Research Paper

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Development of Resort by Emerging Entrepreneur: An Innovative Case from Malaysia's Village

Commerce

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Dr. Shankar Chatterjee Associate Professor, NIRD&PR, (Govt. of India), Hyderabad-500 030

ABSTRACT

Based on field study in Malaysia, this article has been prepared. The study was conducted in August 2014 in Malaysia's Raub district of Kampung Peruas village, Pahang state. This unique case heralds without college degree or even high school certificate one can be successful entrepreneur as early as in 1992 by setting up small enterprise. A dull place has been developed as tourist resort by an elderly person, Mr. Mustapa, who had no educational qualification and after his death in May 2014 his wife, daughter and son- in- law were managing with six workers. Moreover the resort has facilitated to provide employment to many through development of tertiary sector. Young entrepreneurs may be motivated in such venture in India also. Pertinent to mention that Malaysian currency is known as Ringgit (symbol RM) & RM 1= 19 Indian rupees, approximately.

Introduction:

This study was conducted in Malaysia's *Raub* district of *Kampung Peruas* village, *Pahang* state and the unique case heralds without college degree or high school certificate, one can be successful entrepreneur by developing a resort in 1992. Before initiating discussion, few points on Malaysia and *Raub* districts are highlighted here.

The country attained her independence on 31 August 1957 exactly after 10 years of our (India's) independence. The country is multi-ethnic and multi-cultural with around 3 crore population spread over to total landmass of 329,847 square kilometers. The Head of State is the king, locally known as *the Yang di-Pertuan Agong but the Head of the Government is the* Prime Minister, elected person. Since independence economy of Malaysia based on gross domestic product (GDP) has been growing at an average rate of 6.5 percent. The economy was initially fueled by its natural resources, but presently it is expanding in other sectors like science, tourism, commerce, medical tourism etc.

Since the study area is *Kampung Peruas* village, *Raub* district in Pahang state so few salient features in this regard are presented. The district is spread over to an area of 2,271 square kilometers situated in between two ranges - *Titiwangsa and Benom* Mountain. *Raub* is both a town and a district of Pahang. The town is situated 110 kilometers away from the Malaysian capital, Kuala Lumpur. The district consists of 7 *mukim* (territorial division), namely *Batu Talam, Sega, Semantan Ulu, Dong, Ulu Dong, Gali and Tras*. Temperature of the district varies in between 20 degree and 30 degree Celsius with an average rainfall of 200 millimeters indicating the district gets less rainfall with moderate temperature throughout the year that is, not severe hot or severe cold. The population of *Raub* is much diversified with predominantly Chinese origin as most of them are descendants of the gold mining workforce. The Chinese people are concentrated in *Raub* town; on the other hand the Malay people (main ethnic group) are concentrated primarily on the outskirts of *Raub* town (https://www.tripmondo.com/malaysia/Raub_District). After the gold mines were depleted, agriculture is the main economic activity of the people of *Raub* district. And as main crops farmers of the district produces natural rubber, palm oil (both trees and subsequently extract oil), cocoa and local fruits, mainly durians.

Small and medium enterprises (SMEs) in Malaysia:

In 1996 specialized agency viz., Small and Medium Industries Development Corporation (SMIDEC) was established to facilitate the development of small and medium enterprises (SMEs) in Malaysia by providing infrastructure facilities, financial assistance, market access etc. An enterprise will come under the fold of SME if it meets either one of the two criteria, namely sales turnover or full-time employees. As per 2014 notification the new definition of small and medium enterprises (SMEs) based on manufacturing and service sectors are (i) for manufacturing sector sales turnover should not exceed Malaysian currency, Ringgit (symbol RM) *i.e.* RM 50 million or full time employees should not exceed 200 workers and on the other hand (ii) for service sector sales turnover should not exceed RM 20 million or full time employees should not exceed 75 workers (RM 1= 19 Indian rupees, approximately).

Field based case study:

This is the case of innovative enterprise studied in August 2014 by the author where a tourist resort has been developed by an elderly person under the banner of *Chemerkau Chekas Chalet* at *Kampung Peruas* village, *Pahang* state and after his death in May 2014, his wife, daughter and son in law were managing. The resort covered with natural sublime spring as well as different types of fruit bearing trees and other trees, a seductive place located around 150 meters above the sea level. Moreover, the place is free from any sort of pollution and earlier it was a dull place in the sense no one came to stay because of lack of infrastructure, however, Mr. *Mustapa Awang Kechik*'s (popularly known as Mr. *Mustapa)* initiative in the year 1992, the area developed as popular tourist place. Mr. *Mustapa* decided to construct lodges at *Kampung Peruas* village near the spring as he was charmed with its natural beauty. He studied up to primary school level not even completed formal school education but he was a dynamic person and had enterprising vision. Although he was passed away in May 2014 at 64 years of age but till his death he was fully involved with his enterprise. He started construction of lodges in 1992 and within couple of years 16 lodges with wooden structures were completed. Each lodge having one room with one small bathroom and toilet has two beds spread over to an area of around 169 square feet approximately. All are near the spring with sublime water flowing sound. After his death his wife, daughter and son-in- law are managing the resort and lodges with supply of food, which is prepared by them with six workers at the resort itself. Late *Mustapa's* wife Mrs. *Samsiah* (now main owner of the resort) earlier worked in a 5-star hotel in Kuala Lumpur as housekeeper and thus gained practical knowledge in managing such venture albeit, she studied up to primary level but good in communicating in English. During the course of study, discussions were made with owner of the resort Mrs. *Samsiah* (58 years widow of Mr. *Mustapa*), her daughter Mrs. *Munirah* and Mrs. *Munirah's* husband. Pertinent to mention that Mrs. *Munirah* completed her polytechnic (Engineering) so well versed with English, on the other hand her husband albeit, a dynamic person could not complete even school education and thus communication in English was an issue for him. All the persons with their two small children(3 years & 1½ years) stay in the resort itself in their own house, thus continuously monitor each & every activity.

While collecting data all the three were present and they in unison divulged that the resort was set up on a land around 2½ acres by spending a sum of RM 100,000. The expenditure

included purchase of land, construction of lodges etc. They further informed that throughout the year guests come so there were no recession of visitors, however, in January and in *Ramadan* months visitors were comparatively less as in January admission of the children starts in the schools. On the other hand, *Ramadan* is a fasting month for Muslim so they prefer to stay in their home. Apart from these two months, there are no dearths of visitors in other months rather they cannot cope up with demand in many occasions. To a query about earning and expenditure, they informed that on an average yearly they spend RM 100,000 which includes maintenance of the lodges, wages to six workers etc. Against this backdrop average yearly earning is RM 200,000 indicating net earnings of RM 100,000 which may be considered as better one in Malaysia, as the family is having their own house.

Conclusion:

This case divulges that with an innovative idea a backward region may be made tourist place where people can go and relax vis-a-vis enjoy natural beauty. Another important point is that with no educational qualification Mr. *Mustapa* initiated the project which subsequently was managed by his wife and other family members. In addition to six workers, the resort has facilitated to provide employment to many through development of tertiary sector. Moreover, people from their busy city life not only can enjoy natural environment but can spend time by inhaling fresh air. Young entrepreneurs may be motivated in such innovative venture in India.

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