle class people. The target segment of MOG showed growth rate of 17%. But the intense competition was a big hurdle for the company as each player fought to get high market share and achieve high growth as compare to the last year. MOG's close competitor HOM was targeting 26-28% growth in the current year.

It was difficult time for Asim as desired growth of 25% was not achieved by his ASMs. He had to devise different strategies that would help his sales team to achieve the desired growth and targets. He found that he was in the dilemma to revise the sales targets of last quarter or to have different promotional schemes to achieve the targets of 2015. He was not sure about the reaction of different stakeholders towards this modification in strategy and envisioned whether this is the right time to launch a new product.

EXHIBITS

Exhibit 1: MOG'S SALES DIVISION/AREAS (MAIN CITIES AND TOWNS) [6]

South Zone	East Zone	Central Zone	West Zone	North Zone
Karachi	Deharki	Faisalabad	Zhob	Azad Kashmir
Hyderabad	Ubaro	Lahore	Bannu	Murree
Nawabshah	Sadiqabad	Gujranwala	Peshawar	Mansehra
Moro	Rahimyar Khan	Gujrat	Mardan	Balakot
Sukkur	Khanpur	Sialkot	Swat	Gilgit
Pano Aqil	Bhawalpur	Islamabad	Chitral	Skardu
Ghotki	Multan	Gojra	Mianwali	Hunza
Khairpur		Jhelum		Astore
Larkana				Ghizer
Gwadar				
Turbat				
Quetta				
Jacobabad				

Source: Company documents, some data have been changed to maintain confidentiality.

Exhibit 2: SALES PERFORMANCE AT MOG LTD.

Zone	2014 Achieve-ment (US $ Million)	2015 Target (US $ Million)	% Target growth over 2014	Jul-Mar 2014 Achieve-ment (US $ Million)	Jul-Mar 2015 Target (US $ Million)	Jul-Mar 2015 Achieve-ment (US $ Million)	% Achieve-ment (Jul-Mar)	Growth % (Jul-Mar)
South	12.88	16.38	27.2%	9.53	12.29	10.86	88.40%	13.96%
East	10.58	13.62	28.7%	7.91	10.22	9.05	88.60%	14.42%
Central	8.84	10	13.2%	6.2	7.50	6.9	92.00%	11.29%
West	11.40	14.17	24.3%	8.86	10.63	9.9	93.15%	11.74%
North	13.30	15.83	19.0%	10.5	11.87	11.59	97.60%	10.36%
Total	57.00	70	22.8%	43	52.50	48.30	92.00%	12.32%

Source: Company documents, some figures have been changed to maintain confidentiality.

Exhibit 3: PRODUCTS OFFERED BY MOG LTD.

Brand Name	Target Segment
Olevia Cooking Oil	Upper Class
Active Heart Cooking Oil	Upper Class
Mama Cooking Oil and Ghee	Upper Middle Class

[6] These are just main towns/cities, South and North zone have more than 25 and 20 cities respectively, while west and central zones have more than 15 and east zone have more than 10 cities. Each city/town is further divided into suburban or village areas.

Super Canola Cooking Oil	Middle Class
Sunrise Vegetable Ghee	Middle Class
Super Fit Cooking Oil and Ghee	Middle Class
Golden Cooking Oil and Ghee	Lower Class
Kitchen Cooking Oil	Lower Class

Source: Company documents, names of the brands have been changed to maintain confidentiality

Exhibit 4: MOG LTD SELECTED FINANCIALS, 2012-2014 (IN MILLIONS OF US$)

	2012	2013	2014
Total Revenue	42	48	57
Total Expenses	29.7	33.8	40.9
Net Profit/ Loss	12.3	14.2	16.1

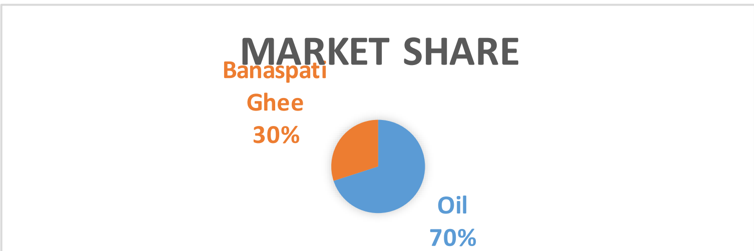
Source: Company documents, data is manipulated to maintain confidentiality.

Exhibit 5: SOME LEADING COMPETITORS OF MOG LTD.

Company Name	Target Segment
Habib Oil Mills	Upper Class
Soya Supreme	Upper Class
Dalda	Upper Middle Class
Kissan	Middle Class
Meezan	Middle Class
Shahbaz	Middle Class
Dastarkhuwan	Lower Class
Malta	Lower Class

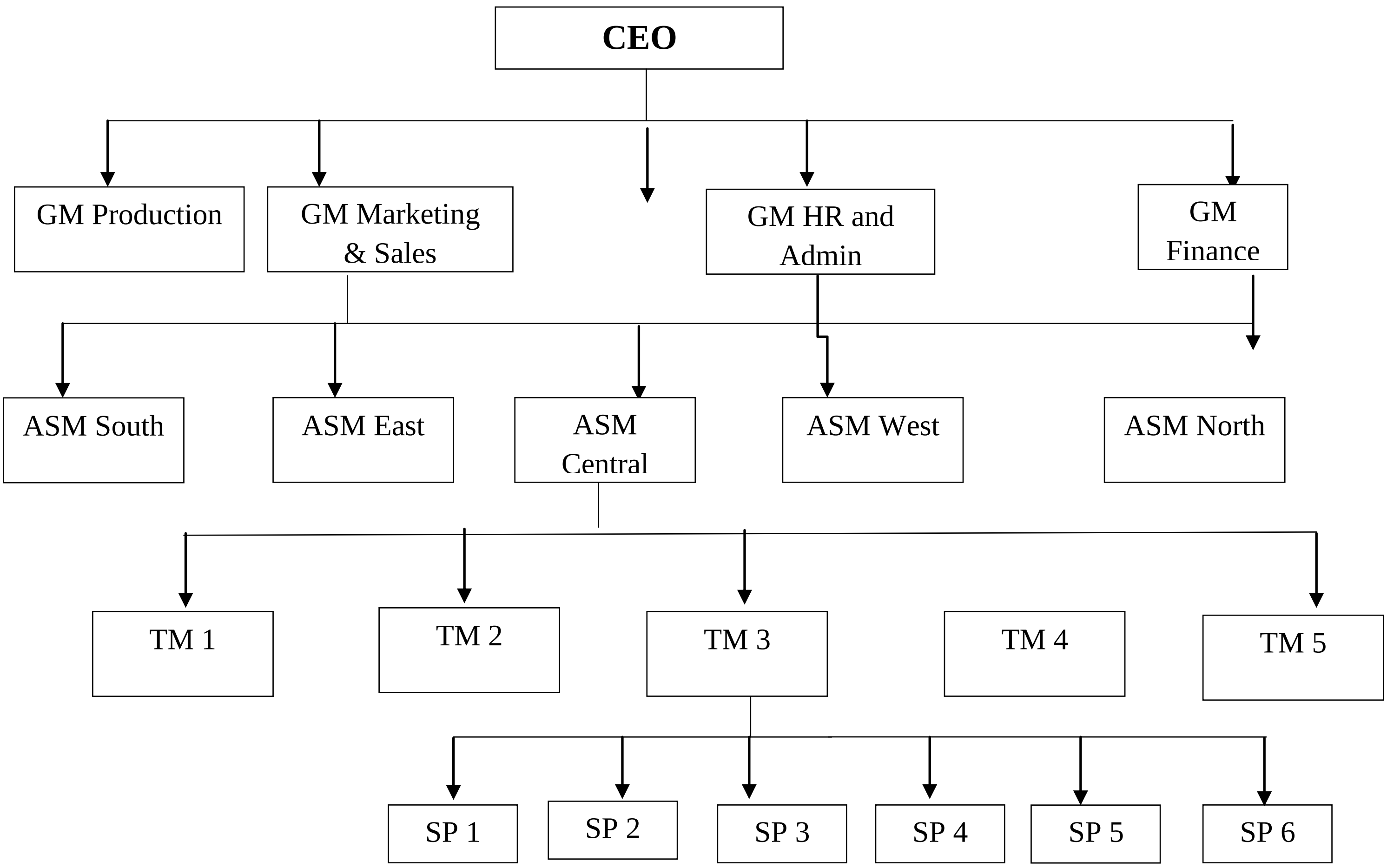
Source: Company documents.

