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CORPORATE STRATEGY FOR
AN ENTERPRISE:
CASE STUDY ON
A LOCAL PRIVATE EDUCATION COMPANY

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Executive Summary

Introduction

Recent decades have seen tremendous growth in the number of public and private institutions of higher learning being set up in Malaysia especially by the private sector. The catalyst behind this growth is none other than the Malaysian government; where reputable and financially strong private corporations were encouraged to participate in the establishment of private universities and colleges to address the shortages in supply versus the continuous increase in demand for tertiary education in Malaysia. This will also curtail the increase in outflows of foreign exchanges due to large number of students advancing their studies overseas, which arise directly as a result of these shortages.

This initiative saw the entry of many big corporate names such as Berjaya Group, Sg Way Group, Sapura Group, Petronas, Tenaga Nasional, Telekom and etc into the education sector which requires high initial start up investment but provides equally lucrative returns and serves as good long term investment against the cyclical fluctuation of the economy. Besides addressing these shortages, the initiative was meant to eventually overcome the shortages in manpower in specific areas of expertise required to meet the Malaysian government's vision to achieve a developed country status by the year 2020.

Another equally important objective behind this initiative is to meet Malaysia's aspiration to become the regional hub of education excellence. This objective if met, will ensure the continuous growth in the education sector following the influx of foreign students to Malaysia besides ensuring steady stream of inflows of foreign exchange into the country.

Objectives of the Study

This study will examine the long-term strategies of a local private educational institution in Malaysia and their effectiveness. We will also explore the effort put in by the management in creating competitive advantages for the company and finally its future prospect in the education industry.

Findings

Based on the analysis conducted, it is noted that APIIT has positioned itself quite well locally during the past nine years that has led to a supernormal growth rate in revenue being experienced by APIIT. This is made possible due to its ability to offer internationally recognised degree courses especially with the introduction of the 3+0 degree programme where students can complete their studies locally at almost half the cost as if the same degree were to be completed overseas.

The differentiating factor that sells APIIT and enables it to grow its students from 600 in 1995 to 4,500 in 1999 was its emphasis on maintaining the quality of its courses that are up to date and relevant that eventually leads to employment in the market.

The technical capabilities found in its local development team following the success of the transfer of technology from its foreign university partner to APIIT. This has enabled APIIT to customise its courseware in order to meet the requirement of local employment market and to close the difference in the education gap between local and overseas students.

Besides that the success of APIIT in the local front serves as an excellent example for APIIT to promote itself regionally as evident by the setting up of branch campus in Pakistan and Sri Lanka. With developing countries seeking for solutions to transform their economy to knowledge base in order to meet the challenge of globalisation, APIIT will continue to capitalise on such needs.

Lastly for APIIT to continue its growth momentum in the long run, successor planning would have to be carried out and implemented immediately as the high level of dependency on one senior management staff is the greatest internal threat that APIIT faces. Therefore, more open management style will have to be adopted so that the middle management team would be given the necessary opportunity to participate in high level decision making and planning.

Conclusion

The continuous success of APIIT would be dependent on the support of its senior management staff and its ability to sell its education solution regionally. From a short-term perspective, APIIT should consider expanding locally to major cities in Malaysia where the demand for private education is on the rise and the favourable Malaysia economic and politically environments that serves as motivating factors for foreign students to seek tertiary education in Malaysia at a reasonable price. Finally, in a fragmented market, APIIT would have to continue to compete by differentiating its courseware based on quality and relevancy rather than base on price that would eventually lead to the creation of a strong brand name both locally and regionally.

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