FLEXIBLE AND FOCUSED

The experience of Poly Glass Fibre (M) Berhad
Flexible and Focused
The Experience of Poly Glass Fiber (M) Berhad

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Published in 2016 by

Meso Publishing (002564165-T)
Email:mesopublishing@gmail.com

ISBN 978-967-14735-0-4
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CHAPTER 1
INTRODUCTION

Poly Glass Fiber (M) Bhd ("Poly Glass"), formerly known as Poly Glass Fiber (M) Sdn Bhd, is a Malaysia-based investment holding and management company engaged in the manufacture, trade and distribution of fiber glass wool and its related products. The uniqueness of Poly Glass is presented in various sub topics.

The Company is principally engaged in the trading of fibre glasswool and its related products, and recently venturing into property development in view of its 2000 acre land bank in Tanjung Malim.

The Company pioneered the commercial production of fibre glasswool in Malaysia and was the sole supplier until 1993. On its own, the Company produces six product lines. Poly Glass operates as an investment holding company involved in matters of policy, strategic planning, marketing, selecting and manning senior management positions, approving investments and budgets, and the overall on-going monitoring of the group companies’ performance.

The Company’s manufacturing facility is located in Prai, Penang. Production output is 8,000 m/t per annum. Another plant in Indonesia has an annual production output of 3,000 m/t and one in Hubei, China, 3,000 m/t per annum. The products are exported to Singapore, Indonesia, Thailand, Philippines, Australia, Hong Kong, Taiwan, Brunei,
Japan, New Zealand, South Africa, Pakistan, India, UAE, China, Vietnam, South Africa and Myanmar.

The Company also owns a property development company which is currently undertaking the development of Diamond Creeks Country Retreat located adjacent to Proton City and close to the township of Tanjung Malim.

CHAPTER 2
VISION, MISSION AND POSITION

Vision

"To become the leading insulation solution provider in the ASEAN and Oceania region”

Mission

"To provide the most economical insulation solution so that people can live comfortably in a sustainable environment.”

Current Position

In January 2014, the electricity tariff went up by 16%, followed by a 19% increase in the natural gas tariff in May 2014. The knock-on inflationary costs affected Poly Glass’s operations and bottom-line, resulting in a change in the operational process where automation and technology enhancements had to be done.

Domestic sales grew marginally at 1.1% to RM19.713 million on the back of a slowing property market. Export sales dropped by 9.6% to RM22.094 million due to the significant slowdown in the electrical appliance segment, total revenue for the financial year dropped by 4.8% in 2016.
The entry of other major global players into the same ASEAN, Oceania market has resulted in stiffer competition for Poly Glass. As a reactive measure, Poly Glass expanded its product line for it to be able to produce more variety of products with better quality. Given the limited production capacity of 20,000 m/t per annum, Poly Glass seeks to offer “variety” in order to be in a better selling position.

CHAPTER 3
EXTERNAL ENVIRONMENT

Political Situation
Given Poly Glass’s target region, and the penetration into new emerging markets, the specific nation’s political volatility will pose as a factor for consideration. Change in government will entail new domestic and international policies which may hamper the strategy, business approach or operations.

This situation is apparent in most developing ASEAN countries that were once under military rule for example Cambodia, Myanmar, Vietnam.

Climate of Economy
Regional / international

The ASEAN region is also heading towards a more economically driven initiative with various trade agreements being signed.

Poly Glass is also highly exposed to currency fluctuations as their products are generally “semi-raw” and end users will usually be trading in USD. On the other hand, Poly Glass will also deal with their own materials in USD should it not be available domestically.

Domestic
It has also been highlighted that the recent change in the Malaysian economic policies does play a role in their cost management. The removal of government subsidies and also the discontinuance of the green policy to spur green technology also took a hit on Poly Glass.

The increase of electrical tariffs and natural gas prices have also impacted Poly Glass’s bottomline.

**Social Dimension**
Population growth, migration to urban areas and also the increase in demand as a result of living in an urban leads to the need for more infrastructure and amenities. Thus the correlation and demand for insulation material and the urban migration / demand will further spur the organic growth of Poly Glass.

