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BUSINESS STRATEGY FORMULATION FOR MARKET DEVELOPMENT TO INCREASE SALES REVENUE IN FISH FEED BUSINESS USING BUSINESS MODEL CANVAS: A CASE STUDY OF MAKMUR ABADI TAMBAK

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DOI: 10.35631/AIJBES.26006.**This work is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)****Abstract:**

Makmur Abadi Tambak is a fish feed sales business that has customers consisting of small fish pond farmers, medium fish pond farmers, large fish pond farmers, and small fish pond shops. The research begins by looking for problems experienced by the company through an interview with the owner who is at the same time being a manager of the company using the 5 why's a method. From the interview results, it was found that the company had a problem with decreasing in sales revenue in 2011 because its customer who came from large fish pond farmers left the company due to a change in the payment system from debt to cash and after that, in the following years the company experienced fluctuating sales revenue. In order to solve a company problem, an analysis of the company's internal and external conditions was carried out. Analysis of the company's internal conditions uses the existing Business Model Canvas (BMC) and sales revenue performance analysis, while the analysis of the company's external conditions uses PEST analysis and Porter's Five Forces analysis. Analysis of the company's internal and external conditions will then be summarized into a SWOT analysis as an input which will then be entered into the IE Matrix. IE Matrix results show that the company's position is in the cell I which results in two strategic choices, namely intensive strategy and integrative strategy. To get the right strategy for the company, the two strategies were compared using the QSPM technique and it was found that the intensive strategy was the right strategy to be implemented by the company, in the form of market development through opening a new fish feed store and selling fish feed online through the e-commerce platforms and social media consisting of Instagram and Facebook.

Keywords:

Business Model Canvas, IE Matrix, Management Strategic, Market Development

Introduction

Based on data reports from the Association of Animal Feed Companies (GPMT), in 2017 the production of manufactured fish feed only reached 1,555,939 tons, while the need for fish feed in the same year reached 8,650,260 tons. In 2018 the need for fish feed increased to around 9,667,620 tons and for 2019 the need for fish feed is estimated to increase by around 10,800,960 tons. This fish feed need is for both freshwater fish (Nile Tilapia, Carp, Catfish, Gold Fish, and Pangas Catfish) and sea water fish (White Snapper, Bawal Bintang, Grouper and Shrimp). According to Slamet Soebjakto, the KKP's Director General of Cultivated Fisheries explained that 41.5% of the total aquaculture production target in 2024 of 22.65 million tonnes is fish and shrimp commodities that require feed for its achievement. He further explained that the estimated feed demand from the aquaculture production target in 2024 could reach up to 12 to 13 million tons of feed, therefore support is needed for the availability of fish feed both from manufacturers and independent fish feed production. The increasing need for manufactured fish feed can provide opportunities for the business of selling fish feed, including one of the opportunities that can be exploited by Makmur Abadi Tambak.

Makmur Abadi Tambak is a fish feed sales business that sells various kinds of fish feed which has four types of customers consisting of small fish pond farmer, medium fish pond farmer, large fish pond farmer, and small fish pond shop starting in 2007, where prior to 2007 the company only had two types of customers who came from small fish pond farmers and medium fish pond farmers. Since having four types of customers that began in 2007, the company has received increasing sales revenue every year.

Even so, the company still experience unhealthy financial conditions due to delays in debt repayments made by large fish farming farmers who are far from the deadline for debt payment provisions. This made the company difficult to buy fish feed from fish feed factories and to respond this condition, in early 2011, the company decided to change the payment system for large pond farmers slowly from debt to cash. This change in the payment system resulted in large pond farmers leaving the company in the middle of 2011 which resulted in a drastic drop in fish feed sales revenue in 2011 and after 2011 the company experienced fluctuating sales revenue. The solution to this problem will be the main objective for this research.

Literature Review***Strategic Management***

Strategic management is a collection of managerial decisions and actions that can affect the long-term performance of a company (Wheelen & Hunger, 2012). Meanwhile, according to David (2011) strategic management is an art and science that is used to formulate, implement, and evaluate cross-functional decisions that help an organization achieve its goals and it has a focus on several areas such as management, marketing, finance, and knowledge structures that are useful in order to understand organizational success. Thus, this makes strategic management involve important steps such as scanning the environment for information, selecting the right data and analyzing it, building strategic models, testing, and finally

implementing it (Cray and Mallory, 1998). According to Rothaermel (2017) strategic management consists of three stages, namely the stages of analyzing, formulating, and implementing, these three stages into one unit to assist managers in planning and implementing strategies that can enable performance improvements and provide competitive advantages. Meanwhile, according to Wheelen & Hunger (2012) strategic management consists of four processes, namely environmental scanning, strategy formulation, strategy implementation, evaluation and control. According to Chang & Huang (2006), the strategic management process has three stages, namely strategy formulation, strategy implementation, and strategy evaluation. Same as the explanation from Chang & Huang (2006), according to David (2011) in his book *Strategic Management: Principles and Cases*, the strategic management process has three series of flows, namely: strategy formulation, strategy implementation, and strategy evaluation. This research will follow the stages given by David (2011), but due to limitations, this research will only explain the formulation and strategy implementation strategy, while the evaluation strategy will not be discussed in this research.

In order to produce a strategy, an analysis of the organization that aims to evaluate the objectives, situation analysis and planning must be carried out through the strategy formulation methodology. According to David (2011), strategy formulation includes things such as determining the vision and mission of a company, identifying opportunities and threats from the external conditions of a company, identifying the strengths and weaknesses of the internal conditions of a company, and selecting strategies to be implemented in a company (David, 2011). Sadler (2003) states that the methodology begins with the formulation of strategic planning which can be defined as a way to diagnose and analyze current competitive positions and strategic issues affecting the company. The formulation of strategic planning must be used as a guide in visualizing what the company wants to achieve and how a company can achieve it. Steps taken in making the correct formulation of strategic planning is to identify the company's current competitive position and market so that this can guide the company to have a better fate. After a number of strategies have been chosen at the formulation stage, this stage allows a firm to set annual goals, create procedures, empower staff and assign resources so that formulated strategies can be implemented. In the strategy implementation, effective execution of the plan relies on the ability of managers to inspire workers, which is more an art than a method.

