

A Comparative Study of Malaysian SMEs Challenging in International Business

Munawwver Husain

Abstract: *The fundamental goal of this exploration is to pick up a seeing about the difficulties confronted by Malaysia Small Medium Enterprise (SMEs) when their growing business abroad. This study is likewise taking a gander at the part of government organizations in helping Malaysian SMEs to meet the worldwide difficulties. This study utilized subjective exploration system as a methodology. Two SEMs were chosen specifically Pemasaran Ramly Mokny Sdn Bhd (PRMSB) and Orang Kampung Holdings Sdn Bhd (OKHSB) and examination were made on them. The after effects of this study found that both SMEs confronted a few difficulties and still not completely utilized motivations gave by the administration. Malaysian SMEs meets a few difficulties abroad, for example, subsidence, worldwide sourcing, absence of government bolster, relationship in the middle of SEMs and multinational enterprise (MNC), protected innovation issue, lawful issue in a worldwide business environment, choice process and R&D in SMEs to meet the business challenges in the aggressive worldwide business environment. Government likewise has continually made moves to energize the creation and improvement of business people by giving constructive business environment, charge motivating forces, preparing projects and different financing plan. Limit endeavors need to point on bringing issues to light among SMEs of the scope of taxpayer supported organizations that are accessible. Still an excess of SMEs is unmindful of gift and projects and along these lines don't make a difference all the accessible motivating force that offers by the government.*

Keywords: *Small and Medium Enterprise (SMEs), Challenges, Government.*

I. INTRODUCTION

This part clarifies the foundation of the study where the general thought on the extent of the study is cleared up. At that point, the issue explanation of this examination is expressed, trailed by the exploration questions, goals of the study, critics of this study, restrictions on leading this study and also the association of the study.

1.1. Background of Study: This century witness the SMEs rise that becomes drastically. SME is perceived as a critical segment in Western nation's economy. In Malaysia, SMEs' definition dependably turn into an open deliberation, particularly to those included in business and administration industry like farming, assembling etc. Shortly, there is no normal arrangement of little and medium endeavor (SMEs) in Malaysia. Diverse organization characterizes SMEs in view of their individual criteria, frequently benchmarking against yearly deals turnover, number of full-time representatives or shareholders stores. Other than that, present definitions concentrate basically on SMEs in the assembling area.

The cause and endorsement of standard definitions for SMEs will help better distinguish proof of SME arrangements and culmination of SME advancement customized, and procurement of specialized and monetary colleague. It will prompt a superior observing of SME Development Council has, on 9th June 2005, affirmed the normal meaning of SMEs in view of financial part, for adoption by Government Ministries and Agencies included in SME improvement, furthermore money related organizations. As indicated by the Secretariat of National SME Development Council (2005), to backing the SME definition, there must be a few principles and regulations connected. The affirmed definitions are to be received by all the related partners managing SMEs. These comprise of Ministries and Agencies at Federal and State levels (counting Statutory Bodies and neighborhood powers), and also monetary foundations. The arrangement of us ought to, among others, envelop information gathering, definition of SME arrangements and developers, a distinguishing proof of qualification status for SME budgetary help and bolster the program. The extra qualification condition can be connected with light of particular advancement targets of individual partners. All partners included in SME advancement are important to situated up their information accumulation methodology in light of the size and segmentation characterizations. This will permit equivalence of information crosswise over foundations and give critical measurements to better comprehend the status, issues and improvement needs of SMEs from all parts. A few nations have divergent definitions for SMEs in the assembling and administration division and may absolved firms from specific commercial enterprises or firms that have shareholdings by guardian organizations. In Korea, it characterizes SMEs into two, assembling under 300 workers, or KRW 8 billion benefits Wholesale, under 100 representatives or KRW 10 billion yearly deals income and it incorporates vocation, resources and deals income. In Singapore, assembling, settled resources worth SGD 15 million or less and Services, under 200 representatives and Other, not exactly TWD 100 million yearly deals income or under 50 workers. Thailand, Manufacturing and Services under 200 workers or THB 200 million benefits wholesale under 50 representatives of THB 100 million advantages and Retail, under 30 workers or THB 60 million advantages.