**Technological Factors**
The rapid growth and expansion of the technological landscape will also have an impact in terms of infrastructure requirement and product designs.

Poly Glass has embraced this aspect of technological development by steering its product and manufacturing line toward a more environmentally friendly setup. Currently, the bulk of the materials sourced to manufacture glasswool are made up from recycled glass and bottle items that form the base compound of all Poly Glass’s products. Next is the automation production and also ensuring the technology used in production plants leaves a much lower carbon foot print.

The following three methods are also used in the management of this aspect:

- New ways of producing goods and services
- New ways of distributing goods and services
- New ways of communicating with target markets

**Natural Environmental Factors**
Being a pioneer in the glass wool manufacturing industry, Poly Glass is very proud about being a leader in terms of environmental sustainability. The two key measures taken are:

That 80% glass wool are made from recycled items, and that their products are indeed environmentally friendly;

The regulate carbon emissions left by its manufacturing plan, and as a direct result reducing its carbon footprint in the environment.

**Legal Regulatory Situation**
In the Malaysian context, new legislations such as the Personal Data Protection Act and GST Act will call for new regulatory compliance and also streamlining of operations to conform with any future legislations.

In the context of the ASEAN and Oceania markets, Poly Glass will also be subjected to national / international trade policies, domestic regulatory requirements and in the recent context, environmental laws.

**The Industry Outlook**
Poly Glass’s raw materials are largely recycled glass items, hence the price is relatively stable unlike other raw commodities such as steel and aluminum that are traded vastly in the primary and secondary market.

Largely dependent on demands of the developers and other manufacturers of end-products. However, with the entrance of other new global players in the regional market, it may pose a certain degree of pressure on Poly Glass in the future should the overall supply increase in the region.

The customer market is relatively niche and easily identifiable. However a distinction must be made in in terms of competitive rivalry between the domestic market and ASEAN / Oceania region.
In the Malaysian market, the fibre glasswool insulation manufacturing segment has only 3 main players i.e. Poly Glass, Rockwool Sdn Bhd, and Rong Mah Sdn. Bhd, out of which only Poly Glass is a public listed company. Other companies are merely resellers of glasswool insulation products.

As for the regional and international market, it was mentioned over a few of Poly Glass’s annual report that major global players are starting make its presence in the region hence posing a potential threat and an increase in competition.

Since the product offered is niche and there is currently no technology that substitutes the material and function, the threat of substitution remains low.

As mentioned, there is an emergence of new entrant in the region who are also eyeing for a pieces of the developing market. Hence measures must also be taken by Poly Glass to solidify its current position in the market.
CHAPTER 4
INTERESTING SITUATIONS

New management
It has been revealed from the reports and articles that the current Chief Executive Officer / Chairman is a second generation owner. The CEO’s father is now a director and has taken a less active role in the operations of the business.

We can infer that, the current management style has now taken a shift from a more traditionalist approach to a more dynamic approach embracing the advancement of technology and also environmentally conscious operations

Streamlining of business subsidiaries
Poly Glass incorporated separate subsidiaries to cater for specific sections of the business units and also business functions. These measures are usually taken to manage legal liabilities and also streamlining business reporting activities.

a. PGF Insulation Sdn. Bhd. Malaysia – Manufacture and sale of fibre glasswool products
e. SK Insulation Solutions Sdn. Bhd. Malaysia – Trading in fibre glasswool and its related products
Growing property development market

Poly Glass is also capitalising on its current land bank in Tanjung Malim and it seeks to tap into the current growing property market.

CHAPTER 5

MAJOR COMPETITORS

Poly Glass is venturing into two avenues of business, one being the fibre glasswool insulation business, and the other being the property development business.

There are currently two other competitors in the fibre glasswool insulation industry, however Poly Glass is the only public listed company, hence we can assume the generated revenue is significantly lower compared to Poly Glass. The position in Malaysia is relatively secured, offering the most economical price points and solutions for its customers.

Poly Glass has also seeks to differentiate itself from the other competitors by boasting their raw material source – recycled products and that its production line is environmentally friendly.
Poly Glass has gone through various situations to sustain its competitive advantage and performance.

