Formulating Business Development Strategies for Medium Enterprises: A Case Study of CV Aneka Sumber Rezeki

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Abstract

CV. Aneka Sumber Rezeki is a company engaged in the snack food industry and faces challenges in increasing competitiveness in an increasingly competitive market. The emergence of new competitors has resulted in a drastic decline in the company's turnover.

This study aims to identify internal and external factors, formulate and determine strategies as appropriate development strategies.

The research method used is a qualitative approach through interviews, observations, and questionnaires involving internal and external parties of the company to gain an in-depth understanding of business conditions.

The analysis was carried out using IFE and EFE matrices to assess internal and external factors, IE Matrix to determine the company's strategic position aimed at knowing alternative strategies, and QSPM to choose the right strategy to respond to company needs.

Based on the results of the analysis, CV Aneka Sumber Rezeki is in the Growth and Build category, which indicates the need for a market development strategy as a top priority. This strategy focuses on entering new markets beyond their current distribution areas through comprehensive market analysis and utilization of e-commerce platforms. The implementation of this strategy is expected to increase the company's competitiveness by expanding the customer base, strengthening brand image, and increasing operational efficiency by digital technology. With proper implementation, CV Aneka Sumber Rezeki can take advantage of existing opportunities and face the challenges of a more adaptive and sustainable industry.

Keywords – IFE Matrix, EFE Matrix, Development Strategy, IE Matrix, QSPM

I. INTRODUCTION

CV. Aneka Sumber Rezeki is a food and beverage company established in 1997, specializing in producing and selling snacks made from cassava, purple sweet potato, banana, and taro. In 2022, the company transitioned into a Commanditaire Vennootschap (CV), reflecting its commitment to sustainable growth. Operating with two production facilities and 104 hectares of leased farmland, the company maintains control over raw material quality, ensuring operational efficiency and competitive pricing. It employs over 120 temporary and 10 permanent workers, contributing to local economic empowerment.

Micro, Small, and Medium Enterprises (MSMEs) like CV. Aneka Sumber Rezeki are vital to Indonesia's economy, contributing 61% of GDP and absorbing 97% of the workforce. Micro and Small Industries (MSEs) are businesses that are mostly labor-intensive and play an important role in creating jobs and driving economic growth at the regional level. In most countries are growing rapidly, including in Indonesia Pasaribu et al. (2023)

The food and beverage sector, particularly in West Java, has seen significant growth among MSMEs, creating fierce competition. This has compelled businesses to innovate and improve their operational efficiency to remain competitive. However, CV. Aneka Sumber Rezeki has experienced a decline in turnover due to decreasing consumer purchasing power, intensified competition from digitally-savvy entrants, and limited marketing efforts. Turnover dropped from IDR 1.5–2 billion per month in 2021 to IDR 5.6 billion in total by September 2024. The decline is attributed to factors like inflation, rising production costs, and shifting consumer priorities.

Given the with the significant role of MSMEs in Indonesia's economy, the government recognizes the importance of maintaining the existence of this sector. Although MSMEs have great potential in supporting the economy, effective

management strategies are crucial for developing their businesses. Unlike large companies with more complex management strategies, MSMEs typically apply fewer formal strategies due to limited resources and smaller operational scales.

Amid the rapid and unpredictable changes in the business environment, MSMEs must adapt to survive and maintain their competitive advantage. This advantage can only be sustained if organizations consistently adapt to external changes and optimally utilize available factors. Therefore, the formulation, implementation, and evaluation of effective strategies are essential in supporting the sustainability and growth of MSMEs (Ariyanti et al., 2021).

CV. Aneka Sumber Rezeki is experiencing a significant decline in income due to internal limitations in human resources, marketing strategies, and management. Externally, macroeconomic instability has reduced purchasing power, while technological advancements and increasing digital-based competitors intensify market pressure. Without strategic reformulation, the company risks further revenue decline, making it crucial to develop a more adaptive strategy to address market changes and competition.

II. LITERATURE REVIEW
A. Strategic Management
Strategic management is the process of planning, monitoring, analyzing, and evaluating an organization's activities to achieve its long-term objectives. This management approach involves a continuous assessment of internal and external environments to ensure that the organization can adapt to changes, capitalize on opportunities, and mitigate threats. It aligns resources, capabilities, and operational activities with the organization's vision and goals, fostering a proactive rather than reactive approach to challenges (David & David, 2016).

