

Pernec expects profit to jump by 50pc

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KUALA LUMPUR: Pernec Corp Bhd (Pernec), a subsidiary of Permodalan Nasional Bhd, is banking on its transformation of new business model to generate an income of at least RM1 billion annually by 2015. Its managing director Abdul Karim Abdul Sallam said this year alone, the company expected to increase its profit by 50 per cent. "Last year, we managed to double our profit and with all the strategy and planning that has been put in place, I'm confident that we can achieve a 50 per cent increase in profit this year," he told Business Times in an interview recently. Abdul Karim said the transformation process seemed to have already borne fruits. For instance, he said the company's payphone business, whereby Pernec took over the role of providing the public phone business from Telekom Malaysia Bhd in 2009, continued to show an increase in earnings amidst stiff competition from the mobile phone business. "Through the transformation programme, our profit in the payphone business has seen an increase of 600 per cent last year," he cited. He said although the company was facing competition particularly from the cellular phone business, Pernec as a group was still able to register buoyant growth, with a pre-tax profit increase of more than 100 per cent in 2010. "I attribute the success to the initiatives taken by the management team who introduced the transformation business programme called Pernec 2.0," he said. He explained that Pernec 2.0 emphasised on four main areas, namely revenue growth, excellent customer experience, operational excellence, and employee engagement. "Last year, we also introduced a balance scorecard programme to monitor the performance as well as staff's working progress, which has given a lot of positive impact to overall company operations. "We have also introduced the use of information technology comprehensively in all our operations," he said. Moving forward, Abdul Karim said Pernec's focus in the short term was to realise all the targets outlined in the Pernec 2.0 transformation programme. On the payphone business, Abdul Karim said Pernec planned to increase the number of public phone kiosks to 50,000 within the next two years. "Currently we have 45,000 payphones nationwide. Out of these, 18,000 are equipped with the globalised system for mobile communications (GSM). "And from these 18,000 GSM-equipped payphones, 5,000 units are solar-powered. Our intention is to convert all the payphones into solar-powered public phones," he said, adding this is also part of Pernec's participation in the usage of green technology or renewable energy system.