**Profitability Trends**

Poly Glass has a good profitability trends from 2012 until 2016. However, it must be noted that the sudden surge in profit was recorded in 2013 is attributable to a reversal of impairment loss from its property development. Top line revenue remains at RM 31 million for 2012 and RM 33 million for 2013.

In 2013, the new plant was ready and operational which allowed Poly Glass to increase its production capacity to 20,000 m/t per annum. And this is clearly reflected in the revenue jump from RM 33 million in 2013 to RM 40 million in 2014.

Figure 1 summarizes the profitability trends of Poly Glass Fiber Berhad (2012-2016) into a few dimensions.

**Figure 1: Profitability Trends of Poly Glass Fiber Berhad (2012-2016)**

<table>
<thead>
<tr>
<th>Profitability Areas</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets (ROA)</td>
<td>4.63%</td>
<td>12.41%</td>
<td>3.34%</td>
<td>3.09%</td>
<td>2.40%</td>
</tr>
<tr>
<td>Return on Equity (ROE)</td>
<td>7.36%</td>
<td>19.64%</td>
<td>5.14%</td>
<td>4.56%</td>
<td>3.49%</td>
</tr>
<tr>
<td>Return on Capital Employed</td>
<td>6.82%</td>
<td>18.39%</td>
<td>4.48%</td>
<td>4.07%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Return on Sales (ROS)</td>
<td>20.38%</td>
<td>63.20%</td>
<td>14.57%</td>
<td>12.54%</td>
<td>10.43%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>77.15%</td>
<td>77.03%</td>
<td>71.60%</td>
<td>51.79%</td>
<td>67.77%</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Operating Profit (EBIT) Margin</td>
<td>24.80%</td>
<td>5.15%</td>
<td>19.76%</td>
<td>18.79%</td>
<td>14.46%</td>
</tr>
<tr>
<td>Operating ROA</td>
<td>5.64%</td>
<td>1.01%</td>
<td>4.53%</td>
<td>4.64%</td>
<td>3.32%</td>
</tr>
</tbody>
</table>

Source: Poly Glass, Annual Report (2012-2016)

**Efficiency Analysis**

There is a reasonably sound result of efficiency findings. However, this understanding has to be carefully analyse with many factors. The inventory turnover and trade receivable turnover indicates a healthy stream of business for Poly Glass, coupled with the profit margins that are constantly around 60% or more (as stated above) this signals good financials on the part of Poly Glass.

Figure 2 shows efficiency situations of Poly Glass Fiber Berhad (2012-2016) into a few dimensions.

**Figure 2: Efficiency Trends of Poly Glass Fiber Berhad (2012-2016)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Turnover</td>
<td>1.03x</td>
<td>1.31x</td>
<td>1.65x</td>
<td>2.49x</td>
<td>1.64x</td>
</tr>
<tr>
<td>Trade Receivable Turnover</td>
<td>3.51x</td>
<td>3.25x</td>
<td>4.55x</td>
<td>5.20x</td>
<td>4.53x</td>
</tr>
<tr>
<td>Current Asset Turnover</td>
<td>1.07x</td>
<td>1.79x</td>
<td>1.87x</td>
<td>1.73x</td>
<td>1.88x</td>
</tr>
<tr>
<td>Non-current Asset Turnover</td>
<td>0.29x</td>
<td>0.22x</td>
<td>0.26x</td>
<td>0.29x</td>
<td>0.26x</td>
</tr>
<tr>
<td>Asset Turnover</td>
<td>0.23x</td>
<td>0.20x</td>
<td>0.23x</td>
<td>0.25x</td>
<td>0.23x</td>
</tr>
</tbody>
</table>

Source: Poly Glass, Annual Report (2012-2016)

**Liquidity Ratio**

Poly Glass has gone through fair situation to achieve its liquidity performance. However, it must be read together with the sudden surge in profit was recorded in 2013 is attributable to a reversal of impairment loss from its property development. Top line revenue remains at RM 31 million for 2012 and RM 33 million for 2013.

Figure 3 shows liquidity ratios at Poly Glass Fiber Berhad (2012-2016).