B. Strategic Formulation
According to David & David (2016), the strategy formulation process consists of three stages: the Input Stage, the Matching Stage, and the Decision Stage. The Input Stage involves analyzing external and internal factors using tools like the EFE and IFE Matrices, which help prioritize key elements for decision-making. In the Matching Stage, internal strengths and weaknesses are aligned with external opportunities and threats using frameworks such as the SWOT, SPACE, BCG, IE, and Grand Strategy Matrices, ensuring strategies are actionable and aligned with organizational goals. Finally, the Decision Stage evaluates and ranks potential strategies, utilizing tools like the Quantitative Strategic Planning Matrix (QSPM) to determine the most appealing options based on their relative attractiveness.

C. Resource Based View
According to David & David (2016), the Resource-Based View (RBV) is a strategic framework that focuses on an organization's internal resources as the key to achieving and sustaining competitive advantage, emphasizing their role in leveraging opportunities and mitigating threats.

D. STEEP Analysis
According to Wheelen et al. (2015), STEEP or PESTEL is a method for analyzing the macro environment by evaluating social, technological, economic, environment, and political-legal factors.

E. Porter Five Forces
According to David & David (2016), The Porter Five Forces model is a valuable tool for assessing competition among companies in a market. It categorizes the business environment into different levels, allowing for an indirect analysis of how macro-environmental factors influence businesses.

F. Internal Factor Evaluation
IFE Matrix assesses internal strengths and weaknesses. Weighted scores provide insight into a company's internal capabilities, with scores >2.5 indicating strong capabilities (David & David, 2016).

G. External Factor Evaluation

The EFE Matrix is a strategic tool that evaluates key external opportunities and threats across factors like social, technological, economic, environmental, and political influences, identifying their impact on the organization David & David (2016).

H. Internal and External Matrix

A strategic framework for formulating business strategies, the IE Matrix evaluates parameters that include internal strengths and weaknesses, as well as the impact of external opportunities and threats (Zhafir Qunayta et al., 2020).

I. Quantitative Strategy Planning Matrix

The Quantitative Strategic Planning Matrix (QSPM), as described by David & David (2016), It is a tool that helps strategy planners evaluate various strategic options objectively, based on previously identified internal and external success factors. This method provides a clear view of the most suitable strategy. This method provides a clear view of the most suitable strategy. The process of formulating a strategy involves analyzing internal and external environmental factors, aligning them within the IE matrix, and finalizing decisions through QSPM analysis (Yodfiatfinda & Safitri, 2024).

J. Research Framework

According to (David, 2011), the theoretical framework is formulated by adapting and adjusting previous research and theoretical studies. The framework used in this study builds on various prior studies on strategy formulation, specifically for MSMEs, utilizing a three-stage decision-making process.
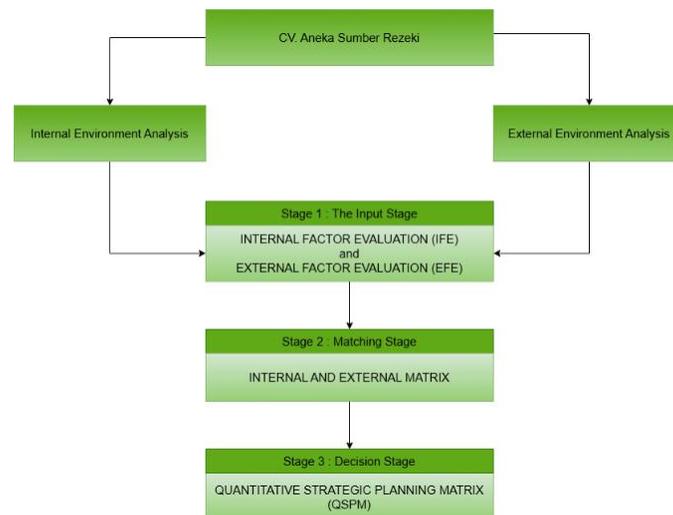

Figure 2.1 Research Framework

III. RESEARCH METHODOLOGY

The research employs a qualitative case study approach with a descriptive purpose and an inductive theoretical framework. Conducted in non-contrived settings, the study involves minimal interference and focuses on organizations as the unit of analysis. The time horizon is cross-sectional, capturing data at a single point in time. The operational variable outlined with (David, 2011). The source of the data from primary and the data collected using observations, interview, and questionnaires and process using triangulation data.

