

# ANALISIS FORMULASI STRATEGI BISNIS MENGGUNAKAN *QUANTITATIVE STRATEGIC PLANNING MATRIX (QSPM)* PADA PABRIK BERAS PD. ASH JAYA

## *BUSINESS FORMULATION ANALYSIS USING QUANTITATIVE STRATEGIC PLANNING MATRIX (QSPM) OF RICE MANUFACTURER PD. ASH JAYA*

Putri Annisa Hambali<sup>1</sup>, Siska Noviaristanti<sup>2</sup>, Tri Djatmiko<sup>3</sup>

<sup>1,2</sup> Universitas Telkom, Bandung

Putriannisahambali@student.telkomuniversity.ac.id<sup>1</sup>, siskamarhen@telkomuniversity.ac.id<sup>2</sup>,  
tridjatkiko@telkomuniversity.ac.id<sup>3</sup>

### Abstrak

Saat ini pemerintah Indonesia fokus pada pemulihan dan pembangunan sektor pertanian yang lebih maju, mandiri dan modern. Hal itu memberi peluang bagi PD. ASH Jaya untuk mengembangkan bisnisnya. Maka dari itu PD.ASH Jaya memerlukan strategi bisnis yang tepat untuk dapat mengembangkan bisnisnya. Penelitian ini bertujuan untuk menganalisis internal dan eksternal faktor perusahaan, serta merumuskan alternatif strategi perusahaan berdasarkan kondisi eksternal dan internal dan merumuskan strategi perusahaan yang tepat untuk perusahaan menggunakan Matriks QSPM. Metode yang digunakan dalam penelitian ini adalah metode kombinasi yang terdiri dari deskriptif kualitatif dan kuantitatif, dimana kuantitatif digunakan untuk memfasilitasi kualitatif. Perumusan strategi menggunakan IFE, EFE, IE Matrix dan QSPM Matrix. Hasil penelitian menunjukkan skor Matriks IFE adalah 2,71 dan skor Matriks EFE adalah 2,91, ketika skor tersebut dimasukkan ke dalam matriks IE, skor tersebut menunjukkan bahwa posisi PD. ASH Jaya dalam matriks IE berada di sel 5 yaitu strategi hold and maintain. Strategi hold and maintain adalah penetrasi pasar dengan mengembangkan pasar dengan melakukan branding produk, kemudian melakukan pemasaran produk dengan memasang iklan di tv, atau media sosial untuk menguasai pasar. Dan untuk pengembangan produk dengan menciptakan produk baru atau produk yang lebih baik. Hasil QSPM, untuk penetrasi pasar adalah 6,52, pengembangan produk adalah 5,94.

Kata Kunci: Beras, EFE, IFE, IE, QSPM

### Abstract

Currently, the Indonesian government is focusing on the recovery and development of a more advanced, independent and modern agricultural. This provides an opportunity for PD. ASH Jaya to develop business. Therefore, PD.ASH Jaya requires the right business strategy to develop their business. This study aims to analyze the company's internal and external factors, and formulate alternative strategies based on external and internal conditions and formulate the appropriate strategy for the company using the QSPM Matrix. The method used in this study is a combination method, where quantitative is used to facilitate qualitative. Strategy formulation using IFE, EFE, IE Matrix and QSPM Matrix. The results showed IFE Matrix score is 2.71 and EFE Matrix score is 2.91. In IE matrix, the score indicating that PD. ASH Jaya's position is in cell 5 which is hold and maintain strategy. The strategy for hold and maintain is market penetration with developing the market by branding for the products, then do product marketing by advertising on tv or internet such as social media in order to dominate the market and compete with similar companies and product development with create new or better products. And QSPM result for market penetration is 6.52, while product development is 5.94.

Keywords: Rice, EFE, IFE, IE, QSPM

## 1. INTRODUCTION

### 1.1 Research Background

Rice is a processed product from paddy (*Oryza sativa*). Rice is one of the important food commodities for the people of Indonesia, because of its existence as the staple food of the Indonesian people. Apart from being the staple food of Indonesian society, rice is also used as a raw material for the processing industry for rice flour and other food ingredients (Ambarinanti, 2017).

Indonesia is a country with the highest rice consumption in the world. This can be seen from Indonesia's rice consumption which reaches 139 kilograms per capita per year or equivalent to 900 grams per person per day. Meanwhile, the average world consumption of rice is only 60 kilograms per capita per year (Yuwanto, 2010). Apart from being a country that consumes rice as a staple food, Indonesia is also a country that has excellent agricultural potential, because Indonesia is an agricultural country that has abundant natural resources. So that it can produce good agricultural results because Indonesia is supported by different tropical climatic conditions in each region in Indonesia. Not only consuming, Indonesia is an agricultural country that is able to produce large amounts of rice (Adiratma, 2004).

