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MALAYSIA AIRLINES, hereafter referred to as MAS The 'door to door'
plotting to the renewed future of Malaysian Airlines

This assignment looks at the industry structure of the airline industry, and assesses the profit potential of the industry, both now and in the future. The assignment looks at the transportation and logistics Industry with particulars related to the Airliners and pointing at the specific needs for MAS as a strategic player.”

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Recommendation to the CEO

The urgent question, before we even start to do the math's and analyzing numbers is the following one.

“Talking of math's itself, in contrast with the need to support future decisions with results of the past, its to say that past years are heavily abused by accidents (crashed and missing planes), natural disasters (haze, covid etc.), systematic external matters (political instability), it's the need to steer on common sense and deep understanding of human behaviors (in times of great need) and recovery plans based on projections of a fresh restart with vast assets, fixed liabilities and breakeven costs projections.”

The urgent answers prior to any other question to deal with is the next.

Is the board of Directors (MAS), with intention to be top class in the region, on par or even advanced in their relationships with

- . Customers,
- . Financial market players,
- . Human Resources?

Dis-advanced, on par or advanced.

In this sentence spoken, **the present (MAS TODAY)** is an obligation to serve itself and mankind by spending energy and time on doing the right thing. Just that kind of things that perfectly serves the journey is seen as a satisfying repayment of debt to the interest of the obliged and the mankind from which the body is an offspring.

“Wisdom start with understanding and accepting responsibilities related to obligations as stated here for and the willingness to sacrifices time and energy for the good cause of living (operating) as briefly described“.

For the proper conclusion of being ahead or behind, this cursive sentence is on par with the definition in use. Who is ahead and not just living in understanding, showing without hesitating the willingness to make it happen **and** is using gained skills and experience in addition to dedicated time and energy spending is considered **advanced**

If you apply the word ‘humankind’ to groups of labor, bankers and or customers, you should be able to recognize the real attribute of their ‘hunter nature’ being in the need to get the best, with the minimum efforts spent within the shortest time frame possible.

To perform this hunt for the best in order to fulfill their primitive needs, mankind is always looking for **inventing tools** (ea. fisherman boat) to boost results and is just willing to team up under the wish of (1+1=3) and or a ‘shared problem solves half of the problem’. Mankind is willing to purchase tools and or services once it brings them more than they could achieve their self.

Any outcome with conflicting results or showing under performances, needs a formula and policies based on the here used definition and is considered a result of a dis advanced management style.

Dis advanced in dealing with Customers demands.

I use here an example (**door to door**) but the dis advanced classification is not limited to this example.

They 'humankind' presented as customer, is already exposed to the idea that they swiped its credit card from the bedroom confirming an online placed order of a device with timely delivery of the ordered device to the door of the mentioned bedroom. Its known technology and will be made available for the hunter (customer) in need of getting (luggage) picked up at his front door and delivered at the door of the end station.

This solution serves the hunter (customer) in need of travel efficiency and will be made available, with or without efforts of MAS. Who serves the traveler like this can count on its loyalty and who is not willing to do so is not on par with the hunter(customer) and will be ignored?

The customer knows who is willing to serve or who is just an empty loyalty program provider. It is simple, its primitive, it's in our nature to hunt for the best available and not to waste time on the lazy service provider. Thus, its not a question if one would like to step in 'setting door to door policies, customers its demand is solid. The question is when and how only.

In short notice, MAS is not on par with the market and will be under the current policies been whipped out.

Dis advanced in dealing with Financial market players.

The latest statement of MAS talks of turn around management. However, it is not just about making a turnaround, its simultaneous needed to become on par with real demands. While the ambition is great, the operation is not granted with war chest capital needed to become on par and to bypass Airasia as the main competitor on the domestic market fields. If you can't outclass Airasia at the domestic market, you cant make it in the region even.

Investors were a kind of forced into accepting a social financial plan and accepted indeed but are holding back from further substantial support. The shareholder is hinging in the twist to invest more and the need to be sober. The shareholder is hesitating and so the customer is hesitating.

Once the rally upon ending pandemic start, Airasia is ready and will gain the numbers, leaving MAS far behind. MAS should know, its now the time to push hard for the best performance and to be ready at the start of the rally. If not, it is hard to believe that Airasia would slow down for a struggling competitor with hampering developing speed.

Hesitating shareholder, not taking firmly the helmet in the bitter need to innovate and to get ready at the start will never be able to convince other investors. And how different is the approach of Tony Fernandez and the anticipating mode of bankers and investors.

Tony present and act as a winner and gain interests, MAS is not presenting any of this and all together it leads into the conclusion. MAS is dis advanced in dealing with investors.

