

A STUDY ON COMPETITIVE ENVIRONMENT, GOING BEYOND BUDGETING AND BUSINESS PERFORMANCE IN THE BOOK SELLING INDUSTRY OF KUCHING

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ABSTRACT

The research examined the role of traditional budgeting system in today's fast moving and competitive environment. Investigating the suitability of maintaining budget today dealing with intensify competitive environment and the need to go beyond budgeting as pointed out by Hope and Fraser (2000). The effort of "investigating life without budget" thus is given extra weight in this research.

Following the world advancement and people fighting for better business, there are increasing comments from the world pointing to the relative slow of maintaining budget for the business operation. Maintaining a prolong budget is definitely slow down managers, usually this cause the competitive opportunity to forgone. The situation agreed to the bookselling business in Kuching. Bookstore, which are closely located around the city created a significant competitive pressure among them. Feature of the books that are fast expired further made the situation worst. Bookstore managers in Kuching really under pressure to get their book sold.

The necessary of going beyond budgeting in the bookselling industry of Kuching was investigated in this research and feasibility of the Beyond Budgeting Theory suggested by Hope and Fraser (2000) in improving bookstore performance was tested. Analysis through Path Analysis Technique adopted from Mia and Clarke (1998) effectively analyzed the role of beyond budgeting theory in intensifies market competition to improve bookstore business performance. Interpretation to the statistic tests found that the effective flexible features of beyond budgeting theory in handling fast moving environment as highlighted by Hope and Fraser (2000) are fulfilled in this research.

From the finding encountered in this research addressing to the important of going beyond budgeting, bookstore managers in Kuching should be alerted to the discovery. Instead of having a formal budgeting system at the marketing and selling level, proper design of their marketing and selling systems that promote faster respond and stay alert to competitive environment is vital (be more market oriented). Allowing flexibility in the business operation by adopting the Beyond Budgeting Theory put forward by Hope and Fraser (2000) is wise for overall bookstore efficiency.