The Indonesian government, through the Minister of Agriculture, has a work target in 2021 to focus on the recovery and development of a more advanced, independent, and modern agricultural sector. The Ministry of

Agriculture has compiled a program adapted to the nomenclature of the Joint Indicative Ceiling Letter. There are also value-added programs and industrial competitiveness. Then research and innovation programs in the fields of science and technology as well as vocational education and training programs (Sulaeman, 2020). Seeing the target targeted by the Indonesian government in 2021, there is an opportunity for rice producers in Indonesia to develop their business. PD. ASH Jaya as a rice producer located in Garut, West Java, Indonesia, also sees this as an opportunity.

As of today, PD. ASH Jaya has produced 60 tons of rice per day. In addition, PD. ASH Jaya sells the rice to 5 customers in Cipinang Central Market (Pasar Induk Cipinang). Based on data obtained from interviews with Bapak. Asep and check PT. Buyung Poetra Sembada's website, stated that the largest producer in Cipinang Central Market is PT. Buyung Poetra Sembada (Topi Koki) with a total production of 55 tons per hour and the equivalent of 550 tons per day. Therefore, PD. ASH Jaya wants to develop its company by increasing the production as much as 10% of Topi Koki in a period of 1 year.

From the results of pre-interviews that have been conducted with Bapak. Asep as the owner of the PD. ASH Jaya, it can be concluded that the company needs the right business strategy that is able to seize market opportunities and face competition to become a superior rice producer in the Cipinang Main Market by increasing production by 10% of the total production of PT. Buyung Poetra Sembada. Therefore, the author is interested in analyzing external and internal environmental factors that can produce several alternative business strategies that can support the goals of PD. ASH Jaya.

## 1.2 Problem Statement

Rice producers are required to be able to seize opportunities and be ready to face business competition. PD. ASH Jaya as a rice producer must also be able and prepare a competitive strategy in producing higher quality rice compared to its competitors and to become one of superior producer rice.

Therefore, to increase the production of PD. ASH Jaya by 10% of the total production of PT. Buyung Poetra Sembada (Topi Koki) to become one of the largest producers in the Cipinang Main Market and with large market opportunities, it requires the right business strategy for PD. ASH Jaya which can be obtained by conducting internal analysis and external analysis. Internal environmental factors that will produce several strategic alternatives businesses that can be recommended to PD. ASH Jaya to seize market opportunities. Therefore, researcher is interested in conducting research with the title "Business Formulation Analysis Using Quantitative Strategic Planning Matrix (QSPM) Of Rice Manufacturer PD. ASH Jaya".

## 1.3 Research Questions

1. How the conditions of internal factor (strengths and weakness) and what appropriate solutions to deal with the internal problem of PD. ASH Jaya?
2. How the conditions of external factor (opportunities and threats) and what appropriate solutions to deal with the external problem of PD. ASH Jaya?
3. What is the alternative strategy for the company based on external and internal conditions?
4. What strategy that appropriate for PD. ASH Jaya when viewed from the internal and external factor using the QSPM Matrix?

## 2. LITERATURE REVIEW

### 2.1 Strategy Management

According to David (2015) strategy management defined as "the art and science of formulating, implementing, and evaluating cross-functional decisions that enable the company to achieve its objectives". David also stated that strategic management process consists of three stages there are strategy formulation, strategy implementation and strategy evaluation.

Strategy formulation involves the development of a vision and goal, the identification of external opportunities and challenges to the organization, the identification of internal strengths and weaknesses, the creation of long-term objectives, the generation of alternative strategies and the determination of the strategy to be carried out. To make strategy formulation can be integrated into three stages of decision making. Stage one is the input stage, at this stage is to summarize the basic information that will be used to formulate strategies. In this stage focuses on analyzing external and internal factor by using the Internal Factor Evaluation (IFE) Matrix, Competitive Profile Matrix, and External Factor Evaluation (EFE) Matrix. Stage two is matching stage, which focuses on making variable alternative strategies by aligning internal and external factors. Phase two techniques include the Strengths-Weaknesses-Opportunities-Threats (SWOT) matrix, Strategic Position and Action Evaluation (SPACE) Matrix, Boston Consulting Group (BCG) Matrix, Internal-External Matrix (IE), and the Grand Strategy Matrix. Stage three is the decision stage, involving a single technique, the Quantitative Strategic Planning Matrix (QSPM). QSPM uses input information from stage one to objectively evaluate alternative strategies identified in stage two. QSPM reveals the relative appeal of alternative strategies and provides an objective basis for choosing a particular strategy.

