Analysis of Cutting Tool Business Development Strategies PT.JKL

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ABSTRACT

Automotive industry is one of the manufacturing sectors that contributes greatly to the Indonesian economy. PT. JKL is one of the supporters of the automotive industry, namely as a distributor of cutting tools. As a growing company that is still in the catagory of MSMEs, this company has many shortcomings to grow its business. This research was conducted to find the right strategy for the development of this company. From the results of the ife matrix study got a score of 2,784 and EFE got a score of 3,413 then, the company was included in quadrant II in the IE matrix, which is growing and developing. SWOT matrix is used to create strategies in this research there are several alternatives, while the priority strategy of QSPM is to add experienced marketing human resources, add cutting tools, establish and maintain emotional relationships with prospective customers and old customers, create a company website, make agreements that facilitate the mop.

Keywords : Business strategy, strategy formulation, cutting tool, SWOT, QSPM

I. INTRODUCTION

The automotive industry in Indonesia is one of the important pillars in the manufacturing sector in Indonesia. The increase in the number of production and sales in southeast Asia has shifted to producing low cost green car (LCGC) [1]. Domestic production and sales tend to increase from 2010 to 2018, such production and sales to meet domestic and international markets.

In line with increasing production and sales of vehicles in the country needed components to support the production of such vehicles, it makes the demand for components also increased [2]. Automotive industry in Indonesia is included in five important manufacturing sectors, the industry is growing very well in Indonesia. Each company has a competitive strategy, one of which benefits its resources for activities.

The resources in the company are divided, but the startegi makes it a system in order to connect with each other well [1]. Every company in order to compete must continue to grow and develop in running its business, especially innovating in business competition [3] Sales in the company is very important and will affect the profit earned by a

company, if the greater the sales profit earned greater [4].

According to [5], MSMEs can also survive the economic crisis, msmes that survive it is able to contribute the economy to the development of the nation. MSMEs have a big role in Indonesia. MSMEs are also a pillar of Indonesia's economic development in this digitalization era [6]. In the automotive industry, the ministry of industry compared to 20 years ago, the performance of the industry has started to improve significantly, this is in line with the increasing investment in the country, where many global producers have used Indonesia as its production base to fill the export market. As an MSMEs this company has limitations such as human resources, lack of knowledge about technology and innovation in developing its business.

To make components that support the needs of the market in the use of cutting tools commonly called cutting tools in the automotive industry. Cutting tools are used to create patterns on components that support the production of vehicles such as making molds or components that can be directly used [7]. Cutting tool business in Indonesia is very related to the automotive industry, cutting tools are used to facilitate jobs in the industry. Cutting tools in circulation in Indonesia are generally imported from abroad.

Cutting tools have various types of shapes, materials and sizes, all of them to facilitate production work [8]. Accuracy in choosing a cutting tool product will produce a good quality degan product and can also provide a decrease in production costs (Fan et al., 2020). Business PT. JKL is selling cutting tools such as cutting edge for rotating machines and non rotating Tight competition in this business makes PT. JKL must make the right strategy in developing its business.

In the automotive industry in Indonesia depends on the manufactur of Japanese companies in Indonesia, because most automotive companies in Indonesia are dominated by Japanese companies [2] Competition in the field of cutting tools greatly prioritizes the relationship between customers. According to [9] customer satisfaction will affect customer loyalty attitude, aspects that support customer satisfaction, namely product quality, quality of service and suitability of the results of the work. In this business the cost of production per unit is very much in mind, therefore the cutting tool product must have technology that supports customer production [10].

PT. JKL has been established since 2007 until now it has been 14 years still exist in this business Not in the left every year emerging new entrants in this business, making competition become tighter in marketing cutting tools in Indonesia. Customers annually also ask for a decrease in the price of cutting tools that aim to reduce production costs so that the production has a good selling competitiveness [11]. This research was conducted to analyze the business development strategy of cutting tools in PT companies. JKL. The owner of the company considers it necessary to make a change to develop the company in order to continue to exist in this business, namely to make a strategy in developing the business and improving the internal company in developing the resources owned by persuahaan. Therefore, a study was conducted with the purpose of research, which is to analyze what are the external and internal factors that affect the business development of PT. JKL, what are the alternative strategies for PT. JKL in developing the business, and how the priority level of alternative strategies to be implemented in PT. JKL.

II. METHOTDS AND MATERIAL

This research was conducted at PT. JKL located in Bekasi and in some stakeholders such as suppliers and customers located in the industrial area cibitung,

cikarang, this research was conducted in October to December 2020. According to [12] if the research involves stakeholders will make research more specific in the identification of the industrial environment. [13] recommends scanning industry analysis using analysis (Five Forces Porter) The research approach used is descriptive in the form of case studies.