Exhibit 6: OIL AND GHEE INDUSTRY DIVISION AS PER MARKET SHARE



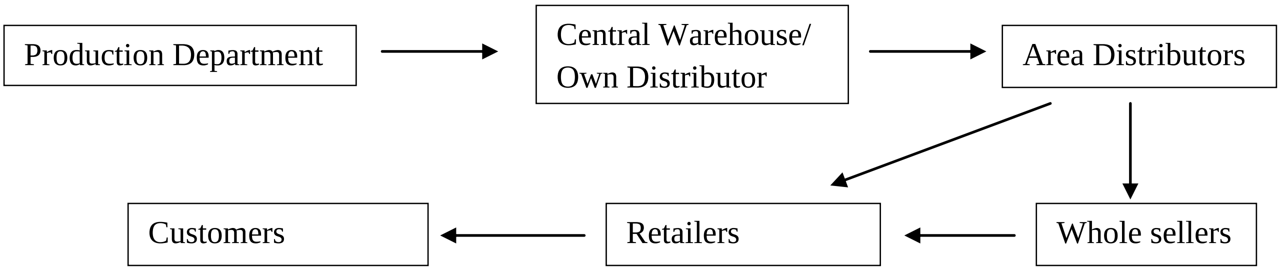
Source: Company documents

Exhibit 7: MOG'S SALES STRUCTURE



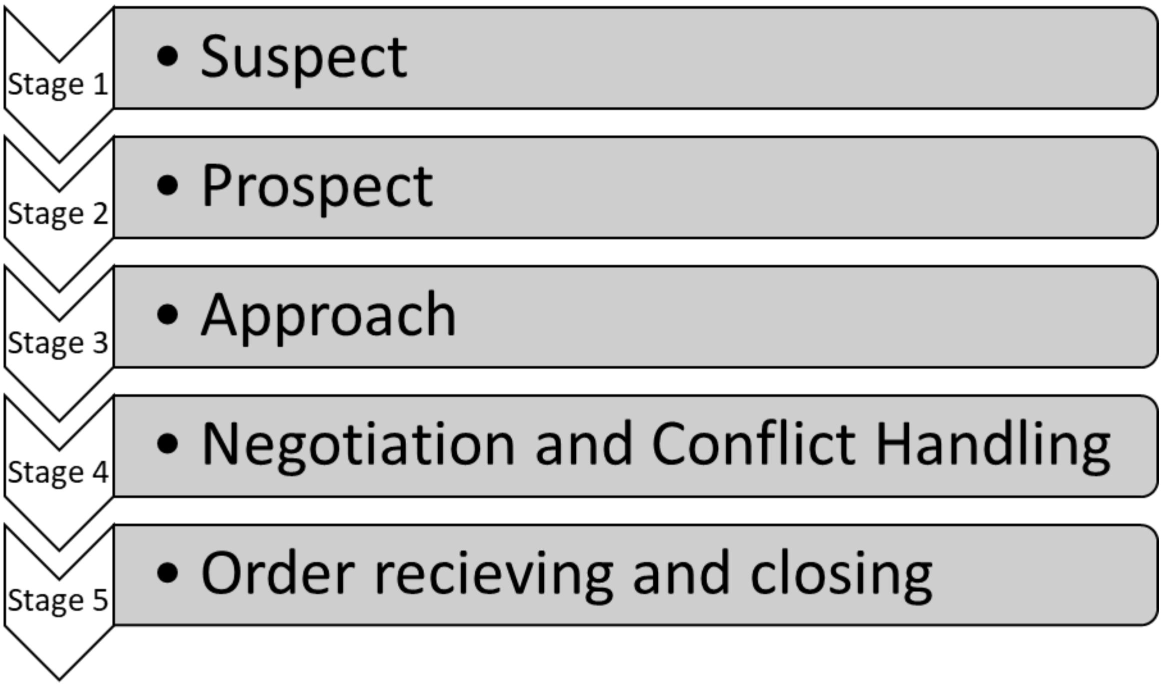
Source: Company documents

Exhibit 8: MOG'S FLOW OF PRODUCT



Source: Company documents

Exhibit 9: SALES PROCESS AT MOG LTD



Source: Created by author from available information.

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AMRI Hospitals: Impending Challenges for Management of COVID-19 Vaccination, International and Government Funded Insurance Patients

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Abstract: *AMRI Hospitals has three hospitals in Kolkata and one in Bhubaneswar in the eastern part of India. With its 5000 doctors and employees, they serve 450,000 patients annually. The group incurred an operating loss in the first quarter of 2020-21 due to the Covid-19 pandemic. The pandemic continued; the subsequent quarterly financial result was not encouraging as they have merely scraped through operating losses. AMRI Hospitals are feeling challenged: It needs to expedite Covid-19 vaccination program to cover the maximum number of people; It needs to decide about continuing with its two centers in Bangladesh since these have become almost non-viable due to restrictions on international travel due to the pandemic; It needs to develop an economic model for treating the patients covered under the state government-funded insurance scheme 'Swasthya Sathi' as offered rates are not meeting the expenses.*

Keywords: Hospital Management; Government Fund; Covid-19 Management

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INTRODUCTION

Morning of July-15, 2021,
Rupak Barua, Group CEO of AMRI Hospitals Ltd., headquartered at Kolkata, India, pondered upon the meeting notes from the previous evening. The senior-most officials of the State Health Department had called a meeting of the top hospitals in the state. Minister of State for Health and Secretary of Health of the Gov't of West Bengal; was present to discuss ways to deal with the rising covid cases. Public health experts have predicted a third wave of cases shortly. The only way to deal with the deadly pandemic is fast vaccinating of population. The Union Ministry Officials had already expressed "displeasure" over the slow pace of vaccines by private hospitals (Hindustan Times, 14/7/2021). The State Health Secretary had made it clear that the state has to be a leader in the vaccination drive. Though he could direct, he preferred asking for support from the best resources in ensuring the

results. Barua and his friends representing the top healthcare facilities in the state admired the guile, team spirit, objectives set for his hospitals, and others.

> *You have to read between the lines to get a clear idea of what Mr. Secretary meant. It is a clear directive and a wake-up call for all of us. AMRI Hospitals have made good progress in vaccinating, yet more needs to be done. How; is a question that we need to figure out?*

It was not the only challenge that Barua faced. The pandemic striking the Indian shores in February 2020 and subsequent lockdowns since mid-March 2020 had taken a toll on the hospitals, doctors, staff, patients, and the resource pool. Hospitals and healthcare faced a dual-edged sword. These infections severely affected the employees, doctors of hospitals, whereas they had to find a new challenge in living up to the commitment of providing healthcare facilities so that people can be in good health. On the other, the patients could not travel to hospitals for regular checkups or routine healthcare, scheduled procedures (surgeries), etc. AMRI's Kolkata units had a constant inflow of patients from its extension centers in Bangladesh and about 50 beds per day occupied by foreign patients during pre-covid days. Following the stoppage of international flights, visas, and other practical difficulties for international patients, AMRI's two centers in Bangladesh had come to a standstill. Since AMRI had already created a success story in the competitive but lucrative foreign market, it had taken a call to continue the centers for a couple of years at a bare minimum and bear the additional costs. As the second wave of cases struck, the contribution of Bangladesh facilities dried up to zero. AMRI officials felt the pinch.

> *From contribution to nothing and then bearing the costs, it is a double whammy for us. The potential exists, and we will make good of it, but the external situation is out of hand. If only there were some improvements.*

Dried-up of existing revenue sources, operational difficulties, and desired expansion of vaccination efforts exacerbated further by the state government's insistence that private hospitals play an active role in the *Swasthya Sathi* (translation: Friend for Health) scheme. It was launched by the Gov't of West Bengal in 2016, aimed to provide a basic health cover for secondary and tertiary care up to INR 5 Lakh per annum per family. Schemes' application was optional at that time for private hospitals.

In December 2020, the government withdrew the option for private hospitals' participation; and all hospitals must admit patients enrolled in the *Swasthya Sathi* scheme. Association of Hospitals of Eastern India (an association representing private hospitals) requested the state government to revise the rates for treatment. One anonymous member commented,

> *We understand the government's position given the pressures on its healthcare facilities, and we wish to support the government's initiative for its service orientation – our first responsibility. Most of our facilities are in the cities with very high fixed and operational costs. There is a standard that we have built and maintained over some time. Cross-subsidization from other patients will not be sustainable. It is a challenge in which we need to find some trick out of the box. Now, the hope is to be in business because that's the only way to serve the people.*

Many private hospitals represented against the order, AMRI Hospitals accepted the challenge.