**Figure 3: Efficiency Ratios of Poly Glass Fiber Berhad (2012-2016)**

<table>
<thead>
<tr>
<th>Key Ratios</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>2.05</td>
<td>0.89</td>
<td>1.01</td>
<td>1.28</td>
<td>1.23</td>
</tr>
</tbody>
</table>
**Leverage Ratio**

The leverage ratio too shows a good indication on how Poly Glass managed its debt to finance its asset purchases, and operations. Figure 4 demonstrates leverage ratios at Poly Glass Fiber Berhad (2012-2016).

**Figure 4: Leverage Ratios of Poly Glass Fiber Berhad (2012-2016)**

<table>
<thead>
<tr>
<th>Key Ratios</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Total Assets</td>
<td>4.92%</td>
<td>4.28%</td>
<td>9.50%</td>
<td>8.20%</td>
<td>11.27%</td>
</tr>
<tr>
<td>Debt to Equity</td>
<td>7.82%</td>
<td>6.78%</td>
<td>14.62%</td>
<td>12.10%</td>
<td>16.43%</td>
</tr>
<tr>
<td>Cash Flow to Debt</td>
<td>93.95%</td>
<td>-</td>
<td>20</td>
<td>5.13%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85.21%</td>
<td>.42%</td>
<td></td>
<td>13.64%</td>
</tr>
<tr>
<td>Leverage Ratio</td>
<td>1.59x</td>
<td>1.58x</td>
<td>1.54x</td>
<td>1.48x</td>
<td>1.46x</td>
</tr>
</tbody>
</table>

*Source: Poly Glass, Annual Report (2012-2016)*

**Performance Ratio**

The cashflow and performance ratios too indicate Poly Glass’s financial stability. Figure 5 demonstrates performance ratios at Poly Glass Fiber Berhad (2012-2016).

**Figure 5: Performance Ratios of Poly Glass Fiber Berhad (2012-2016)**

<table>
<thead>
<tr>
<th>Key Ratios</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow to Revenue</td>
<td>12.23%</td>
<td>45.71%</td>
<td>23.82%</td>
<td>22.63%</td>
<td>30.81%</td>
</tr>
<tr>
<td>Operating Cash Flow to Assets</td>
<td>2.78%</td>
<td>8.97%</td>
<td>5.46%</td>
<td>5.58%</td>
<td>7.07%</td>
</tr>
<tr>
<td>Operating Cash Flow to Equity</td>
<td>4.41%</td>
<td>14.20%</td>
<td>8.40%</td>
<td>8.24%</td>
<td>10.31%</td>
</tr>
<tr>
<td>Operating Cash Flow to EBIT</td>
<td>49.29%</td>
<td>888.14%</td>
<td>120.60%</td>
<td>120.41%</td>
<td>213.09%</td>
</tr>
</tbody>
</table>

*Source: Poly Glass, Annual Report (2012-2016)*
The SWOT analysis is based largely on the current operations of Poly Glass and also its future plans that are obtained from annual reports and press releases. This will give an indicator on the level of competitive advantage, and also gaps that need to be addressed.

**Strengths**
There are a few areas of resources, capability and competencies demonstrated the track records of Poly Glass.

Firstly, Poly Glass has a reputation in the industry. It has been in the business for the past 30 years and as the pioneer in Malaysia, it has one of the most competent skilled work force in this area. This factor carries a weight to argue on the ability of this company to face many situations in the industry.

Secondly, the company is deeply rooted in its presence in both domestic and regional markets. In addition, it has a good reputation domestically and also in the ASEAN region. Such reputation has also allowed it to hold a strong distribution sales network.

Thirdly, it is also the most dominant player in the Malaysian market. In the mean time, other players have shown their presence to allow Poly Glass to be competitive ahead of them. This situation makes them alert with the market.
Fourthly, with its expansion in the ASEAN region, being made up of many developing countries, the potential growth rate is also high.

Fifthly, It also has a team of experienced business units. The management of various business portfolios itself provides a challenge, yet the company survived.

Sixthly, its financial standing at present is also very strong with enough cash, long term assets, and low debt levels.

Finally, it has a well-managed headcount at 166 people producing 20,000 m/t per annum.

**Weaknesses**
There are two areas of concern under this section.

Firstly, it was made known that bigger global players are beginning to enter the ASEAN region given the number of developing nations, Poly Glass may have an inherent disability to meet demand due to its limited production size.