Strategy Formulation Analysis Framework

The strategy formulation technique is divided into three stages which are useful for making decisions consisting of the input stage, the matching stage, and the decision stage. These techniques can be implemented at all sizes and types of organizations, making it easier for strategists to identify, evaluate, and choose strategies.

Stage 1: The Input Stage

According to David (2011), the input stage is the first stage of the analytical process strategy formulation, which attempts to summarize the essential input details required to establish the strategy. Tehrani (2017), the input stage is a stage to summarize the basic information that must be taken which aims to evaluate all strategic factors, detect, and prioritize according to the level of importance and significance. Techniques at the input stage used in this research are:

- Internal Factors Evaluation (IFE) Matrix

IFE Matrix is a strategic analysis tool that is useful for summarizing the internal condition of an organization (Capps & Glissmeyer, 2012) and can also be used to

evaluate the weaknesses and strengths of the organization. According to Arabi (2006), IFE offers diagnosis from all companies with different functions.

- **External Factors Evaluation (EFE) Matrix**

According to (Chladkova & Formankova, 2016), the EFE Matrix aims to summarize and evaluate external factors in the form of opportunities and threats that influence the company negatively or positively. Katsiolouides & Abouhanian (2016), EFE Matrix can be useful to be able to summarize and evaluate economic, social, cultural, demographic, government, legal, technology, and competition information that can provide significant benefits or disadvantages to organizations in the future. Meanwhile, according to Pratiwi et al., (2017) provide a suggestion about the EFE Matrix with the aim of evaluating the spin-off of a company as a result that the company has more strengths than weaknesses when the EFE value is > 2.5 .

Stage 2: The Matching Stage

The matching stage focuses on the ability to establish effective alternative strategies by changing the key external and internal variables. The internal-external (IE) matrix will be used in the stage 2 of this research. According to Allen (1977), the IE Matrix is a tool that aims to evaluate an organization by taking into account internal factors (strengths and weaknesses) and external factors (opportunities and threats). The IE matrix is based on the information obtained from the IFE and EFE matrices which will then place the results of each matrix into one of the nine quadrants in the IE matrix. The IE matrix has two main dimensions: the x-axis which is the total IFE weight score and the y-axis is the total EFE weight score (David, 2011: 188).

Stage 3: The Decision Stage

According to David (2011), the third stage involves only one technique called the Quantitative Strategic Planning Matrix (QSPM). QSPM works by including the analysis obtained from the first stage and the corresponding results from the second stage which will then objectively decide the appropriate strategy from the available strategies. Conceptually, QSPM is a tool that aims to determine the relative attractiveness of various strategies based on the extent to which the main external and internal critical success factors are utilized. The relative attractiveness of each strategy in a set of alternatives is determined by evaluating the overall influence of each external and internal critical success factor.

Market Development

Market development is one of the strategies of the Ansoff matrix developed by H. Igor Ansoff published in the Harvard Business Review in 1957 in which this strategy focuses on entering new markets while still using existing products. According to Hussey (2007), market development allows quite high synergy because development here can generally provide economies of scale in production and general management. Market development includes an identifier for a product or service for a new geographic area (David, 2011). There are various ways to achieve a market development strategy, such as by expanding the market to a new geographic area either abroad or to a new city, creating new distribution channels, create new dimensions or packaging for existing products as a whole in the new market, and creating different pricing in order to attract new customers (Team FME, 2013).

PEST Analysis

PEST analysis is a framework that provides categories and analysis for a series of important external factors consisting of politics, economy, socio-culture, technology, ecology, and law, where these factors can be both opportunities and threats for companies (Rothaermel, 2017:

67). According to Ward & Peppard (2002), PEST analysis is used with the aim of being able to assess the market of a business unit or organization.

Porter's Five Forces Analysis

Porter's five forces analysis is a framework that can be used to identify five strengths consisting of rivalry among existing competitors, threat of new entrants, threat of substitute product, bargaining power of suppliers, and bargaining power of buyers, which can determine the potential benefits of an industry and can shape the company's competitive strategy (Rothaermel, 2017: 73). The intensity of competition between companies varies greatly between industries, where the intensity of competition between companies is highest usually occurs in industries with low income (David, 2011). In such a condition, the impact is that the market is clearly unattractive from the point of view of profit-seeking purposes, new competitors can easily enter the industry and there is considerable bargaining from both suppliers and customers.

Business Model Canvas (BMC)

The business model canvas is a business model that demonstrates the reasoning for how a company produces, delivers and collects value (Osterwalder and Pigneur, 2010). This business model canvas comes from a summary analysis of external conditions (PEST and Porter's Five Forces) and the company's internal conditions (existing business model canvas and sales revenue performance analysis).

Sales Revenue Performance Analysis

Financial condition is generally considered to be the best measure of a company's competitive position and can determine the strengths and weaknesses of an organization's financial strengths to make effective strategy formulation (David, 2011:188). This research will discuss the conditions of sales revenue earned by the company.

SWOT Analysis

SWOT is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats. SWOT analysis is a framework that can be used to synthesize the knowledge obtained from internal analysis which provides information about the strengths and weaknesses of the company and external analysis which provides information about opportunities and threats from outside the company, which are carried out to obtain strategic implications. (Rothaemel, 2017: 130). According to Wheelen & Hunger (2012), the external condition of the company which consists of opportunities and threats originating from outside the organization so that in general it cannot be controlled by short-term top management, where these variables describe the context in which a corporation is located. Meanwhile, the internal condition of the company which consists of strengths and weaknesses comes from within the organization so that this can be controlled by short-term top management where these variables create a context regarding how the work should be done which includes the structure, culture and resources of a company.