BACKGROUND OF AMRI HOSPITALS

The first AMRI Hospital started its operations in 1996 with a single building at Dhakuria in the southern part of Kolkata with the Government of West Bengal as the third partner. The other two partners were Shrachi Group and Emami Group of Kolkata. Both business houses/groups shared a long history of family association and several collaborative business ventures. It added another building to its Dhakuria facility in 2006, later acquired another hospital in the Salt Lake Area of Kolkata. They then added a third facility to the list in 2011 with the commissioning of a new hospital in Mukundapur in 2011 close to Emami Headquarters. Continuing with the expansion plan, they added another hospital in Bhubaneswar in 2014.

Considering the potential of medical tourism in the region; and its proximity to Bangladesh, AMRI took the bold initiative of setting up two number facilities in Bangladesh. It was an excellent value proposition to the patients with assistance in quality diagnostics, minimizing their international travel time and expense, and assisting with the paperwork to obtain requisite permissions facilitating their travel and stay.

As of June 2021, AMRI Group of Hospitals employed more than 5000 doctors and employees, its 1100 beds across the facility could serve 450,000 patients annually. AMRI hospitals conducted nearly 15,000 surgeries every year and carried out 150,000 diagnostics every month. The business and operations model required clockwork precision, which AMRI seemed to have achieved.

It was never a smooth ride for AMRI; AMRI had one of the worst nightmares that any healthcare facility could ever imagine. On 9/12/2011, in the early morning hours, a severe fire engulfed one of the hospital buildings of Dhakuria. Ninety people died in that incident leading to a massive embarrassment for the Owners. This event publicized in local and national media led to a hostile public opinion, the license of the building was canceled the company incurred huge losses. The media and the public wrote off AMRI hospitals. The group virtually shut down to ignominy; in 2012-2013.

Rupak Barua takes charge in 2014

Rupak Barua is a transformational leader in the healthcare industry, known primarily for running private or corporate hospitals. The AMRI Group extended the offer of leading the AMRI Group of Hospitals in 2014 when Barua was the CEO of BM Birla Heart Research Center. BM Birla itself is a reputed hospital in Kolkata and is a good brand across the country, being the first NABH Accredited Hospital in India. Barua himself was unsure of accepting the offer from AMRI. He recalled,

> *When the offer came at the beginning of 2014, I was in a dilemma. Many of my friends and family members advised me not to join this hospital group as its future was uncertain given what had happened there in 2011.*

In the end, he accepted the challenge after a long deliberation with the promoters. He shared,

> *I found them sincere, well-meaning for business and other social objectives, and clear about the desire to run their hospitals with zeal and enthusiasm.*

The company incurred an operating loss of INR 1,878.01 Lakh in 2012-13; INR 3,365.65 Lakh in 2013-14; and INR 3,865.63 Lakh in 2014-15. A Group CEO from a Hospital Chain joined and left within a few months of joining. Barua, through several interventions, turned around the operating loss, and in the year 2019-20 and 2020-21Group earned an operating surplus of INR 5,432.78 Lakh and INR 6,908.96 Lakh.

PRIVATE HEALTHCARE SECTOR IN INDIA

Earnest &Young (2020) viewed 'private healthcare facilities as the bedrock of capacity and capability in India, particularly in higher secondary and tertiary care. More than 60% of the hospital beds, 60% of patients, and 80% of the doctors are associated with the private health care system (Ernest & Young, 2020). The private healthcare system is among the five top employers in India. Earnest and Young (2020) reported revenue of private hospitals is Rs. 2.4 lakh crores.

During independence in 1947 private healthcare system used to provide 5-10% of total patient care (Sengupta & Nundy, 2005). Even thirty-five years back, the private healthcare system was composed of private practitioners and a few charitable hospitals. Since the early nineties, several state governments started encouraging the setting up of private hospitals by providing land on subsidized or sometimes at no cost and offering tax subsidies on the import of drugs and high-tech equipment. Even a joint venture through a public-private partnership was started in several states and is prevailing.

Some of the private hospitals in India are home for treatment for foreign patients. Many Asian and African patients get treated for complex surgeries which are not available in their country; some from Europe and America come for its delivery of healthcare at a cheaper rate. Sengupta and Nundy (2005) observed a shoulder replacement in the UK would cost £ 10,000; if done privately, without waiting for several months for turn under NHS; in India, same operations are possible at £ 1700 within ten days of first e-mail. Gov't of India encouraging medical tourism in-country and has expanded its e-tourism visa in February 2019.

Like other sectors, covid 19 pandemic and subsequent locked-down brought severe financial stress on the private hospitals in India, and many incurred losses. KPMG (2021) commented private healthcare sector facing all the difficulties rose to the occasion and provided all the supports that have been sought by the Gov't, in combating covid.

VACCINATION DRIVE

Wang et al. (2021) reported on December 28, 2020, 80.724 million cases were detected globally, and there was a death of 1.764 million due to infection of covid 19. They viewed, in this grave situation, fast discovery and authentication of vaccines have come up as a great hope for humanity (Wang et al., 2021).

Vaccination became a huge challenge in India with a population of 138 billion; till the end of October 2021, 77.87 crores people got the first dose, and 43.1 crores people got the second dose (PIB Bulletin, Gov't of India). In the State of West Bengal, till the end of October 2021, 5.59 crores people were given the first dose, and 2.15 crores covered under the second dose (West Bengal COVID 19 Health Bulletin). Vaccination Program started in India on 16/1/2021, first to include all health workers and front-line workers like police, paramilitary forces, sanitation workers, and those engaged in disaster management. From 1/3/ 2021, citizens above 60 years and those between 45-60 years with one or more co-morbidities could register to be vaccinated. With effect from 1/4/2021, the scope extended to citizens above 45 years of age, and since 1/5/ 2021, it covered all above 18 years (Wikipedia). Mint (25/6/ 2021) reported that India's Vaccination Progress is not fast enough and may not be competent to halt the third wave of covid, and is much slower than that of West and China. If this pace of people getting vaccinated continues, it can take more than a year to cover the population (Mint).

Government Hospitals are administering vaccines free of cost. Rupak Barua explained in The Telegraph dated 29/5/2021 vaccinating people is not a profit-making venture; they are buying a dose of Covaxin at INR 1200 and are charging INR 1450, a dose of Covid-shield their charge is INR.750 against the purchase price of INR 550. The Additional amount covers transportation, cold chain, syringe, and employee cost. Charges for off-site vaccinating are INR 100/- extra. Barua says:

> *We are in uneven competition with government hospitals.*

AMRI Hospitals have simplified the Vaccination Procedure in their hospitals and maintain the following flow chart:

Visit the Closest AMRI Hospital ⇒ Share your Valid ID Proof at Reception ⇒
Receive a Vaccination Slip ⇒ Answer a few precautionary Questions ⇒
Receive vaccination ⇒ Stay under observation for 30 minutes ⇒
Report Discomfort, if any

Barua says:

> *We do not stop creating easy access to vaccination in our hospitals and want to reach the maximum number of people. We have set up camps in different places.*

AMRI decided to go for off-site vaccination and reach:

- People such as aged ones whose children stay out-station and no one to look after;
- Those who do not want to visit a hospital for fear of infection;
- Those who do not have leave or off-time to leave their workplace and visit the hospital for vaccination;
- Those not possessing the urgent urge to be vaccinated but may avail if administered at the doorstep or in their leisure hours.

AMRI Hospitals organize camps to vaccinate in different housing societies, school complexes, and offices. They have also conducted a drive to vaccinate motorists, footballers, and police. A unique drive displayed by AMRI Hospitals is vaccinating people on-board in a car in front of their hospitals. It was a joint initiative with Kolkata Police for people who avoid visiting the hospital due to the fear of covid infection. Newspaper The Indian Express, dated 10/6/2021, reported that AMRI Hospitals conducted a vaccination drive in Kolkata Maidan in collaboration with Kolkata Police for senior citizens. Rupak Barua explained to the reporter, AMRI took the initiative for vaccination of senior citizens having no one to look after their well-being; and will organize two more camps in the city soon. They opened vaccinating counters at two shopping malls in Kolkata (The Telegraph, 16/6/2021) to vaccinate people while they do the shopping. They have also tied up with wellness clinics like VLCC Healthcare Ltd, a leading Wellness and Beauty Company, and that customers can be vaccinated when they visit these clinics, and their time can be saved (Taaza Samachar, 25/6/2021). AMRI Hospitals also use Salt Lake Stadium for vaccination purposes as the numbers of covid-infected cases have gone down (Times of India, 13/6/ 2021). Barua informed almost 4000 doses are administered every day from their off-shore camps, and currently planning to vaccinate people from slums free of cost as there is a sufficient supply of vaccines. Barua says,

> *Expediting vaccinating is our prime drive, and we want to reach fast to all sections of society. I have asked all the functional heads to find means to approach the maximum number of people.*

These points deserve serious exploration as more vaccinations can lead to the late emergence of the 3rd Spell of covid, and its intensity may be low.