The data retrieval method uses descriptive and qualitative methods. Qualitative method approach in analysis through external and internal factors. While quantitative is used for the formulation of alternative strategies with SWOT. This analysis provides systematic analytical instruments to identify internal and external factors and the selection of the most suitable strategy determines the best suitability between the factors of the two matrices in choosing which strengths, weaknesses, opportunities and threats can affect the company [14]. As for the priority strategy of using QSPM. The types of data used in this study are primary and secondary dara types, the data used are primary data and secondary data obtained from the internal and external environments of the company This research phase includes analyzing internal and external conditions with five porter force and PEST analyst models.

Previous research using almost the same method to analyze his research is: [2] conduct research on business development in the automotive industry. Research This type of research is qualitative, starting with external and internal analysis, and then using SWOT and QSPM to determine the priority of the strategy to be taken. [15] conducted research on the development strategy of the CV MSA business model in Majalaya, Bandung, West Java, this study uses a descriptive research approach with case studies and uses canvas and SWOT business analysis. [16] conducted research on The Taxi Company's Competing Strategy in Dealing with Environmental Changes, this study uses quantitative and qualitative descriptive method approach, to analyze using Matrix (IFE), Matrix (EFE), QSPM Analysis. [17] conducted research on Honey Business Development Strategy on CV ATH-thoifah Through Business Model Canvas Approach, this study uses descriptive method approach in case study and analysis using Strategy Analysis, SWOT Analysis, AHP.

[18] Conducting research on PT's business strategy. Pariwara Advertising in the outdoor media industry of DKI Jakarta. Research analyzes internal and external conditions in continued with SWOT analysis and determines strategy priorities using QSPM. [19] Conducting research on Strategy Development of PT ABC Niaga in Gas Distribution Industry. This research analyzes with capital budgeting, EFE, IFE, SWOT and strategy determination using QSPM.

Data collection methods are used to obtain primary data through interviews and filling kusioner to stakeholders who have a role in the preparation of business development strategies at PT. JKL. According to [20] to look for internal factors of strengths and weaknesses to specifically use the interview in depth. While secondary data in the form of library studies include internal :d ata companies, the ministry of copration and msmes, and other relevant data sources. In this research, the determination of respondents is conducted by purposive sampling starting from the internal owner of the company who is still atif to be the president director, finance director and director of operations, while from the external principle of brand cutting tools AEU as many as two people, and customers of the company as many as five people.

The stage of data processing and analysis method in this research uses three-stage approach of strategy formulation [21] namely: input stage, matching stage and decision stage. The first stage of input stage by analyzing and evaluating internal environmental conditions in the form of identification of resources in the company to obtain strength and strength while evaluating external environmental conditions using five force porte's and PEST analysis to obtain

opportunities and threats. Furthermore, ratings and weighting are carried out on each internal and external factors by comparative methods, then the rating and weighting are input into the IFE matrix and EFE matrix.

The matching stage is the stage for formulating an alternative business strategy with the following stages: inserting the totals of the EFE and IFE matrices into the IE matrix, where the IE matrix is used to determine the business position of PT. JKL currently, then formulate a strategy in accordance with the business position of PT. JKL with SWOT matrix. The decicion stage is the last stage of strategy analysis. At this stage, the rating of alternative strategies obtained from swot matrix, after being rated in the QSPM input to produce alternative priority strategies to be used by PT. JKL.
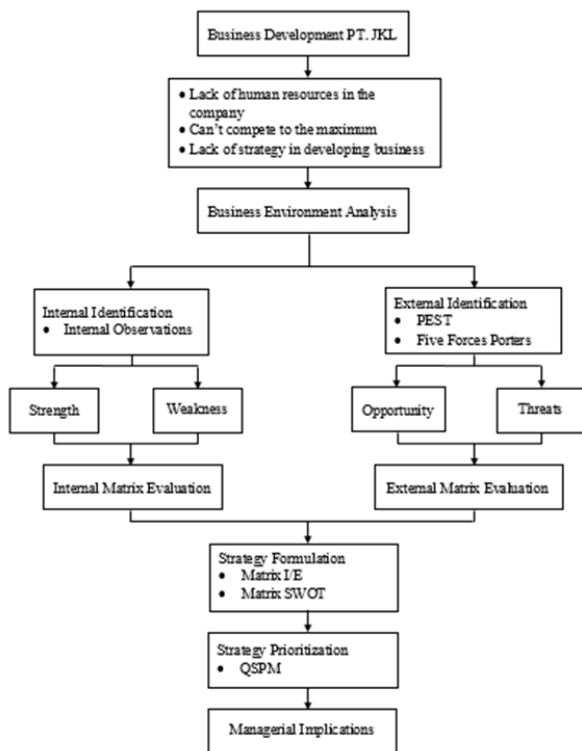