Conceptual Framework

The conceptual framework is a brief description of the chronological phase of the study. According to McGaghie et al. (2001), the conceptual framework "sets the stage" for the presentation of the actual research issue that triggers the investigation is followed by the assertion of the event. The problem statement of the thesis provides the context and the problems that prompted the researcher to carry out the analysis. The following is the conceptual framework that will be used in this research:

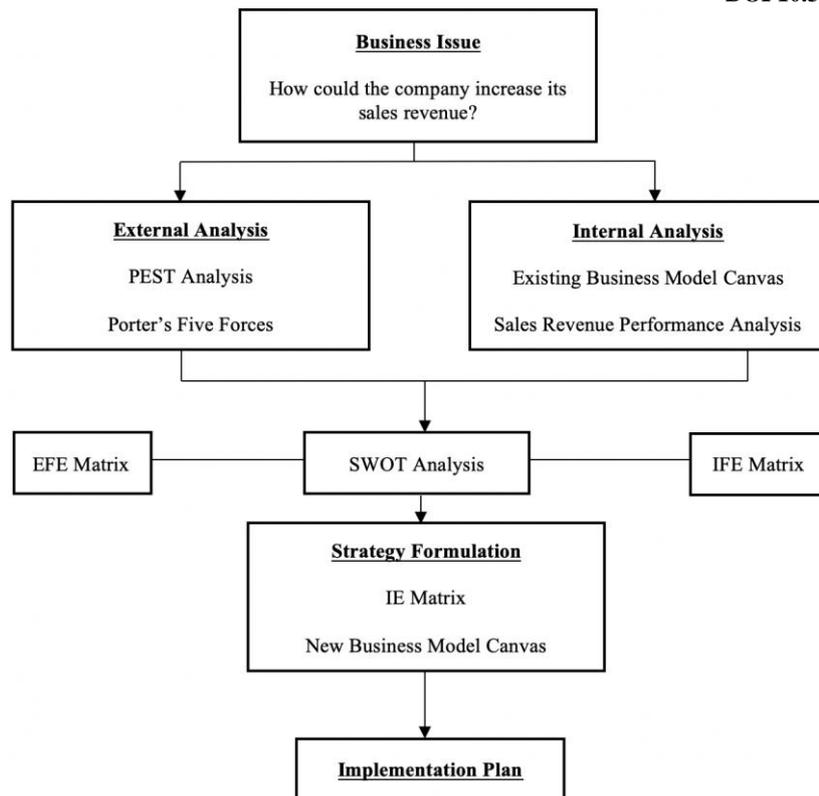


Figure 1: Conceptual Framework

Source: Author, 2020

Research Methodology

Research methodology is a scientific method used to obtain data that will be used for research purposes. This research will use a qualitative research methodology with quantitative data to support the statements in the qualitative data. Qualitative research methodology is a research methodology based on philosophy for researching scientific or experimental conditions where researcher as a instruments and data collection techniques are analyzed qualitatively which emphasizes more on meaning (Sugiyono, 2018). This research uses primary data obtained through interviews with company owner who is also being manager and secondary data is also used in this research to support the problems faced and other findings from primary data. Secondary data were obtained from several sources such as text books, articles and research publications.

The interview will be carried out with the owner who is also being the manager of Makmur Abadi Tambak to determine the current external condition of the company using PEST analysis and Porter's Five Forces analysis as well as the current internal condition of the company using the existing Business Model Canvas (BMC) and sales revenue performance analysis which will then be summarized into a SWOT analysis. Not only that, this interview also continues to be able to give weight and rating to the EFE matrix and IFE matrix so that then an IE matrix can be obtained which is useful for determining where the company's current position is and what business strategies are available for the company according to the position where the company is located. The business strategy options available for the company will then be further analyzed using a tool called the Quantitative Strategic Planning Matrix (QSPM) to determine which business strategy is the right for the company to be implemented by giving weight and

rating by the owner who is at the same time be the manager of Makmur Abadi Tambak who will be conducted through interviews.

From figure 1 above, it can be shown that the first step of the conceptual framework is to define business issue, the business issue is collected by doing interview with top management of the company. After knowing the business issue, next step is analysing. This research will analyse external factors and internal factors of the company. The external factors that can be obtained through PEST analysis and Porter's five forces, while to conduct internal factors, the researcher using existing business model and sales revenue performance analysis to explain the company's financial condition. Furthermore, the internal and external analysis will be included in the SWOT as input for the IE Matrix and after selecting the right solution for the company, the next step is to create a new business model canvas for the company.

Results and Discussion of Findings

PEST Analysis

Table 1: PEST Analysis Summary

PEST	Low	Medium	High
Political – Legal Factors			Opportunity
Economic Factors			Opportunity
Sociocultural Factors			Opportunity
Technological Factors			Threat

Source: Author, 2020

PEST analysis is a framework used to analyze the external conditions of a company. PEST analysis in this research was divided into three categories, namely low, medium, and high. From the table above, it can be known that overall the four PEST analysis factors consisting of political-legal factors, economic factors, sociocultural factors, and technological factors are included into the high category. The four factors from this PEST analysis can create opportunities as well as threats for the company. From the research results obtained, three of the four factors consisting of political-legal, economic, and sociocultural factors create opportunities for companies, while one other factor from PEST analysis that comes from technological factors creates a threat to the company. A more detailed explanation of the opportunities and threats from this PEST analysis will be explained in the SWOT analysis section.

Porter's Five Forces Analysis

Table 2: Porter's Five Forces Analysis Summary

Five Key Competitive Forces	Low	Medium	High
Rivalry Among Existing Competitors	Opportunity		
Threat of New Entrants	Opportunity		
Threat of Substitute Product	Opportunity		
Bargaining Power of Suppliers		Opportunity	
Bargaining Power of Buyers		Threat	

Source: Author, 2020

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Similar to PEST analysis, Porter's Five Forces analysis is used as a framework to analyze the company's external conditions which can create opportunities as well as threats for the company. There are three categories for the assessment of each of the forces from Porter's five forces consisting of low, medium, and high categories. From the summary table of Porter's five forces analysis above, it can be known that rivalry among existing competitors, threat of new entrants, and threat of substitute product are included in the low category or it can be said that these three forces create opportunities for the company. Meanwhile, the other two forces, consisting of power of suppliers and bargaining power of buyers, can be included in the medium category. Even though the two forces are categorized as medium, both have different impacts for the company where the bargaining power of suppliers creates opportunities for the company, while the bargaining power of buyers poses a threat to the company. The opportunities and threats of this Porter's five forces will be explained in more detail in the SWOT analysis section.