Dis advanced in dealing with labor demands.

‘The art of getting people behind your circle of life plan (power), to get them contributing to the plan (influence) to work it out in ‘what is in for me is what is in for you’ and how to apply to the business model (strategic) and to invite them to never give up (personal developing and innovation) is the roadmap to sustainable business, is the way to make people inclusive and not sidelined. ‘

Still ruling by dividing people in ethnic groups, limiting people in career possibilities, prioritizing one above the other within religious led policies is in modern times considered as violating human rights by abusive powers, discriminative and non-inclusive.

Not to say that MAS is an abuser and no developing for the better is on hand, because MAS is developing but too little and not with focus to the sake of mankind (the society).

Using instruments as `positive discrimination` in order to keep a certain race or religion in top is an invitation to open civil war. There is nothing sustainable, even with the best intentions by use of positive discrimination. It turns people in conflict with one other. The society (in question MAS) will be demolished on the hand of the discrimination tool in use to structure power and control.

Mankind is leading and the contribution to each single human do matters. MAS despite reasonable efforts is required to upgrade rapidly to the renewed interest for these matters, taking many countries by the neck. Especially those countries stubbornly defending the few (elite) against the essential elements upholding and defending human rights.

Not taking this issue with high priority is dangerous and all in all is considered a great dis advanced and as to be seen as `ignorant`

Three major human resource issues are being identified including over-supply of manpower and low productivity, discrimination and diversity.

1. Tackling discrimination and solving diversity issues.

The world we are living in is all about the need to stand up, the need to survive by gaining power, by being influential and by being one step ahead of (innovate) other living people, be it in the society or be it in specific areas as friendship or work and or business. One must be focused and determined in the battle of `control or to be controlled` to dominate

standards of pricing and conditions or to follow by others set of standards and rules. To be fair treated or to be abused.

In this sentence spoken, **the living** is an obligation to serve yourself and mankind by spending energy and time on doing the right thing. Just that kind of things that perfectly serves the journey is seen as a satisfying repayment of debt to the interest of the obliged and the mankind he or she is an offspring.

The obligation is to reach out to each single human and not to limit to family members, members of the same tribe and or just those who can bring you up in business or career. To pay fair wages and or fees to each single human for the sacred hours spend on work or business and thus the need to work many extra underpaid hours to meet basic living costs reduces, favoring the budget needed to expand possibilities for better paid jobs by spending time and energy on getting educated and better skilled.

For who understand the need to reach out to each human and has the willingness to reach out indeed will find a balanced society with more people contributing to developing and innovating and shall be granted with more opportunities. Sidelining people is cutting of chances and will get confronted with the chosen self-destructive (discrimination) method.

2. Lacking productivity by boosting inclusivity/further developing of personal skills (give impulse to quality)

Ambiguous and narrow human resource planning brings confusion and create less motivated and spoiled human capital. This issue always driven by improper human resource development plan in term of knowledge and career advancement that leads to stiff competition and limited entrance to grow.

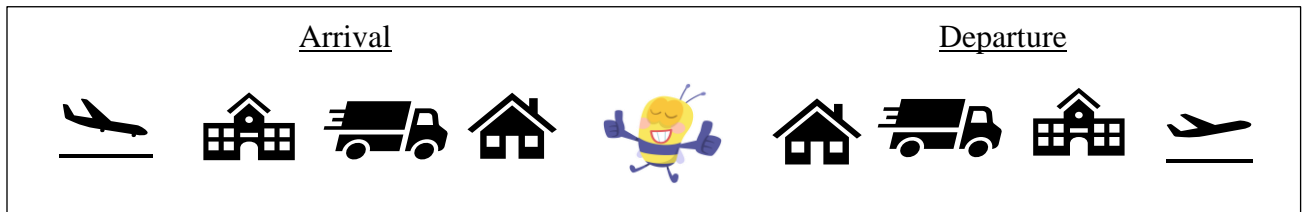
Situation will be more critical in this pandemic if no proper social planning been prepared for the entire essential capital of the company. For example, retrenchment is one of the quick actions to save the operation cost, it also gives direct implication to the organization

which the retrenched qualified staff will not come back and contributing their 'value' to other employer within the service cluster.

In this situation, MAS could establish a collaboration and/or support from the government by switching the action in giving an education or training incentives that is cosponsored by both party (MAS and government under Human Resource Development Fund) to the affected staff so that with the knowledge gained could create highly motivated, skilled and loyal worker as long-term assets to the organization.