IV. RESULT AND DISCUSSION

A. Input Stage

1. Internal Factor Evaluation

Based on the interviews conducted with the respondents and to evaluate the internal environment of CV. Aneka Sumber Rezeki, focusing on strengths and weaknesses, the IFE matrix is used as the first stage in strategy

formulation. The strengths and weaknesses in the IFE Matrix are derived from observations and interviews conducted by the researchers. The matrix includes columns for weights and values, which help assess the company's internal condition, as shown in Table 4.1.

Table 4.1 Internal Factor Evaluation

Key Internal Factor	Weight	Rating	Weighted Score
Strength			
Broad market segmentation reaching various market segments such as wholesale, retail, and individuals unlike competitors.	0,072	4	0,289
Many facilities provided to motivate employees.	0,054	3	0,163
Lower selling price compared to competitors.	0,072	4	0,289
Adequate and large production capacity, with two production sites and a daily capacity of up to 6-10 tons a day.	0,072	4	0,289
Efficient management of operational costs to avoid wastage and maintain financial stability.	0,066	4	0,243
R&D plays an important role in product innovation or product evaluation.	0,072	4	0,289
Organized management, with clear employee responsibilities.	0,066	4	0,243
Own cassava raw material production land.	0,072	4	0,289
Strong relationships with suppliers	0,054	3	0,163
Efficient supply chain management	0,066	4	0,243
Total Strength	0,67		2,50
Weaknesses			
Dependence on owners	0,018	1	0,018
Presence on digital platforms	0,036	2	0,072
No promotion strategy	0,036	2	0,072
Lack of employee development program	0,030	2	0,050
Unstructured quality control	0,036	2	0,072
No forecasting	0,036	2	0,072
Company's sales trend is declining	0,036	2	0,072
Limited brand awareness	0,036	2	0,072
Manual financial record-keeping	0,030	2	0,050
Slow adaptation to market trends	0,036	2	0,072

Total Weakness	0,33		0,62
Total Score	**1**		**3,12**

Source: Author Data Processing (2024)

Based on Table 4.1, the internal factors influencing the company's performance highlight both strengths and areas for improvement. With a total weighted score of 3.12, contributing 2.50 strength and weaknesses 0.62, the company demonstrates a solid foundation.

2. External Factor Evaluation

External Factor Evaluation (EFE) Matrix in assessing external conditions of an organization, specifically focusing on opportunities and threats. The EFE Matrix is mentioned as part of the first stage (Input Stage) in a three-stage strategy formulation process (David & David, 2016).

4.2 External Factor Evaluation

| Key External Factor	Weight	Rating	Weighted Score
Opportunity			
Large Market Potential	0,07	4	0,3
Technological Upgrades	0,06	3	0,2
Government Support for MSMEs	0,07	4	0,3
Customer Loyalty	0,06	3	0,2
Supplier Reliability	0,06	3	0,2
Innovation in Product Development	0,05	3	0,2
Stable Offline Market Conditions	0,04	2	0,1
Strategic Partnership Opportunities	0,05	3	0,2
Product Diversification	0,05	3	0,2
Expanding Digital Presence	0,07	4	0,2
Total Opportunity	0,59		2,00
Threats			
Rising Raw Material Costs	0,05	3	0,16
Uncontrol Online Competition	0,04	2	0,07
Economic Transitions and Declining Purchasing Power	0,05	3	0,16
Operational Limitations and Efficiency Challenges	0,04	2	0,10
Sustainability and Social Responsibility Compliance	0,04	2	0,07
Dependence on Semi-Automated Technology	0,02	1	0,02
Shifts in Consumer Preferences	0,04	2	0,07
Increasing Market Entrants and Competition	0,05	3	0,16
Fierce Online Competition	0,04	2	0,07
Macroeconomic and Political Instability	0,04	2	0,07
Total Threats	0,41		0,97
Total Score	**1**		2,97

Source: Authors Data Processing (2024)

Based on table 4.2 of the EFE matrix analysis, CV Aneka Sumber Rezeki obtained a total score of 2.97, which indicates that the company is quite good at responding to external opportunities and threats. This score reflects that

the company can take advantage of existing opportunities but still has several challenges that need to be overcome to increase competitiveness in the market.