OUTREACH CENTERS IN BANGLADESH

AMRI Group has International Business Department to facilitate foreign patients' treatment and stay. Its staffs are proficient in legal formalities and languages. For the exchange of currency and other transactions of foreign patients, they have partnered with BRAC Bank. The hospital provides ethnic cuisine, translation services, transport, and accommodation to foreign patients. Tie-ups have been made with several travel houses to promote medical tourism. They have simplified the whole process of the visit of foreign patients, Barua says

> *Our requirement from a foreign patient is only an e-mail from the attending registered physician; and personal details with a copy of the air ticket. We send them an invitation letter for a visa and on receipt of intimation of arrival arrange for their transport from Airport.*

With proximity, common culture, and super-specialty treatment facilities, patients from Bangladesh often come to private hospitals of Kolkata to avail themselves of treatment. The Telegraph dated 3/10/ 2020 reported every day before the covid pandemic, 125 patients from Bangladesh used to visit OPD of Kolkata hospitals like Apollo Gleneagles, 60 patients in Peerless Hospital, 100 patients in Narayan Hrudayalaya, and the like. Every day about 10% of the Indoor Beds used to be occupied by them.

AMRI Hospitals have opened a separate Bangladesh counter for fast admission of the patients. Before pandemic average occupancy of Bangladeshi patients were more than 50 beds and has set up two extension centers at Dhaka and Khulna. Their center in Bangladesh performs as a super-specialty Tele-OPD clinic, apart from serving as an information center.

Due to the increase in covid cases in India, Bangladesh Gov't banned flight services between the two countries. Though flight has resumed in September 2021, due to visa restrictions, requirement of 14 (fourteen) days quarantine in India, the normal flow of patients may not happen in the short run. Some Directors question the utility of maintaining two centers in Bangladesh, upset Barua says

> *We have thousands of patients in Bangladesh who look at our doctors for support, but running two centers in Bangladesh is causing a financial burden on us in this critical situation.*

Barua has initiated a plan to start an ambulance service from Petrapole (nearest border check-post from Kolkata) so patients from southwest Bangladesh staying near Kolkata can come through the road for treatment. It will save their costly air-fare. For the lack of demand, the ambulance services have not yet started regular basis. However, they send an ambulance in case of such a request. Barua has asked their center-head at Khulna to popularize it in the adjacent border districts of Bangladesh.

Despite the pressure of some directors, Barua has not yet decided to close down those two units and is exploring means for their sustenance, and confusion prevails at this juncture.

PATIENTS UNDER GOVERNMENT FUNDED INSURANCE (*SWASTHYA SATHI*) SCHEME

In 2016, the *Swasthya Sathi* Scheme with some insurance companies, introduced by the Gov't of West Bengal. The state government announced to cover all the residents under the Swasthya Sathi scheme from 1/12/ 2020. Residents covered under other insurance schemes are not under its coverage. Cashless treatment up to Rs. 5 Lakh per family guaranteed under it, treatment up to Rs. 1.5 Lakh is payable through insurance mode and the rest through assurance mode. Premium is payable by State Gov't, and within 30 days serving hospital is entitled to reimbursement after treatment of the patients, failing which interest is chargeable.

The introduction of the *Swasthya Sathi* Scheme opened a new challenge to the AMRI Hospitals. Their hospital follows the highest degree of hygienic standard, good quality linen, hot case trolleys for serving warm food, air-conditioned setup, best modern devices, run the hospital with high paid doctors, nurses, technicians, and other experienced employees. These make treatment costly. Bed charge under *Swasthya Sathi* Scheme for Ward and ICU is Rs.1800/- and Rs. 3300/-; whereas those of the hospital are Rs. 4000/- and Rs. 14,000/-. There is a difference in the rate of different invasive procedures, other charges etc; Table I shows a comparison:

TABLE I: SWASTHYA SATHI RATE VS AMRI HOSPITAL RATE-COMPARISON

Sl. No.	Specialty	Package/ Charges	Swasthya Sathi Rate (INR)	AMRI Rate (INR)
1	Cardiology	Coronary angiography [CAG]	10000	15000
2	Cardiology	Coronary Angioplasty {PTCA} (Stent Price Drug Eluting Stents (DES) including metallic DES and Bioresorbable Vascular Scaffold (BVS)/ Biodegradable Stents-Rs.30180+5% tax)	60000	111000
3	CARDIO	Permanent pacing Double chamber (DDDR) [Device cost extra]	30000	63000
4	CARDIO	Permanent pacing Double chamber (DDDR) MRI Compatible [Device cost extra]	30000	63000
5	CTVS	CABG on pump	150000	205000
6	CTVS	CABG off pump	130000	205000

7	CTVS	Single Valve for small aortic root/special prosthetic Replacement	150000	231000
	CTVS	Double Prosthetic Valve Replacement	210000	231000
8	General Surgery	Cholecystectomy	22000	82500
9	General Surgery	Hernia - Hiatus - abdominal	24000	82500
	General Surgery	Adhenolysis + Appendicectomy	18000	82500
10	General Surgery	Fissurectomy +Fistulectomy	14400	66000
11	Urology /Nephrology	TURP (Trans-Urethral Resection of Bladder)Prostate	15000	88000
12	Urology /Nephrology	Ureteroscopic stone Removal And DJ Stenting	15000	64000
13	Urology /Nephrology	Nephrectomy	20000	108000
14	Obstertics and Gynaecology	Normal delivery + perineal tear repair	4500	82500
15	Obstertics and Gynaecology	Casearean Delivery+ Salpingoophrectomy	9500	104500
16	Obstertics and Gynaecology	Hysterectomy (Abdominal and Vaginal) + Salpingoophrectomy*	15000	115500
17	Orthopaedics	Arthroscopic reconstruction / repair - knee / - shoulder	55000	154000
18	Orthopaedics	Partial major joint replacement surgery	55000	165000
19	Orthopaedics	Total major joint replacement surgery	85000	302500
20	Orthopaedics	Open reduction & internal fixation - pelvis	65000	110000
	Orthopaedics	O R I F of fracture of neck femur with muscle pedicle bone grafting	55000	154000
21	Neuro-Surgery	Haematoma - Brain (hypertensive)	35000	117500
22	Neuro-Surgery	Shunt	20000 (Medium pressure shunt)	132000
23	Neuro-Surgery	Excision of Brain Tumours -Supratentorial	55000	187000
25	Radiotherapy and chemo therapy	IGRT WITH 4D CT BASED PLANNING	120000	190000
26	Radiotherapy And Chemo Therapy	Conventional Rt (Linear Accelerator)	35000	55000

27	ROOM RENT	WARD (INCLUSIVE ALL)	1800	4000 (all other services to be Billed in actuals)
28	ROOM RENT	ICCU	3300	14000(all other services to be billed in actuals)

Source: AMRI Hospitals

Recently government has raised the charges by 20%; even a wide gap in the rates prevails. Many private hospitals have represented for its revision of rates, AMRI accepted it. Barua says:

> *Being a responsible healthcare provider, we accepted this decision of the government and implemented Swasthya Sathi Scheme. We know government-funded health insurance will cover the maximum number of people of the nation; hospitals need to adjust to it, cross-subsidization from the income of paying patients to those under these schemes cannot be a solution.*

They have created an economic model without compromising the quality of treatment. Expenses like doctors' fees, surgery charges, medicine costs, costs towards sutures and consumables, and food comprises a good share of a hospital bill. Young qualified doctors provided options to serve patients at lesser fees; hospital pharmacies needed to deliver generic drugs; purchase department advised to buy sutures and consumables after thorough scrutiny about quality and price. They also tried to optimize the utilization of equipment and reagents in diagnostics and surgery. It brought down the cost to some extent, and a committee comprised of doctors and managers of different disciplines has been formed to keep track of these cases. Some officials have suggested taking houses on rent in the vicinity and opening ward exclusively for these patients. Barua says

> *Another aspect that we are continuously focusing on is reducing the number of days required for creating a bill of the patients admitted from different schemes like the Swasthya Sathi Scheme.*

Preparation of bills of the patients under medical schemes of different corporate houses and the *Swasthya Sathi* Scheme is time-taking, as a lot of manual work is required. Delay in the generation of bills amounts to blockage in working capital as hospitals have already spent for discharged patients sent by impanelled organizations. AMRI has already reduced it from 7 days in 2014 to 3 days in 2021 and is working further for these *Swasthya Sathi* patients as they constitute a large segment of patients.