Additional supporting thoughts

Door to Door network solutions



Since the invention of a moped, mankind anticipated by being nearly in need to park the moped in the bedroom and to park the moped next to the cashier of a shop. Walking is not essential for transportation; it is for leisure and health only.

Evolving from on foot, later by wheels to go out and to get supplies and yet into `hold back and wait` to be supplied. (The new normal is established)

Digital innovation indeed provided tools to make it possible that someone without walking can get all wanted without putting over a single step. The market still hesitates up to a few years ago and digital shopping (shop to door delivery) was not widespread accepted. All what was needed a 1 year 'stay home order' with attempt to fight a pandemic to turn in every single holder of a debit card to a (shop to door) consumer.

The world has permanently changed, activities will never be the same as the old days.

- 1) As walking under the influence of innovation (moped) changed from essential into for leisure purpose, so physical activities under the influence of digital tools changed from essential into leisure with competitors a zoo, a beach or any kind of leisure. A 'shopping mall' is not essential anymore, it's an 'add on' facilities.
- 2) An overseas holiday goes along with many means of transportation, often based on 'help yourself' upon arriving an airport. As the world turns around, people are used to get deliveries, 'door to door' and getting prepared to get treated their self with attention of transportation and logistics market 'door to door'.
- 3) Business groups have nearly perfectly implemented video conferences tools and policies related, leaving the choice to decrease costs on travelling and staying abroad dramatically, favoring digital meetings.

Currently, MAS its rival, in attempt to meet those changing behaviors, starts to move one step ahead by establishing logistic eco-system with Grab, Ojek and Oyo to conquer the low-cost market.

MAS respond should be by establishing 'door to door' policy with barrier of entry approach backed by government could help MAS survive in the crisis and being a pioneer and monopoly the demand.

The power of 'Demand Generation' is one of the key strategies to gage and create interest in the services created and building healthy pipeline of qualified leads with the high trust and great experience amongst customers.

The next 6 attitudes are essential to get with success a sustainable smart tech control center established, launched and backed by vast players in the transportation and logistics industry of Malaysia. MAS and Malaysian GVT should set a GLC with attempt to be the key in this developing. A membership based GLC, including all over Malaysia established logistics and transportation

partners catching real time data of placed orders, relevant 'door to door' data and available capacity of warehousing for storage of luggage and best transportation means available.

All the building bricks of ICT are available, it's a matter of bringing them together in to a function of data management system with access to demand questions. This developing does not require a huge budget, it requires the willingness of each single partner of the industry **to grow together in trust**, mutual respect and deep understanding of the fact that shared data leads into higher quality of services and competitive pricing for 'door to door' services on demand.

It requires **deep commitment** to the aim of the to establish GLC for the purpose to bring the entire industry in the next advanced level of servicing the market. The GLC to be linked to the Ministry of Transport function as an entity who do the check and balance, overseeing and taking charge the entire door to door transport and logistic services in term of planning, structuring and executing that include regulations and corporate governance amongst all participated chain partners.

With this, mutual agreement under smart partnership initiative among partners chain is needed to ensure the activities are smooth running in a healthy business environment, at the same time it enhance trust and tolerance amongst partner chain in term of data sharing and work execution because at the end of the day, everybody will meet benefits from `1+1=3` rules leading with growing market with better pricing condition in a sophisticated daily business operation.

In addition, real time data set also the basis for considering other difficulties, such as allocating routings, updating or renewing existing road, rail and water routings. By then it is a benefit that the relevant ministry and business partners, are focusing to the same aim and data. That would increase overhauling and further developing speed of the infrastructure as a whole.

1) Focus

Strong determination in achieving the aim as the leading innovative player in the industry drives by essential knowledge equipped amongst its human capital in the entire

organization. Understand the market, its behavior, plot suitable planning and pick the correct tools to execute with the result to make customer happy in the end of the service/business. Being the leader or trend setter in the entire service chain within the ecosystem so that have the power to set the price and quality standard, being influenced among decision maker and having high trust among shareholders.

2) Discipline

Stick with the aim of being the leading of 'door to door' policy. Make the entire chain understand and put the same aim in the success. Discipline with high integrity in every aspects of work, financial especially is the key success in the long-term sustainable growth.

3) Flexible

Being alert with environment changes including customer behavior over time could help sustaining the business model remain relevance. Offer multiple options to the consumer may draw repeat customer thus, yield in the service. For this, strong structure of service delivery plan needs to be in place, backed with strong network and collaboration with partners in the transportation and logistics service delivery chain are essential so that the delivery process does not faced with delays.