1.2 Problem Statement: As per Leete (2006), globalization has brought numerous progressions for both created and creating nations. Better access to worldwide markets has permitted nations to incremental financial development. In an inexorably globalized and focused world monetary environment, Malaysia's dedication to global exchange has seen the nation change itself from an economy dependent on elastic and tin creation, in one of the world's driving exporters of electrical and electronic items. In this quickly

Revised Version Manuscript Received on July 31, 2015.

Dr. Munawwver Husain, Visiting Assoc. Prof., School of Business Management, College of Business, University Utara Malaysia, Sintok, Kedah, Malaysia.

changing worldwide economy, SMEs are progressively a power for national financial development. The advancement of differing and focused SMEs is pivotal for making monetary strength and contributing towards development.

As indicated by Leete (2006) since autonomy, Malaysia has accomplished numerous national advancement objectives and the greater part of the Millennium Development Goals (MDGs). For instance, the MDG focuses to decrease the extent of the populace living beneath the destitution line by 50 percent somewhere around 1990 and 2015 was accomplished in 1990 when Malaysia's neediness rate tumbled from 16.5 percent in 1990 to only 7.5 percent. By 2006, the national destitution was only 5 percent.

1.3 Research Question: Taking into account the issue proclamation, the accompanying examination inquiries are produced:

1.3.1 What are the difficulties that are confronting by the Malaysia SMEs when them growing their business abroad?

1.3.2 What are the parts of government keeping in mind the end goal to help Malaysian SMEs when going global?

1.4 Research Objective: By and large, the primary target of this exploration is to pick up the seeing on the difficulties that are confronted by Malaysia's SMEs when they are growing their business abroad. It likewise will take a gander at whether Malaysia's SMEs are truly help and get to be fruitful in the worldwide market by utilizing Malaysia government motivation offered by government organizations, for example, MITI, SMEs Bank and MATRADE.

II. LITERATURE REVIEW

This part examine about the accessible writing that identifies with this study. This part is partitioned into two sections, the first part clarifies about the foundation of the organization that included in this study. The second piece of this section examines the related writing in this study.

2.1. The Internationalization of SMEs: As per Johnson (1988), internationalization is the procedure of arranging and executing items and administrations with the goal that they can essentially be adjusted to particular neighborhood dialects and societies, procedure call confinement. Outline internationalization as the outward development of an association's operation (Turnbull, 1985). As indicated by Kuada (2006), this normal element has been widened further by considering internationalization as a procedure in which exact demeanor introductions are connected with the progressive stages in the advancement of global operations.

In a globalizing economy, districts and firms are restricted on a worldwide level. Internationalization adds to the financial development of countries, in creating national commercial enterprises, enhancing efficiency and making occupation. Little association's support assumes a vital part in this procedure. Fare arranged entrepreneurial contributes all the more firmly to full scale monetary development than entrepreneurial activity in general. At the present time, internationalization influences all organizations tremendous and little. Progressively, little and medium measured undertakings (SMEs) are faced with worldwide contention and are compelled to assume a part in universal markets (Johanson, 2988). This internationalization can take numerous structures, for example, import, trade, outside direct speculation (FDI) and global affiliation. For some

organizations, access to know-how or innovation is vital intentions in going in a remote nation. A few worldwide business studies have demonstrated that in internationalization is as often as possible joined by improved execution and intensity of SMEs. The moving business environment makes new open doors and impetuses for SMEs to internationalize. Furthermore, exchange liberalization opens up more prominent new open doors.

2.2. The Institutional Framework and SME Policy: As indicated by UNDP (2007), Malaysia has offered need to SMEs and has put set up an arrangement and institutional structure that addresses their formative wishes. Methods amid the English Malaysia Plan (8MP) (2001-2005) stressed the development of SMEs in all segments, and specifically the improvement of an aggressive Bumiputra Commercial and Industrial Community (BCIC). Subsidizing to address huge issues in advancing and creating SMEs was made open through offices like Malaysia External Trade Development Corporation (MATRADE), Malaysian Technology Development Corporation (MTDC), Small and Medium Industrial Research Institute of Malaysia (SIRIM) Berhad. SMEs urged to put resources into R&D, enhance their innovation and get their showcasing and appropriation channels. The National SME Development Council speaks to the primary arrangement, making a body and outlines the future way and methodologies for SME advancement. The Council is in control for forming expansive approaches and techniques to help SME advancement, and for guaranteeing the power usage of the arrangements and activity arranges. There are numerous services and foundations attracted to bolster and fortify SME Development in Malaysia to guarantee all the SME that extend their business abroad can finish with the global organization.