Secondly, its selected target market itself may also be a weakness to Poly Glass as they are not venturing beyond the defined territory.

**Opportunities**
There are two areas of concern under this section.

Firstly, Poly Glass has the development of the new Ecowool insulation product line that is claimed to be 10 times more efficient, it will be a great opportunity to further market the product and capture a new revenue stream.

Secondly, it can also provide consultancy services for various insulation designs.
Finally, Poly Glass may also acquire smaller firms, in line with its vertical integration strategy.

**Threats**

There are two areas of concern under this section.

Firstly, threat will come from bigger players that are targeting the same market.

Secondly, fluctuation in raw material prices and currency exchange rates.
CHAPTER 8

VALUE CHAIN ANALYSIS

There are two major areas of value chain at Poly Glass. Firstly, the primary area, which is also called as the primary activity area, that contributes to its core competency and competitive advantage. Secondly, the secondary area at Poly Glass serves as the support activities to be enablers for Poly Glass to remain market leader with tangible results and  

Figure 5 illustrates the value chain at Poly Glass.

Figure 5: Value Chain at Poly Glass

The value chain analysis by Porter segregates key activities by categorising them into primary and supportive activities. The itemised listing below identifies key activities in Poly Glass, and can serve as an indicator to the management which aspects may serve
as levers and cost control mechanisms in order to give Poly Glass an added competitive advantage against other players.

**Primary activities**

Inbound logistics – To address efficiency of internal stock control & monitoring, Poly Glass constantly coordinates inbound material handling, its inspections and also the logistical need for pickup and delivery of materials.

Operations – Its main operation being a manufacturer is to monitor and control the production line and its outputs to ensure it meets the customers’ demands. Further, it also handles the retail aspect of the products. With its expansion into property Development subsidiary, it also runs the property development business for its current project in Tanjung Malim.

Outbound logistics – This will include logistics and shipping of product to customers domestically and also the international clients i.e. ASEAN, Oceania, middle east. Poly Glass also handles the current distribution channels either by way of dealing directly with the clients or through its regional correspondents.

Marketing and sales – Over and above managing the sales, advertising and promotion of their products, Poly Glass is currently in the pipelines of engaging with strategic partners for the provision of insulation products.

Services – Poly Glass also maintains its customer service, this ensures customer satisfaction and also repeat orders from key clientele. Furthermore, being the expert in the field, Poly Glass also provides consultancy services for any infrastructure insulation needs.

**Support activities**

Infrastructure – This refers to the general management of the holding investment company and its subsidiaries. This will also include the regional management, financial, accounting and legal services within the company.
Human resource management – The recruitment, talent development retention and training for staffs under the company are managed by the HR department.

Technological Development – This includes both the plant equipment and also new product development to meet market demands. As mentioned previously Poly Glass has pioneered and invented a few of their own products, and latest edition to their line of offerings is the Ecowool line.

Procurement – The purchasing and sourcing of raw materials are done under strict quality control in order to ensure production specifications are met.
CHAPTER 9

COMPETITIVE STRENGTH ASSESSMENT

The comprehensive assessment serves as an evaluating tool when comparing the company to other competitors. Weightage and importance may be assigned to each line item so as to identify strengths and weaknesses in the area of operations or business.

This study has identified two major competitors within the same segment, namely, Rong Mah Sdn Bhd and Rockwool Sdn Bhd.

Rockwool is an international manufacturer of insulators that are made out of stone mineral, as opposed to glasswool.

Rockwool is UK based and had recently entered into the Asian market scene due to the potential in developing countries within the region.

Table 1 shows the competitive strength assessment matrix between Poly Glass and two major competitors.