The Existing Business Model Canvas (BMC)

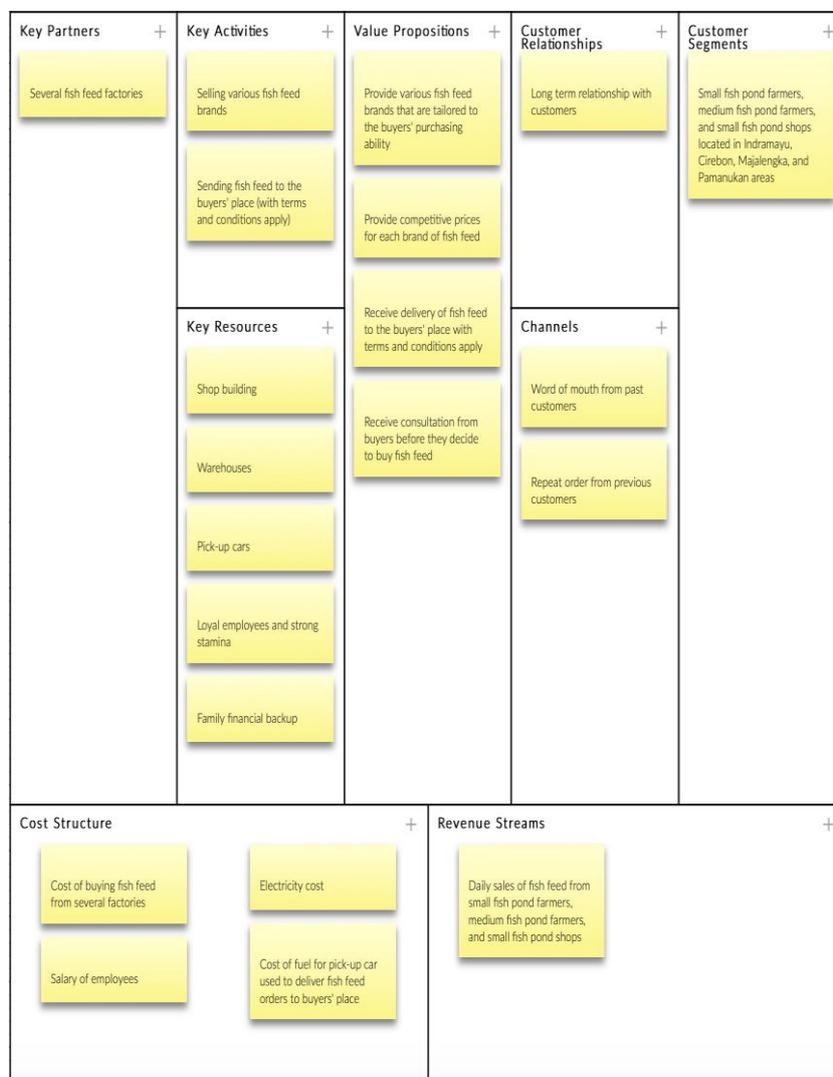


Figure 2: Existing Business Model Canvas (BMC) of Makmur Abadi Tambak

Source: Author, 2020

The existing business model canvas above is used as a tool to analyze the internal conditions of the company where the company will then be able to find out its strengths and weaknesses at the same time. Similar to the framework used to analyze the external conditions of the company, the tools or frameworks used to analyze the internal conditions of the company are divided into three categories consisting of low, medium, and high categories. From the analysis of the existing business model canvas obtained through interviews with the owner who is also the manager of the company, it can be known that the six elements of the nine elements of the business model canvas fall into the high category or in other words, these are the strengths for the company, the six elements of this business model canvas consist of Customer Relationships, Value Propositions, Key Activities, Key Resources, Key Partners, and Cost Structure. While the other three elements consisting of Customer Segments, Channels, and Revenue Streams are classified into the low category or it can be said that those three elements are the weaknesses of the company. The strengths and weaknesses obtained from the existing business model canvas will then be included in the SWOT analysis.