### 2.2 Internal and External Audit

According to David (2015:95) explained that internal audits evaluate the strengths and weaknesses of the company including management, marketing, finance or accounting, production or operations, R&D, and management information systems.

According to David (2015:226), external environmental analysis is the process used by the main strategic planning to identify the environmental sector in determining opportunities or threats for the company. External environment consists of factors that come from the outside of the company. External forces can be classified into five broad categories there are economic forces; social, cultural, demographic and natural environment forces; political, governmental, and legal forces; technological forces; and competitive forces.

### 2.3 Internal – External (IE) Matrix

David (2009: 344) explains that the IE Matrix places organizational divisions in a systematic diagram. The

IE matrix is based on two key dimensions, the total IFE weight score on the x-axis and the total EFE weight score on the y-axis. The use of the IE Matrix has an objective, which is to obtain a better business strategy at the corporate level.

#### 2.4 Quantitative Strategic Planning Matrix (QSPM)

According to David (2015:275) stated that Quantitative Strategic Planning Matrix (QSPM) is the only analytical technique in the literature designed to determine the relative attractiveness of viable alternative measures in the decision stage. Objectively, this technique can show the best alternative strategies that are based on the analysis at stage one, and the matching carried out in stage two analysis to objectively determine the strategy to be implemented among the alternative strategies. This technique is a tool that allows strategists to evaluate key internal and external factors. That is the EFE matrix, the IFE matrix, which makes up Phase 1, plus the IE matrix that makes up stage 2, which serves to provide the information needed to compile the QSPM in Stage 3.

#### 2.5 Theoretical Framework

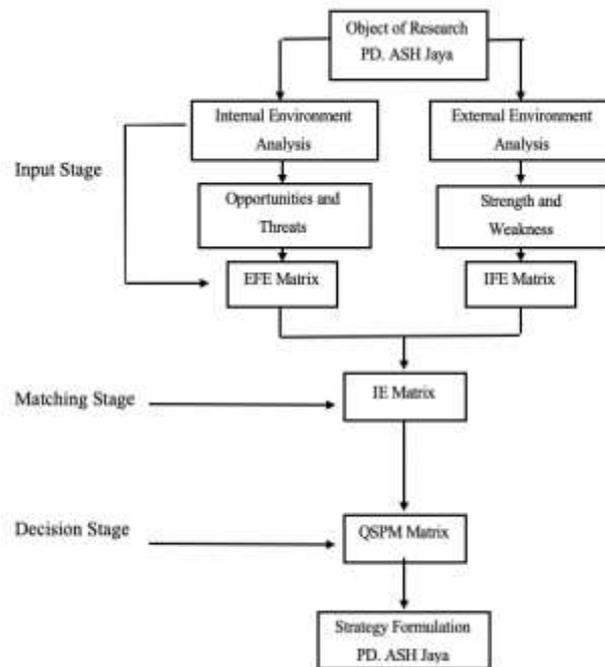


Figure 2.1: Theoretical Framework  
Sources: Processed data (2020)

### 3. RESEARCH METHOD

#### 3.1 Research Characteristics

Mixed method would be used in this research. Mixed method which consists of qualitative and quantitative methods. Qualitative methods are used to collect data by conducting interviews to determine the company's external and internal factors. External factors will analysis the opportunities and threats faced by PD. ASH Jaya at this time, while the internal factors will analysis the strengths and weaknesses of PD. ASH Jaya. Meanwhile, the quantitative method is used to weight IFE, EFE, IE, and QSPM to determine the strategies that can be used by the company and how the company can implement these strategies.

#### 3.2 Data Collection

In this study using primary and secondary data. Primary data collection was obtained from internal and external parties PD. ASH Jaya which has been determined through survey conducted by interview and questionnaire with five informants. While secondary data sources were obtained through documentation and literature study techniques, such as studies of company profiles, government and organizational publications, books, journals and the internet.

Data collection tools in this study were carried out by the method of unstructured interviews (in-dept interview) with informants. The purpose of unstructured interviews is to find deeper problems, where the interviewee is asked for his opinions and ideas.