3. Matching Stage

After analyzing the IFE and EFE Matrix at the input stage, the next step is the Matching Stage in the formulation of alternative strategies. The IE Matrix is used to determine the company's position in more detail to choose the most suitable strategy based on the analysis of internal and external factors. This IE Matrix is generated from the total score of the previous IFE and EFE Matrix, which can be seen in Figure 4.1 as follows:

Figure 4.1 Internal and External Matrix
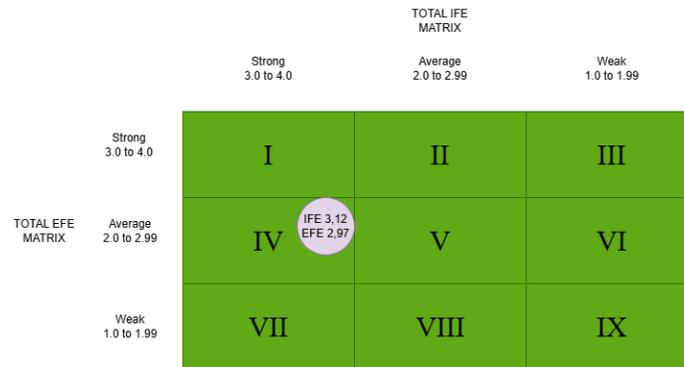
Source: Authors Data Processing (2024)

In Figure 4.1, the IE matrix at CV Aneka Sumber Rezeki, with a total IFE matrix score of 3.12 and a total EFE matrix score of 2.97. Thus, the position of CV Aneka Sumber Rezeki is in cell IV, the strategy usually used by companies is a growth and build strategy, by conducting market penetration, market development and product development (David & David, 2016).

4. Decision Stage

In Figure 4.1, the IE matrix at CV Aneka Sumber Rezeki, with a total IFE matrix score of 3.12 and a total EFE matrix score of 2.97. Thus, the position of CV Aneka Sumber Rezeki is in cell IV, the strategy usually used by companies is a growth and build strategy, by conducting market penetration, market development and product development (David & David, 2016).

Table 4.3 Quantitative Strategy Planning Matrix

QSPM	Market Penetration	Market Development	Product Development

Key Factors	Expanding distribution areas and enhancing product promotion through social media with a data-driven approach, as well as increasing the number of marketing personnel to optimize reach and promotional effectiveness. Additionally, collaborations with influencers and loyalty programs can strengthen customer relationships.		Entering new markets beyond the current distribution area through comprehensive market analysis and the utilization of e-commerce platforms. This includes partnerships with local distributors and logistics optimization to ensure efficiency and customer satisfaction.		Launching products with premium packaging tailored to the preferences of the high-end market, accompanied by new variants based on trend research and customer needs. This development also includes innovations related to health and sustainability aspects to increase appeal across a broader segment.	
Strength	**Weight**	**AS**	**TAS**	**AS**	**TAS**	**AS**	**TAS**
Broad Market Segmentation reaching various market	0,072	4	0,288	4	0,288	4	0,288
Many facilities provided to motivate employees.	0,054	3	0,162	3	0,162	3	0,162
Lower selling price compared to competitors.	0,072	4	0,288	4	0,288	4	0,288
Large production capacity around 6-10 tons a day.	0,072	4	0,288	4	0,288	3	0,216
Efficient management of operational costs	0,066	3	0,198	3	0,198	3	0,198
R&D plays an important role in product innovation or product evaluation.	0,072	3	0,216	3	0,216	4	0,288
Organized management, with clear	0,066	3	0,198	3	0,198	3	0,198

employee responsibilities.							
Own cassava raw material production land.	0,072	4	0,288	4	0,288	4	0,288
Strong relationships with suppliers	0,054	3	0,162	1	0,054	0	0
Efficient supply chain management	0,066	3	0,198	4	0,264	4	0,264
Weakness	**Weight**	**AS**	**TAS**	**AS**	**TAS**	**AS**	**TAS**
Dependence on owners	0,018	3	0,054	4	0,072	3	0,054
Presence on digital platforms	0,036	3	0,108	3	0,108	1	0,036
No promotion strategy	0,036	3	0,108	4	0,144	1	0,036
Lack of employee development program	0,03	2	0,06	2	0,06	2	0,06
Unstructured quality control	0,036	1	0,036	1	0,036	1	0,036
No forecasting	0,036	1	0,036	1	0,036	1	0,036
Company's sales trend is declining	0,036	4	0,144	4	0,144	2	0,072
Limited brand awareness	0,036	1	0,036	1	0,036	4	0,144
Manual financial record-keeping	0,03	1	0,03	1	0,03	0	0
Slow adaptation to market trends	0,036	2	0,072	1	0,036	1	0,036
Total	1						
Opportunity	**Weight**	**AS**	**TAS**	**AS**	**TAS**	**AS**	**TAS**
Large Market Potential	0,07	1	0,07	4	0,28	3	0,21
Technological Upgrades	0,06	4	0,24	3	0,18	3	0,18
Government Support for MSMEs	0,07	2	0,14	3	0,21	3	0,21
Customer Loyalty	0,06	3	0,18	3	0,18	3	0,18
Supplier Reliability	0,06	3	0,18	3	0,18	4	0,24

