

Chapter 7.

Conclusion

Human values will take center stage in all future housing estates. In the second edition of the guidelines for Planning and Universal Development prepared by the Town and Country Planning Unit of the Housing and Local Government Ministry, the focus will be on the people as a community rather than just physical development of land. Unit director-general Datuk Prof. Zainuddin Muhammad said yesterday that Asian values had always centered on the well being of people. "We have now formally recognized this aspect of development. The new approach in planning will stress on three major principles – the relationship between man and God; between fellowmen, and men and the environment" (*The Star*, 22 November 2000 p. 3).

Similarly, developers must appreciate and emphasize the human resource development in their organizations. The value-chain analysis helps to identify which resources and capabilities can add values (its human resource management, technological development, infrastructure, procurement, marketing and sales, service, outbound logistics, inbound logistics or operations). Only when its people are resourceful and capable, can they analyze the general and industry environments; apply strategic management models and tools to gain competitive advantage for its organizations. For example, supplier change management (inbound logistics) is vital to the quality process in housing development.

As pointed out by Dato' Alan Tong, President of Fiabci (Malaysia Chapter of The International Real Estate Federation), the amateur property developer (the landowner who thinks he can turn into a developer) is fast disappearing and the joint-venture is a very relevant business strategy which will become more relevant in the future for property developers. It is my opinion that the property

sector in Malaysia is undergoing a shakeout and that a consolidation process is taking place whereby in the future, only a few large developers will dominate the market place (Tong, 2000).

Only those innovative, creative and knowledgeable developers will survive and dominate the market place. At present, there are too many licensed developers in the market. In 1997, there were 1,308 licensed developers and in 1998, the number reduced to 1,030 (Housing and Local Ministry Annual Report, 1997 & 1998). The government should consider increasing the conditions for granting of licenses so that only quality developers are allowed to stay in this high-risk property development sector. The present condition is a paid-up capital of not less than RM250,000 for a company or cash deposit of not less than RM100,000 for individual or body of persons (section 6, Housing Developers Act 1966). To ensure quality services and products, and avoid abandon housing projects, the government can utilize its restrictive entrant policy as one of the 'barrier to entry'. (One of Porter's five forces model of competition – *threat to new entrants*).

For the developer and his managers (people), the capability to analyze and analyze intelligently and correctly the demographic trends, to conduct market surveys and integrate strategic management models into its business endeavours will avoid failure and overhang or mismatch in the market and ensures success. The power of alignment between staff, customers, strategy and processes is not an end, but a mean to successful business endeavours.

"Demographic statistics in society give us clues as to the directions in which society is moving and evolving. A successful strategy anticipates these directions. When we can successfully anticipate trends in taste, habits, fashion, values, behaviour, etc, we have successfully prepared ourselves for the consumer of the future. A successful strategy for property development will have to anticipate these changes as well as changes in technology, design, environmental issues, and social development trends, demographics and

economics. Couple these elements with radically new management tools and techniques, and we have all the elements of a good strategy for successful business endeavours, both locally and abroad" (Tong, 2000).