Sales Revenue Performance Analysis

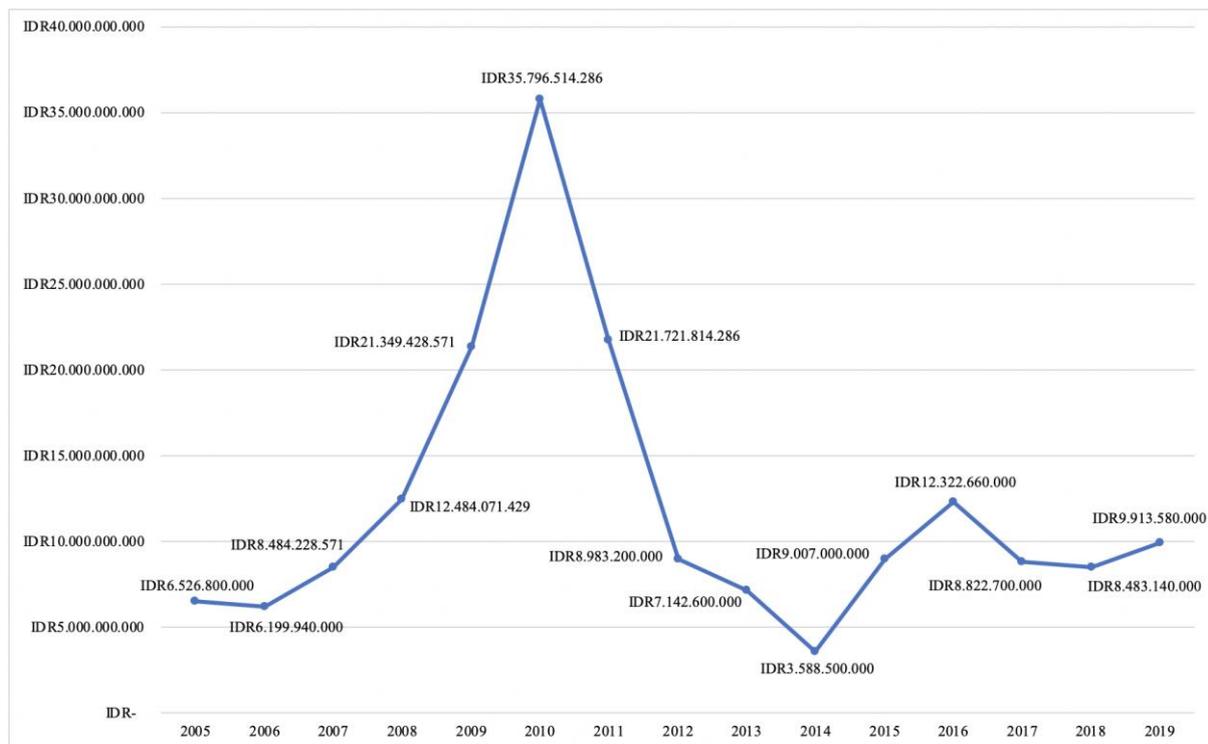


Figure 3: Sales Revenue Performance of Makmur Abadi Tambak

Source: Author, 2020

From the figure above, it can be seen that the sales revenue earned by Makmur Abadi Tambak from 2007 to 2010 has increased every year, this is because since 2007 Makmur Abadi Tambak started to change its business model by developing customer segments to the part of large fish pond farmers and small fish pond shops, so that since 2007 where Makmur Abadi Tambak has four types of customers that consisting of small fish pond farmers, medium fish pond farmers, large fish pond farmers, and small fish pond shops, where before 2007 Makmur Abadi Tambak business customers only came from small fish pond farmers and medium fish pond farmers.

The payment system made by these four customers are different where the cash payment system is applied to small fish pond farmers, medium fish pond farmers, and mostly small fish pond shops while the debt payment system is applied for large fish pond farmers and several small fish pond shops. Even though the company has a fairly sufficient number of customers for each month, this business still finds an unhealthy financial condition due to delays in customer payments made by large fish pond farmers. After continuously experiencing unhealthy financial condition, even if seen from the sales revenue graph above where from 2007 to 2010, Makmur Abadi Tambak's income increased, but in fact the debt owed by large fish pond farmers is large so that the company experiences difficulties in buying fish feed from the factories because the money they have is stuck in the large fish pond farmers.

Due to this unhealthy financial condition, finally Makmur Abadi Tambak in early 2011 decided to slowly change its business model which would only sell fish feed using cash payment methods for both small fish pond farmers, medium fish pond farmers, mostly small fish ponds, and large fish pond farmers which has resulted in Makmur Abadi Tambak's sales revenue starting to decline in 2011. Meanwhile, for several small fish pond shops, which still use a "pay money-send fish feed" payment system, which means that small fish pond shops have to pay their old debts first, then Makmur Abadi Tambak will send new orders for small fish pond shops by giving them new debts. In the middle of 2011, Makmur Abadi Tambak stopped total sales with a debt system payment for large pond farmers so that in the middle of 2011 where Makmur Abadi Tambak has 3 customer segments that consisting of small fish pond farmers, medium fish pond farmers, and small fish pond shops. Makmur Abadi Tambak's sales revenue continued to decline from 2012 to 2014, where the sales revenue decreased drastically from the sales revenue of Rp 9,007,000,000 in 2013 to Rp 3,588,500,000 in 2014 or in other words, the sales revenue in 2014 decreased by 60.16% from the sales revenue in 2013.

This decline hasn't been overcome by Makmur Abadi Tambak for 4 years, this sharp decline in sales revenue actually could be minimized by Makmur Abadi Tambak if the company has a marketing team to market fish feed products to attract more buyers to buy the fish feed, considering that so far the company has only relied on the strength of its word of mouth to market the sale of fish feed from past buyers who make repeat orders or from old buyers who then told to their family or friends who were both fish pond farmers who ended up buying fish feed at Makmur Abadi Tambak. However, even though the sales revenue that Makmur Abadi Tambak earned decreased very sharply from 2011 to 2014, Makmur Abadi Tambak business was still able to survive because it had financial backups from family finance. In 2015, slowly, Makmur Abadi Tambak's sales revenue began to increase and continued to increase again in 2016. Even though after that the sales revenue began to decrease by around 28.4% in 2017 when compared to the sales revenue in 2016. This decline continued until 2018 although the amount of the decline in sales revenue in 2018 was not too large compared to 2017. In 2019, Makmur Abadi Tambak's sales revenue began to increase to Rp 9,913,580,000 from what previously in 2018 Makmur Abadi Tambak's sales revenue was Rp 8,483,140,000.

*SWOT Analysis***Table 3: SWOT of Makmur Abadi Tambak**

Strengths	Weaknesses
<ul style="list-style-type: none"> • Long term relationship with customers (BMC) • Providing various brands of fish feed to suit the purchasing power of different customers (BMC) • Providing competitive prices for each brand of fish feed (BMC) • Providing consultations for customers (BMC) • Receiving delivery of fish feed to the buyer's destination (BMC) • Top management level comes from families who have a good education background (BMC) • Workers who are loyal and have very strong stamina (BMC) • Family financial backups (BMC and Sales Revenue Performance Analysis) • Good connections to various kinds of fish feed factories (BMC) • The cost structure is managed efficiently and effectively (BMC) 	<ul style="list-style-type: none"> • Has fewer types of customers (BMC) • Using mouth power as the main tool for marketing fish feed products (BMC) • Doesn't have a marketing division (BMC and Sales Revenue Performance Analysis)
Opportunities	Threats
<ul style="list-style-type: none"> • Easy political-legal requirements (PEST) • Support from Indonesia's economic growth, Fishery GDP, and Aquaculture production (PEST) • The incessant GEMARIKAN program or the Movement to Popularize Fish Eating program (PEST) • Loose rivalry among existing feed fish business competitors (Five Porter's Forces) • Complicated for new entrants to enter the market in order to sell fish feed (Five Porter's Forces) • Only one substitute products (Five Porter's Forces) • Various types of fish feed brands (Five Porter's Forces) 	<ul style="list-style-type: none"> • Technological developments that cause the number of competitors to increase (PEST) • Medium bargaining power of buyers (Five Porter's Forces)

Source: Author, 2020

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The table above describes the SWOT analysis which is a summary of the results obtained from an analysis of the company's internal and external conditions. Analysis of the company's internal conditions is carried out using the existing business model canvas and sales revenue performance analysis, which allows the company to find out its strengths and weaknesses. Meanwhile, the analysis of the company's external conditions is carried out using PEST analysis and Porter's five forces analysis, which can create opportunities as well as threats for the company. This SWOT analysis will then be entered into the EFE matrix and the IFE matrix as input by giving weight and rating to each factor that will be given by the owner who is also the manager of the company.