	Weight	AS	TAS	AS	TAS	AS	TAS
Innovation in Product Development	0,05	3	0,15	2	0,1	3	0,15
Stable Offline Market Conditions	0,04	2	0,08	3	0,12	1	0,04
Strategic Partnership Opportunities	0,05	4	0,2	4	0,2	3	0,15
Product Diversification	0,05	3	0,15	3	0,15	4	0,2
Expanding Digital Presence	0,07	4	0,28	4	0,28	4	0,28
Threats	**Weight**	**AS**	**TAS**	**AS**	**TAS**	**AS**	**TAS**
Rising Raw Material Costs	0,05	2	0,1	2	0,1	2	0,1
Uncontrol Online Competition	0,04	3	0,12	3	0,12	3	0,12
Economic Transitions and Declining Purchasing Power	0,05	3	0,15	3	0,15	2	0,1
Operational Limitations and Efficiency Challenges	0,04	2	0,08	3	0,12	4	0,16
Sustainability and Social Responsibility Compliance	0,04	2	0,08	2	0,08	2	0,08
Dependence on Semi-Automated Technology	0,02	2	0,04	2	0,04	2	0,04
Shifts in Consumer Preferences	0,04	2	0,08	2	0,08	2	0,08
Increasing Market Entrants and Competition	0,05	3	0,15	4	0,2	3	0,15
Fierce Online Competition	0,04	3	0,12	3	0,12	3	0,12
Macroeconomic and Political Instability	0,04	3	0,12	3	0,12	3	0,12
Total	1						
Total AS			5,680		5,956		5,610

Source: Author data Processing (2025)

Based on Table 4.3, QSPM results identify three main strategies: market development, market penetration, and product development. Market development ranks highest with a TAS of 5,956, followed by market penetration (5,680) and product development (5,610). The QSPM analysis recommends Market Development for CV Aneka Sumber Rezeki, with a TAS of 5,956. Expanding to new regions, leveraging e-commerce, partnering with local distributors, and improving logistics will enhance market reach and competitiveness.

V. CONCLUSION AND SUGGESTION

A. Conclusion

Based on the results of interviews with both internal and external sources from CV Aneka Sumber Rezeki which have been tested consistently, as well as the analysis and discussion carried out in Chapter IV, it can be concluded as follows:

1. IFE and EFE Matrix Analysis

   CV Aneka Sumber Rezeki has an IFE score of 3.12 (strengths: 2.50, weaknesses: 0.62), indicating effective utilization of internal strengths and good management of weaknesses. Key advantages include large production capacity, competitive pricing, and cost efficiency. The EFE score of 2.97 (opportunities: 2.00, threats: 0.97) reflects a strong response to opportunities, though challenges such as digital competition and rising raw material costs remain concerns.

2. Strategy Based on IE Matrix and QSPM

   According to the IE Matrix, the company falls into the Growth and Build category, recommending market penetration, market development, and product development strategies. QSPM prioritizes Market Development (TAS: 5.956) as the primary strategy, focusing on expanding into new regions, leveraging e-commerce, forming partnerships with local distributors, and optimizing logistics for efficiency and customer satisfaction.

B. Recommendation

1. Recommendation to CV Aneka Sumber Rezeki

   CV Aneka Sumber Rezeki should prioritize market development by strengthening its digital presence on Shopee, Tokopedia, and TikTok Shop. Enhanced packaging, premium product lines, and halal, P-IRT, and BPOM certifications will differentiate the brand. Data analytics will optimize promotional strategies, while loyalty programs and subscriptions will enhance customer retention. Regular financial evaluations are crucial for sustaining profitability amid digital expansion. Continuous performance assessment and strategic adaptation will ensure long-term success in the digital market.

2. Recommendation for Future Research

   The method used in this study is to formulate alternative strategies using the IE matrix and QSPM to determine the right alternative strategy for the company. That the score given by the company will be calculated as a weighted score to build the IE Matrix, and QSPM to determine the right strategy for the company. Future researchers are expected to use the other tools at the matching stage in formulating alternative strategies and will be tested for strategy priority using QSPM.

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