2.3. Key Institutions Supporting SME Development in Expanding Abroad

2.3.1. National SME Development Council (NSDC)

NSDC was built up in June 2004 to streamline and fortify projects for SMEs. It is led by Prime Minister with the participation from Ministers, leaders of every single key ministry organization in SME improvement. NSDC works as the top approach making body to outline the bearing and procedures for improvement of SMEs over all areas. The NSDC gave the key structure to more ready and composed between office endeavors on SME advancement to regulate the proficient coordination and to ensure successful strategy execution and effort (SME Corporation Malaysia, 2010).

2.3.2. Small and Medium Industries Development Corporation (SMIDEC)

SMIDEC was built up in 1996 in acknowledgment of the requirement for a specific organization to extra advance the improvement of SMEs in the different part through the procurement of admonitory administrations, money and money related help, infrastructural offices, business access and other bolster programs. One of SMIDEC's center exercises is to create and sustain dependable and focused SMEs through its projects. Exact formative projects have been figured and executed to enhance the limitations and abilities of SMEs in giving world-class administrations and items to vast organizations or MNCs and their operations around the world.

2.3.3. Ministry of Entrepreneur and Co-Operative Development (MECD)

MECD was built up in 1995 as a most critical office to lead the advancement of business people specifically the Bumiputra. Some of MECD capacities are to set up business visionary advancement strategy and to set up and apply business person improvement programs. At the present, this service has been adjusted into other service keeping in mind the end goal to make some gainful.

2.3.4. Malaysia External Trade Development Corporation (MATRADE)

As per MATRADE (2010), MATRADE was built up in 1993 as the outside exchange advancement arm of the Ministry of International Trade and Industry (MITI). MATRADE works as a point of convergence for Malaysian exporters and remote merchants to the establishment of the exchange related data and applicable guidance, MATRADE helps Malaysian exporters to prevalent position their items and administrations in exceedingly aggressive worldwide markets. Malaysian exporters are helped through four help progress under MATRADE which are:

- (i) Trade information
- (ii) Trade promotion
- (iii) Trade matching
- (iv) Export development

2.3.5. *SIRIM Berhad*: SIRIM is a multi-disciplinary, innovative work government possessed organization under the Ministry of Finance. The organization came into operation in 1996 with the vision to be a world-class corporation of decision for innovation furthermore the quality. SIRIM Berhad as the national association of institutionalization and quality, and as the significant mover in mechanical innovative work, goes about as an impetus in realizing the national financial dynamism through incredibility in innovation and global accepting of Malaysian items and administrations. SIRIM Berhad's main goal is to enhance its clients' aggressiveness through innovation and quality, and satisfy the needs of the partners. Its capacities are (SIRIM, 2010):

- (i) To promote and undertake scientific industrial research
- (ii) To boost industrial efficiency and development
- (iii) To provide technology Malaysian standards and to promote standardization and quality assurance for greater competitiveness
- (iv) Enhance public and industrial welfare, health and safety

2.4. *The SME Policy Thrust of Ninth Malaysia Plan (9MP) 2006-2010*: During the 9MP period the principal SME policy thrust is the development of a competitive, innovative and technologically strong SME sector. In the plan period, high priority will be accorded to strengthen the technological capability and capacity of SMEs up the value chain in the manufacturing agriculture and the services sector. To fast-track local technology development capabilities of SMEs, specific programs will be implemented to nurture local SMEs as R&D allies to tap the opportunities of R&D outsourcing by MNCs and GLCs (UNDP, 2007). The government will promote the setting up of technology incubators for the purpose of nurturing new firms and entrepreneurs as well as expanding capacity of

innovations and related services. On-going entrepreneurship programs, including advisory and outreach services, will be extended to equip SMEs with new and enhanced management and business practices and methods in production, quality improvement, marketing and distribution, in order to aid SMEs to further develop technical skills, mainly in generating innovation and creating economic value from knowledge application. The above measure aimed at the internationalization of business will create new opportunities for SMEs to compete in global markets (EPU, 2006).