### 4. RESULT AND DISCUSSION

#### 4.1 IFE Matrix

Based on the interviews results analysis that conducted by the researcher with five informants of PD. ASH Jaya who has authority in the implementation of company activities and is responsible for every development of the company and for determining company performance and activity policies.

Taking weights and ratings for each factor are filled by the five informants by discussing. Then the value of the weight and rating strengths and weaknesses are summed to get the IFE value. The following is a table of IFE matrix PD. ASH Jaya:

Table 4.1 IFE Matrix of PD. ASH Jaya

Key Internal Factor	Weight*	Rating**	Weighted score***
<b>Strengths</b>			
1. Excellent raw materials	0,05	4	0,22
2. Organization structure based on expertise and work experience	0,02	3	0,05
3. Employee turnover low	0,02	3	0,05
4. Good and updated machine	0,04	4	0,15
5. Good product planning and designing	0,04	4	0,15
6. Modern rice manufacture	0,02	4	0,07
7. The use of income as capital turnover	0,04	4	0,15
8. Good in capital allocation	0,04	4	0,15
9. Has good relationship with stake holders	0,04	4	0,15
10. Reliable raw materials supplying	0,05	4	0,22
11. Good quality of products	0,02	4	0,07
12. Strict standardization in quality control parameters for raw materials and products	0,05	4	0,22
13. Effective inventory policy and procedures	0,04	4	0,15
<b>Weakness</b>			
1. Traditional and ineffective communication	0,05	1	0,05
2. Traditional management system	0,05	2	0,11
3. High absenteeism level	0,02	2	0,04
4. No rewarding system	0,02	2	0,04
5. No punishment system	0,02	2	0,04
6. Unachieved market segmentation goal	0,04	1	0,04
7. SOP has not been implemented	0,04	1	0,04
8. Don't have any effective marketing strategy	0,05	2	0,11
9. Still don't have own brand for the product	0,04	2	0,07
10. Consistency of total customers	0,04	2	0,07
11. Uncertainty raw material price and product price	0,04	2	0,07
12. Still has not maximizing the use of the internet	0,04	2	0,07
13. R&D still not existed	0,02	2	0,04
14. Not using the database to assist in decision making (MIS still not existed)	0,02	2	0,04
15. Sales are determined by market conditions	0,04	1	0,04
16. The company don't have information system that would support the operational process	0,04	2	0,07
<b>Total</b>	<b>1</b>		<b>2.71</b>
<b>Information:</b>			
(*) : $W_i = \frac{S_i}{\sum_i S_i}$			
Where: $W_i$ : The weight of each factor - i			
$S_i$ : Key score of each factor - i (key score is 1-3 where 1= quite significant, 2= significant, 3 very significant)			
i: 1,2,3,...n			
(**): The rating value is determined based on the company's response to external conditions, information is obtained from the owner of PD. ASH Jaya			
(***) : Multiply result from weight and scores of each factor.			

Sources: Processed data (2021)

The main strength factor in PD.ASH Jaya with the highest score of 0.22 are that PD.ASH Jaya has excellent raw materials, reliable raw materials supplying and strict standardization in quality control parameters for raw materials and products. While the main weakness in PD.ASH Jaya with the highest score of 0.11 are the traditional management system and do not have any effective marketing strategy.

Based on the IFE matrix above, the total amount of the weight score of the key internal factors is 2.71. Based on the IFE matrix score, it identifies that internal factor are in a strong position because they are above 2.5 (David, 2015). This indicates that PD.ASH Jaya has been able to take advantage of its strengths to overcome weaknesses in managing the traditional management system in company and marketing its products. From the results above, it will

be placed in the IE matrix.

#### 4.2 EFE Matrix

Based on the interviews results analysis that conducted by the researcher and five informants of PD. ASH Jaya who has authority in the implementation of company activities and is responsible for every development of the company and for determining company performance and activity policies.

Taking weights and ratings for each factor are filled by the five informants by discussing. Then the value of the weight and rating strengths and weaknesses are summed to get the EFE value. The following is a table of EFE matrix PD. ASH Jaya:

