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Dr Mahathir urges companies to venture into new areas

KUALA LUMPUR, Fri. - Datuk Seri Dr Mahathir Mohamad said tonight a company's management team must have the innovation to venture into new areas and not limit itself to those already explored by other businesses.

Citing the Information Technology industry as an example, he said it was important in today's business world that the management recognised occurring changes.

The Prime Minister said if this was not done, they would lose out when such opportunities were capitalised by other people.

"A company's management should venture into fields which are new here although these might be common in developed nations," he said.

He added that it was quite common to see businessmen venturing into fields with proven success.

He was speaking at the launching of KUB Malaysia Bhd's new name and corporate logo at the Putra World Trade Centre.

Dr Mahathir also said scores of new businesses were being created in the IT industry.

"But not all are that sophisticated in nature, requiring expertise that we have yet to acquire," he said.

Dr Mahathir called on the KUB management to seek for openings in the IT industry.

He said this was necessary for success to be attained.

"However, a sound and comprehensive understanding of the industry is needed to reduce the risk. There are actually a lot of new businesses where Bumiputeras have yet to go in ... perhaps, KUB could spearhead this task."

Dr Mahathir said if KUB was successful in new businesses which in turn would yield handsome returns for its shareholders, investors' trust in the company would increase.

"In fact, KUB has to double up opportunities for more investments so that investors will not dispose of their shares for short-term profit," he added.

Confidence in the management of companies depended on their performance which could be measured from certified annual audits, Dr Mahathir said.

If the trust was gained, he said, the companies' shares would be more sought after by investors, thus increasing their value.

In business, he said, capital and management were two strengths which have to be nurtured and enhanced, as demonstrated by world-class companies like Shell, Esso, IBM and Microsoft.

"Investors and shareholders should take an interest in what happens to the company."

Dr Mahathir said with KUB's corporatisation, it would soon be listed on the Kuala Lumpur Stock Exchange, allowing 135,000 KUB shareholders a chance to see how modern and international capital management practice could double their investments.

KUB, the country's largest co-operative, was formerly dissolved as a co-operative earlier this month.

"I believe that KUB, after this exercise, would expand further. But all quarters must realise that companies can suffer losses if the management is inefficient or irresponsible."

Dr Mahathir said KUB symbolised the success of Umno in its struggle to uplift the Bumiputeras economically.

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