Figure 1. Research Framework

III. RESULT AND DISCUSSION

Bussiness PT.JKL

PT. JKL was founded in 2007, at the time of starting its business the owner does not have a license as a distributor cutting tool, the owner of the company sells a variety of brand cutting tool products by selling to his friends who used to be his customers before the owner opened his own company. With not much capital and good relations with its customers the owner established PT. JKL which is still running until now 14 years. AEU cutting tools distributor license obtained in 2010 because of good relations with the principle in Indonesia that has long been a friend of the owner of the company. With the distributor license obtained make PT. JKL is more existent and confident in growing its business. Company location in east bekasi. The owner chooses the place there because it is quite close to the industrial area.

Internal Environment Identification

Internal business environment analysis pt. JKL uses several aspects in the company's internal management, finance, marketing, penelitain and development and information systems from those aspects in pespesifiki again to better identify the internal condition of the company in order to obtain strengths and weaknesses of the company. From the internal environment conditions obtained strength as much as 6 factors and weaknesses as much as 5 factors.

Eksternal Environment Identification

Identify external environmental analysis in this study using Five force porter's and PEST approaches. Analysis with this data is done so that the company can benefit opportunities and minimize existing threats. The analysis was conducted by interviewing 7 (seven) external respondents with, from this analysis, 5 (five) opportunity factors and 8 (eight) threat factors.

Internal factors evaluation (IFE) and external factor evaluation (EFE)

When internal and external factors have been obtained then each factor in the input to the table is given a rating and weight of each factor, weighting is done by means of average calculation of internal and esternal respondents. While the rating is obtained

from the mode of results from respondents. The total internal factors evaluation score is 2,784, indicating the condition of PT. JKL in a moderate state that is (2.00-2.99) untPuk using strengths and knowing weaknesses while the total external factor evaluation score is 3,413 this indicates the condition of PT. JKL is in a strong position (3.00-4.00) to respond to opportunities and threats from outside.

Tabel 1. Internal factor evaluation (IFE Matriks)

Factor Internal	Rating	Bobot	Skor
Strenght			
1. Business planning	3	0,099	0,297
2. Fast in decision making	4	0,108	0,432
3. Ability to manage cash flow	3	0,090	0,360
4. Analyze data and market information	3	0,090	0,360
5. After sales	3	0,099	0,297
6. Number of AEU cutting tools products	3	0,090	0,270
Weekness			
1. Jobdesk division is not appropriate	1	0,081	0,081
2. Unstable achievement of revenue	2	0,081	0,162
3. Product price Low quality	2	0,099	0,198
4. HR marketing	2	0,072	0,144
5. Regulations between distributors are strict	2	0,090	0,180
Total		1	2,784

Tabel 2.Eksernal factor evaluation (EFE Matriks)

Factor Eksternal	Ranking	Bobot	Skor
Oportunity			
1. Economies of Scale	4	0,093	0,372
2. Good relationship with buyers	4	0,079	0,317
3. Level of technological development	3	0,072	0,217
4. Market segmentation	3	0,086	0,258
5. Product quality	4	0,083	0,331
Factor Eksternal	**Rangking**	**Bobot**	**Skor**
Threats			
1. Unstable foreign currency	3	0,072	0,217
2. Access distribution channels	3	0,066	0,196
3. Dependence on brand	3	0,072	0,217
4. Number of competitors	4	0,079	0,317
5. Competition strategy	3	0,072	0,217
6. Domestic political situation	3	0,072	0,217
7. Government's revility	3	0,072	0,217
8. Substitution product threats	4	0,079	0,317
Total		1	3,413

Business Positioning Analysis PT. JKL

After getting the total score of the results of IFE and IFE in maxukan into the matrix IE aims to know the business position of PT. JKL today by mapping it. The results of the IE matrix show that pt positioning. JKL is in the second quadrant that is growing and developing, then the strategy that must be done is an intensive strategy that is market penetration, market development and product development. Another strategy is integration strategy Analisa SWOT bisnis PT.JKL

The results of strategy analysis from the SWOT matrix obtained 6 (six) alternative strategies. The first strategy is the S-O strategy which is to make an

agreement that facilitates the customer, that the customer does not need stock. In terms of doing business is not only about price, but there are other things to note, one of which is the inventory of a company. In view of the trend of large companies are always pressed to reduce production costs even though the workers in the company has maximized the budget given by the company in terms of production. In this research alternative strategy that can be given by this company to its customers is to give an agreement that customers do not have to have stock in their warehouse, that way the customers of this company can reduce the budget is quite large. From the results of discussions with customers of this company, usually they will stock the goods as much as 2 months. This strategy is perfect for customers of this company who want to minimize the existing budget.

