Value Based Competition
Concept and Implementation

Ng Kim Tek
Bachelor of Chemical Engineering
University of Technology Malaysia
Malaysia
1996

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Executive Summary
Strategically located in Port Klang Malaysia, Cargill Oilseed Malaysia is a palm oil processing industry producing palm base products such as specialty fats, shortening and cooking oil for human consumption. It consists of approximately 150 staffs. Cargill Oilseed Malaysia was acquired by Cargill Incorporation in 1991. Before that the name of the company was Olinco.

Cargill Oilseed Malaysia is a multinational company with its parent company in Minneapolis USA. A lot of changes can be seen after Cargill Incorporation took over the company in 1991 especially in terms of the management style, culture and believes.

Following the recent change in the business environment due to the explosion of the information technology particularly, competitions become tense up. Cargill discovers that he needs to change as well in order to remain competitive in the market place. Cargill came out with a new business strategy or the new strategic intent that using value as the base of competition.

The purpose of this research project is to examine on how the concept of value based competition can actually helps to increase the competitiveness of Cargill Oilseed Malaysia in the new millennium as well as the problem that the company faced when implementing this strategy.

Through extensive case studies and secondary data analysis, the author discovered that prior to Cargill, many companies have already using this strategy before. Giant companies such as Intel Corporation, Microsoft Corporation, Walt Disney, Southwest Airlines and etc. are few examples of the companies that have using this strategy successfully.

Cargill Oilseed Malaysia started to implement this strategy since September 1999 after being introduced by Cargill Incorporation. By analyzing the value chain of the company as the starting point for this research project, the author discovered that there are a lot opportunities where the concept of value based
competition can be applied along the value chain itself in order to create distinctive solutions for the customers.

Major hindrance has already been identified and perhaps is the behavioral change of the employees themselves towards the acceptance and adaptation of this new strategic intent. The company can only change when the employees are open enough to change. Other managerial problems are also being discussed follow by the recommendation on how Cargill Oilseed Malaysia can overcome the problems and can become the true value leader in the new millennium.
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