Despite these measures, hospitals are yet to get a surplus from the treatment of these patients. Barua feels the mode of operation of this scheme to be explored to create a sustainable model for private hospitals.

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Integrating '*Sejahtera*': A Holistic Approach at Agoda

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Abstract: *The case describes a practical approach adopted by a young Customer Service Specialist, Amalina Basir at Agoda, one of the world's fastest growing online travel agencies. With a humble start in 2018 as a frontliner who managed calls, emails, and expectations between customers and their bookings, Amalina developed her career at Agoda. In 2021, Amalina was promoted as a Knowledge Management Specialist. Amalina often faced a compelling dilemma to find balance between giving the best services to the customers and maintaining the company's best practices. Guided by an indigenous Malay concept of 'sejahtera', Amalina navigated her budding journey at Agoda in a holistic and balanced manner. Amalina's 'sejahtera' principle was enhanced when she enrolled in an elective course on 'Sejahtera Leadership' during her studies in part-time Master of Business Administration (MBA) at the International Islamic University Malaysia (IIUM). Sejahtera Leadership taught Amalina to give a holistic view on the ten interconnected elements (i.e., SPICES) and find balance between the elements towards achieving a 'sejahtera' state and sustainable services in online travelling business.*

Keywords: *Sejahtera*; Leadership; Travelling Agency; Business Administration; Malaysia

THE BEGINNING

In November 2018, Amalina Basir joined Agoda, an online travelling agency (OTA) headquartered in Singapore, with several offices globally, including Malaysia. The agency employed more than 4,000 staff in 30 countries. Agoda is one of the e-commerce companies that dedicated to leveraging the best technology to make travel easy for everyone (Octavia & Tamerlane, 2017). After a few months working as a frontliner with a customer service team at Agoda Malaysia, Amalina faced a compelling dilemma.

What she should do to strike a balance between giving the best services to the customers and maintaining the company's best practices, the former exceeds the company's expectations.

Initially, Amalina concentrated on performing her tasks, i.e., managing calls and emails from customers around the globe who made travel bookings through Agoda. In short, her primary goals were to fulfil customer's requests and resolve their complaints as soon as possible. In this way she would achieve above average customer satisfaction scores. These were the best practices implemented at Agoda as well as other service-based organizations in general (Kankam-Kwarteng et al., 2021).

During the course of her work, Amalina started developing stronger connections with the customers. She realized that her work involved more emotional dimension than mere dealing with technicality of the bookings. She had to listen to the customers' personal problems in the midst of attending the booking issues.

Amalina constantly reminded herself that she had to build trust with the customers, be sensitive to their needs, and nurse the emotions of the people involved in her work. These efforts required Amalina to focus more on the people aspect than the other theoretical aspects of the service marketing mix on product, price, promotion, place, process, and physical environment (Elgarhy & Mohamed, 2022).

Amalina felt that she should approach the meeting of targets in the marketing plans harmoniously. She would strive to meet the targets by building a good relationship with customers and others including team members, business partners and stakeholders. In this way, she would ensure that all parties involved in a transaction will be satisfied. This outcome has made Amalina enjoyed working with Agoda. Although she had to work by shift, sometimes into the evenings and during the weekends or public holidays, Amalina faced the challenges comfortably.

In retrospection, Amalina realized that she is the same, yet slightly different Amalina. An introvert English Language graduate had ironically been transformed into an extrovert. She did not talk much except in formal conversation during her university days and the first few months of working with Agoda. She had not been overly concerned about matters not related directly to her. Her work at Agoda molded her to be more open and responsive. Her tasks made her adapt herself to varying personalities and their specific needs. She realizes that being defensive would only aggravate but not solve any problem. As Guo et al. (2018) argued that an authoritarian personality – such as asserting authority, control, and command – inhibits creativity and encourages defensiveness in the workplace.

THE INTERVENTION

In early 2019, Amalina began to reflect more seriously on how to combine two expectations in her work as Agoda's frontliner, i.e., to integrate her '*sejahtera*' values with Agoda's best practices. '*Sejahtera*' refers to a state of well-being in a person and anyone and any being that a person interacts with. The word '*sejahtera*', pronounced as "se.jah.te.ra" is an indigenous term used in the Malay language. *Sejahtera* means safe and prosperous, happy and peaceful, and protected from disasters such as distress and disturbance (Institute of Language and Literature, 2005).

Amalina was formally introduced to the concept of '*sejahtera'* when she signed up for a course entitled '*Sejahtera* Leadership' in her MBA program at the International Islamic University Malaysia (IIUM) with a specialization in strategic management. The course was offered for first time at the university. '*Sejahtera* Leadership' is built upon the meaning of an indigenous word '*sejahtera*.' The objective of the course was to inculcate balanced values of well-being and practices among learners. The overall meaning of *sejahtera* will complement the shared values of peace and harmony. According to the Rector of IIUM, Professor Emeritus Dzulkifli by understanding the concept, the learners should be able to facilitate actions for individual's professional performance, organizational productivity growth and adaptable community happiness by finding the balance between the needs of the employees, organization, community, and the planet (Dzulkifli, 2020).

The course was offered in September 2020 in the middle of COVID-19 pandemic, timely enough to help leaders navigate complicated issues faced by individuals and organizations in finding balanced solutions for all. Businesses related to the tourism industry were among the most affected industries by the COVID-19 pandemic (Hao et al., 2021). Like other online travelling agencies, Agoda experienced a significant downfall in sales during the pandemic (businesswire.com, 2021). It was natural for Amalina to relate the holistic leadership approach of '*Sejahtera* Leadership' in her decision-making processes at Agoda.

At about the same time Amalina enrolled in the MBA program, she was assigned a new leadership role, i.e., a project coordinator. She supervised between five to 18 support agents for a certain project depending on the extent of the market scope and coverage. Amalina was given flexibility in supervising the agents through a quality assurance system such as using tracking notes, incident tickets, and contact records. During the Movement Control Order (MCO), i.e., a series of national quarantine measures implemented by the Malaysian government in response to the COVID-19 pandemic, Amalina and her team members worked from home and had a weekly review session to update the project status.

She desired to combine the *sejahtera* values with her previous experience in customer service management to coordinate the company's resources more effectively. '*Sejahtera* Leadership' emphasizes ten elements of values, summarized by the acronym SPICES. The SPICES elements comprise: (1) spiritual, (2) physio-psychological, (3) intellectual, (4) cognitive, (5) ethical, (6) emotional, (7) cultural, (8) societal, (9) ecological, and (10) economic. While achieving Agoda's bottom line is an obligation, Amalina believed that combining the bottom line with social responsibility and sustainability would only add value to her employer. She could easily relate elements of ethical, cultural, societal, and ecological to Agoda's being socially responsible and sustainable.

THE ADVANCEMENT

Amalina's first duties at Agoda had been managing the booking and resolving issues related to customers' accommodation needs. Recently in April 2021, she was promoted to a knowledge management specialist. Amalina had to equip herself regularly with sufficient operational and management information across levels. This is compatible with her role from being a frontliner to the mid-level executive, acting as a buffer between the frontline agents and Agoda's operational and project management team. Her current position provided her with a broader perspective and a bigger role in providing knowledge support to everyone related to the core business process. That said, Amalina was able to contribute to the enhancement of her company's customer relationship performance by integrating knowledge management practices (Al Utaibi et al., 2019).

Exposure to the '*Sejahtera* Leadership' has made Amalina evaluate matters not only from the bottom line's perspective but also from various elements of SPICES (see Figure 1). She would ensure that her decision achieved a balanced outcome. She would comply with the company's standard operating practices, whilst ensuring that she delivers optimal services to her internal and external customers. Amalina focused on three out of ten elements: (1) *cultural* because Amalina dealt with customers from diverse global markets and she needed to be aware of their sensitivity, (2) *intellectual* due to the knowledge acquisition on products, systems, and work processes, and (3) *emotional* since Amalina attempted to balance between different customers' personalities and commitment levels.