2.5. *Malaysian SMEs Challenges in the International Business*: There are a few open writing relating to SMEs thinks about in Malaysia. Saleh & Ndubisi (2006), Samad (2007), Abu Bakar et. al (2006), Aris (2006), Harvie (2004), Decker et al. (2006), Foon (2006), highlight different difficulties confronting SMEs in a worldwide situation, for example from trouble in confronting retreat, obstruction from global sourcing, little efficiency, be shy of administrative abilities, absence of financing, multifaceted nature in getting into administration and innovation, profound administrative weight and others. As per McMahon (2001), SMEs is characterized into three unique classes as indicated by their capacities and their accomplishment strolling through the difficulties. Firstly, a gathering of SMEs that feasible or ready to end up being globally aggressive may pick up the point of interest from the regionalization. The second gathering is SMEs that are a lesser measure of versatility to the globalization weight. They are unrealistic to make due to the current condition without making brisk moves to get efficiency, to adjust to universal guidelines, prepare and utilize ability administration and expert staff to face rivalries. The third gathering is the SMEs that is protected by the administration from the globalization impact (Samad, 2007).

2.5.1. *Recession*: Monetary subsidence has been a consistent test confronting SMEs. Since the year 2007, the world economy encountered a few unfavorable occasions, for example, bubbling costs took after by sub-prime credit smash in the USA, which prompts a money related enduring to the budgetary business sector. Most countries are in no time demonstrating a reducing monetary development and increasing expenses of creation, which shows that a downturn is unavoidable. Harvie (2004) contends that the SME segment has a crucial part to play in the managed recuperating of the locale emerging from the business opportunities framed by the rebuilding procedure itself, the development towards all the more quickly local financial combination, propels in data and correspondence innovation (ICT) and all the more intentionally the business opportunities emerging from the web.

2.5.2 *Global Sourcing*: Globalization and liberalization has made business assets more portable and transferable more remote than fringes. Battle for assets, for example, material and capital has more noteworthy that before in numerous Asian nations including Malaysia. Levitt (1983), in his article on the globalization of businesses has underscored that organizations must pick up learning of to work as though the world is one expansive business disregarding shallow provincial and national distinction. In the movement, globalization advances innovation, source and

information exchange, as ever-new procedures of generation and services will be given. At some point or another, SMEs need to get their aggressive ability by the successful measuring in shared situations (Alba et al., 2005). Thus, SMEs must exploit low work cost, adaptable logistics, new innovation, less expensive materials and of not as a lot of controlled working environments. This circumstance has made cooperative energy to little and medium undertaking in the rising nations like Malaysia.

2.5.3. Lack of Government Support: The condition of government wishes to assume critical part and responsibility to SMEs, particularly in key development area and also the open help and infrastructure to bolster them (SMIDEC, 2007). One such area is the Halal business. Large portions of state governments in Malaysia did not try endeavors to empower Halal industry. Case in point, Negeri Sembilan and Melaka state as yet permitting pig cultivating without concerning the Halal business. With plausible figures for Halal exchange of USD2.1 trillion, there is stunning feasible for Halal items comprehensively.

2.5.4 Relationship Between SMEs and Multinational Corporation (MNCs): SME in Malaysia does complete a few organizations with MNCs either in enormous or little scales, as a seller or franchisee. In the event that the introduced MNCs are moving out of the nation, in light of the business, to lesser work cost nations like China and India, SMEs will lose business and trigger "endless loop" between the remote direct venture and SMEs. On the off chance that a MNC is moving out, a few SMEs may shut down and different MNCs additionally couldn't source a few sections and parts (Samad, 2007). From the other viewpoint, the broad exploration has analyzed the elements that control the worldwide extension and achievement of MNCs, however Knight (2000) breaks new ground by concentrating on the internationalization of little entrepreneurial firms. By method for information from an exact investigation of 268 SMEs, he devises a basic model that uncovers the part of the worldwide entrepreneurial introduction is a critical driver of more than a couple of vital parameters, key to the global execution of the little firm.