Table 4.2 EFE Matrix of PD. ASH Jaya

Key External Factor	Weight*	Rating**	Weighted Score***
<b>Opportunities</b>			
1. Export rice	0,03	1	0,03
2. Getting information from external	0,09	4	0,35
3. Weather not affect the production process	0,09	4	0,35
4. The existence of government program such as social assistance	0,06	2	0,12
5. Use an internet presence	0,06	2	0,12
6. Rice as a staple consumption in Indonesia	0,09	4	0,35
7. The state of Indonesia as one of the largest rice producers in the world	0,09	3	0,26
8. Excellent in production technology	0,09	3	0,26
<b>Threats</b>			
1. Import affects the company business	0,03	1	0,03
2. Weather affects the quality of raw material	0,09	3	0,26
3. Traffic jam	0,09	3	0,26
4. Unclear demand	0,06	2	0,12
5. The possibility of new competitors to entry the industry is quite high	0,06	2	0,12
6. The required production machine has a high price and takes a long time to buy	0,09	3	0,26
<b>Total</b>	<b>1</b>		<b>2,91</b>
<b>Information:</b>			
(*) : $W_i = \frac{S_i}{\sum_i^n S_i}$			
Where, Wi: The weight of each factor-i			
Si: Key score of each factor-i (key score is 1-3 where, 1= quite significant, 2= significant, 3 very significant)			
i: 1,2,3,...n			
(**): The rating value is determined based on the company's response to external conditions, information is obtained from the owner of PD. ASH Jaya			
(***) : Multiply result from weight and scores of each factor			

Sources: Processed data (2021)

The main opportunities factor in PD.ASH Jaya with the highest score of 0.35 are getting information from external, weather not affect the production process, and rice as a staple consumption in Indonesia. While the main threats in PD.ASH Jaya with the highest score of 0.21 are weather affects the quality of raw material, traffic jam, and the requires production machine has a high price and takes a long time to buy.

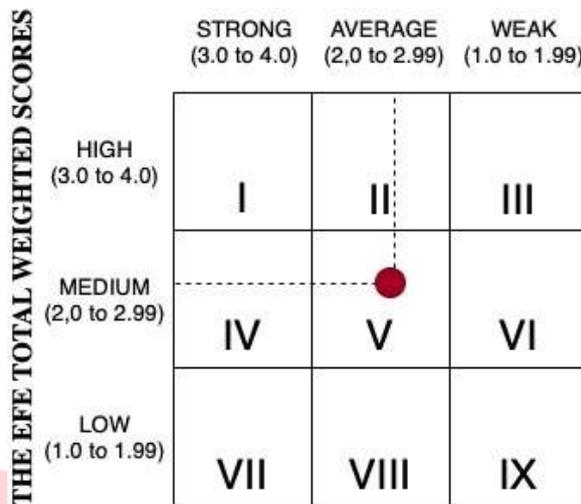
Based on the EFE matrix above, the total amount of the weight score of the key external factors is 2.91. Based on the EFE matrix score, it identifies that external factor are in a strong position because they are above 2.5 (David, 2015). This indicates that PD.ASH Jaya has been able to take advantage of its opportunities to overcome the threats that faced by the company. From the results above, it will be placed in the IE matrix.

#### 4.3 IE Matrix

To create an IE matrix, the authors list all internal factors including the strengths and weaknesses of PD. ASH Jaya and external factors which include the opportunities and threats of PD. ASH Jaya with create a questionnaire to be filled out by the company by assessing the weight and rate of each factor based on the level of importance and how the company reacts to each of these factors. Further research will be continued by determining the company's position in the IE matrix.

Table 4.3 IE Matrix of PD. ASH Jaya

**THE IFE TOTAL WEIGHTED SCORES**



Sources: Processed data (2021)

As shown in Table 4.6, PD. ASH Jaya falls in the position of cell number V that can be identified as hold and maintain where the companies need to do market penetration and product development.

**4.4 Quantitative Strategic Planning Matrix (QSPM)**

QSPM uses the weighted value and the Attractive Score (AS) value on the recommended strategy, and which will be assessed by the company's internal respondents. From these two values, the Total Attractive Score (TAS) will be obtained. In a journal written by Meredith and Fred R. David in 2009 entitled The Quantitative Strategic Planning Matrix (QSPM) Applied to A Retail Computer Store, it is stated that the QSPM matrix is analyzed and decided by owners and managers who can correlate with academics.

Based on the results of the analysis in the second stage (matching stage) using the IE matrix, the alternative strategies used in the QSPM matrix are as follows.