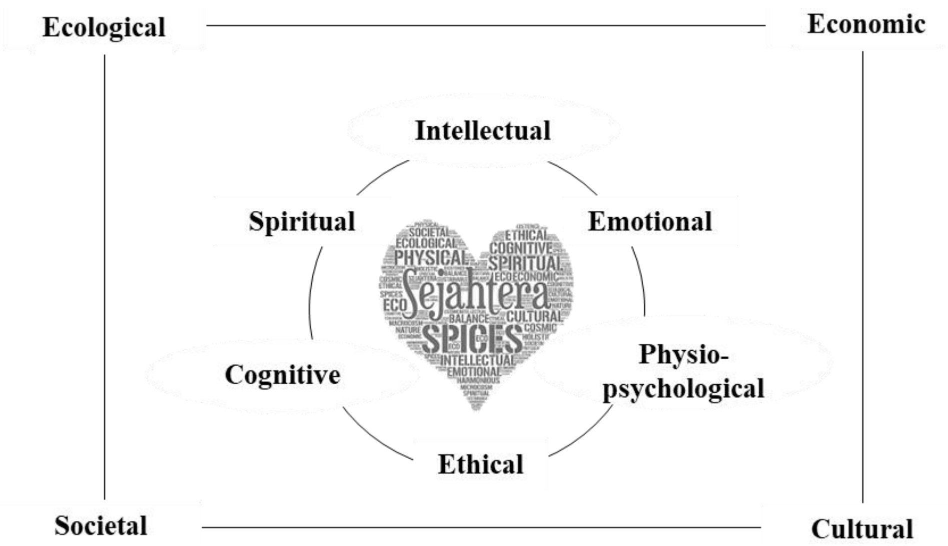

Figure 1: The SPICES elements of '*sejahtera*'
Source: Adapted from Dzulkifli (2020)

Amalina reminisced that Agoda's work environment had converted her from being an introvert to an extrovert, and her MBA studies transformed her from being more bottom-line pursuer to a holistic practitioner. She was amused to relate her current orientation with the results of a personality test that she completed in the '*Sejahtera* Leadership' course at IIUM. The personal Life Orientation Instrument (LOI) tested Amalina's orientation in terms of achievement, relationship, leadership, learning and nurturing with a primary aim to shape a balanced individual. Amalina is now able to relate her inner self-value, her relationship with people and the environment more consciously than she had been in the past.

Before leaving the office for her MBA class, Amalina read an excerpt from one of her assignments during the '*Sejahtera* Leadership' course:

> Cultivating holistic self-development and self-reflection approaches allow people to develop and check their progress in life […] It helps to avoid people losing themselves to the pressure of keeping up with the pace of our advanced yet dynamically challenging era and adapting to different phases of life where we are required to manage more things comprehensively […] one needs to be able to see within himself, uphold his belief and ready to modify belief to adapt changes in improving lives.

Amalina thought that she should complete her MBA and then pursue doctoral research on the subject matter to satisfy her passion for the 's*ejahtera'* concept.

DISCUSSION QUESTIONS

1. What is the business nature of Agoda? Explain two key strategic factors demonstrated at Agoda for its sustainability.
2. Explain two (2) possible ways a frontliner at Agoda could deliver quality customer services?
3. Does Amalina's personal development clash with her professional performance at Agoda? Take a position (agree or disagree) and justify the position.
4. Do you think that combining both profit and corporate social responsibility objectives are sustainable for Agoda? Take a position (agree or disagree) and justify your answer based on Agoda's perspective as a firm.

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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 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 The believes that this simple gesture has been embedded in the greeting3 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.

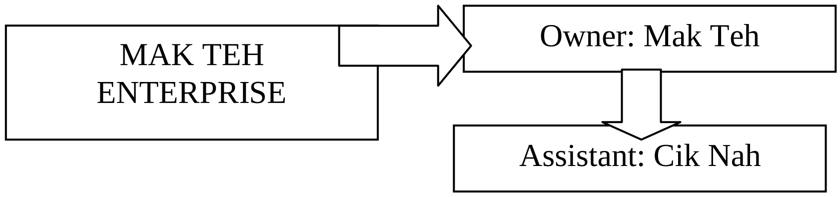
When they started to occupy the terrace house, the housing area did not have any grocery shops. Her neighbours had to travel for 30 kilometers to buy their groceries. Her husband hinted to Mak Teh to open a grocery kiosk at home for the sake of the new neighbourhood. In other words, Mak Teh had to resign 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 customes 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 earned 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?

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Audit Fiasco: Serba Dinamik '*Serba Tak Kena'*

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Abstract: *Serba Dinamik has been listed couple of years ago and achieved tremendous growth in financial performance. The business expansion across different regions around the world has boost the market value of the company. However, in the financial year audit ended 2020, several audit issues highlighted by the auditor have created a wave in the industry on the issue of audit failure or corporate failure. The case outlined events happened throughout the turbulence and discussed the roles and responsibilities of auditor in handling the situation.*

Keywords: Serba Dinamik; KPMG; Audit failure

PROLOGUE

Serba Dinamik Holdings Berhad (Serba Dinamik), is an international energy services group providing integrated engineering solutions to the Oil & Gas, petrochemical, power generation industries, water, wastewater and utilities industries. The company was incorporated as a private limited company in Malaysia under the name Serba Dinamik Holdings Sdn. Bhd. on 2 December 2015. The company later went public on 13 May 2016 with the establishment of 26 operational offices in countries such as Malaysia, Indonesia, United Arab Emirates, Qatar, Singapore, India, Netherlands, Switzerland and the United Kingdom (refer to Appendix A – Serba Dinamik's subsidiaries and associate companies).

The company's core business includes Operations and Maintenance (O&M), Engineering, Procurement, Construction and Commissioning (EPCC), Information & Communication Technology (ICT) and Education & Training (E&T). Indeed, Serba Dinamik has claimed itself leader in the Industrial Revolution 4.0 thanks to its aggressive expansion into digitalization, innovation and technology initiatives through wide arrays of offerings such as

SMART Maintenance with Mixed Reality Solution, D-Virtual Expo, Qwik Pay and a few other smart applications. Customers of Serba Dinamik include well-established companies such as Petronas, Petrofac, EverSendai Oil & Gas, ExxonMobil, Qatar Petroleum. Adgas, Adnac, Dermot and Syabas.

As a consequence, Serba Dinamik found itself steadily paving its way to the Main Market listing on Bursa Malaysia on 8 February 2017. Total proceeds from the IPO were then utilized for the expansion of the group's business and operational facilities. Upon being listed in 2016, the company and the group had consequently experienced tremendous growth in its financial performance. The company and the group went from reaping a net profit of RM144.88 million on revenue of RM1.24 billion in the financial year ended 31 December 2016 to a record profit of RM631.75 million on revenue of RM6.01 billion in the financial year 2020. Accordingly, the company recorded an annual growth in net profit of 44.5 percent and revenue of 48.31 percent.

AUDIT FIASCO

KPMG has served as the external auditor for Serba Dinamik from 2017 to 2020. However, in the course of audit activities for the financial year 2021, KPMG had raised several alarms regarding Serba Dinamik's accounts. A summary of the audit issues are indicated in Table 1.

1. There were sales transactions worth RM2.32 billion, trade receivables (RM652 million) and material on-site balances (RM569 million), summing up a total transaction of RM3.54 billion which are unaccounted for.
2. In respect to certain transactions involving trade payables, there were issues concerning addresses of suppliers for the amounts owed ranging from RM60 million to RM96 million. These trade payables were coming from companies having paid-up capitals of only RM100,000.
3. Trade receivables of a customer in Bahrain, whose office address cannot be located, had US$101 million (RM417.36 million) and US$24 million (RM99.17 million) in sales transactions.
4. In reference to trade receivables and sales transactions for information technology contracts, it was found that the invoices of some suppliers had no company registration numbers. In some instances, there were issues with the companies' names, and with customers making payments directly to subcontractors, after which Serba Dinamik would receive the net amount.
5. KPMG had also found several cases of suspicious contracts. For example, one customer's principal activity was not IT-related even though the contract was for IT purposes. KPMG had in some cases been unable to determine "the appropriateness of the contracts and transactions as well as the revenue and cost recognised".

Details	In Values
Items involving 11 customers	RM (in million)
Total sales transaction	2,320
Trade receivables balance	652
Materials on site balance	569
Items involving 6 local suppliers	RM (in million)
Total transaction	481
Bahrain's supplier & customer	USD$ (in million)

Total sales transaction	101
Trade receivables balance	24
IT contracts involving multiple customers and suppliers	USD$ (in million)
Total sales transaction	Not disclosed
Trade receivables balance	Not disclosed

Table 1. Summary of Audit Issues
Source: The Edge (May 29, 2021).