2.5.5. Intellectual Property Issue: SMEs in Malaysia does not by any stretch of the imagination open to the components and concerned with the criticism of securing licensing innovation in meeting the difficulties because of the globalization. On the other hand, a study by Kitching & Blackburn (1998) highlighted that SMEs proprietors set most accentuation on casual systems to safeguard protected innovation. These techniques were more recognizable, less expensive, and less time intensive and routinely considered as more compelling and has formal rights. For SMEs, the formal affirmation and enlistment regularly measured to be uneconomical with a specific end goal to authorize their rights through the open legitimate framework. They have to watch their protected innovation in a financially savvy manner. This is a setback at what time massive organizations' apparatus over their rights. As far as chapter 11 game plans, a great deal of entrepreneurial endeavors are not an achievement, but rather they are not so much disappointment in the feeling of losing cash. It bodes well to attempt to make markets contestable by dropping way out expenses and obstacles for endeavors that are not up to introductory desires (Samad, 2007).

2.5.6 Legal Issues Inthe Global Business Environment: In the worldwide business, SMEs are before the absence of information on legitimate matters, and in Malaysia, there is no body or office that encourages matters relating to lawful particularly to SMEs going in a remote nation. Teoh & Chong (2008) case that among the obstructions of SMEs business visionary are shy of access to pick up administration experience and presentation in respects with a worldwide arrangement of laws and regulations. Along these lines, SMEs may discover right of section is limited in light of out of date and improper regulations. As far as enrollment and legitimate consolidation, a great deal of these SMEs needs to set up a vicinity in a worldwide market with a specific end goal to be obvious to clients. Enrollment and legitimate joining prerequisites differ significantly amongst nations, and are as often as possible superfluously unpredictable and costly (Abu Baker et al, 2006). It might likewise set aside a more drawn out time for SMEs to increase dependable data about business sector opportunities and pertinent regulations for new items, administrations or methods. Moreover, there are most likely correct necessities or controls, compulsory by remote governments (Aziz, 2000).

2.5.7. Decision Process And R&D in SMEs: Expansive company ordinarily spent significant aggregate of cash employing specialist or setting up business advancement division include at thought work force to settle on real choice about any business matter. SMEs on alternate hands are frequently leaped by their defective capital for business advancement of R7D. Since advancement is vital in R&D angle, SMEs holder may analyze their present business position and deliberately plan proposed changes by enhancing their operational capacities. In particular, they may attempt to make down to earth moves to develop from productivity SMEs the distance to advancement SMEs (Hong & Jeong, 2006). Furthermore, the holder of the SMEs normally settles on key choices, for example, contributing to the spreading out of the business or wandering into new markets. Moreover, fused R&D has a plausibility to harvest economies of scale in worldwide generation systems (Coe et al., 2004). With no sufficient learning, data and orderly examination, it is significantly harder to evaluate the possibilities and the weight of the worldwide business to the organizations. As far as innovative work, it is fundamentally gone for the needs of tremendous endeavors, so there is frequently an absence of expertise about any most recent and new rising advances incorporating web in SMEs (Decker et al, 2006).

2.5.8. Branding the Products in the International Market: Marking is a method for separating items or administrations from others and making the items gorgeous to clients. SMEs in Malaysia doesn't consider marking their most extreme technique to contend all around. A littler sum capital and exertion put resources into making items more appealing and all around bundled, and in addition item advancement especially to offer to different nations market. Organizations may achievethe upper hand through demonstrations of advancement and development can be as new item plan, new generation procedure or new showcasing methodology (Foon, 2006). SMEs need to strengthen the marking to better position themselves to experience new market opportunities. SMEs might likewise

effectively share out its items through establishment if a perceived brand in settled. In this manner, SMEs need to change, receive and adjust, keeping in mind the end goal to contend and stay place applications in the rising and testing economies. SMEs likewise need to fortify the local business to better position to make a route into worldwide business sector opportunities. Focused and flexible SMEs are noteworthy in the development and advancement procedure of the Malaysian economy together with the selection of fitting system. Promoting is the bloodline of an association, and additionally Ramly's Spearheading a very much joined 70 men-solid system, the Marketing Department effectively guarantees that client get the finest items. Their verge on is to go down to the very grass attach and become more acquainted with better, their esteemed purchasers.

