

Poor Cash Management A Major Weakness Of Malay Entrepreneurs, Says Mahathir Bernama
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PUTRAJAYA, Nov 28 (Bernama) -- Former prime minister Tun Dr Mahathir Mohamad has noted poor cash management as among the main weaknesses of Malay entrepreneurs.

He said Malay entrepreneurs often regarded money as an item for purchasing things they desired while it should instead be regarded as capital, which if invested wisely, could generate lucrative returns.

"Management of cash is very important but the problem is when they have money, they want to spend. For instance, (they) take a bank loan of RM1 million but half of it is spent on buying a Mercedes and other things, and only RM500,000 used for business.

"This means the interest is now doubled because that RM500,000 must pay the interest on RM1 million. It means your profit margin must be very much higher in order to repay the loan," he said at a luncheon talk held in conjunction with the Bumiputera Timber Industry Entrepreneurs' Gathering at the Maritime Centre, here, today.

Also present was Plantation Industries and Commodities Deputy Minister Datuk Hamzah Zainudin.

Dr Mahathir said there were also cases where Malay entrepreneurs participated in renowned and successful franchise business, yet they failed because they were not good in managing cash as they used the money on other things instead of buying stocks.

Therefore, he said, they needed to be taught good cash management; to keep part of the profits so as to continue doing business or expanding it.

Later, at a press conference, Dr Mahathir said managing cash could be introduced in school so that the future generations would learn to value money from young and able to manage their finances well.

He said to be successful in business, an entrepreneur must work hard, work smart, determine what he wanted to do through market research and diversify his products.

"A small starting capital is not a problem, as most businesses tend to start small while now there are so loan facilities available to start a business."

He said merging with other companies was also possible in order to explore bigger markets, where they also needed to learn working with others and not be individualistic.

After the talk, Hamzah witnessed the signing of an agreement between the Malaysian Furniture Entrepreneurs Association (MFEA), Kuala Lumpur and Selangor Furniture Entrepreneurs Association (KLSFEA), Muar Furniture Association (MFA) and Malaysian Furniture Industry Council (MFIC) for the organising of The Export Furniture Exhibition (EFE) 2013 on March 6 to 10, next year.

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