KPMG flagged the statutory audit-related issues to the management of Serba Dinamik in late April 2021, which was during the term of annual statutory audit for the financial year end 2020. The issues were pertaining to Serba Dinamik's financial statement for the financial year ended 31 December 2020. The auditor raised the issues that the said transactions were in question and that the auditor was unable to determine the appropriateness of the contracts and transaction, revenue and cost recognized. For instance, KPMG sent out confirmations on the receivables balances and only one out of 12 customers replied. In order to speed up the process, Serba Dinamik had subsequently sent a second confirmation to the remaining 11 customers with the same outstanding figures and all relevant debtors replied. However, KPMG was unable to neither verify the authenticity of the confirmations nor validate the person signing the confirmation. In relation to the six local suppliers, two local suppliers were incorporated on the same day and the other four had the same registered address as the two former local suppliers.

In response to the audit issues flagged by KPMG, the Group Managing Director claimed that the management of Serba Dinamik did nothing wrong, and that based on the sequence of events, the external auditor acted in an 'unfair' and 'peculiar' manner as they reported the audit issues directly to the company's independent directors instead of briefing the management first. It is common practice that independent directors are not involved in daily operations of a company. Serba Dinamik's independent directors include KPMG Malaysia's former partner Hasman Yusri Yusoff, Nationwide Express Holdings Bhd's former managing director Rozilawati Basir, as well as accountant Sharifah Irina Syed Ahmad Razi and lawyer Tengku Datuk Seri Hasmuddin Tengku Othman. It is worthy to note that while Rozilawati and Sharifah Irina are independent directors of the company, they were also members of the company's audit committee alongside non-independent non-executive director Datuk Abdul Kadier Sahib and senior independent non-executive director Hasman Yusri.

In fact, some of the highlighted issues were very elementary in nature such as the differences in the names or addresses of Serba Dinamik's clients in contracts and invoice documents - which Serba Dinamik justified as administrative mishaps or merely due to typing errors. The auditors also found discrepancies in the commercial registration addresses of certain suppliers and customers such as supermarket housing or labour accommodation. In response, Serba Dinamik defended that the party had moved office or that the auditor had visited a wrong address. One of the directors, Datok Abdul Karim also commented that the approach adopted by KPMG during the audit was a bit different with regard to questions asked about transactions and balances. However, the return of some of the audit questions raised by the auditors during the current audit is due to diligence work conducted prior to the approval for the initial public offering in 2017.

The audit issues were first raised directly by KPMG to the independent directors in the middle of April 2021, which was close to the year-end audit closing period. The issues were later alerted to the board on 3 May 2021 to which the management responded to the queries on 6 May 2021. Upon highlighting the red flags to Serba Dinamik, the board requested KPMG to resign. KPMG refused to do so. The board eventually questioned the external auditor's capacity to complete the audit within the allotted permissible time frame, hence proposing to appoint another auditor. The change of the auditor was also supported by the company's second largest shareholder, Dato Abdul Kadier. On another note, the Minority Shareholders Watchdog Group (MSWG) issued a statement urging the minority shareholders of Serba Dinamik not to change the company's external auditor as this formed the best way to uncover the truth behind the audit issues raised by KPMG. The company's third largest shareholder was EPF, holding 10.16 percent of the company's shares, while KWAP and the State of Financial Secretary Sarawak hold 5.26 percent and 4.11 percent of the shares respectively. These figures come slightly behind those of Datok Abdul Kadier (15.96 percent) and Datok Abdul Karim (26.93 percent).

Subsequently, KPMG was blamed for delaying the completion of the statutory audit which had caused Serba Dinamik to miss the audit deadline by end of April. In view of that, the company has decided to change its financial year end from 31 December 2021 to 30 June 2022. The change in the financial year end was aimed to give KPMG an additional timeline to complete the audit. In a similar vein, the board has decided to establish a special independent review to assess the veracity and accuracy of the audit issues raised by KPMG after consulting Bursa Malaysia and the Securities Commission.

GOVERNANCE

It was apparent that significant changes in the dynamics of the board of directors of Serba Dinamik had occurred throughout the accounting turmoil. These changes appeared right after the company announced an independent audit review was to be held on the company's books for the year ended 2020. Including the Chairman, Dato' Mohamed Nor bin Abu Bakar, six other independent non-executive directors of Serba Dinamik resigned in 2021 (refer to Appendix B – List of Resigned Independent Directors). As of June 2021, there were only two independent directors left in the company. The company's Chairman, Dato' Mohamed Nor bin Abu Bakar has served as an independent director of Serba Dinamik since May 2016. The directors' shareholdings of the company from 2019 to 2021 are provided in Table 2 below:

Director	As of 1/4/2019	As of 30/04/20	As of 02/12/21
Mohd Abdul Karim Abdullah	348,252,200 (23.715%)	665,505,870 (21.713%)	-
Abdul Kadier Sahib	278,214,900 (18.946%)	591,901,290 (19.311%)	169,028,940 (19.183%)
Awang Daud Awang Putera	157,012,200 (10.692%)	294,635,020 (9.613%)	20 (0%)
Rozilawati Haji Basir	1,100,100 (0.075%)	210,000 (0.007%)	-
Mohamed Nor Abu Bakar	-	350,000 (0.011%)	-

Table 2. Directors' shareholdings of Serba Dinamik from 2019 to 2021
Source: Annual Reports

INVESTORS' CONFIDENCE

Since the listing of Serba Dinamik on the main board went public, the company had shown tremendous growth in its financial performance on a year-to-year basis. Serba Dinamik had recorded a net profit of RM 631.75 million on revenue of RM 6.01 billion in the financial year ended 31 December 2020. The company recorded compound annual growth rates in the bottom line of 44.5 percent and the top line of 48.31 percent (refer to Appendix C – Financial Statements for financial period ended 31 December 2017 to 2021 and Appendix D – Key Financial Ratios). In fact, the company planned to leverage its management team into businesses related to data centres and internet technology sectors with a focus on disruptive technologies. This has resulted in strong investors' confidence in the company's capability to sustain their business as well as to bring good returns on their investments.

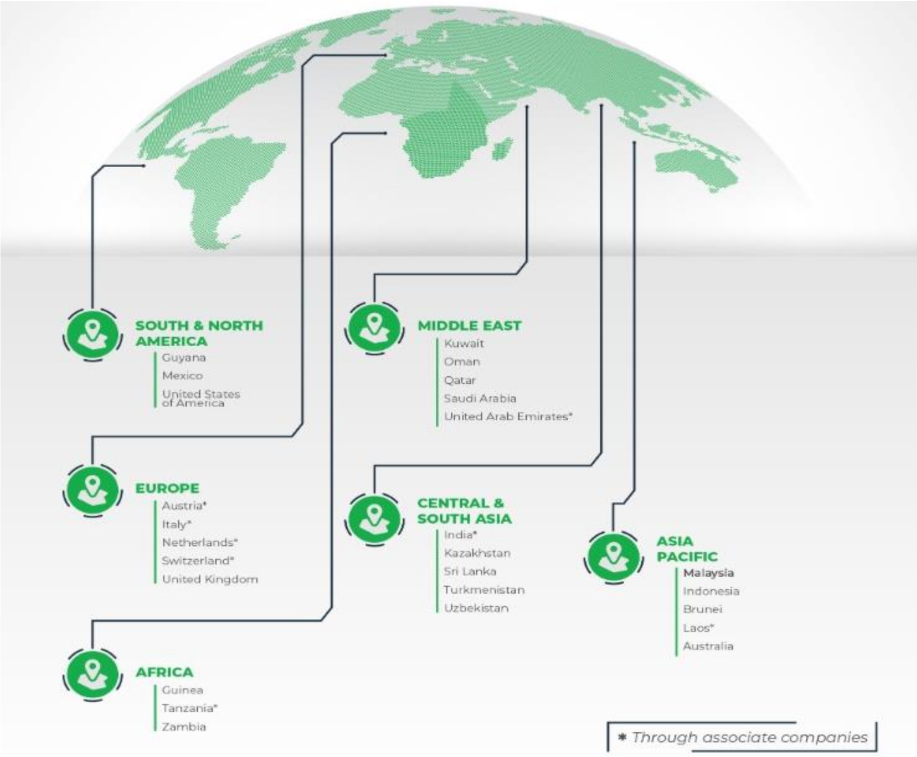
However, once the audit issues were raised, Serba Dinamik's shares were immediately suspended from trading on Bursa Malaysia effective 18 October 2021. However, within six months, on 9 May 2022, the suspension was lifted with the shares being traded at 9 sen, way below its original price (refer to Appendix E – Share Price Fluctuations). Significantly, the lifting of trading suspension had not increased investors' confidence of Serba Dinamik's shares. The stock price continued to plunge and as of 1 September 2022, the company's shares were traded at 3 sen.

