

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Limitations and Difficulties Faced While Conducting the Research

After screening through the University Malaya library, it was found that this is the first case study on Power Plant Generation in Malaysia ever conducted in the Faculty of Business, University of Malaya. There are two thesis on powerplant generation, available at the Faculty of Engineering, specifying the technical aspects of powerplant generation. (Librarian information based on Librarian on duty at the Faculty of Business)

Experience restrictions – in conducting personal interviews – refusal to reveal information, especially the Marketing department and the Corporate Communications department. There was also limited access of information from the internet. (Based on Personal Experience)

5.2 Conclusions

- i) The market demand for powerplant generators really depends on the most vital factor, of increasing the energy demand especially from the government (TNB) and the IPP's.
- ii) Findings showed that the Business Strategy, and its Marketing Plan is prepared by Siemens Headquarters, localized/regionalized in various parts of the globe.
- iii) The head of operations in SEA is still headed by a German nominated by Siemens AG. Its most vital component has been patented since the 1930's especially the "turbine" technology.
- iv) Its minor parts are still done by using the outsourcing method, especially from less-developing, and the developing countries, eg. from Thailand, Taiwan, South America countries (Mexico), South Korea.
- v) Still awaiting long term results from its R & D or Creative depts, which is still in its infancy stage of development.

- vi) Proposal of developing a regional center of Excellence (R & D) and training in Malaysia's catered for its SEA operations.
- vii) The KWU's operations are still in the "RED", substantial changes have been undertaken, awaiting implementation plans, and efficient and effective control strategies have to be developed urgently, in order to achieve its planned business operation plans. (Siemens Annual Report 1999)
- viii) The present CEO and chairman of TNB, has forecasted an increase in the market demand for power plant generators in the next 5 years, meanwhile, negotiating with the government, still fighting aggressively, with closest rivals (ABB), for market share, survival, and expansion. (Star, January 2001)
- ix) Suggest, adopt a short, medium and long term strategies, instead of relying on its long term strategies, when competitors activities are changing so fast, until MIS (marketing intelligence system) information, no longer works in the real world.
- x) The real change in KLSE composite index, propose with a forecasted change, which is affected by the world markets. Therefore, market movement indications, have to be selected, to reflect the real change in the economy, rather than relying on the present KLSE, CI 700 points. (Star newspaper, Dec 2000)
- xi) Employer – employee relationship should be enhanced to boost employees' confidence in managing the company, to reduce engineers turnover rate, leaving for competitors, especially, major rival, like ABB, GE etc.
- xii) Due to restructuring activities in the KWU group, many competent professionals have left the company, on a voluntarily resignation scheme, or a voluntarily reduction of salaries due to slack financial performance, especially during the economic crisis. (Voluntarily Resignation published by Siemens newsletters, Dec 2000)
- xiii) However, there is a chance of positive outlook, in terms of improvements in the economy, hopefully, will continue to generate an effective and efficient financial and economic performance, at least, in the immediate future. (STAR, Nov 2000)

xiv) Of all the variables affecting market demand, generally specified, the economic environment is considered as the most vital and sensitive variable affecting the market demand for power plant generation market place. (Personal Observations based on Star newspaper)

5.3 Recommendations

- i) Use domestically produced spare parts in order to reduce inventory costs, instead of importing from Siemens AG.
- ii) Employ local engineers instead of expatriates from Siemens AG, in order to generate employment opportunities and limit the outflow of foreign exchange
- iii) Set up a Regional Center of Excellence in R & D and to generate creativity activities in Malaysia.
- iv) Enhance HQ – local government relationship especially in the MSC flagship, being socially responsible corporate citizen, especially in training the Malaysians, especially the Bumiputra entrepreneurship program adopted by the Malaysian government.
- vi) In line with keeping up the Malaysian governmental aspirations of becoming an industrialized nation by the year 2020, I propose that negotiations made between Bumiputra Entrepreneurship Ministry together with Siemens AG to develop contractors or sub-contractors programs in order to assist Bumiputras to develop entrepreneurs working as Siemens contractors. This could enhance foreign MNC presence in Malaysia, offering contracts or sub-contracts to the Ministry of Bumiputera Entrepreneurs program. The Ministry of Entrepreneurship, may act as a provider of outsourcing, in terms of the distribution of workload according to their capabilities and proven track records.
- vii) There is a lot of scope for further study on power plant generation provided that the information is made freely available.