III. METHODOLOGY

Methodology starts by portraying the examination plan and the philosophy utilized as a part of this study. Taken after by the information gathering method and afterward by an examination of the populace and the specimen included in this study and the clarifications of how the study was led by then clarified. This incorporates an itemized depiction of how the systems for examination were connected to focus the dependability and legitimacy of the estimation of this study. Qualitative and quantitative routines alert how information is accumulated and investigated. The subjective system can be exemplified as differing sorts of information help give more profound comprehension of the issue that is being mulled over, and one of the focal minutes is the point at which the relationship between the issue and the entire picture is caught on. The quantitative system is utilized more for measurement, science and in equations and ordinarily they likewise demonstrate to complete the examination (Flick, 2006). In this study additionally subjective exploration routines are chosen with the contextual analysis approach. Subjective techniques are not as a lot of organized and more concentrated than quantitative systems so they are more adaptable as far as association with respondent. This prompts information having more force and abundance of connection, commitment a more prominent potential for new bits of knowledge and viewpoints. Subjective exploration includes gathering, breaking down and translating information that can't be measured (Mann, 2000). The principal contrasts of phenomena searched for are in the qualities, not in the amounts. Concerning strategy, this paper is being dealt with as a contextual analysis. As per Gummesson (2000), there are two sorts of contextual analyses. The first endeavors to get general decisions from a set number of cases. The second slot tries to touch base at particular decisions with respect to a solitary case in light of the fact that this "case history" is quite compelling. This study utilizes the first contextual analysis approach strategy in light of the fact that this study which work having constrained referral. Two organizations were picked in the same business which is enlisted under MATRADE e-index. A contextual analysis focuses on a limited framework, consistently under common conditions, which prompt grow better seeing in its own living space (Hair, 2007). Contextual investigation exhibits a methodological method for inspecting the occasions,

gathering information, examining data and introduction the outcome. Then again, this study will advantage the upside of honed comprehension of why the wonder happened as it did, and what may be imperative to the meeting point and extend all the more extensively in future examinations. The significant point of the testing technique utilized was to catch a delegate cross-sectional specimen of the aggregate populace (Neuman, 2003; Cavana et al., 2001). The enormous a methodical example, the more probable it will duplicate its populace (Malhotra et al., 1996). An incredible example will likewise offer enhanced factual power in that the capacity of a measurable test to identify critical affiliations or contrasts or identified by test size (Loewenthal, 1996). In the unhindered likelihood inspecting configuration, all the more usually known as basic arbitrary testing, each component in the populace have a shot of being chosen as a subject.

IV. DISCUSSION

The result of this research which is described both companies were able to face economic crisis successfully. Generally companies' operations were unaffected, only encountered with some problems, however, it's successfully overcome by the company. This result is consistent with the previous studies as stated in the literature review pertaining to the economic recession, SMEs could handle a crisis better compared with a larger company. Those results found also are parallel with what have been discussed in literature review where Orang Kampung Holdings SdnBhd forced to bear the higher transportation cost. Logistic companies charged their services more than usual effect from crisis which occurred. Research findings also found that Pemasaran Ramly Mokny SdnBhd and Orang Kampung Holdings SdnBhd generally not too affected during the economic crisis because being in the food industry. The Consumer still needs food despite of the crisis, yet possible differ with respect to quantity that take away. The finding of this study finds out that both companies reacted like what has been discussed in the literature review about globalization. Pemasaran Ramly Mokny SdnBhd and Orang Kampung Holdings SdnBhd expanded their business to overseas because some of the good factors that generates to the company such as to learn new things. It is parallel with what's been pointed in the larger market and different countries. This is because globalization contributes a lot of good things to the company such as going through the introduction of new technology, source and expertise transferring from a company to another company. Apart from that also, the result shows both companies in a not overly focused to sources that are available in the country that they penetrated such as cheaper labor cost and material. It is not parallel by what that fingered by (Alba, 2003). Yet it also parallels viewing Alba from logistic facility aspects. This study also found that Pemasaran Ramly Mokny SdnBhd and Orang Kampung Holdings SdnBhd were not too dependent on the government support, although they really in the need of it. Both companies only involved with only one government agency namely MATRADE. Based on the feedback received from the interview, Pemasaran Ramly Mokny SdnBhd still feel confident to