Table 4.4 QSPM of PD. ASH Jaya

Key Factors		Market Penetration			Product Development	
Key Factors		Do branding for the products and assign the patents for brand and logo, then do product marketing by advertising on tv or internet such as social media to dominate the market and compete with similar companies. To launch this strategy PD. ASH Jaya needs to recruit a marketer to do marketing.			Create new or better products	
Strength	W*	AS**	TAS***	AS**	TAS***	
1. Excellent raw materials	0,05	4	0,2	4	0,2	
2. Organization structure based on expertise and work experience	0,02	3	0,06	3	0,06	
3. Employee turnover low	0,02	2	0,04	3	0,06	
4. Good and updated machine	0,04	4	0,16	4	0,16	
5. Good product planning and designing	0,04	4	0,16	4	0,16	

6. Modern rice manufacture	0,02	4	0,08	4	0,08
7. The use of income as capital turnover	0,04	3	0,12	2	0,08
8. Good in capital allocation	0,04	3	0,12	2	0,08
9. Has good relationship with stake holders	0,04	3	0,12	2	0,08
10. Reliable raw materials supplying	0,05	3	0,15	3	0,15
11. Good quality of products and services	0,02	4	0,08	3	0,06
12. Strict standardization in quality control parameters for raw materials and products	0,05	4	0,2	3	0,15
13. Effective inventory policy and procedures	0,04	4	0,16	3	0,12
<b>Weakness</b>	<b>W*</b>	<b>AS**</b>	<b>TAS***</b>	<b>AS**</b>	<b>TAS***</b>
1. Traditional and ineffective communication	0,05	4	0,2	2	0,1
2. Traditional management system	0,05	4	0,2	4	0,2
3. High absenteeism level	0,02	2	0,04	1	0,02
4. No rewarding system	0,02	1	0,02	1	0,02
5. No punishment system	0,02	1	0,02	1	0,02
6. Unachieved market segmentation goal	0,04	3	0,12	4	0,16
7. SOP has not been implemented	0,04	3	0,12	3	0,12
8. Don't have any effective marketing strategy	0,05	4	0,2	3	0,15
9. Still don't have own brand for the product	0,04	4	0,16	3	0,12
10. Consistency of total customers	0,04	3	0,12	3	0,12
11. Uncertainty raw material price and product price	0,04	3	0,12	3	0,12
12. Still has not maximizing the use of internet	0,04	4	0,16	2	0,08
13. R&D still not existed	0,02	2	0,04	2	0,04
14. Not using the database to assist in decision making (MIS still not existed)	0,02	2	0,04	2	0,04
15. Sales are determined by market conditions	0,04	2	0,08	2	0,08
16. The company don't have information system that would support the operational process	0,04	2	0,08	2	0,08
<b>Opportunities</b>	<b>W*</b>	<b>AS**</b>	<b>TAS***</b>	<b>AS**</b>	<b>TAS***</b>
1. Export rice	0,03	3	0,09	3	0,09
2. Getting information from external	0,09	4	0,36	4	0,36
3. Weather does not affect the production process	0,09	3	0,27	3	0,27
4. The existence of government programs such as social assistance	0,06	2	0,12	3	0,18

5. Use an internet presence	0,06	3	0,18	1	0,06
6. Rice as a staple consumption in Indonesia	0,09	4	0,36	4	0,36
7. The state of Indonesia as one of the largest rice producers in the world	0,09	4	0,36	4	0,36
8. Excellence in production technology	0,09	3	0,27	4	0,36
<b>Threats</b>	<b>W*</b>	<b>AS**</b>	<b>TAS***</b>	<b>AS**</b>	<b>TAS***</b>
1. Import affects the company's business	0,03	3	0,09	4	0,12
2. Weather affects the quality of raw material	0,09	4	0,36	3	0,27
3. Traffic jams	0,09	2	0,18	1	0,09
4. Unclear demand	0,06	2	0,12	1	0,06
5. Possible entry of new competitors to this industry	0,06	2	0,12	3	0,18
6. The required production machine has a high price and takes a long time to buy	0,09	3	0,27	3	0,27
<b>Total</b>			<b>6.52</b>		<b>5.94</b>
<b>Ranking</b>			<b>1</b>		<b>2</b>
<b>Information:</b>					
(*) The weight value obtained from IFE and EFE Matrix					
(**) The AS value is determined based on the company's response to external conditions, information is obtained from the owner of PD. ASH Jaya					
(***) Multiply result from Weight x AS of each factor					

Sources: Processed data (2021)

Based on the results of the QSPM matrix which contains alternative strategy sourced from the explanation of the internal and external matrix, there are two alternative strategies that recommended for PD.ASH Jaya, market penetration and product development. The TAS calculation of each alternative strategy is filled by five PD ASH Jaya informants who has authority in implementation of company activities and responsible for every development of the company and for determining company performance and activity policies. The following are the results of QSPM matrix, which can be seen from the highest TAS scores:

1. Market penetration strategy with branding for the products and do patents for brand and logo, then do product marketing by advertising on tv or internet such as social media to dominate the market and compete with similar companies. To implement this strategy PD. ASH Jaya needs to recruit a marketer to do marketing. The strategy above is the main strategy that recommended for PD. ASH Jaya because it has the highest TAS value of 6.52
2. Product development strategy with create new or better products. This strategy is the second alternative strategy for PD. ASH Jaya and this strategy has TAS value 5.94.