Table 1: Competitive Strength Assessment Matrix for Poly Glass and its major competitors

<table>
<thead>
<tr>
<th>Key success factor</th>
<th>Market Players Poly Glass</th>
<th>Rong Mah S/B</th>
<th>Rockwool S/B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Importance of weight</td>
<td>Strength rating</td>
<td>Weighted score</td>
</tr>
<tr>
<td>Quality / product</td>
<td>0.15</td>
<td>8</td>
<td>1.2</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation / image</td>
<td>0.10</td>
<td>8</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capability</td>
<td>Weight</td>
<td>Score</td>
<td>Value</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>--------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Manufacturing capability</td>
<td>0.15</td>
<td>8</td>
<td>1.2</td>
</tr>
<tr>
<td>Technological skills</td>
<td>0.10</td>
<td>7</td>
<td>0.7</td>
</tr>
<tr>
<td>Dealer network/distribution capability</td>
<td>0.05</td>
<td>6</td>
<td>0.3</td>
</tr>
<tr>
<td>New product innovation capability</td>
<td>0.05</td>
<td>8</td>
<td>0.4</td>
</tr>
<tr>
<td>Financial resources</td>
<td>0.10</td>
<td>8</td>
<td>0.8</td>
</tr>
<tr>
<td>Relative cost position</td>
<td>0.20</td>
<td>8</td>
<td>1.6</td>
</tr>
<tr>
<td>Customer service capabilities</td>
<td>0.10</td>
<td>7</td>
<td>0.7</td>
</tr>
</tbody>
</table>

As the table depicts, it is evident that Poly Glass still holds a strong advantage in Malaysia, however due to the limitation of data a regional assessment is not produced at this juncture. However, we can assume that in the ASEAN region Poly Glass still holds an advantage given it longer presence and brand reputation.

Both Poly Glass and Rockwool are close competitors, each offering the same product based on different raw materials i.e. glasswool and stone mineral respectively.

**Poly Glass’s Operations**

The operation in general is of a very lean nature, having a headcount of 166 people and the production line of 20,000 m/t per annum. The depth of the structure itself too is much shallower compared to most public listed conglomerates that have multiple layers in its organisation structure, drawing a wider gap between the management and working level staff.

There is a sense of uniqueness in the way the company is managed, and with reference to the above table, we can see that Poly Glass does fall under the combination of both the western paradigm and Islamic paradigm. Poly Glass is a family run business that is currently being led by a second generation owner, hence the sense of value and adherence to its core purpose remains intact. Unlike bigger public listed companies that are being constantly traded, with its top management turnaround rate, it is not surprising that the “original” message gets lost in transition.
Upon a closer look at its operations, it can be seen that it uses tangible criteria and materialistic indicators as its base line targets. However as one moves further down the process, it can be observed that Poly Glass seeks a more holistic development i.e. the development of the business itself, staff welfare and also its impact on the environment itself.

This leads to the final point where it is extremely pertinent in Poly Glass, the retention of skill, technical know-how and development of technology. The aspects of preservation of information and development of new technology will find ulul al-bab methodology particularly useful. Furthermore a bulk of the workforce are made up of skilled workers that have decade of experience, hence imparting knowledge to a new generation of workers is extremely crucial to ensure Poly Glass’s sustainability.
CHAPTER 10

ISLAMIC PERSPECTIVES

The Three-Fold *Ulu Al-Albab* Implementation at WORK

<table>
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<th>SHURA COMMITTEE</th>
<th>MANAGEMENT LEVEL LEADERS</th>
<th>INDIVIDUAL EMPLOYEES</th>
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The three-fold model seeks to complement the Author’s implication model by providing a continuation to his *Ulu al-Albab* efforts. This proposed model may serve as a means by which an *Ulu al-Albab* can solidify the Islamic-oriented (or in the case of Poly Glass a holistic approach) management system and infusing the *Tawhidic* paradigm and principles of vicegerency in an organisation as guided by the Qur’an and the Sunnah:

i. The organisation’s management must ensure that every staff has a vision or aim of belief that centralises on the concept of *Tawhid*; a concept that is true and does not deviate from the actual Islamic teaching. In fact, every staff should perform their five daily prayers without fail;

i. Instilling Islamic governance;
ii. Islamic *khalifa* principles and leadership roles in all levels;
iii. Cascading vision, mission and goals that revolve around the *Tawhidic* principles; and
iv. Educating on the meaning and purpose of *Ulu al-Albab* in the organization.
ii. Educating individuals within the organisation that they are Allah’s chosen trustees and Khalifa on this earth;

