products can also be conducted to disclose the competitor product quality. Quality improvement and best practices can be determined from effective R&D such as improvement on SSSP stability, anti-clouding agent for cooking oil and etc. One of the very good examples or success stories of this was the discoveries of E+ by Cargill as a better indicator to determine the quality of the CPO versus the traditional way of measurement using DOBI. The R&D group shall also work very closely with government agencies such as PORIM. Joint effort and knowledge sharing can actually improve the relationship between both parties.

Cargill can also work very closely with universities that actively conducting research on palm oil such as UTM and UKM. Many local researchers can actually contribute a lot of their valuable findings to the development of palm oil industry in Malaysia such as the development of palm oil data bank for process simulation and design.

11.0 Implementation

Cargill Oilseed Malaysia implements this value based competition concept via the following 4 stages:

a) Restructuring of Organization Chart
b) Communication of New Strategic Intent
a) Training of employees
b) Performance measurement

Not many changes can be seen in local business unit in term of the reporting structure. However, there was a huge change in Cargill corporate structure in Minneapolis. The reason of the change was to make the decision making process faster. By doing so, all the Cargill’s business units worldwide had been re-categorized into different groups called platforms. All together there were 13 platforms. Cargill Oilseed Malaysia was categorized under the platform of Grain & Oilseed Supply Chain. The Grain & Oilseed Supply Chain platform members including Paul Conway, Pete Kooi, John March and Dave Rogers. The principle of this platform is to have a highly integrated set of business units involved in originating, trading and marketing grain and
oilseeds and oilseed products and processing of oilseed. Other members of the platforms besides Cargill Oilseed Malaysia are WW Grain, Meal & Oil Trading, Central America, Andean & Chile Grain, Grain and Oilseed Crush in Mexico; Brazil; Argentina, Paraguay and Bolivia; Western Europe; Black Sea and Mediterranean; North Asia and China; SE Asia; Australia; Plant Plantations and Ocean Transportation.

Compare to the old structure, the reporting level and the hierarchy of the organization has been reduced and flattened. Although there wasn't much change in the structure in Oilseed Malaysia, the new corporate structure however did affect the effectiveness and efficiency of the organization in Malaysia. The managing director for Oilseed Malaysia for instance was no longer reporting to the country manager but in turn report directly to the platform members. The outcome was the whole organization became less rigid and could adapt faster in response to the environment change.

Cargill Oilseed Malaysia was introduced with this value based competition concept in the month of September 1999. It started off with an introductory session by a Cargill representative from the Minneapolis. The attendant was compulsory for all the Cargill Oilseed Malaysia employees. This was a 2 ways communication. During the introductory session, important message about the company's vision and mission and strategic goals and plans were communicated across to all the Cargill employees in great detail.

New strategic intent requires new knowledge, new skill and behavioral change. By recognizing the importance of these new elements, Cargill has developed and came out with three new in-house training programs to suit the new value based competition concept for different functional groups of people in the organization. These were all 2 days workshop conducted by Cargill internal trainers. The names of the program were VBM (Value Based Marketing), VBS (Value Based Customer Selling) and VBCS (Value Based Customer Service). The purpose of the program was to educate the employees on how to use the value based competition principle in order to gain competitive advantage against the competitors.
The targeted groups of VBM program were general managers, marketing managers and sales managers and those who were responsible for competitive strategy and execution of the company policy. The internal and external advertising personnel, promotion and communications resources were also involved. The VBM workshop establishes strategic marketing direction through development of Value Propositions for competitive positioning and resource allocation, targeted to strategic markets, segments and niches, global/strategic accounts and key customers. The content of the workshop including the following topics:

a) Value Leadership – To examine, discuss and embrace Value Leadership concepts and to understand challenges and implications for marketing.

b) Marketing Basics – Strategic importance of customers, segmentation and positioning, the 4 P’s of marketing, competitive analysis and market definition to develop marketing strategy.

c) Targeted Action Plans and Commitments – Execute value propositions with selected targets and applying VBM tools broadly throughout the business on a continuing basis.

The selling function is the primary mechanism a business has for harvesting recognition and profitable sales in the marketplace. The VBS was a simplified version VBM designed to create a decisive skill advantage to all the organization’s selling force. The targeted group of participants was all the front liners such as merchants and traders and those who was involved directly with the customers in day to day operation. The content of the workshop covered the following topics:


b) Creating Customer Value – Achieving alignment and achieving Value Leadership.

c) Understanding Customer Value – The big lie in sales, Value Equation, unbundling customer value and VBS Discovery Matrix.

d) Communicating Customer Value – Harvest credit for value delivered and Value propositions
The VBCS on the other hand was a workshop designed for all sales support people such as accounting, production and etc. The workshop defines value and examines personal communication skills, customers problem solving and collecting credit for value delivered to the customer. The course content covered the following important topics:

a) The Force of Value – Value equation, purpose and process and unbundling customer value.

b) Delivering Customer Satisfaction – Customer feedback handling, harvesting credit for value delivered and customer problem solving skills

c) Building Good Relationships with Customers – DISC Personal Profile System, DISC Customer Profile System, application and action plan.

Upon the completion of the training programs in October 1999, all the employees are required to use the knowledge and tools acquired so that the organization high level strategic objectives and measures can be translated into actions. This including the implementation of departmental scorecard system and performance measurement that tie to the individual Key Result Area (KRA). Key success factors including the alignment of personal and functional unit goals and strategy, the support from the top management, clear understand of company’s vision and mission statement and strategy, regular feedback and action review as well as effective information system.

Cargill uses the balanced scorecard to measure the overall performance of the process. The scorecard was designed in such so that it was balanced to measure the external and internal, the financial and non-financial aspects of the business. Traditional financial measures such as return on gross investment, total business return and total shareholder return will help to track whether Cargill is achieving the competitive advantage and market leadership that Cargill expected. Non-financial measures e.g. customer complaint, loss sales, supplier management and etc. are used to gauge the progress by using the Cargill Chairman Quality Award criteria as guideline.

All the Cargill Oilseed Malaysia key personnel meet and discuss the outcome of the strategy every 3 months during the COMIT (Cargill Oilseed Malaysia