#### 4.5 Analysis of Research Result

According to QSPM result, the appropriate solution for PD. ASH Jaya is market penetration. Market penetration in PD. ASH Jaya can be done by branding the product first and then assigning the patents for brand and logo because when the company will do product marketing, the company must have a product identity first and customers can easily recognize the product. After determining the patent, the company can market the product by advertising on TV or the internet such as social media to dominate the market and compete with similar companies. When PD. ASH Jaya does advertise, there are several ways to get consumers interested in the products offered by the company, first thing is that the company needs to provide information about the advantages of the product offered compared to other brand products. Second, the company can provide the best price offers such as giving discounts to customers who make purchases in certain quantities as a promotional effort to increase the volume of product sales or offer a cheap price compared to competitors. Third, companies can create advertisements by involving famous public figures or famous influencers or artists to invite people to consume premium rice from PD. ASH Jaya by providing information about the superiority of rice produced by PD. ASH Jaya, when the company will do ads on social media, the company can try with do endorsement or paid promote to some influencer that has a lot of followers in social media, and the fourth is to open a retail agent to be sold directly to customers or try to do business-to-customer sales. So, that can increase the value of sales.

To implement this strategy, PD. ASH Jaya needs to recruit a competent marketer to implement product marketing. Because when viewed from the internal factor, PD. ASH still does not have human resources in the marketing department.

## 5. CONCLUSION AND SUGGESTION

### 5.1 Conclusion

Based on the interviews that have been conducted with the informants at PD. ASH Jaya who is competent in the rice industry, as well as the results of the analysis and discussion conducted by the author in chapter IV, it can be

concluded that:

1. The internal condition of PD.ASH Jaya is strong in utilizing its strengths to overcome its weaknesses in managing the traditional management system in company and marketing its products with the main strength being excellent raw materials and strict standardization in quality control parameters for raw materials and products.
2. The external condition of PD. ASH Jaya is strong in taking advantage of existing opportunities and able to anticipate threats faced by PD.ASH Jaya, the main opportunities factor in PD.ASH Jaya is rice as staple consumption in Indonesia. While the main threats in PD.ASH Jaya is the weather affect the quality of raw material.
3. The alternative strategy for PD.ASH Jaya is seen from the analysis of external and internal factors there are 1) market penetration strategy by branding products and assign the copyrights, then do product marketing by advertising on radio, tv, social media, or banners to dominate the market and compete with similar companies. To launch this strategy PD. ASH Jaya needs to recruit a marketer to do marketing and 2) product development with create new or better products.
4. The appropriate business strategy for PD.ASH Jaya is seen from the analysis of external and internal factors with using QSPM is market penetration. Market penetration in PD. ASH Jaya can be done by branding the product first and then assigning the patents for brand and logo, because when the company will do product marketing, the company must have a product identity first and customers can easily recognize the product. After determining the patent, the company can market the product by advertising on TV or internet such as social media to dominate the market and compete with similar companies. When PD. ASH Jaya does advertise, there are several ways to get consumers interested in the products offered by the company, first thing is that the company needs to provide information about the advantages of the product offered compared to other brand products. Second, the company can provide the best price offers such as giving discounts to customers who make purchases in certain quantities as a promotional effort to increase the volume of product sales or offer a cheap price compared to competitors. Third, companies can create advertisements by involving famous public figures or famous influencers or artist to invite people to consume premium rice from PD. ASH Jaya by providing information about the superiority of rice produced by PD. ASH Jaya, when company will do ads in social media, the company can try with do endorsement or paid promote to some influencer that has a lot of followers in social media, and the fourth is to open a retail agent to be sold directly to customers or try to do business-to-customer sales. So, that can increase the value of sales. To implement this strategy, PD. ASH Jaya needs to recruit a competent marketer to implement product marketing. Because when viewed from the internal factor, PD. ASH still does not have human resources in the marketing department.