EFE Matrix

Table 4: EFE Matrix for Makmur Abadi Tambak

Opportunities		Weight	Rating	Weighted Score
O1	Easy political-legal requirements	0.114	3	0.342
O2	Support from Indonesia's economic growth, Fishery GDP, and Aquaculture production	0.276	4	1.104
O3	The incessant GEMARIKAN program or he Movement to Popularize Fish Eating program	0.114	3	0.342
O4	Loose rivalry among existing feed fish business competitors	0.033	3	0.099
O5	Hard for new entrants to enter the market	0.033	3	0.099
O6	Only one substitute products	0.114	4	0.456
O7	Various types of fish feed brands	0.168	4	0.672
Threats		Weight	Rating	Weighted Score
T1	Technological developments that cause the number of competitors to increase	0.114	1	0.114
T3	Medium bargaining power of buyers	0.034	3	0.102
Total Score		1.000		3.330

Source: Author, 2020

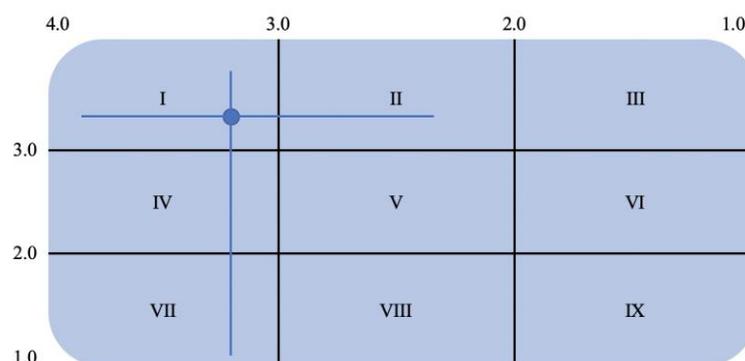
Opportunities and threats in the SWOT analysis will then be used as input to be entered into the EFE matrix by providing weight and rating. From the table above, it can be seen that the results of the EFE matrix are 3.330 where the results of the EFE matrix can be categorized as a high category which indicates that the company's external condition is quite promising.

*IFE Matrix***Table 5: IFE Matrix for Makmur Abadi Tambak**

Strengths		Weight	Rating	Weighted Score
S1	Long term relationship with customers	0.121	4	0.484
S2	Providing various brands of fish feed to suit the purchasing power of different customers	0.121	4	0.484
S3	Providing competitive prices for each brand of fish feed	0.121	4	0.484
S4	Providing consultations for customers	0.062	3	0.186
S5	Receiving delivery of fish feed to the buyer's destination	0.121	4	0.484
S6	Top management level comes from families who have a good education background	0.018	3	0.054
S7	Workers who are loyal and have very strong stamina	0.011	3	0.033
S8	Family financial backups	0.062	4	0.248
S9	Good connections to various kinds of fish feed factories	0.071	3	0.213
S10	The cost structure is managed efficiently and effectively	0.082	4	0.328
Weaknesses		Weight	Rating	Weighted Score
W1	Has fewer types of customers	0.018	2	0.036
W2	Using mouth power as the main tool for marketing fish feed products	0.071	1	0.071
W3	Doesn't have a marketing division	0.121	1	0.121
Total Score		1.000		3.226

Source: Author, 2020

The strengths and weaknesses in the SWOT analysis will then be used as input to be included in the IFE matrix by providing weight and rating. From the table above, it can be seen that the result of the IFE matrix is 3.226, which indicates that the company has a strong internal position.

IE Matrix**Figure 4: IE Matrix of Makmur Abadi Tambak**

Source: Author, 2020

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The results of the EFE matrix and IFE matrix will then be entered into the IE matrix to determine the position of Makmur Abadi Tambak company. After entering the EFE matrix of 3.330 into the y-axis and the IFE matrix of 3.226 into the x-axis, the position of the Makmur Abadi Tambak is obtained in cell I. Thus, according to Fred R. David in his book entitled Strategic management: concepts and cases where the most appropriate strategy that must be carried out by the company are intensive strategy (market penetration, market development, and product development) or integrative strategy (backward integration, forward integration, and horizontal integration). To be able to choose which strategy is right for the company to implement, the QSPM technique will be implemented.

Quantitative Strategic Planning Matrix (QSPM)

Table 6: QSPM of Makmur Abadi Tambak

STRATEGIC ALTERNATIVES					
Key Factors	Weight	Intensive Strategy		Integrative Strategy	
		AS	TAS	AS	TAS
Opportunities					
Easy political-legal requirements	0.114	4	0.456	3	0.342
Support from Indonesia's economic growth, Fishery GDP, and Aquaculture production	0.276	4	1.104	4	1.104
The incessant GEMARIKAN or the Movement to Popularize Fish Eating program	0.114	4	0.456	4	0.456
Loose rivalry among existing feed fish business competitors	0.033	3	0.099	2	0.066
Hard for new entrants to enter the market	0.033	3	0.099	2	0.066
Only one substitute products	0.114	4	0.456	3	0.342
Various types of fish feed brands	0.168	3	0.504	2	0.336
Threats					
Technological developments that cause the number of competitors to increase	0.114	3	0.342	3	0.342
Medium bargaining power of buyers	0.034	2	0.068	2	0.068
Total Opportunities and Threats	1.000				
Strengths					
Long term relationship with customers	0.121	4	0.484	2	0.242
Providing various brands of fish feed to suit the purchasing power of different customers	0.121	4	0.484	3	0.363
Providing competitive prices for each brand of fish feed	0.121	4	0.484	3	0.363
Providing consultations for customers	0.062	3	0.186	2	0.124
Receiving delivery of fish feed to the buyer's destination	0.121	4	0.484	2	0.242