operate without depending on the government. The finding of this study found that Pemasaran Ramly Mokny Sdn Bhd and Orang Kampung Holdings Sdn Bhd contend against various problems about law in the process of expanding their business abroad. Like those faced by Ramly when penetrated Singapore market and OKHSB when entering Saudi Arabia and Brunei Market. Ramly products faced difficulties to penetrate the Singapore market because Singapore has very strict regulation against foreign products that want to enter Singapore. The result of the study also found that Pemasaran Ramly Mokny Sdn Bhd and Orang Kampung Holdings Sdn Bhd were implementing exporting method as an initial step in expanding their business abroad. This is a very important decision to ensure the mission and corporate goals of business are achievable. Both companies studied closely countries that are potential to penetrate and this is parallel with Coe et al (2004) who state that the owner of the SMEs usually makes vital decisions such as investing for the expansion of the business or venturing into new markets.

V. CONCLUSION

All in all, globalization achieves enormous open doors, additionally extraordinary difficulties to all organizations. SMEs specifically experience issues to react to these adjustments in the business environment, given their flawed assets and different disservices connected to the little size of their operation. All things considered, a developing number of SMEs are internationalizing, either through fare, import or different types of internationalization, and doing as such adequately. Those organizations that have the inside capacities to confront the dangers and boundaries of internationalization still need to convey this technique into practice. Picking the right market, the suitable timing and the ideal passage mode, are only a portion of the alternatives to effectively put into practice and worldwide procedure, and at least help a company's benefit. The ideal extent of the global operations will rely on upon the dealings between the vital needs of the firm, its assets and natural calculates both its home market and abroad markets. The most critical inward boundaries for SMEs are the expenses included in internationalization and the qualities of the items or administrations. Later on, limit endeavors need to point of convergence on bringing issues to light among SMEs of the scope of taxpayer driven organizations that are accessible. Still an excess of SMEs is oblivious of gifts and projects and accordingly don't make a difference all the accessible motivation that offers by the government. It is critical to guarantee the Malaysian SMEs can confront the test and contend with the worldwide contenders.

