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DELL-MALAYSIA

DELL HAILS MALAYSIA'S EMPHASIS ON TRAINING & EDUCATION

By: Yong Soo Heong

KUALA LUMPUR, Aug 22 (Bernama) -- Michael Dell, chairman and chief executive officer of Dell Computer Corporation, said Malaysia's emphasis on education and training will ensure that it continues to make good progress in economic growth.

Coupled with its strong infrastructure, stable political environment and the government's positive support towards investors, Malaysia is certainly moving in the right direction, Dell said in a phone interview from Austin, Texas today.

Dell Computer Corporation has two assembly plants in Malaysia at Bayan Lepas and Bukit Tengah near Bukit Mertajam, both in Penang, the country's information technology hub.

The company first started its Bayan Lepas operations in 1996 and expanded into Bukit Tengah this year. Its Malaysian operations employ about 2,000 people.

"A lot of our suppliers are around us," said Dell in reference to computer chip makers like Intel and AMD which are also based in Penang.

"With the strong IT workforce there (in Penang), we think it's a great environment and we will continue to invest there," he said.

Dell Computer Corporation has just started a pilot project known as Malaysia Direct Ship, where its Malaysian operations would ship products directly to the US market.

"It's progressing quite well and has so far been very successful. If demand continues, we will expand further," he said.

Dell, who has been invited by Prime Minister Datuk Seri Dr Mahathir Mohamad to be on the Multimedia Super Corridor-International Advisory Panel (MSC-IAP), said there was a lot that Dell Computer Corporation could do in Malaysia in addition to what it has already done.

He said an area where his company could help in the MSC was its expertise in electronic commerce.

Dell Computer Corporation, which markets its products direct to customers via the Internet and telephony, has emerged as the world's number one computer systems company.

Dell hoped that the transfer of technology and expertise in e-commerce would help Malaysia continue its growth path.

Dell, when asked about his discussions with Dr Mahathir in Putrajaya in May this year, said they spoke extensively on the education market using computers.

"This appears to be a major focus for the prime minister," he said.

Referring to the company's downsizing exercise, Dell said he was pleased to have reduced the headcount by only 50 in Malaysia and that too was done on a voluntary separation basis.

He described that as rather unfortunate but was thankful it was not on a scale of "hundreds or thousands".

Dell Computer Corporation, he said, was not alone in terms of downsizing as other companies had also resorted to reducing headcount. In the first half of this year, 800,000 people lost their jobs in the US following the economic downturn.

"It has been a difficult time in our economy," he said.

Yasmin Mahmood, general manager of Dell Computer Malaysia, said the company's facilities in Penang also demonstrated part of the country's k-economy endeavours because they housed not only the assembly operations

but also the technical and sales support activities which employed the Internet and other web-based tools.

The Penang operations were also a testimony of Dell Computer's benchmark in cost efficiency and quality, she said.

For instance, Penang was also used as a test bed or pilot for new business models like Malaysia Direct Ship.

Research and development in this respect, Yasmin said, did not centre around the traditional nuts and bolts operations but based on new business concepts along the lines of the k-economy.

The Penang operations benefited from the business model of integrated supply chain management introduced by Michael Dell, who came into a mature market and redefine the rules of the marketing game.

Yasmin said Dell's business model centred on three pillars -- the customer, price competitiveness and build-to-order. When put together, they would enable the customer to have the best value while enabling the company to determine what the customer wants and build accordingly. -- BERNAMA

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