Top management level comes from families who have a good education background	0.018	3	0.054	2	0.036
Workers who are loyal and have very strong stamina	0.011	2	0.022	2	0.022
Family financial backups	0.062	4	0.248	4	0.248
Good connections to various kinds of fish feed factories	0.071	3	0.213	4	0.284
The cost structure is managed efficiently and effectively	0.082	4	0.328	4	0.328
Weaknesses					
Has fewer types of customers	0.018	2	0.036	3	0.054
Using mouth power as the main tool for marketing fish feed products	0.071	2	0.142	3	0.213
Doesn't have a marketing division	0.121	2	0.242	3	0.363
Total Strengths and Weaknesses	1.000				
Total			6.991		6.004

Source: Author, 2020

Conceptually, QSPM is a tool that aims to determine the relative attractiveness of various strategies based on the extent to which the main external and internal critical success factors are utilized. The relative attractiveness of each strategy in a set of alternatives is determined by evaluating the overall influence of each external and internal critical success factor. From the table above, the results show that the intensive strategy is the right strategy that must be implemented by the company compared to the integrative strategy. This is because the intensive strategy has a high total of 6.991 compared to the integrative strategy which has a total of 6.004.

This intensive strategy can be carried out through market penetration, market development or product development. From the three strategies offered by this intensive strategy, the market development strategy is the most appropriate strategy for the company to implement. This happens considering that the company has sold many brands of fish feed and besides that the company has also provided competitive prices for each brand of fish feed, so it would be wise if the company could expand its market share by opening branches in other area that have high demand for fish feed while continuing to sell many existing brands of fish feed and starting to sell these existing brands of fish feed to new markets through an online sales system.

Proposed a New Business Model Canvas (BMC)

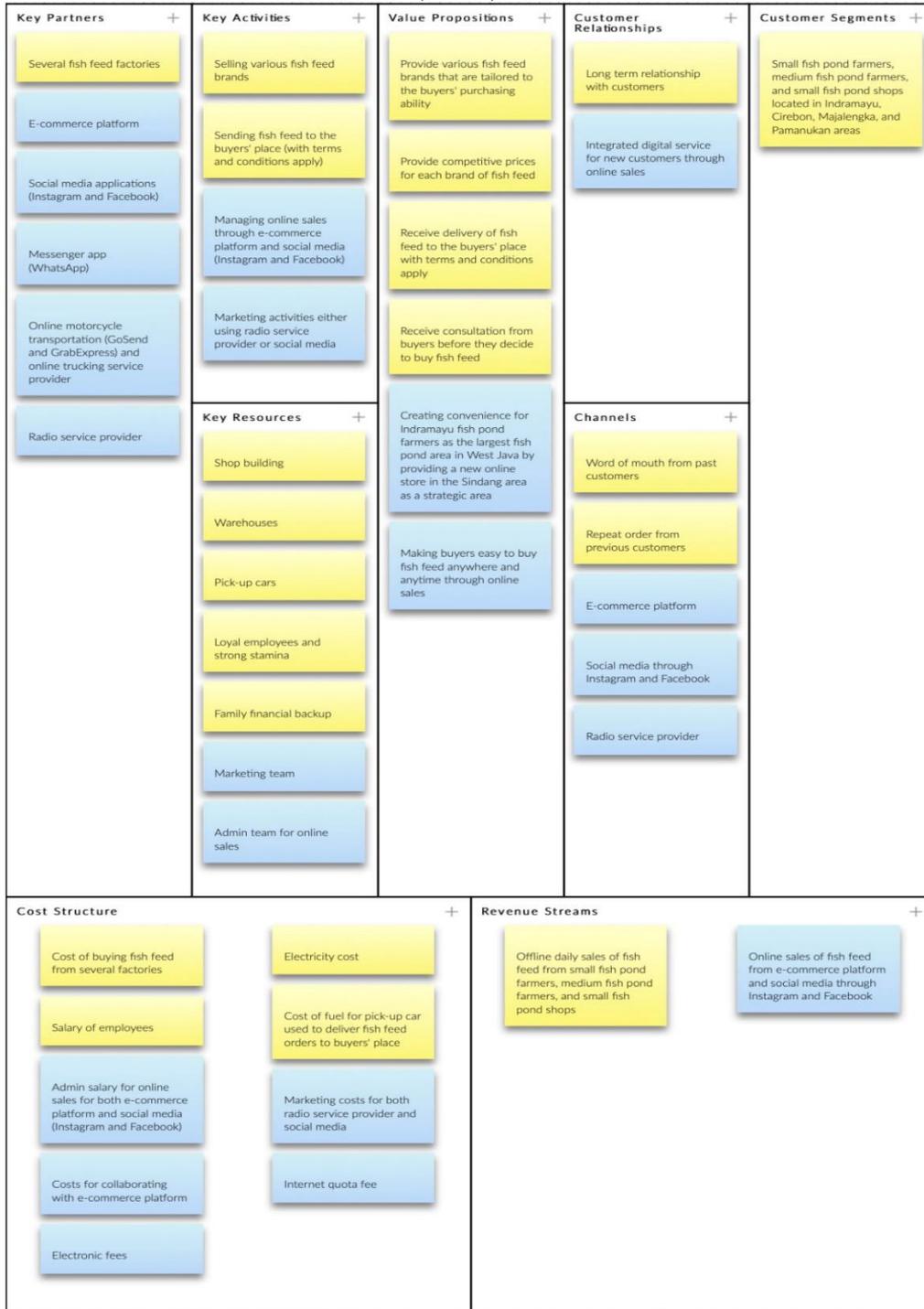


Figure 5: Proposed a New Business Model Canvas for Makmur Abadi Tambak

Source: Author, 2020

The figure above is a new business model canvas proposed to the company in overcoming the problems faced by the company regarding the drastic decline in sales revenue in 2011 and after 2011 where the company experienced fluctuating sales revenue. This new business model canvas is needed as a guideline for the company to implement new strategies through market

development consisting of a new store opening and online sales (e-commerce platforms, Instagram, and Facebook).