CONCLUSION

Has the Serba Dinamik fiasco come to an end? Was there really an accounting fraud?

In June 2021, based on the value of his paper wealth, Datuk Seri Mohd Karim has become poorer by RM 1 billion and counting. The company had to regain the trust and confidence of investors, bankers, suppliers and customers as its reputation remain in question. In addition, institutional investors were also considering disposing their shares while it was at less than half of the listing price. Serba Dinamik was once a favourite among other institutional funds due to its profit growth rate and consistent dividend payments. The once financially-reputable company is now forced to play a waiting game as it desperately awaits the verdict of the Securities Commission Malaysia with regard to its investigation of the company's alleged accounting fraud.

Appendix A
Serba Dinamik's Subsidiaries and Associate Companies



Source: https://www.e-serbadk.com/about-serba-dinamik/

Appendix B
List of Independent Directors (Resigned)

- Dato' Mohamed Nor bin Abu Bakar (Resigned: 19 June 2021)
- Hasman Yusri bin Yusoff (Resigned: 24 June 2021)
- Sharifah Irina binti Syed Ahmad Radzi (Resigned: 23 June 2021)
- Tengku Dato' Seri Hasmuddin bin Tengku Othman (Resigned: 24 June 2021)
- Rozilawati binti Haji Basir (Resigned: 23 June 2021)
- Dato' Mohamed Ilyas bin Pakeer Mohamed (Resigned: 22 November 2021)
- Johan bin Mohamed Ishak (Resigned: 22 November 2021)

Source: Annual Reports

Appendix C
Financial Statements for the financial period ended December 31, 2017 to 2021

Statement of Comprehensive Income	**2021** ***(18 months)*** ***RM ('000)***	**2019** ***RM ('000)***	**2018** ***RM ('000)***	**2017** ***RM ('000)***
Revenue	8,606,169	4,528,621	3,283,174	2,722,318
Cost of contracts with customers	(7,180,758)	(3,717,787)	(2,700,850)	(2,238,385)
Gross profit	1,425,411	810,834	582,324	483,933
Other operating income	23,327	8,382	7,866	4,074
Administrative expenses	(253,477)	(117,372)	(103,724)	(73,637)
Impairment of trade and other receivables	(394,998)	-	-	-
Inventories written down value	(552,592)	-	-	-
Other operating expenses	(18,391)	(10,801)	(13,134)	(32,271)
Finance costs	(332,843)	(202,773)	(62,122)	(37,071)
Finance income	36,387	21,522	12,535	3,135
Share of results of equity accounted associates	(27,423)	35,036	13,880	(2,092)
(Loss)/Profit before tax	(94,599)	544,828	437,625	346,071
Tax expenses	(90,774)	(46,845)	(44,783)	(41,279)
(Loss)/Profit for the period	**(185,373)**	**497,983**	**392,842**	**304,792**
Foreign currency translation differences for foreign operations	13,577	(8,660)	258	(61,180)
Share of other comprehensive income/(loss) of equity accounted associates	382	(1,918)	3,447	-
Total comprehensive (loss)/income for the period	**(171,414)**	**487,405**	**396,547**	**243,612**

Statement of Financial Position	**2021** ***(18 months)*** ***RM (‘000)***	**2019** ***RM (‘000)***	**2018** ***RM (‘000)***	**2017** ***RM (‘000)***
Non-current assets:				
Property, plant and equipment	2,208,686	1,688,617	1,273,090	658,126
Right-of-use assets	453,655	248,120	-	-
Investment in subsidiaries	-	-	-	-
Investment in associates	193,342	382,365	305,911	44,128
Other investments	56,561	14,516	503	307
Intangible assets	146,284	118,994	6,404	6,987
Deferred tax assets	606	255	501	2,810
	3,059,134	**2,452,867**	**1,586,409**	**712,358**
Current assets:				
Inventories	1,552,428	919,561	848,250	577,762
Contract assets	671,206	321,558	61,177	-
Trade and other receivables	1,638,971	1,256,132	957,277	880,334
Deposits and prepayments	248,113	108,916	67,265	40,320
Current tax assets	8,023	1,214	3,634	487
Other investments	53,191	51,172	69,952	48,469
Cash and cash equivalents	497,412	1,306,590	760,791	300,778
Asset classified as held for sale	-	-	16,000	-
	4,669,344	**3,965,143**	**2,784,346**	**1,848,060**
Total assets	**7,728,478**	**6,418,010**	**4,370,755**	**2,560,418**
Equity:				
Share capital	2,291,512	1,344,347	1,344,347	928,194
Treasury shares	(28,502)	-	-	-
Merger reserve	(434,709)	(434,709)	(434,709)	(434,709)
Foreign currency translation reserve	26,338	-	-	-
Other reserves	44,994	57,769	68,428	64,534
Retained earnings	1,057,257	1,465,318	1,110,109	825,833
Total equity attributable to owners of the company	2,956,890	2,432,725	2,088,175	1,383,852
Non-controlling interests	12,412	7,160	4,090	3,877
Total equity	**2,969,302**	**2,439,885**	**2,092,265**	**1,387,729**
Non-current liabilities:				
Trade and other payables	63,523	57,748	55,183	-
Lease liabilities	12,663	24,421	-	-
Deferred tax liabilities	59,979	30,906	30,707	15,636
Loans and borrowings	2,291,390	2,938,624	1,107,505	24,758
Employment benefits	513	691	643	592
	2,428,068	**3,052,390**	**1,194,038**	**40,986**

Statement of Financial Position	**2021** ***(18 months)*** ***RM ('000)***	**2019** ***RM ('000)***	**2018** ***RM ('000)***	**2017** ***RM ('000)***
Current liabilities:				
Trade and other payables	494,194	402,657	426,509	423,366
Lease liabilities	23,800	58,450	-	-
Contract liabilities	132,815	35,736	18,559	-
Loans and borrowings	1,648,564	400,903	603,951	681,284
Current tax payable	31,735	27,989	35,433	27,053
	2,331,108	**925,735**	**1,084,452**	**1,131,703**
Total liabilities	**4,759,176**	**3,978,125**	**2,278,4906**	**1,172,689**

Appendix D
Key Financial Ratios

	2021	**2019**	**2018**	**2017**
EPS	(4.74)	16.10	12.79	23.58
GP Margin (%)	16.56	17.90	17.74	17.78
Revenue growth (%)	-	37.93	20.60	25.55
Current ratio	2.00	4.28	2.57	1.63

Appendix E
Share Prices Fluctuations

Source: https://www.e-serbadk.com/stock-information/

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DISCUSSION QUESTIONS

1. Does KPMG perform relevant audit procedures in accordance with the required auditing standards prior to reporting audit issues to Securities Commission? Discuss.
2. Discuss the effectiveness of audit committee in handling audit issues raised by the KPMG.
3. Discuss the basis of defence that could be used by KPMG in facing the lawsuit from Serba Dinamik.

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2. Teaching notes which comprises the answer of the Discussion questions, and
3. Title page which consists of the Title of the case, names and affliations of all the authors and the abstract of the case.

The submission file is in Microsoft Word file format. Where available, URLs for the references have been provided.

The text is DOUBLE-spaced; uses a 12-point font; employs italics, rather than underlining (except with URL addresses); and all illustrations, figures, and tables are placed within the text at the appropriate points, rather than at the end.

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Three files should be uploaded. The first file will contain the case which ends with Discussion questions. This file should be anonymous. The second file will contain the teaching notes. Without teaching notes, the case will not be processed and authors will be notified accordingly. The teaching notes should include the following:

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b) The relevant management issue observed in the case.
c) Linkages with available literature on the issues highlighted in the case.
d) Answer of the Discussion questions

The third file is the title page. This file should contain the title of the case, names and affiliations of all the authors and the abstract of the case.

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Figures and tables essential to the case content should be embedded in the text and numbered consecutively. A reference list should be provided at the end. The case must follow APA style for references, exhibits, figures and tables. The details of reference format has been provided at the end of this section.

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