

# Strategic management assignment essay sample

[Business](#), [Management](#)



1. Malaysian Airlines System Berhad is the holding company for Malaysia's national airline carrier, one of Asia's fastest growing airlines. Through several other subsidiaries, the company manufactures aircraft parts, offers trucking and cargo transportation services, caters food, provides laundry and dry-cleaning services for airlines and other industrial institutions, and oversees a travel agency. Company Chairman Tajudin Ramli owns a significant share in Malaysian Airlines System (MAS), and the Malaysian government retains a strong voice in MAS affairs.

2. Malaysia Airline System (MAS) is one of the Government Linked Companies in Malaysia. For the past three years, MAS has been undergone dramatic changes that turnaround the position of the company inside the competitive and ever challenging airline industry. From its lowest and disastrous experience in 2005 to achieving success within 2 years as well as bracing the impact of global economic crisis in past two years. The purpose of this report is to analyze MAS key competitive position and its strategic decision effectiveness and give recommendation in order for MAS to sustain its competitive position. Internal factors that affect Malaysia Airline System is economic, social, political, technological and so on. Firstly, MAS was hit by the high fuel price in the first 8 to 9 months of the year which had increases up to USD\$182 per barrel and affected the overall operating cost.

As a developing country, Malaysia has increase the number of professionals who earn more and travel much more frequently overseas. Thus, they want the services that can offer them time efficiency and good services. However the world recently has been shocked with the wave of Influenza A (H1N1 virus) global pandemic and the increasing rate of terrorist attack. These

situational factors have somewhat changed the perception of airline travellers to some degree by claiming that it is no longer safe to travel by air. The technology also occupies a very important place which is technological. The rising of Information Technology and Information System can benefit MAS to operate their business whereby MAS could exploit this technology in creating more efficient network management which will lead to reduction in operational cost. Technology is helping MAS to reduce cost, but more importantly, it also adds value to the customers. MAS was replacing KOMMAS Reservation System with the new SITA RES system. Using the new system, customers are assured that their booking and e-ticket information will always be available at check-in. In addition, MAS is also able to offer customers more and better self-service options through its website.

Malaysian Airline System Berhad – SWOT, Strategy and Corporate Finance Report, is a source of comprehensive company data and information. The report covers the company's structure, operation, SWOT analysis, product and service offerings, detailed financials, and corporate actions, providing a 360° view of the company. Features: – Detailed information on Malaysian Airline System Berhad required for business and competitor intelligence needs – A study of the major internal and external factors affecting Malaysian Airline System Berhad in the form of a SWOT analysis – An in-depth view of the business model of Malaysian Airline System Berhad including a breakdown and examination of key business segments – Five-year financial information and charts, including balance sheet, income statement, cash flows, market capitalization and multiples, and key ratios for Malaysian Airline System Berhad – Intelligence on Malaysian Airline System

Berhadnv's mergers and acquisitions (M&A), strategic partnerships and alliances, capital raising, private equity transactions, and financial and legal advisors.

In 2011, Malaysia Airlines recorded a stunning net loss of RM2.52 billion due to rising fuel costs and mismanagement which was the largest in its company history. The company ceased operations to Surabaya, Karachi, Dubai, Dammam and Johannesburg in January, and ceased flights to Cape Town, Buenos Aires as well as Rome in February. Malaysia Airlines experienced its worst loss in FY2005, with RM1.25 billion losses. Since then, the Business Turnaround Plan was introduced to revive the airline, in the year 2006. At the end of the airline's turnaround program, in financial year 2007, Malaysia Airlines gained RM851 million net profit: a swing of RM987 million compared to RM134 million in losses in FY2006, marking the national carrier's highest-ever profit in its 60-year history. The achievement was recognised as the world's best airline-turnaround story in 2007, with Malaysia Airlines being awarded the Phoenix award by Penton Media's Air Transport World: the leading monthly magazine covering the global airline industry.

From the late 1990s up to 2007, Malaysia Airlines used the Going Beyond Expectations slogan to brand itself internationally. With the rollout of the Business Transformation Plan in 2008, the CEO of Malaysia Airlines rejected the idea of using MH's network or certain other features as its new branding strategy. Instead, the new branding strategy slogan is MH is Malaysian

Hospitality, to emphasise the hospitality of its cabin crew instead of the airline's network and cabin classes.

AirAsia Berhad is one of the competitive of our company. AirAsia Berhad (MYX: 5099) is a Malaysian-based low-cost airline. AirAsia is Asia's largest low-fare, no-frills airline and a pioneer of low-cost travel in Asia.[4] AirAsia group operates scheduled domestic and international flights to over 400 destinations spanning 25 countries. Its main hub is the Low-Cost Carrier Terminal (LCCT) at Kuala Lumpur International Airport (KLIA). Its affiliate airlines Thai AirAsia, AirAsia Philippines and AirAsia Japan have hubs in Suvarnabhumi Airport, Clark International Airport and Narita International Airport respectively. AirAsia's registered office is in Petaling Jaya, Selangor while its head office is at Kuala Lumpur International Airport.[5][6]

The bottom-line Group losses for 2011 underscore the imperative need for Malaysia Airlines to immediately adopt strong measures to stop the bleeding. These include staff redeployment, increasing productivity and efficiency, relentless cost control and making further route reviews. We are also implementing an aggressive sales & marketing strategy", said Ahmad Jauhari Yahya, Malaysia Airlines Group Chief Executive Officer.