From the new business model canvas, there are changes to the eight elements of the business model canvas, with the exception of the customer segments element where the company has customers who still come from small fish pond farmers, medium fish pond farmers, and small fish pond shops located in Indramayu, Cirebon, Majalengka, and Pamanukan areas. The eight elements of the business model canvas that change come from key partners, key activities, value propositions, customer relationships, key resources, channels, cost structures, and revenue streams where the details of the changes are as shown in the figure above.

Sales Revenue Growth Expectations

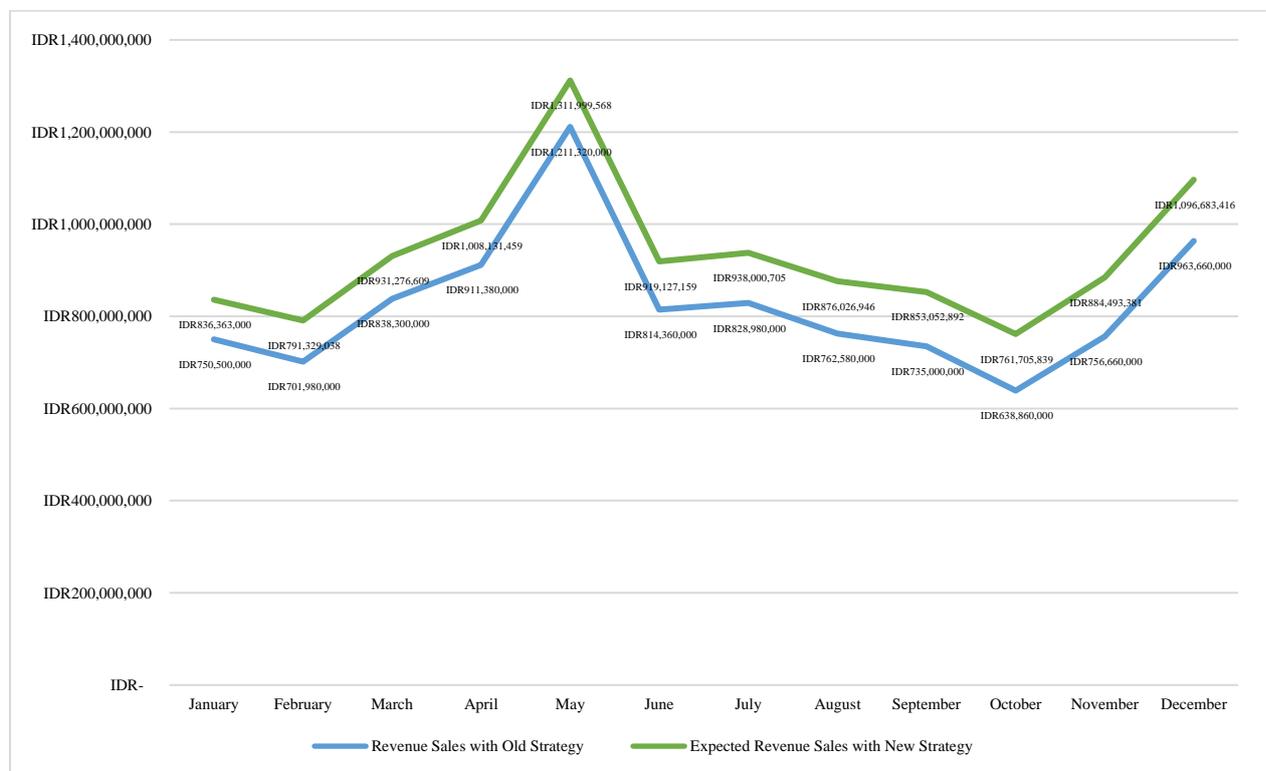


Figure 6: Comparison between Sales Revenue with Old Strategy and Expected Sales Revenue with New Strategy (Sales Revenue of 2019)

Source: Author, 2020

The figure above explains the comparison of sales revenue received by the company when the company uses the old business strategy and when the company uses a new business strategy by implementing a market development strategy through opening a new fish feed store located in the Sindang area and selling fish feed online through e-commerce platforms and social media consisting of Instagram and Facebook. This sales revenue comparison data was taken using the company's sales revenue data for the last 1 year, namely sales revenue data for 2019. From the figure above, it can be known that the company's sales revenue increased when the company implemented a market development strategy as the new strategy where in the first month the company's sales revenue increased by 11.44% from IDR 750,500,000 when using the old

business strategy becomes IDR 836,363,000 when the company uses a new business strategy, this also occurs in the second month where the company experienced an increase in revenue of 12.73% when using the new business strategy, and this increase in sales revenue also occurred in the following months until December when the company implemented a new business strategy compared to the old business strategy. Therefore, it can be said that the new strategy is worth to be implemented by the company because it can increase the company's sales revenue.

Conclusion and Discussion

The research objective of this research is to find the right business strategy for Makmur Abadi Tambak to be able to increase sales revenue because in 2011 the company has experienced a sharp decline in sales revenue as a result of leaving one of the company's customers from a large fish pond farmer due to the changes in the payment system from debt to cash and after 2011 the company experienced fluctuating sales revenue.

After analyzing using various frameworks and techniques, the authors recommend market development as the right business strategy that must be implemented by the company to increase its sales revenue. This market development takes the form of opening a new fish feed store located in the Sindang area and selling fish feed online through e-commerce platforms and social media consisting of Instagram and Facebook.

A new business model canvas is proposed as a guide for the company to implement new business strategies. In implementing this business strategy, there are several things that must be prepared by the company such as the formation of a marketing team both for radio as a way of introducing the opening of a new fish feed store located in the Sindang area and social media as a way of introducing fish feed for online sales, preparing the admin team to serving online sales for both e-commerce platforms and social media platforms, collaborating with e-commerce platforms and social media applications such as Instagram and Facebook to be able to sell fish feed online, and collaborating with online transportation service providers to send fish feed purchases online to the buyer's destination.

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