## 5.2 Suggestion

### 5.2.1 The suggestion for PD. ASH Jaya

The suggestions that can be given to next researchers are:

1. Based on the results of considerations and discussions, the appropriate solutions for internal factor problem is as follows:
  - a. Traditional and ineffective communication  
To overcome this problem PD. ASH Jaya can change their communication by using whatsapp or other communication application to create PD. ASH Jaya is easier to conduct briefings or share any information with employees in the company. PD. ASH Jaya can also create groups based on divisions and create core groups for division heads so that employees and stakeholders do not need to have briefings in the morning to discuss what they should do in the company for the day.
  - b. Traditionnal management system  
To overcome this problem the company can do automation in everything in that company, such as starting to implement a management information system in each of its activities for example doing absent by tapping, collecting data using databases, and have their own company website, and other.
  - c. High absenteeism, no rewarding and punishment system.  
To overcome this problem the company can start to implement a reward and punishment system so that employees will feel afraid if they will do a violation and will be motivated to give the best performance for company.
  - d. Unachieved market segmentation goal  
Basically, PD.ASH Jaya already has a good market segmentation, but there are goals that have not been achieved by PD. ASH Jaya is starting to sell on a business to customer basis. To do that PD. ASH Jaya needs to do branding on its own products, then start introducing its own product brands to the market, either to business again or to customers, after branding and introducing, when there is a positive reaction, PD. ASH Jaya can start doing advertisements for their products, because currently PD.ASH Jaya is a rice producer for other rice businesses.
  - e. Haven't maximize market research  
Basically PD. ASH Jaya has done market research before making a sale by analyzing the buyer's habits, for example what kind of rice is selling well for buyers from area A, area B and area C. It's just PD. ASH Jaya needs to maximize it again, so there will be no miss information. Likewise later when PD. ASH Jaya will launch its own brand, PD. ASH Jaya must really know what customers want and need. This can be done by collecting data about the customer through questionnaire, group riset, survey, or observation and then analyzing how the customer responds to the product.
  - f. SOPs has not been implemented

In order to run the company well, the company needs a clear SOP. Either in the organization or the work function of each division. So owner of PD. ASH Jaya does not need to handle all the problems that exist in the company by himself. If the SOP is clear, then there are rules that can regulate the running of the company properly and in a structured way.

- g. Don't have any effective marketing strategy and still don't have own brand  
For this problem, the owner needs to study more deeply about how to create their own brand, or whether the company can recruit people who are experts in marketing
- h. Still has not maximizing the use of internet  
The internet today makes people easier to get information or communication with others. PD. ASH Jaya can maximize the use of the internet to get and process information, to communicate, and also to do marketing.
2. Based on the results of considerations and discussions, the appropriate solutions for external factor problem is as follows:
  - a. Import rice from government affects the company business  
When this happens the company can overcome it by marketing the product to attract enthusiasts. And because of PD. ASH Jaya sells rice products with premium quality PD. ASH Jaya can explain that its products are different from other products, such as highlighting the advantages of premium rice, so that the rest is up to the consumer's decision.
  - b. Weather effect the quality of raw materials  
To solve this problem, PD. ASH Jaya can stock raw materials when the weather is good. So when the weather is approaching the rainy season, and the raw material before the rainy season is good. PD. ASH Jaya can do the stocking of goods.
  - c. Traffic jam  
To solve this problem, the company can make deliveries earlier than usual if they see the road situation is full such as certain moments like in ramadhan or the company can make deliveries at night when there is no heavy traffic activity.
  - d. Unclear demand  
To solve this problem, we recommend PD. ASH Jaya contracts with customers so that the company can know how many requests are requested by the customer (if the system is business to business).
  - e. Possibility entry new competitors to this industry  
To overcome this problem, companies must gain loyalty from customers, by providing good quality goods, then providing attractive offers to customers, and also perhaps being able to provide the best prices for their customers. So that when customers are loyal to the company, they will stay there.
  - f. The required production machine has a high price and takes a long time to buy  
For this problem, the company should do research or analysis before the product is sold. When the new product does not change too much, the company does not need to rush to change machines or buy new machines. Maximize the existing machine first. But when one day the company will buy it, the company can make independent purchases or buy together with other companies so that the shipping costs will not be too high.
3. Based on the results of considerations, discussions, and objective calculations, the advice given to PD.ASH Jaya is to do product branding and do product marketing, and recruiting marketing staff who are competent in their fields to do advertising or by doing online marketing on the internet or by using social media on the internet.

#### 5.2.2 The suggestion for next researcher

The suggestions that can be given to next researchers is add other techniques in strategy formulation such as the SWOT Matrix, BCG Matrix, CPM and SPACE Matrix in Matching Stage stage. So that the result obtained is expected to be even better than in this study.

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