iii. Making right each person’s intention so that all deeds will be done to obtain the pleasure and blessing from Allah and not only revolving solely around worldly interests alone;

iv. Instilling the attitude of wanting to transform oneself to be better, by making every individual in the organisation a role model or a figure that needs to be sampled by others;

v. Instilling awareness among organisation leaders to have the role in ensuring that all affairs, big or small, are to be done in the best possible way;

vi. The individuals themselves need to develop his spiritual and morality, and this is combined with his mental and physical elements. The absence of good personality and morality can lead to the erosion of trust between a leader and his subordinates;

vii. Accepting tasks as a mandate that needs to be fulfilled, through careful implementation, one that is full of accountability, and integrity. In fact, the task allocation will be implemented the best way possible according to one’s affordability;

viii. Always practising the culture of consulting one another in all matters, big or small, and getting the involvement of every member of the team in the organisation; and

ix. Systemising Islamic practices by way of mutually guiding one another, between the leader or the subordinate, under the concept of asking others to do good, and to prohibit deviant behaviour.
FOSTERING AN ULU AL-ALBAB CORPORATE CULTURE

The *Ulu al-Albab* model can solidify the Islamic-oriented corporate culture by also infusing the *Tawhidic* paradigm and principles of vicegerency in an organisation as guided by the Qur’an and the Sunnah:

i. The organisation’s management must ensure that every staff has a vision or aim of belief that centralises on the concept of *Tawhid*; a concept that is true and does not deviate from the actual Islamic teaching. In fact, every staff should perform their five daily prayers without fail;

ii. Educating individuals within the organisation that they are Allah’s chosen trustees and *Khalifa* on this earth;

iii. Making right each person’s intention so that all deeds will be done to obtain the pleasure and blessing from Allah and not only revolving solely around worldly interests alone;

iv. Instilling the attitude of wanting to transform oneself to be better, by making every individual in the organisation a role model or a figure that needs to be sampled by others;

v. Instilling awareness among organisation leaders to have the role in ensuring that all affairs, big or small, are to be done in the best possible way;

vi. The individuals themselves need to develop his spiritual and morality, and this is combined with his mental and physical elements. The absence of good personality and morality can lead to the erosion of trust between a leader and his subordinates;
vii. Accepting tasks as a mandate that needs to be fulfilled, through careful implementation, one that is full of accountability, and integrity. In fact, the task allocation will be implemented the best way possible according to one’s affordability;

viii. Always practising the culture of consulting one another in all matters, big or small, and getting the involvement of every member of the team in the organisation; and

ix. Systemising Islamic practices by way of mutually guiding one another, between the leader or the subordinate, under the concept of asking others to do good, and to prohibit deviant behaviour.

CONCLUSION
Poly Glass Fibre (M) Bhd is an industry pioneer and currently holds a very good market position in Malaysia. With more than 30 years of experience in the line of business, it continues to lead the segment being the only public listed company amongst the domestic players.

Its overall strategy of being the best-cot provider and sound financial standing also put it at a very strategic position for itself and also external investors that seek to do future business with Poly Glass. Furthermore, the Chief Executive Officer being a second generation owner and the original founder still being on the Board of Directors, the gap between the management and staff are at a comfortable distance. The CEO himself is also actively involved in the operation and has constant over sight over what is happening on the grounds. This is made easier given the lean organisation structure of 166 people.

Another commendable key aspect of Poly Glass’s operations is the procurement and sourcing of materials that are 80% from recycled goods. This in the Islamic context is very much in line with the notion of *hablum minal 'alam*. When running day to day affairs, one’s relationship between Allah, other people and the environment must
always be preserved. Here we can definitely see Poly Glass carrying its relationship between men and environment with great esteem.

Given that this is a very specialised industry with proprietary product and design, the concept of *ulul al-bab* and the knowledge management aspect is of paramount importance. The passing down of knowledge to new employees and existing staff within the organisation is important to ensure Poly Glass’s sustainability.

The difference within the organisation creates a certain synergy and dynamism where each area of strategic management process calls for different expertise and skill sets. The formulation process should be done with an encompassing overview and feedback from various business units. Inputs of the strategic approach should come from both the policy makers and also the executioners.
REFERENCES