4) Innovation

Knowledge is the key factor. Without knowledge and understanding of what business are all about, who they are dealing with, what purpose they are doing will bring no meaning. Innovation with intellectual mindset will make business sustain. By providing a 'hi-tech solution hub' under 'door to door' policy may help to shift the load activities at the airport to this strategic hub. It reduced passenger movement traffic at the airport, reduce airplane load factor, thus saving time and cost because the entire activities were planned and take place ahead than the journey. Leveraging on e-commerce as mobile centric one stop booking 'door to door' solutions to the customer may give value for money in returned.

Expanding the knowledge amongst all key partner in the industry by utilizing fully MAS Academy as training center in term of service and quality delivery could generate yield to the entire chain company.

5) Data controlling

As a trend setter, data is the key elements to make the entire delivery chain a success. CRM database in term of geographic and demographic can help MAS designing and allocating the best available service delivery options for their customer backed with all the players in the industry chain share the data with MAS with attempt to be efficient and leading in the market.

6) Communications

Straight forward communication with both internal dependent and external dependent as customer is crucial so that everybody knows their responsibility in making the entire system a success. Better integration of technology, especially in communication between MAS and its entire chain partners, shareholders will ensure smooth operation at all individual touch point, from computerized operation to communicating with customer through digital medium and introduction to more electronic base payment gateway.

Based on this, having enough petrol to start the operational rooms and to left the operation produce money to keep the machine spinning as to cover cost and budgets for ongoing innovation and adjustments.

MAS and the following corporate strategy

The shareholder (Khazanah), considering oversupply in Malaysia, considering the creditors position, is defending and consolidating and soft landing in favor of their other brand Firefly and

MASwing. This defending strategy is in odd with the urgent need to upgrade and to turn services into sustainable and to meet vast change in consumers behaviors and demands related. In fact, MAS already surrendered to AIRASIA, the latter dominating MAS at each market level, holding a solid market share bigger than the market share of MAS, MAS Wings and Firefly together and AIRASIA is well prepared for a business after Pandemic, MAS obviously is not.

The chosen strategy is defending Malaysia for being condemned for another debacle upon 1mdb in case of bankruptcy. With support of the court and under certain shareholders guarantee a certain confidence could be regained but not with aim to structure war chest but with aim to defend a reputation of Malaysia in times of political instability. In time Khazanah will pull back MAS in favor of the other brands, shrinking the oversupply and in attempt of restoring price conditions.

MAS and the following business strategy

The world is evolving rapidly, the customer of today is in high demand of services and MAS is behind schedule of meeting the by customer set standards. For example, but not limiting to is the strong request to meet 'door to door' policies. MAS is far behind schedule of competitors such as AIRASIA, the latter already aggressively expanding their focus to this customers requirement.

The strategy is of a technical bankrupt company, solely depending on one shareholder only, and knowing that the last capital input is the very last unless spectacular increase of sales and profit in the next 5 years bring them back as a desired partner of industrialist's and or institutional investors.

MAS simply do not have the war chest of AIRASIA, the latter bravely expanding services and innovating and is making itself attractive for investors while de facto losing as much as MAS during this pandemic period we are in.

The difference is that AIRASIA put all efforts in meeting consumers demands and in getting ready for full operating upon ending MCO with related flight restrictions and MAS is cutting costs with

little innovation efforts and will not be ready to meet the standards and to compete AIRASIA in a redefined market in which 'door to door' solution providing is an elemental key to success. Nothing else matters more for the customer than this.

The difference is that AIRASIA still can collect war chest capital, MAS, lacking vision and innovation power is stuck and resort to copy based solutions, too late, too little, too expensive and not attractive.

Will the strategy work and for who?

Very little hope that MAS is being able to narrow the gap with AIRASIA in terms of market share and being competitive as they are not in the possibility to follow pricing and service strategies of AIRASIA. With the need to be profitable and to meet shareholders demands leaves no possibility to compete a dominant player, a price fighter as AIRASIA is in heart and soul.

However, as said before, the strategy is based on a timely soft crash landing with limited harm to Malaysia her reputation **and after** vital elements are handed over to MASwing and firefly. Only this serves Malaysia Government, and they may hope for the better. MAS is already out of the heart.

No representative figures available

MAS is riding out a perfect storm as described in chapter one, a range of incidents and changes of positions have brought MAS in turbulent times. Extrapolating on numbers of 2018 to 2020 is navigating on a floating light tower. I would not dare to produce numbers as evidence instead preferring to steer on analyzing market trends and common sense. Almost everything has changed.

MAS also has given in the position as a dominant player and is riding out the race in the slipstream of AIRASIA. If the cashflow is sufficient to ride the race for another 4 years is to be seen but it is not relevant for long term strategies as `long term` is not by shareholder granted.