

**SURVIVAL STRATEGY OF
SUNWAY CONSTRUCTION BERHAD
IN 1997 FINANCIAL CRISIS**

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**SUBMITTED TO THE FACULTY OF BUSINESS AND ACCOUNTANCY
UNIVERSITY OF MALAYA
IN PARTIAL FULFILLMENT FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

Perpustakaan Universiti Malaya



A510951189

FEBRUARY 2001

Executive Summary

Over dependence on the domestic market and government projects and lack of international exposure are the weaknesses of Sunway Construction Berhad, (SWCB), leading to being hit badly by the 1997 financial crisis. The financial crisis has only help to expose such weaknesses. The lack of marketing strategy and over-emphasis on closing of sale (Bidding of tender) do not help to face the challenges of the new business environment, such as trade liberalization, merger and acquisitions, new entrants and Gatt's and protectionism. To survive well and to maintain growth, it is essential for SWCB to strengthen its competitive advantages and adopt a new sets of marketing strategies.

SWCB has to strengthen its local marketing strategies and venture out to the overseas market, taking advantage of trade liberalization and globalization. As the local market are opening up to international players, SWCB can form strategic alliance with international player to become a dominant player in the local construction market, positioning itself to capture the many future mega projects in West Malaysia as well as Sabah and Sarawak. As local market becomes more competitive SWCB must focus on relationship and networking with the public sector. It should also explore creative joint venture in the private sector and not to neglect smaller size job. At the same time, it should continue its synergistic partnership in Sunway Group of Companies as well as other market opportunities.

Developing countries in Asia region present a good opportunity with trade liberalization and globalization. SWCB, as the specialist in infrastructure project, could explore the opportunities by forming strategic alliance or partnership for stronger market access. SWCB could differentiate in the market -place as an infrastructure specialist. It should also strive to be price competitive by reducing its labor content by improving buildability through mechanization, automation,

and adopting an integrated approach. SWCB should also be working continuously towards raising the skills level and building a knowledge workforce. To enhance its competitiveness, SWCB should launch aggressive marketing strategy both locally and globally by linking with renowned international player, be project initiator and also forming a web of global linkages using the new computer -based, telephony-based and web-based technologies.

ACKNOWLEDGEMENTS

I would like to express my sincerest gratitude and enormous thanks to Associate Professor, Dr Abdul Latif Haji Salleh, whose approval, guidance, and assistance, has encouraged me in the process of this undertakings.

I would also take this opportunity to thanks Sunway Construction Berhad, for allowing me to conduct this research, thanks to the Management and Staff.

My appreciation to all my supportive friends among them, are Nick Wong, Dilip, Ezlika, Phoon, Choo and Chee.

A special thanks to Miss Lisa Khoo, whose hardwork and patience in typing this thesis.

This thesis is dedicated to my family.

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