REFERENCES

- [1] Alba, M., Diez, L., Olmos, E. & Rodriguez, R. (2005). Global performance management for small and medium-sized enterprise (GPM-SME). In IFIP International Federation for Information Processing Book Series. Boston: Springer Boston. pp. 1-8.
- [2] Anderson, O. (1993). Internationalization and market entry mode a review of theories and conceptual frameworks. *Management International Review*, vol. 37, No.2, pp.27-42.
- [3] Aziz, Z. A. (2000). Globalization and open market-challenges for Bumiputra entrepreneurs. Young Malays Professional Congress, 26 February, Kuala Lumpur. Bank Negara Malaysia, Secretariat to National SME Development Council (2005). Definition for small and medium enterprise in Malaysia.
- [4] Cavana, R. Y., Delahaye, B. D. & Sekaran, U. (2001). *Applied business research: qualitative and quantitative methods*. Melbourne: John Wiley & Sons.
- [5] Coe, N.M., Hess, M. Yeung, H.W., Dicken, P. & Henderson, J. (2004). 'Globalizing' regional development: a global production networks perspective. *Royal Geographical Society*, 468-484. College Publishers.
- [6] Cooper, D.R. & Schindler, P.S. (2006). *Business Research Methods*. 9th ed. McGraw Hill.
- [7] Decker, M., Schiefer, G. & Bulander, R. (2006). Specific challenges for small and medium-sized enterprise (SME) in M-business: a SME-suitable framework for mobile services. *Proceedings of Persidangan Kebangsaan IKS 006*, Kuala Lumpur: Universiti Utara Malaysia.
- [8] Gummesson, Evert, 2000. *Qualitative Methods in Management Business Studies: A Practical Guide*. Prentice Hall.
- [9] Hair, J., Money, A., Samouel, P. and Page, M. (2007), "Research methods for business", John Wiley & Sons, Ltd.
- [10] Hewson, C., Yule, P., Lauren, D. and Vogel, C. (2003). *Internet Research Methods- A Practical Guide for the social and Behavioural Sciences*. London: SAGE.
- [11] Hong, P. & Jeong, J. (2006). Supply chain management practices of SMEs: from a business growth perspective. *Journal of Enterprise Information Management*, 19(3), 292-302.
- [12] Johanson, J. and L, Mattson (1998). "Internationalization in industrial - a network approach", in P.J. Buckley and P.N. Ghauri (eds), *The Internationalization of the firm: a reader*. London: Academic Press. 303-321.
- [13] Kitching, J. & Blackburn, R. (1998). Intellectual property management in the small and medium enterprise (SME). *Journal of Small Business and Enterprise Development*, 5(4), 327-335.
- [14] Knight, G. (2000). *Entrepreneurship and marketing strategy: the SME under globalization*. *Journal of International Marketing*, 8(2), 12-32.
- [15] Kuada, J (2006). Internationalization of firms in developing countries: towards an integrated conceptual framework. NY. The Haworth Press Inc.
- [16] Leete (2006) *Malaysia SMEs: building an enabling environment*. UNDP press.
- [17] Levitt, T. (1983). The globalization of markets. *Harvard Business Review*, (May/June), 39-49
- [18] Leowenthal, K.M. (1996). An introduction to psychological test and scales. 141.
- [19] Malaysia, (EPU) (Economic Planning Unit) 2006, Ninth Malaysia Plan, 2006-2010, Kuala Lumpur.
- [20] Malhotra, N.K., Hall, J., Shaw, M. and Crisp, M. (1996). *Marketing research: an applied orientation*. Sydney NSW, Australia: Prentice Hall.
- [21] McMohan, R.G.P. (2001). Business growth and performance and the financial reporting practices of Australian manufacturing SMEs. *Journal of Small Business Management*, 39(2), 152-164
- [22] Miles, M.B. and Huberman, A.M. (1994). *Qualitative Data Analysis: an expanded sourcebook*. 2nd ed. USA: Usage
- [23] Neuman, W.L. (2003). *Social research methods: qualitative and quantitative approaches*. 5th ed. Boston, USA: Allyn & Bacon.
- [24] Ritchie, B. & Brindley, C. (2000). Disintermediation, disintegration and risk in the SME global supply chain. *Management Decision*, 38(8), 575-583.
- [25] Saunder, M. Lewis, P. & Thornhill, A., (2000), *Research Methods for Business Students 2nd Edition*, Harlow: Pearson Education Ltd.
- [26] Teoh, W.M.Y & Chong, S.C. (2008). Improving women entrepreneurs in small and medium enterprises in Malaysia: policy recommendations. *Communication of The IBIMA*, 2, 31-38
- [27] Tetteh, E. & Burn, J. (2001). Global strategies for SME-business: applying the SMALL framework. *Logistics Information Management*, 14 (1/2), 171-180
- [28] Wafa, S.A., Noordin, R. & Kim-man, M. (2005). Strategy and performance of small and medium-size enterprises in Malaysia. *Proceedings of the International Conference in Economics and Finance (ICEF)*, Labuan: Universiti Malaysia Sabah.
- [29] Wang, S.D. (2003). The implication of e-financing: implications for SMEs *Bulleting on Asia-Pacific Perspective 2003/2004*. New York: United Nations.
- [30] Welch, L.S. and Luostarinen, R. (1988). Internationalization evolution concept. *Journal of General Management*, pp. 34-35