The second strategy is W-O's strategy of giving rewards and giving punishment Rewards is a form of corporate appreciation to employees who have helped the company in achieving the target, a form of reward in the form of commissions for human resources marketing and intensive bonuses for administrative employees. This rewards in addition to being a form of corporate appreciation, also aims to provide motivation to employees to always provide the best performance in the company. Punishment is a form of firmness of the company to employees who can not or have not been able to show their best performance in achieving the company's goals. The form of punishment that will be given by the company ranging from persuasive reprimand, giving warning letters, giving suspensions and if it is very detrimental to the company will be dismissed. The punishment is intended so that employees do not make the same mistakes. Sekedar08

The third strategy is the S-T strategy of creating a corporate webseite. The development of technology is getting more and more advanced. The Internet is the fastest growing technology today. With the internet all information can be obtained. The company's website is a collection of quiet information of the company itself. In this study this company does not have a company website, even though technology is developing but this company does not yet have a

company website. Creating a company website will be very petrifying for the company in introducing its products.

The fourth strategy is W-T namely: Adding experienced marketing human resources is the most important part in the company, the result of this research turns out that human resources marketing owned by this company is still not maximal in marketing goods owned by PT. JKL. therefore, improving human resources marketing that already has experience becomes one of the suitable strategies to develop this company and achieve the goals of the company.

The fifth strategy also from W-T is adding products added products in the hope to boost sales of PT. JKL, with the addition of products does not focus only with AEU cutting tools only. That way customers can be more pampered with other options owned by PT. JKL.Prioritas alternative strategi bisnis PT.JKL

The last stage in the stragtegi is to make the strategy priorities that have been made. This method uses QSPM to make its decision. The first step of decision making is done by measuring its relative pull to internal and external factors. The second step is that each weight value on each internal and external factor will be multiplying the value that can be through the attractiveness of each existing alternative strategy. After obtaining the result will generate a total attractiveness Total Attractivess Score (TAS). Here are the results of the analysis of priority order: (1) Strategy to develop marketing programs and increase human resources marketing with Total Attractivess Score (TAS) 5,539 (2) Strategy Add cutting tool products with Total Attractivess Score (TAS) 5,470 (3) Strategy to establish and maintain emotional relationships with potential customers and existing customers with Total Attractivess Score (TAS) 5,468 (4) Strategy to create a company website with Total Attractivess Score (TAS) 5,225 (5) Strategy to make a business njian that facilitates customers, that customers do not need to stock with Total Attractivess Score (TAS) 5,080 (6) Strategy gives more rewards if it reaches the target and gives punishment if it does not obey the rules with Total Attractivess Score (TAS) 4,692.

Managerial implications

Based on the planned startegi plan and QSPM results, the planned strategy must be realized properly. With the priority of the strategy is expected to develop this company. This strategy is also expected to add market cutting tools for this company. Stategi action plan to develop PT. JKL is scheduled for the next 2 years.

IV. CONCLUSIONS AND SUGGESTION

Internal Analysis results identify strength in PT. JKL is business planning, fast in decision making, ability to manage cash flow, analyze market data and information, After sales, and the number of AEU cutting tool products. While the weakness of PT. JKL is the division of inappropriate jobdesk, unstable achievement of revenue, product prices, low quality of human resources marketing and tight inter-distributor relationship. External Analysis results identify opportunities in PT. JKL is economies of scale, good relationships with buyers, the level of technological development, market segmentation and product quality. While the threat is unstable currency, access to distribution channels, dependence on brands / brands, the number of competitors, strategic competition, the domestic political situation, government policy, the threat of substitution products. Pt. JKL in the analysis of the strategy of entering the category of growing and building, alternative strategies adjust the results of the analysis is to add experienced marketing human resources, add cutting tools products, establish and maintain emotional relationships with prospective customers and old customers, make the company's website make agreements that facilitate customers, that pelalanggan do not need stock goods, and provide more rewards if it reaches the target and provide punishment if it does not comply with the regulation.

The results of decision making with QSPM method obtained from Total Attractiveness Score (TAS) which is the priority order is to add experienced marketing human resources, add cutting tool products, establish and maintain emotional relationships with prospective customers and old customers, create a company website, make agreements that make it easier for customers that pelalanggan do not need stock goods, and provide more rewards if they reach the target and give punishment if does not obey the rule.

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